
File ID: 2026-00515

3/3/2026

**Delta Shores Finance Plan and Development Impact Fee Update [Two-Thirds Vote Required]
[Noticed 01/30/2026] [In Lieu of Pass for Publication Ordinance to be Published in its Entirety]**

File ID: 2026-00515

Location: District 7 and 8

Recommendation: Conduct a public hearing, and upon conclusion, 1) pass a **Motion** by two-thirds vote to have the Ordinance bypass the Law and Legislation Committee ; 2) adopt a **Resolution** adopting the updated Delta Shores Finance Plan and Nexus Study Findings; and 3) adopt an **Ordinance** amending Article X of Sacramento City Code Section 18.56 to replace all references to "Stone Boswell" with "Stone Beetland."

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Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Resolution
- 4-Exhibit A: Updated Delta Shores Finance Plan
- 5-Ordinance

Description/Analysis

Issue Detail: On January 13, 2009, the City Council approved the Delta Shores Planned Unit Development (PUD) and the associated Delta Shore Finance Plan (2009 Finance Plan), which identifies the public infrastructure and facilities required for buildout and potential financing mechanisms. The Delta Shores PUD anticipated development of a 782-acre master planned community with a mix of commercial and compact residential development. A development agreement with the master developer (M&H Realty Partners VI, L.P.) (M&H) was also approved in 2009 and describes some of the construction and timing requirements for infrastructure improvements.

On January 10, 2012, the City and M&H entered into the “Cost Sharing Agreement I-5 Interchange and Cosumnes River Boulevard Extension” (Cost Sharing Agreement) (City Contract No. 2012-0059) that describes the timing, funding, construction, and reimbursement terms between the City and M&H related to the funding of the Cosumnes River Boulevard (CRB) Extension and the CRB/I-5 Interchange.

Subsequently, on August 9, 2012, the City Council added chapter 18.38 to the City Code, thereby establishing the Delta Shores Planning Area Regional Infrastructure Fee (Regional Fee), which provides for reimbursing the developer’s costs related to the construction of the I-5 Interchange and Cosumnes River Boulevard extension.

On September 24, 2019, Council approved the updated Delta Shores Finance Plan (2019 Finance Plan) and established the associated Delta Shores Impact Fee (DSIF), whereby the City would collect fees from developers of new construction projects in the Delta Shores development to help pay for public facilities and infrastructure that will be needed as a result of the new development. The DSIF includes the I-5 Interchange and CRB Extension as one of the fee components and replaces the Regional Fee established in 2012.

The DSIF is comprised of two sub-areas: Delta Shores and Stone Beetland (previously known as “Stone Boswell”). Because many of the improvements in the 2019 Finance Plan serve both Delta Shores and Stone Beetland, both areas are included in the financing mechanisms included in the 2019 Finance Plan. However, the DSIF creates separate fees for each sub-area because there are certain improvement costs that are applicable to only one of the sub-areas, and therefore the DSIF fee applicable to each sub-area is different. Developers or landowners constructing certain public infrastructure that will be conveyed to the City upon completion in either sub-area are eligible for reimbursements or credits against applicable DSIF components per the 2019 Finance Plan.

The Stone Beetland PUD was approved in 2023 and consists of approximately 141 acres located to the east of the Delta Shores sub-area. It is envisioned that the Stone Beetland PUD will include a mix of single family and multifamily housing and a small amount of mixed-use commercial development.

Changes in land use assumptions, infrastructure needs and costs, and changes in facilities to be funded by the DSIF have necessitated an update to the 2019 Finance Plan, and that update is included as Exhibit A to the attached Resolution (the “Updated Finance Plan”). The purpose of the Updated Finance Plan is to update remaining development, remaining costs, and funding amounts by source. Based on these updates, the DSIF fee components were recalculated to ensure the required amount of DSIF funding is achieved. This Updated Finance Plan includes updates to land use assumptions, as well as to infrastructure and facility improvement costs based on actual costs of completed infrastructure and updated estimates for remaining infrastructure and facilities. In certain cases, Delta Shores infrastructure and facility requirements include the construction or advance-

funding of improvements that also serve Stone Beetland. This Updated Finance Plan therefore also considers funding and reimbursement obligations associated with the Stone Beetland site as part of an overall update to the development and infrastructure funding strategy for Delta Shores.

Major changes from the 2019 Finance Plan include reallocating DSIF credits (except roads and sewer) solely to Delta Shores, while road and sewer credits remain shared with Stone Beetland. Trails will be funded through the DSIF program, with Stone Beetland's trail costs added. However, Stone Beetland will independently fund regional parks, storm drainage, open space, and transit improvements outside of the DSIF program so costs for those facilities are not included in calculating the amount of the proposed DSIF. Sewer costs have increased and will be covered by the DSIF program, and both areas are exempt from paying City Sewer Development Fees.

The increased costs of remaining fee-funded improvements and facilities have led to a higher overall fee amount in the Delta Shores sub-area compared to the most recent annual update in 2025. For example, the total Delta Shores sub-area fees are proposed to increase by \$2,300 per unit for Low Density Residential Units and \$1,242 per unit for High Density Residential units. This increase is primarily due to inflation adjustments in the outstanding fee credits obligation, the addition of sewer facilities as fee-funded infrastructure, and rising costs of remaining fee-funded public facilities. However, increases were partially offset by a decrease in the Regional Infrastructure component due to periodic partial redemption of the regional infrastructure credit. A full summary of the revised Delta Shores sub-area fees for all land uses is provided in Table 1-5 of the attached Updated Finance Plan.

For the Stone Beetland sub-area, the Regional Infrastructure fee component is charged on a "per-acre" basis and is collected prior to final map approval as outlined in the Cost Sharing Agreement. Similar to the Delta Shores sub-area, the Stone Beetland sub-area Regional Infrastructure fee decreased from the amounts currently in effect due to periodic partial redemption of the regional infrastructure credit. For example, the Regional Infrastructure fees are proposed to decrease by \$31,038 per acre for Low Density Residential land and by \$29,851 per acre for High Density Residential units.

The Backbone Infrastructure and Public Facilities components of the Stone Beetland sub-area are charged on a "per unit" basis. Similar to the Delta Shores sub-area, these components of the fee are proposed to increase from the amounts currently in effect. For example, in total these components of the Stone Beetland sub-area are proposed to increase by \$2,488 per unit for Low Density Residential Units and \$1,946 per unit for High Density Residential units. A full summary of the revised Stone Beetland sub-area fees for all land uses is provided in Table 1-6 of the attached Updated Finance Plan.

Policy Considerations: The Updated Finance Plan is consistent with the requirements of the Mitigation Fee Act (Government Code section 66000 et seq.), City Code Chapter 18.56, and new requirements for nexus studies established by AB 602.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA Guidelines, administrative proceedings related to implementation of an impact fee program (an impact fee program being a funding mechanism) without commitment to any specific projects which may result in a potentially significant physical impact to the environment do not constitute a project for purposes of CEQA and are not subject to CEQA review [14 Cal. Code Regs. § 15378(b)(4)]. Infrastructure projects or other public facility projects funded by the DSIF will be evaluated under CEQA before construction is authorized.

The City prepared an environmental impact report (the “EIR”) that evaluated the environmental effects of the Delta Shores project (P06-197). On January 13, 2009, by Resolution No. 2009-0030, the City Council certified the Environmental Impact Report and the Planning and Design Commission later certified the EIR and an addendum for the commercial-development portion of the Delta Shores project (P14-025) on April 16, 2015. By Resolution 2023-0318, City Council adopted the Sustainable Communities Environmental Assessment and Adopted the Mitigation Monitoring and Reporting Program for the Stone Beetland Planned Unit Development (PUD) Project (P21-042) on October 10, 2023.

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: The Delta Shores Finance Plan is required to be updated periodically as more recent costs, funding, and land use data are available. Changes in the Delta Shores Finance Plan are re-evaluated within the context of the overall financing strategy to ensure required funding is available when needed. A nexus study is required under the Mitigation Fee Act when a new development impact fee is established or increased.

In regard to the proposed Ordinance, “Stone Beetland” is the same area previously identified as “Stone Boswell” in the 2019 Finance Plan and City Code Chapter 18.56, Article X. The name change reflects the developer’s updated name only; the boundaries and scope of the development area remain unchanged. Amending Article X of Sacramento City Code Section 18.56 to replace all references to “Stone Boswell” with “Stone Beetland” will ensure consistency between the City Code and the Updated Finance Plan.

Financial Considerations: The Updated Finance Plan identifies and provides the estimated cost of regional, backbone infrastructure, other public facilities, and public operation and maintenance services needed to serve new development in the Delta Shores and Stone Beetland areas. The

Updated Finance Plan also identifies the probable funding sources used to pay for the regional infrastructure, backbone infrastructure, and other public facilities.

The DSIF provides a mechanism to ensure that new development pays for the public infrastructure needed because of the effects of new growth. The DSIF framework also includes administrative fees to recoup staff time required to administer the DSIF. Revenues derived from the DSIF will be deposited in a separate fund and there is no impact on the General Fund from implementing the DSIF.

Local Business Enterprise (LBE): Not applicable.

Attachment 2

Background

The Delta Shores project area encompasses approximately 782± acres within the Delta Shores Planned Unit Development. The Delta Shores project is proposed for single-family, multi-family, commercial, mixed use, parks, open space, detention basins, schools, a community center, and a fire station. The Delta Shores project area is generally bounded by Freeport Boulevard to the west, the Sacramento Regional Wastewater Treatment Plant to the south and east, the Stone Beetland property (formerly Stone Boswell) and the Sacramento Job Corps Center to the east, and Meadowview Road to the north.

In 2009, the City Council approved a series of entitlements relating to the development of Delta Shores, including (1) approval of the Delta Shores Planned Unit Development, which envisioned a mix of commercial and residential development and various other entitlements, including a Development Agreement; (2) the original Delta Shores Public Facilities Finance Plan (the 2009 Finance Plan); (3) master and tentative parcel maps; and (4) certification of the project environmental impact report. Since 2009, development in Delta Shores has commenced, with the completion of Phase 1 of development along with key regional and backbone infrastructure components.

The Stone Beetland area, located adjacent to Delta Shores, was previously identified as “Stone Boswell” in earlier finance plan documents. For clarity, the “Stone Beetland” designation refers to the same geographic area that appeared as “Stone Boswell” in the 2019 Finance Plan and in City Code Chapter 18.56, Article X. This change in nomenclature reflects a change in developer name but does not alter the boundaries or scope of the development area.

In 2023, the City approved the Stone Beetland Planned Unit Development (PUD). The planned residential component covers approximately 141 acres and includes about 1,163 units, distributed across low, medium, and high-density housing. The commercial component consists of approximately 78,000 square feet of retail space on a 6.1 acre parcel. The land use plan also incorporates a network of parks and open spaces, along with a Regional Transit station.

Many of the improvements outlined in this Updated Finance Plan will serve both Delta Shores and the adjacent Stone Beetland site. Accordingly, this plan evaluates and allocates infrastructure requirements for both projects where appropriate.

Delta Shore Impact Fee

This Updated Finance Plan presents a strategy for financing required backbone infrastructure and other public facilities serving the proposed land uses within the Delta Shores project area. The Updated Finance Plan includes updated land-use

assumptions, backbone infrastructure and public facility costs, and, in certain cases, infrastructure and public-facilities requirements (including the construction or advanced-funding of improvements serving both the Delta Shores project and the Stone Beetland site). The Updated Finance Plan also considers funding and reimbursement obligations associated with the Stone-Beetland site as part of an overall update to the development and infrastructure funding strategy for Delta Shores. The Updated Finance Plan addresses the use of existing fee programs, a plan-area fee program (the DSIF), implementation of a land-secured financing district, and the use of other funding mechanisms to finance the construction of necessary infrastructure and public improvements.

RESOLUTION NO.

Adopted by the Sacramento City Council

_____, 2026

Adopting the Updated Delta Shores Finance Plan and the Delta Shores Impact Fee

BACKGROUND

- A. On January 13, 2009, the City Council conducted a noticed public hearing at which it received and considered evidence concerning the Delta Shores Public Facilities Financing Plan (the “**Plan**”). At the conclusion of the public hearing, the City Council approved the Plan (Resolution No. 2009-0037).
- B. On August 9, 2012, the City Council adopted a Delta Shore Planning Area Regional Infrastructure Fee Ordinance (Ordinance No. 2012-0033); however, the fee has never been charged for any development.
- C. On September 24, 2019, the City Council held a public hearing at which it received and considered evidence concerning updates to the Delta Shores Finance Plan. On conclusion of the public hearing, the City Council approved the updated Delta Shores Finance Plan (the “**2019 Finance Plan**”) and established the associated Delta Shores Impact Fee (the “**DSIF**”), whereby the City would collect fees from developers of new construction projects in the Delta Shores development to help pay for public facilities and infrastructure that will be needed as a result of the new development. Developers or landowners constructing certain public infrastructure in the Delta Shores project area that will be conveyed to the City upon completion are eligible for reimbursements or credits against applicable Delta Shores Impact Fees per the Finance Plan.
- D. The DSIF replaced the Delta Shores Planning Area Regional Infrastructure Fee within the Delta Shores and Stone Beetland (formerly known as Stone Boswell) areas.
- E. The 2019 Finance Plan has now been updated (the “**Updated Finance Plan**,” attached as Exhibit A) to capture increases in construction costs and changes to other non-fee funding sources. These modifications do not impair the purpose of the Delta Shores Planned Unit Development to develop a portion of the area covered by the DSIF and Updated Plan into a master planned community consisting of residential, commercial, and retail uses.
- F. The DSIF is to fund infrastructure in the Delta Shores area as identified in the Updated Finance Plan.

- G. City staff is seeking the City Council's approval of the Delta Shores Updated Finance Plan, in accordance with the Mitigation Fee Act and AB 602. On March 3, 2026, the City Council conducted a noticed public hearing in accordance with Sacramento City Code section 18.56.115 and the Mitigation Fee Act (Government Code sections 66000–66025) as part of a regularly scheduled meeting of the City Council and received and considered evidence concerning the Updated Finance Plan.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1 The recitals set forth in the Background above are true and correct and are incorporated herein by reference as findings.
- Section 2 The Updated Delta Shores Finance Plan (“Updated Finance Plan”) and Nexus Study Findings set forth a rational, fair, and equitable method by which the cost of necessary public infrastructure and facilities in the Delta Shores Planned Unit Development (PUD) project (Delta Shores) and the adjacent Stone Beetland PUD project (Stone Beetland) (the Delta Shores Project and the Stone Beetland project are hereafter collectively referred to as the “Combined Projects”) is to be allocated to the various land uses in the Combined Projects.
- Section 3 The Updated Finance Plan properly and reasonably allocates the burden of financing public infrastructure and facilities among development projects within the Combined Projects. The burden is allocated in a manner that achieves proper proportionality in light of the impacts that may reasonably be anticipated from those projects.
- Section 4 The Updated Finance Plan does all of the following:
- (1) Identifies the purpose of the DSIF.
 - (2) Identifies the use to which the DSIF is to be put.
 - (3) Demonstrates a reasonable relationship between the DSIF's use and the type of development project on which the DSIF is imposed.
 - (4) Demonstrates a reasonable relationship between the need for public infrastructure and facilities and the type of development project on which the DSIF is imposed.
 - (5) Demonstrates a reasonable relationship between the amount of the DSIF and the cost of the public facilities or portion of public facilities attributable to particular development projects on which the DSIF is imposed.

- (6) The findings, conclusions, and methodologies set forth in the Updated Finance Plan are consistent with the Delta Shores Planned Unit Development.
- (7) The amount of the DSIF, as provided in the Updated Finance Plan, has been determined and calculated in a manner consistent with the Mitigation Fee Act, except for the regional park subcomponent, which is required by a development agreement.

Section 5. The Updated Finance Plan, attached hereto as Exhibit A, and other supporting data referred to in the Updated Plan are hereby approved and adopted. The amount of the DSIF is hereby established in accordance with the Updated Finance Plan.

Section 6. The 2019 “Updated Delta Shores Finance Plan” is hereby replaced in its entirety by the Updated Finance Plan.

A copy of the Updated Finance Plan will remain on file with the Infrastructure Finance Division of the Department of Finance.

Section 7. The DSIF amounts are to be adjusted annually as provided in the Updated Finance Plan.

Section 8. Exhibit A is part of this resolution.

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Exhibit A: Updated Delta Shores Finance Plan

Final Report

Delta Shores Finance Plan Update

The Economics of Land Use



Prepared for:
City of Sacramento

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March 2026

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1. Introduction and Executive Summary

This 2025 Delta Shores Finance Plan Update (Finance Plan) presents a strategy to finance public infrastructure and facilities needed to accommodate development of the proposed land uses in the Delta Shores Planned Unit Development (PUD) project (Delta Shores) and the adjacent Stone Beetland PUD project (Stone Beetland) in the City of Sacramento (City). **Map 1-1** shows the regional location of Delta Shores and Stone Beetland.

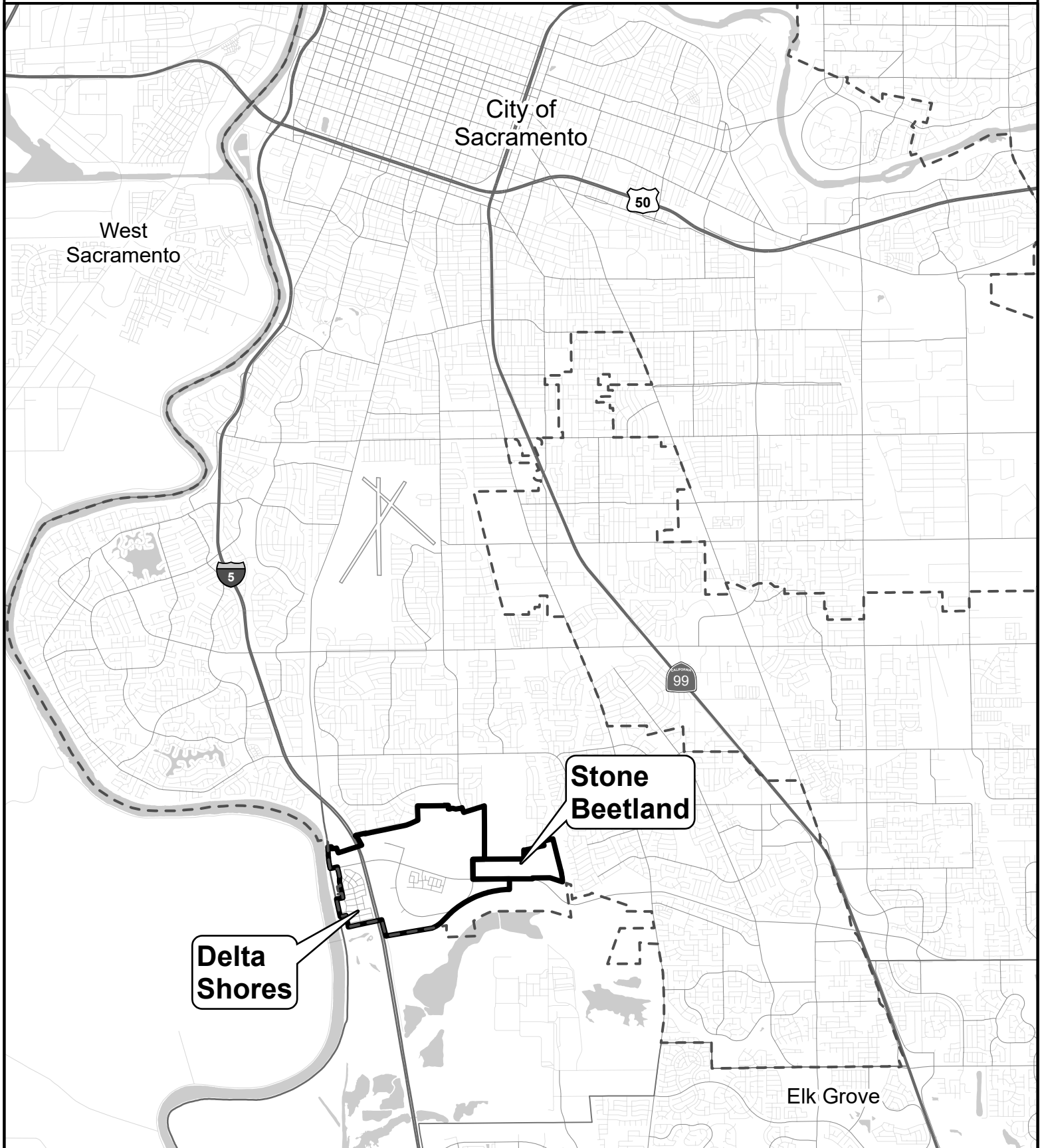
Because many of the improvements in the Finance Plan serve both Delta Shores and Stone Beetland, both areas are included in the financing mechanisms presented in this Finance Plan. Delta Shores and Stone Beetland are collectively referred to as the Combined Projects.

The original Delta Shores Finance Plan was completed in January 2009 (2009 Finance Plan), and a subsequent Finance Plan update was prepared in September 2019 (2019 Finance Plan). This Finance Plan updates the 2019 Finance Plan. Since completion of the original 2009 Finance Plan, a significant amount of development has occurred in Delta Shores and key infrastructure components have been constructed.

This Finance Plan includes updates to land use assumptions, as well as to infrastructure and facility improvement costs, based on actual costs of completed infrastructure and updated estimates for remaining infrastructure and facilities. In certain cases, Delta Shores infrastructure and facility requirements include the construction or advance-funding of improvements that also serve Stone Beetland. This Finance Plan therefore also considers funding and reimbursement obligations associated with the Stone Beetland site as part of an overall update to the development and infrastructure funding strategy for Delta Shores.

The Finance Plan includes the use of existing City, regional, and plan area fee programs, a land-secured financing district, and other funding mechanisms to finance improvements. Two major infrastructure and public facilities funding sources, the Delta Shores Impact Fee Program and the Delta Shores Community Facilities District No. 2019-1 (CFD 2019-01), have been established since adoption of the 2019 Finance Plan.

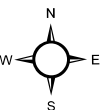
Delta Shores Financing Plan - Regional Location Map



Legend

-  Delta Shores Fee Area
-  City of Sacramento Boundary

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Miles



Overview

Economic & Planning Systems, Inc. (EPS) prepared this Finance Plan to update the infrastructure and facility funding strategy for Delta Shores. Since the original 2009 Finance Plan was prepared, the City processed a series of entitlements relating to development of Delta Shores and Stone Beetland, including the following approvals:

- Approval of the Delta Shores PUD in 2009. The Delta Shores PUD anticipated development of a 782-acre master planned community. The PUD was envisioned as a mix of commercial development and a compact residential community.
- Certification of the Delta Shores Environmental Impact Report (EIR) in 2009.
- Approval of the 2009 Delta Shores Development Agreement (Development Agreement), which established rights and obligations of the City and master developer regarding development at Delta Shores. The Development Agreement is considered the master document and describes some of the construction timing requirements for infrastructure improvements.
- Since the Development Agreement was approved, four Development Agreement amendments have been adopted. The first amendment to the Development Agreement added mitigation measures relating to toxic air contaminants emitted by motor vehicles on the I-5 freeway. The second amendment clarified the use of library fees and the landowner obligation for the regional park funding. The third amendment replaced the inclusionary housing requirements with a mixed income housing strategy. The fourth amendment updated the parkland dedication requirements, modified the trails system (removing some improvements and adding others), added the connector roadway improvement to connect 24th Street to the Meadowview 102 site, and moved the water tank site offsite to the Meadowview 102 property. This Finance Plan reflects all of the changes resulting from the fourth amendment.
- Approval of the 2012 Cost Sharing Agreement—I-5 Interchange & Cosumnes River Boulevard (CRB) Extension (CRB Funding Agreement) that describes the timing, funding, construction, and reimbursement terms between the City and the Delta Shores master developer related to funding the CRB Extension and CRB/I-5 Interchange. The Finance Plan refers to the agreement for the terms of construction for these facilities.
- Approval of the Delta Shores Acquisition, Reimbursement, and Credit Agreement between the City and M&H Realty Partners VI, L.P. in 2020.
- Approval of the Stone Beetland PUD in 2023. The Stone Beetland PUD consists of approximately 141 acres and is envisioned to include a mix of single family and multifamily housing on 73 acres and a smaller amount of mixed-use commercial development on 6 acres.

In addition, two major Delta Shores funding sources have been implemented in recent years as summarized below:

- The Delta Shores Impact Fee Program proposed in the 2019 Finance Plan was approved and implemented in 2019. This plan area fee program includes impact fees for Delta Shores and Stone Beetland and is detailed in **Chapter 5**.
- CFD 2019-01 was established in 2019 to fund infrastructure and public facilities in Delta Shores.

The purposes of the current Finance Plan are to update remaining development, remaining costs, and funding amounts by source. Based on these updates, the Delta Shores Impact Fee Program fees will be recalculated to ensure the required amount of Delta Shores Impact Fee Program funding is achieved.

Major Changes From 2019 Finance Plan

As summarized above and detailed further in the remainder of this report, several changes have been incorporated into the Finance Plan to reflect development that has occurred, infrastructure changes, current Delta Shores Impact Fee Program fund balances and outstanding credits, and funding source changes. The major changes are listed in the table on the next page.

2025 Finance Plan Changes from 2019 Finance Plan

- Remaining development, remaining costs, and Delta Shores Impact Fee Program credits and fund balances updated.
 - Development and fund balances as of 7/1/25.
 - Costs in 2025 dollars.
 - Credits as of 12/1/25.
- Costs for completed items removed.
- Outstanding Delta Shores Impact Fee Program credits for all improvements except roads and sewer allocated to Delta Shores only.
 - Credits for roads and sewer improvements continue to be allocated to Delta Shores and Stone Beetland.
- All trails costs to be funded through Delta Shores Impact Fee Program.
- Stone Beetland trails improvements and costs added.
- Swainson's Hawk component removed from Delta Shores Impact Fee Program.
 - Credits for completed Delta Shores mitigation spread to other public facilities (excluding Regional Park) in proportion to remaining costs by facility.
 - Stone Beetland to fund Swainson's Hawk mitigation independently rather than through Delta Shores Impact Fee Program.
- Stone Beetland will not have Delta Shores Impact Fee Program components for regional park, storm drainage, open space, and transit. Stone Beetland will independently fund these improvements as required by City.
- Sewer improvements added and costs increased.
 - All sewer costs assumed to be funded through Delta Shores Impact Fee Program (excluding those attributable to other areas).
 - Delta Shores and Stone Beetland will be exempt from paying City Sewer Development Fee.

Combined Projects Proposed Land Uses

Many of the improvements considered in this Finance Plan serve both Delta Shores and Stone Beetland. This Finance Plan therefore evaluates and assigns infrastructure requirements to both projects, where appropriate.

The Combined Projects are planned for approximately 5,960 residential units and 1.5 million building square feet of commercial space at buildout. **Table 1-1** shows the total planned developable acres, residential units, and commercial building square feet by type of land use.

Table 1-1
Delta Shores Public Facilities Financing Plan - 2025 Update
Land Use Summary - Buildout Development

Land Use	Delta Shores			Stone Beetland			Combined Projects		
	Acres	Units	Sq. Ft.	Acres	Units	Sq. Ft.	Acres	Units	Sq. Ft.
<u>Developable Land Uses</u>									
Residential									
LDR	136.9	635	-	30.2	190	-	167.1	825	-
MDR	190.1	2,076	-	25.0	262	-	215.1	2,338	-
HDR	69.3	1,927	-	17.9	711	-	87.2	2,638	-
Mixed Use [1]	5.5	159	-	0.0	-	-	5.5	159	-
Subtotal Residential	401.8	4,797	-	73.1	1,163	-	474.9	5,960	-
Commercial									
Mixed Use Town Center	14.5	-	161,000	0.0	-	-	14.5	-	161,000
Village/Regional Center	121.7	-	1,274,736	0.0	-	-	121.7	-	1,274,736
Corner Retail	5.5	-	30,000	0.0	-	-	5.5	-	30,000
Commercial Mixed Use	-	-	-	6.1	-	78,000	6.1	-	78,000
Subtotal Commercial	141.6	-	1,465,736	6.1	-	78,000	147.7	-	1,543,736
Total Developable	543.4	4,797	1,465,736	79.2	1,163	78,000	622.6	5,960	1,543,736
Non-Developable Land Uses	242.7	-	-	61.5	-	-	304.2	-	-
Total Land Uses	786.2	4,797	1,465,736	140.7	1,163	78,000	926.9	5,960	1,543,736

Source: City of Sacramento; EPS.

[1] Mixed Use Residential acres estimated using density assumption; Mixed Use Town Center acres reduced by estimated Mixed Use Residential acres.

A significant amount of commercial development, and a small amount of residential development has already occurred. Remaining development in the Combined Projects will add approximately 5,700 residential units and 628,000 building square feet of commercial space to the City. **Table 1-2** shows the remaining acres, residential units, and commercial building square feet by type of land use.

Delta Shores

In 1983, the City approved the Delta Shores PUD, which was intended for predominately employment-generating uses and limited residential development. The Delta Shores master developer amended the PUD in January 2009 to enable development of a 786-acre master-planned community, envisioned as a compact residential community, with a Regional Village Center and two neighborhood-serving retail areas. The Delta Shores land use plan also includes a system of parks, trails, and open space.

Table 2-1 in **Chapter 2** shows the developable and nondevelopable land uses proposed for Delta Shores, as well as the amount of development that has already occurred and the projected remaining development.

Since 2009, there has been a significant amount of commercial development in Delta Shores, including approximately 915,000 square feet of the planned 1.5 million square feet at buildout. In addition, 265 single-family dwelling units were constructed through June 2025. Regional and backbone infrastructure has also been completed in concert with commercial and residential development. Infrastructure constructed includes the CRB Extension and CRB/I-5 Interchange and associated water transmission facilities; Delta Shores Circle South and North roadways and associated utilities; and, many of the required backbone sewer and drainage improvements, including backbone conveyance from the west side to the east side of I-5 and from the north side to the south side of CRB, water quality ponds, a seasonal wetland preserve area, and associated drainage improvements north of CRB.

Stone Beetland

The Stone Beetland PUD was approved in 2023. The land use plan includes roughly 1,200 residential units, split between low-, medium-, and high-density, and a 6-acre parcel for mixed use retail development. In addition, the Stone Beetland land use plan includes a system of parks and open space, as well as a Regional Transit station.

Table 2-2 in **Chapter 2** shows the developable and nondevelopable land uses proposed for Stone Beetland. Currently, no development has occurred in Stone Beetland.

Table 1-2
Delta Shores Public Facilities Financing Plan - 2025 Update
Land Use Summary - Remaining Development

Land Use	Delta Shores			Stone Beetland			Combined Projects		
	Acres	Units	Sq. Ft.	Acres	Units	Sq. Ft.	Acres	Units	Sq. Ft.
<u>Developable Land Uses</u>									
Residential									
LDR	126.1	585	-	30.2	190	-	156.3	775	-
MDR	170.4	1,861	-	25.0	262	-	195.4	2,123	-
HDR	69.3	1,927	-	17.9	711	-	87.2	2,638	-
Mixed Use [1]	5.5	159	-	0.0	-	-	5.5	159	-
Subtotal Residential	371.3	4,532	-	73.1	1,163	-	444.4	5,695	-
Commercial									
Mixed Use Town Center	14.5	-	161,000	0.0	-	-	14.5	-	161,000
Village/Regional Center	24.7	-	374,700	0.0	-	-	24.7	-	374,700
Corner Retail	2.7	-	14,778	0.0	-	-	2.7	-	14,778
Commercial Mixed Use	0.0	-	-	6.1	-	78,000	6.1	-	78,000
Subtotal Commercial	41.9	-	550,478	6.1	-	78,000	48.0	-	628,478
Total Developable	413.2	4,532	550,478	79.2	1,163	78,000	492.4	5,695	628,478
Non-Developable Land Uses	242.7	-	-	61.5	-	-	304.2	-	-
Total Land Uses	655.9	4,532	550,478	140.7	1,163	78,000	796.6	5,695	628,478

Source: City of Sacramento; EPS.

[1] Mixed Use Residential acres estimated using density assumption; Mixed Use Town Center acres reduced by estimated Mixed Use Residential acres.

Phasing of the Finance Plan

The Combined Projects are anticipated to continue to build out over a period of many years in multiple phases. For purposes of the Finance Plan, a buildout scenario is shown. The Development Agreements, Environmental Impact Report (EIR) Mitigation Monitoring Programs, CRB Funding Agreement, and mapping conditions placed on tentative maps will specify the timing requirements for major public improvements as the Combined Projects build out.

Regional Infrastructure, Backbone Infrastructure, and Public Facilities Costs

Summary

Several distinct categories of infrastructure and facility improvements are needed to accommodate development of the Combined Projects. The Finance Plan describes Regional Infrastructure, Backbone Infrastructure, and Public Facility improvements. Each of these types of improvements is described further below. "Finance Plan Facilities" as used in this Finance Plan refers collectively to Regional Infrastructure, Backbone Infrastructure, and Public Facilities where a specific distinction is not necessary.

As discussed previously, much of the infrastructure and public facilities required for development of the Combined Projects has already been constructed and funded. This Finance Plan focuses on the remaining improvements, costs, and funding.

Table 1-3 summarizes the remaining improvements and costs required for Delta Shores and Stone Beetland development in 2025 dollars. **Table 1-3** contains both original costs, which represent the estimated remaining improvement costs, and adjusted costs. Adjustments are made for each improvement type that is included in the Delta Shores Impact Fee Program to account for the fee fund balances available to fund improvements (a cost decrease) and the fee credits owed to developers who provided advance funding for improvements that have already been constructed (a cost increase).

Appendix A contains a detailed Capital Improvement Program (CIP) for Regional Infrastructure, Backbone Infrastructure, and certain Public Facilities remaining to be constructed. The costs are generally based on costs in the 2019 Finance Plan and have been updated to 2025 dollars. The costs have also been adjusted to exclude items that have been constructed since 2019. In some cases, new improvements and cost estimates have been provided by the City.

Table 1-3
Delta Shores Public Facilities Financing Plan - 2025 Update
Summary of Estimated Remaining Finance Plan Facilities Costs (2025\$)

Improvement	Buildout Cost (2025\$)	
	Original	Adjusted [1]
Regional Infrastructure [2]	\$12,920,731	\$44,042,029
Backbone Infrastructure [3]		
Roads	\$23,117,918	\$28,090,660
Sewer	\$22,172,757	\$23,981,989
Storm Drainage	\$3,031,476	\$11,077,239
Water	\$5,181,800	\$5,181,800
Subtotal Backbone Infrastructure	\$53,503,951	\$68,331,688
Public Facilities [3] [4]		
Neighborhood/Community Parks [5]	\$19,041,036	\$19,041,036
Regional Park [6]	\$4,706,888	\$4,706,888
Trails	\$2,366,230	\$3,127,002
Other Citywide Park and Recreation Facilities [7]	\$9,660,684	\$9,660,684
Open Space	\$6,256,113	\$6,470,854
Police Facilities [8]	\$1,724,106	\$1,783,286
Fire Facilities	\$15,687,315	\$16,215,562
Transit	\$365,665	\$378,217
Library	\$5,598,366	\$5,790,530
Schools [9]	\$44,363,126	\$44,363,126
Subtotal Public Facilities	\$109,769,529	\$111,537,185
Total Improvements	\$176,194,211	\$223,910,902

Source: EPS

- [1] Costs included in the Delta Shores Impact Fee Program are adjusted to include fund balances and credits and reimbursements owed. See Table A-1.
- [2] Regional infrastructure sized to serve Delta Shores, Stone Beetland, and other development. Amount on this table is the remaining obligation for Delta Shores and Stone Beetland only.
- [3] Backbone infrastructure (with the exception of sewer) and public facilities sized to serve Delta Shores and Stone Beetland. Sewer facilities include regional sewer lift station and force main that will serve Delta Shores, Stone Beetland, and other projects.
- [4] In addition to the public facilities shown, each plan area is responsible for funding its own Swainson's Hawk mitigation.
- [5] Assumes Neighborhood and Community Parks cost is equal to payment of City of Sacramento Neighborhood and Community Parks Infrastructure Fee.
- [6] Reflects contribution toward site improvements.
- [7] Future Citywide facilities to be located in the Combined Projects and financed with Citywide PIF revenue paid by the Combined Projects.
- [8] No on-site facilities planned. This cost represents a proportionate contribution from Delta Shores and Stone Beetland to new facilities located off-site.
- [9] Assumes Schools cost is equal to payment of Sacramento Unified School District impact fees.

The cost estimates and allocations are further discussed in **Chapter 3** and are subject to revision as better information becomes available. As descriptions of Finance Plan Facilities and associated cost estimates change, the Finance Plan will be updated with the most current information available.

Regional Infrastructure

Development of Delta Shores includes construction of the two major regional roadway infrastructure improvements listed below:

- The CRB Extension, from Freeport Boulevard east to Franklin Boulevard.
- CRB/I-5 Interchange.

These roadway improvements were sized to serve not only Delta Shores and Stone Beetland but also existing and other future residents and commuters in the greater Sacramento region. These regional improvements (Regional Infrastructure) were completed as part of the initial phase of Delta Shores development.

The remaining costs in **Table 1-3** represent the portion of costs attributable to and still to be funded by Delta Shores and Stone Beetland only and do not include the costs attributed to other areas. The City constructed and funded the improvements, and the Delta Shores master developer paid the City for the portion of the cost attributable to Delta Shores and Stone Beetland.

The original cost in **Table 1-3** is equal to the amount Stone Beetland owes to the Delta Shores master developer for its cost obligation of the improvements that the Delta Shores master developer funded. The adjusted cost includes Delta Shores Impact Fee Program credits to cover the Delta Shores cost obligation that was advance-funded.

Backbone Infrastructure

The term Backbone Infrastructure includes most of the essential public service-based items that are underground or on the surface. These items include 4⁺-lane roads, sewer, drainage, water, and dry utilities. These items exclude the Regional Infrastructure described in the previous section. Backbone Infrastructure is sized to serve numerous individual development projects in the Combined Projects.

Public Facilities

The term Public Facilities includes the following community facilities and amenities:

- Swainson's hawk/agriculture land mitigation.
- Parks, including neighborhood and community facilities.
- Trails, primarily focusing on off-street facilities.
- Open space corridors.
- Police substation and equipment.
- Fire station and equipment.
- Transit facilities.
- Library facilities, including buildings, furnishings, equipment, and collections.
- Schools.

This group of items provides amenities to new development (park facilities and libraries) or houses employees providing services to the new development (police and fire). Note that although "Swainson's hawk/agricultural land mitigation" is included in the list above, it is not included in the Finance Plan tables because Delta Shores has already funded the required mitigation, and Stone Beetland is going to fund its required mitigation independently rather than through a public funding source. The Delta Shores master developer, however, is owed Delta Shores Impact Fee Program credits or reimbursements for funding the required mitigation. These credits and reimbursements are accounted for in the adjusted cost in **Table 1-3** and have been spread to other public facilities in the Delta Shores Impact Fee Program in proportion to the remaining cost for each public facility type.

Other Development Costs

The Regional Infrastructure, Backbone Infrastructure, and Public Facilities cost estimates do not include the costs of in-tract and other subdivision-specific improvements. These improvements, summarized below, are considered subdivision improvements and are not a part of this Finance Plan:

- **Frontage improvements** include frontage roads, sound walls, and landscape corridors that border a subdivision project. Except for the frontage costs included in any Finance Plan Facilities above, these improvements are funded privately, and the costs of these improvements are not estimated or included in the cost burdens presented in this Finance Plan. These costs typically are considered subdivision costs and are included in a developer's private financing structure.
- **In-tract improvements** in a subdivision project include local roads, sewer, water, drainage, erosion control, and dry utilities. These improvements are funded privately, and the costs of these improvements are not estimated or

included in the cost burdens presented in this Finance Plan. The development community considers these costs in their private financing structure as subdivision costs.

Financing Strategy Summary

Purpose

The purpose of the Finance Plan is to recommend the appropriate financing mechanisms to fund the necessary Regional Infrastructure, Backbone Infrastructure, and Public Facilities costs required to serve the Combined Projects. The selected financing mechanisms are flexible enough to ensure the required improvements are constructed when necessary. The financing mechanisms used will depend on the type and timing of the needed Finance Plan Facility.

Financing Policies

The following objectives and policies shall guide the financing of infrastructure and services in the Combined Projects:

- Identify ways to finance construction of public infrastructure and facilities through public and private financing.
- Assure that new development pays its proportionate share of Regional Infrastructure, Backbone Infrastructure, and Public Facilities improvement costs without rendering development infeasible.
- Use existing City and other agency fee programs to the extent possible.
- Establish plan area fee programs to fund all or a portion of major Regional Infrastructure, Backbone Infrastructure, and other Public Facilities not included in existing fee programs.
- Make appropriate use of “pay-as-you-go” mechanisms.
- Make appropriate use of municipal debt-financing mechanisms.
- Build in flexibility to allow response to market conditions.
- Provide developer funding for appropriate Finance Plan Facilities.

Financing Strategy

A combination of funding sources ultimately will fund the costs of Regional Infrastructure, Backbone Infrastructure, and Public Facilities improvements. The proposed funding sources for each Regional Infrastructure, Backbone Infrastructure, and Public Facility category at buildout are detailed in **Table 1-4** and briefly described below.

Existing City and Other Agency Impact Fees

The City has adopted a set of development impact fees to finance capital improvements, including the citywide transportation, water, sewer, storm drainage, and park fees. Delta Shores and Stone Beetland development will participate in some of the citywide fee programs and will be exempt from others as summarized below:

- **Citywide Transportation Development Impact Fee (TDIF):** Through completion of the CRB improvements, Delta Shores satisfied its obligation to provide funding for citywide transportation improvements and thus is exempt from paying the TDIF. Likewise, Stone Beetland will satisfy its obligation for citywide transportation improvements through its required contribution to the CRB improvements and will be exempt from paying the TDIF.
- **Citywide Water Fee:** Delta Shores and Stone Beetland will both be required to participate in the Citywide Water Fee Program.
- **Citywide Sewer Fee:** Development in both Delta Shores and Stone Beetland is exempt from paying the citywide sewer fee because the required sewer improvements for both areas are being funded through the Delta Shores Impact Fee Program.
- **Citywide Storm Drainage Fee:** Development in both Delta Shores and Stone Beetland is exempt from paying the citywide storm drainage fee, as Delta Shores is funding its required storm drainage improvements through the Delta Shores Impact Fee Program, and Stone Beetland will privately fund its required storm drainage improvements.
- **City Park Impact Fee:** Delta Shores and Stone Beetland will be required to participate in the City Park Impact Fee Program. This fee program has two components, a Neighborhood and Community Park Component and a Citywide Park Component. All neighborhood and community parks in the Combined Projects will be funded through the Neighborhood and Community Park Component. All Citywide Park fee revenue generated by development in the Combined Projects will be used to construct future, as yet unidentified, citywide improvements to be located in the Combined Projects. Citywide park improvements benefit not only the Combined Projects but also other areas of the City and include items such as regional parks and community or cultural centers.

Table 1-4
Delta Shores Public Facilities Financing Plan - 2025 Update
Estimated Remaining Finance Plan Facilities Costs and Sources of Funding (2025\$)

Item	Buildout Cost (Adjusted) [1]	Buildout Funding Sources			Existing City/ Other Fees	City	Other Areas	Delta Shores CFD [6]
		Delta Shores	Stone Beetland	Subtotal				
Regional Infrastructure	\$44,042,029	\$31,121,298	\$12,920,731	\$44,042,029	\$0	\$0	\$0	
Backbone Infrastructure								
Roads	\$28,090,660	\$22,918,645	\$5,172,015	\$28,090,660	-	-	-	X
Sewer [2]	\$23,981,989	\$15,906,294	\$4,733,628	\$20,639,922	-	-	\$3,342,067	X
Storm Drainage	\$11,077,239	\$11,077,239	-	\$11,077,239	-	-	-	X
Water [3]	\$5,181,800	-	-	-	\$5,181,800	-	-	X
Subtotal Backbone Infrastructure	\$68,331,688	\$49,902,178	\$9,905,644	\$59,807,821	\$5,181,800	\$0	\$3,342,067	
Public Facilities								
Neighborhood/Community Parks [4]	\$19,041,036	-	-	-	\$19,041,036	-	-	X
Regional Park	\$4,706,888	\$4,706,888	-	\$4,706,888	-	-	-	X
Trails [5]	\$3,127,002	\$2,516,842	\$610,160	\$3,127,002	-	-	-	X
Other Citywide Park and Recreation Facilities [5]	\$9,660,684	-	-	-	\$9,660,684	-	-	X
Open Space	\$6,470,854	\$6,470,854	-	\$6,470,854	-	-	-	X
Police Facilities	\$1,783,286	\$1,486,386	\$296,900	\$1,783,286	-	-	-	X
Fire Facilities	\$16,215,562	\$13,457,534	\$2,460,281	\$15,917,815	-	\$297,746	-	X
Transit	\$378,217	\$378,217	-	\$378,217	-	-	-	X
Library	\$5,790,530	\$4,794,319	\$996,211	\$5,790,530	-	-	-	X
Schools	\$44,363,126	-	-	-	\$44,363,126	-	-	
Subtotal Public Facilities	\$111,537,184	\$33,811,040	\$4,363,552	\$38,174,592	\$73,064,846	\$297,746	\$0	
Total Improvements	\$223,910,901	\$114,834,515	\$27,189,927	\$142,024,442	\$78,246,646	\$297,746	\$3,342,067	

[1] Adjusted to include fund balances and credits and reimbursements owed. See Table 1-3.

[2] The Other Areas cost is the cost attributable to Meadowview 102. See Table A-8 for detailed cost distribution between areas (prior to adjustments noted in [1] above).

[3] Assumes transmission main from Franklin to Freeport and 24-inch water main at 24th Street are creditable against City water fee.

[4] Neighborhood and community parks cost equal to fee revenue generated by the Neighborhood and Community Parks Impact Fee paid by Delta Shores and Stone Beetland.
Per the City of Sacramento Parks Department, this fee revenue will be used to fund parks in Delta Shores and Stone Beetland only.

[5] Per the City of Sacramento Parks Department, all Citywide PIF revenue generated by the Combined Projects will be used to fund citywide improvements located within the Combined Projects boundaries, such as a community center or a cultural center

[6] Reflects costs that are eligible for CFD funding. CFD bond proceeds may fund all or a portion of these facility costs.

The Combined Projects will participate in other regional fee programs for backbone infrastructure and public facilities designed to serve the Combined Projects, such as the Sacramento Area Sewer District and the Sacramento City Unified School District (SCUSD) fee programs.

Plan Area Impact Fee Program

The Finance Plan includes the Delta Shores Impact Fee Program to fund transportation, sewer, drainage, regional park, open space, police, fire, transit, and library facilities not funded through other sources. This fee program includes separate fees for Delta Shores and Stone Beetland, with attendant components and subcomponents based on the Finance Plan Facilities benefiting each site. **Table 1-5** summarizes the Delta Shores fees, and **Table 1-6** summarizes the Stone Beetland fees.

When Stone Beetland moves forward with development, the City and the developer of the Stone Beetland site may negotiate a development agreement that may, in part, address fees that will provide reimbursement to the Delta Shores master developer for advance-funding Backbone Infrastructure and certain Public Facilities.

Community Facilities District

The 1982 Mello-Roos Community Facilities Act enables cities and other entities to establish a CFD to fund various infrastructure improvements and services by levying an annual special maximum tax on land within the CFD boundaries. The proceeds from a CFD bond sale can be used for direct funding of improvements, to acquire Finance Plan Facilities constructed by the developer(s), to reimburse developers for advance-funding of Finance Plan Facilities, or to pay certain development fees. Policies regarding oversizing of Finance Plan Facilities are subject to City policies.

In 2019, the Delta Shores Community Facilities District No. 2019-1 (CFD 2019-1) was established to help fund construction or acquisition of Finance Plan Facilities in Delta Shores. The CFD covers approximately 535 acres within Delta Shores and is divided into three improvement areas. The purpose of CFD 2019-1 is to finance specified development fees and public improvements by levying a special tax in each improvement area and issuing bonds backed by the taxes. Stone Beetland may form a separate CFD to help fund construction of public improvements.

Table 1-5
Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores Impact Fee Summary - Delta Shores Subarea

Delta Shores Subarea

Component and Subcomponent	Delta Shores Subarea						
	Residential				Commercial		
	LDR	MDR	HDR	Mixed Use	MU Town Center	Village/ Regional Center	Corner Retail
	----- Per Unit -----				----- Per Bldg. Sq. Ft. -----		
Regional Infrastructure Component	\$6,212	\$4,735	\$4,621	\$4,621	\$16.42	\$16.42	\$16.42
Backbone Infrastructure Component							
Roadways Subcomponent	\$4,574	\$3,487	\$3,403	\$3,403	\$12.09	\$12.09	\$12.09
Sewer Subcomponent	\$3,732	\$3,732	\$2,799	\$2,799	\$1.70	\$1.70	\$1.70
Storm Drainage Subcomponent	\$3,362	\$2,380	\$1,309	\$1,259	\$4.21	\$3.08	\$8.52
Subtotal Backbone Infrastructure Component	\$11,668	\$9,599	\$7,511	\$7,461	\$18.00	\$16.87	\$22.31
Public Facilities Component							
Regional Park Subcomponent	\$1,280	\$1,280	\$756	\$756	\$0.00	\$0.00	\$0.00
Trails Subcomponent	\$684	\$684	\$404	\$404	\$0.00	\$0.00	\$0.00
Open Space Subcomponent	\$1,759	\$1,759	\$1,039	\$1,039	\$0.00	\$0.00	\$0.00
Police Subcomponent	\$363	\$363	\$214	\$214	\$0.28	\$0.28	\$0.28
Fire Subcomponent	\$3,283	\$3,283	\$1,939	\$1,939	\$2.51	\$2.51	\$2.51
Transit Subcomponent	\$92	\$92	\$54	\$54	\$0.07	\$0.07	\$0.07
Library Subcomponent	\$1,303	\$1,303	\$770	\$770	\$0.00	\$0.00	\$0.00
Subtotal Public Facilities	\$8,764	\$8,764	\$5,176	\$5,176	\$2.86	\$2.86	\$2.86
Subtotal All Components	\$26,644	\$23,098	\$17,308	\$17,258	\$37.28	\$36.15	\$41.59
Financing Plan Administration and Updates (3% of Total)	\$799	\$693	\$519	\$518	\$1.12	\$1.08	\$1.25
Total Delta Shores Impact Fee	\$27,443	\$23,791	\$17,827	\$17,776	\$38.40	\$37.23	\$42.84

Source: EPS.

Table 1-6

Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores Impact Fee Summary - Stone Beetland Subarea

Stone Beetland Subarea

Component and Subcomponent	Stone Beetland Subarea			
	LDR	Residential MDR	HDR	Commercial Mixed Use
Regional Infrastructure Component [1]	\$71,898	\$91,285	\$337,678	\$397,192
Financing Plan Administration and Updates (3%)	\$2,157	\$2,739	\$10,130	\$11,916
Total Regional Infrastructure Component	\$74,055	\$94,024	\$347,808	\$409,108
Backbone Infrastructure Component	----- Per Unit -----			Per Bldg. Sq. Ft.
Roadways Subcomponent	\$4,574	\$3,487	\$3,403	\$12.43
Sewer Subcomponent	\$4,632	\$4,632	\$3,474	\$2.17
Subtotal Backbone Infrastructure Component	\$9,206	\$8,119	\$6,877	\$14.60
Public Facilities Component				
Trails Subcomponent	\$700	\$700	\$413	\$0.00
Police Subcomponent	\$318	\$318	\$188	\$0.25
Fire Subcomponent	\$2,636	\$2,636	\$1,557	\$2.08
Library Subcomponent	\$1,143	\$1,143	\$675	\$0.00
Subtotal Public Facilities	\$4,797	\$4,797	\$2,833	\$2.33
Subtotal Backbone Infrastructure and Public Facilities Components	\$14,003	\$12,916	\$9,710	\$16.93
Financing Plan Administration and Updates (3% of Total)	\$420	\$387	\$291	\$0.51
Total Backbone Infrastructure and Public Facilities Components	\$14,423	\$13,303	\$10,001	\$17.44

Source: EPS.

[1] The City intends to collect the Regional Infrastructure component of the Delta Shores Impact Fee at the time of final map approval for the Stone Beetland subarea. The Regional Infrastructure component is therefore reported on a per acre basis.

Private Funding

The master developer has and will continue to advance-fund or construct Regional Infrastructure, Backbone Infrastructure, and Public Facility improvements needed to allow development to continue in the Combined Projects before the collection of sufficient fees or other revenues to fund the infrastructure. The Finance Plan is based on the assumption that fee credits or reimbursements for Finance Plan Facilities otherwise funded by existing fee programs may be available if the master developer funds or constructs fee-funded Finance Plan Facilities.

Other Development Projects

Some Backbone Infrastructure improvements are sized to serve other neighboring communities. The Finance Plan contains an estimate of cost sharing for Backbone Infrastructure and Public Facilities, where appropriate.

Organization of the Report

This report is divided into the following chapters and appendices:

- **Chapter 1** includes this Executive Summary.
- **Chapter 2** discusses the land uses proposed in Delta Shores and Stone Beetland and contains an estimate for projected population that forms the basis for cost allocation factors used in the Finance Plan.
- **Chapter 3** describes the Regional Infrastructure, Backbone Infrastructure, and Public Facilities to be funded by the Combined Projects.
- **Chapter 4** discusses the financing strategy as well as existing and proposed funding sources for Regional Infrastructure, Backbone Infrastructure, and Public Facilities.
- **Chapter 5** describes the Delta Shores Impact Fee Program and summarizes the fee updates based on development and cost updates.
- **Chapter 6** reviews the overall financial feasibility of the Finance Plan.
- **Chapter 7** describes the implementation of and ongoing administration procedures for the Finance Plan.
- **Appendix A** contains the Capital Improvement Plan that details the backbone infrastructure and public facilities costs for Delta Shores and Stone Beetland.
- **Appendix B** details the cost allocations for the improvements included in the Delta Shores Impact Fee Program.
- **Appendix C** estimates City and regional fee program revenues generated by the Delta Shores and Stone Beetland development.

- **Appendix D** contains the required Backbone Infrastructure nexus findings.
- **Appendix E** contains the Delta Shores Development Agreement between the City and the Delta Shores master developer.
- **Appendix F** contains the Delta Shores Credit and Reimbursement Agreement between the City and the Delta Shores master developer.

2. Land Uses

Delta Shores and Stone Beetland encompass roughly 900 acres in South Sacramento, adjacent to the southern boundary of the City limits, within the boundaries of the South Area Community Plan. I-5 runs in a north/south direction and bisects the Delta Shores site, with approximately 120 acres to the west of I-5 and 780 acres east of I-5. The Town of Freeport is located directly west of Delta Shores.

Land Uses

At buildout, the Combined Projects are planned for almost 6,000 residential units and 1.5 million square feet of commercial space. Over 915,000 square feet of commercial development and 265 residential dwelling units had been constructed through June 2025. As shown in **Table 1-2** in **Chapter 1**, there are approximately 5,700 residential units and 628,000 commercial building square feet remaining to develop in the Combined Projects. Below are more specific descriptions of the land uses in each site.

Delta Shores

In 1983, the City approved the Delta Shores PUD, which was intended for predominately employment-generating uses and limited residential development. The master developer of Delta Shores has amended the PUD to enable development of a 786-acre master-planned community, envisioned as a compact residential community of 4,797 residences with a Regional Village Center and two neighborhood-serving retail areas, including a mixed-use Town Center and a Corner Retail area. **Table 2-1** shows the developable and nondevelopable land uses proposed for Delta Shores, the development that has occurred, and the estimated remaining development through buildout.

In 2017, the initial phase of Delta Shores development commenced with construction of approximately 900,000 square feet of the of the Regional Village Center, which is planned for a total of approximately 1.27 million square feet of retail and commercial uses at buildout. Since then, approximately one-half of the planned 30,000 square feet of corner retail development has occurred. Residential construction has also begun with the construction of 265 low and medium density units through June 2025.

Table 2-1
Delta Shores Public Facilities Financing Plan - 2025 Update
Land Use Plan: Delta Shores

Land Use	Delta Shores									
	Average Density	Total Planned Development			Less Total Built (through 6/30/25)			Total Remaining Development		
		Acres	Units	Sq. Ft.	Acres	Units	Sq. Ft.	Acres	Units	Sq. Ft.
<u>Developable</u>										
Residential	du/acre									
LDR	4.64	136.89	635	-	10.78	50	-	126.11	585	-
MDR	10.92	190.11	2,076	-	19.69	215	-	170.42	1,861	-
HDR	27.81	69.30	1,927	-	-	-	-	69.30	1,927	-
Mixed Use [1]	26.00	5.50	159	-	-	-	-	5.50	159	-
Subtotal Residential		401.80	4,797	-	30.47	265	-	371.33	4,532	-
Commercial	FAR									
Mixed Use Town Center	0.26	14.47	-	161,000	-	-	-	14.47	-	161,000
Village/Regional Center	0.24	121.69	-	1,274,736	96.99	-	900,036	24.70	-	374,700
Corner Retail	0.13	5.46	-	30,000	2.77	-	15,222	2.69	-	14,778
Subtotal Commercial		141.62	-	1,465,736	99.76	-	915,258	41.86	-	550,478
Total Developable		543.42	4,797	1,465,736	130.23	265	915,258	413.19	4,532	550,478
<u>Non-Developable</u>										
Public/Quasi-Public										
Community Center		-	-	-	-	-	-	-	-	-
Fire Safety		2.00	-	-	-	-	-	2.00	-	-
Sewer Lift Station		0.22	-	-	-	-	-	0.22	-	-
Utility-Water		-	-	-	-	-	-	-	-	-
Utility-Electrical Substation		1.00	-	-	-	-	-	1.00	-	-
Subtotal Public/Quasi-Public		3.22	-	-	-	-	-	3.22	-	-
Schools										
School 1		9.98	-	-	-	-	-	9.98	-	-
School 2		10.01	-	-	-	-	-	10.01	-	-
Subtotal Schools		19.99	-	-	-	-	-	19.99	-	-
Parks and Open Space [2]										
Parks		46.15	-	-	-	-	-	46.15	-	-
Open Space		26.91	-	-	-	-	-	26.91	-	-
Wetland Restoration		22.94	-	-	-	-	-	22.94	-	-
Detention		31.70	-	-	-	-	-	31.70	-	-
Trails		3.58	-	-	-	-	-	3.58	-	-
Subtotal Parks and Open Space		131.28	-	-	-	-	-	131.28	-	-
Major Streets		88.25	-	-	-	-	-	88.25	-	-
Total Non-Developable		242.74	-	-	-	-	-	242.74	-	-
Total Delta Shores Land Uses [3]		786.16	4,797	1,465,736	130.23	265	915,258	655.93	4,532	550,478

Source: City of Sacramento Delta Shores Land Use Information received 10/7/22; EPS.

[1] Mixed Use Residential acres estimated using density assumption; Mixed Use Town Center acres reduced by estimated Mixed Use Residential acres.

[2] Delta Shores is required to contribute toward development of a regional park, per the Development Agreement, but the regional park is planned to be located offsite.

[3] Excludes acreage for the Cosumnes River Blvd./I-5 Interchange.

After accounting for all development that has occurred, planned remaining development includes approximately 550,000 square feet of commercial development and 4,500 residential dwelling units. The remaining commercial development includes the remaining Regional Village Center and Corner Retail development and the Town Center, which is planned for approximately 161,000 square feet of retail and incorporated office uses. The remaining residential development includes a mix of single family and multifamily units.

In addition to the residential and commercial land uses, the Delta Shores land use plan also includes a system of parks, trails, and open space.

Stone Beetland

In 2023, the City approved the Stone Beetland PUD. Planned residential development includes roughly 1,163 residential units, split between low-, medium-, and high-density units. Planned commercial development consists of 78,000 square feet of retail development on a 6.1-acre parcel. Nondevelopable land uses include parks and open space, as well as a 10.4-acre parcel planned for a Regional Transit station. **Table 2-2** shows the Stone Beetland land use plan. Currently, no development has occurred in Stone Beetland.

Population and Employment

At buildout, the Combined Projects are planned for roughly 14,300 residents and 4,400 commercial employees. **Table 2-3** shows the estimated total and remaining population and employees for both Delta Shores and Stone Beetland. These projections are based on persons-per-household factors that are commensurate with the City's projections for the type of housing and commercial products planned in these projects and are consistent with the 2019 Finance Plan assumptions.

The Finance Plan allocates some Finance Plan Facility costs between remaining land uses, based on household sizes that vary by type of unit. The Finance Plan also contains an estimate of Public Facilities needed to serve Delta Shores and Stone Beetland; the size and corresponding costs for these estimates are based on demand generated by the remaining Finance Plan population in the Combined Projects.

Table 2-2
Delta Shores Public Facilities Financing Plan - 2025 Update
Land Use Plan: Stone Beetland [1]

Land Use	Average Density	Gross Acres	Units	Sq. Ft.
<u>Developable</u>				
Residential	<i>du/acre</i>			
LDR	6.29	30.2	190	-
MDR	10.48	25.0	262	-
HDR	39.72	17.9	711	-
Subtotal Residential		73.1	1,163	-
Commercial	<i>far</i>			
Commercial Mixed Use	0.29	6.1	-	78,000
Subtotal Commercial	0.29	6.1	-	78,000
Total Developable		79.2	1,163	78,000
<u>Non-Developable</u>				
Public/Quasi-Public - RT Station		10.4	-	-
Parks and Open Space				
Neighborhood/Community Parks		9.1	-	-
Open Space		23.9	-	-
Subtotal Parks and Open Space		33.0	-	-
Major Streets		18.1	-	-
Total Non-Developable (Estimate)		61.5	-	-
Total Stone Beetland Land Uses		140.7	1,163	78,000

Source: City of Sacramento; EPS

[1] Stone Beetland land use assumptions are from Stone Beetland Project (P21-042)
Draft Sustainable Communities Environmental Assessment Initial Study (June 2023).

Table 2-3
Delta Shores Public Facilities Financing Plan - 2025 Update
Estimated Combined Projects Remaining Population and Employees

Item	Persons per HH/ Emp. per Acre [1]	Units/Acres		Total Population/Employees			Remaining Population/Employees		
		Total	Remaining	Population	Employees	Total Persons	Population	Employees	Total Persons
<u>Delta Shores</u>									
Residential	<i>pph</i>	<i>units</i>							
LDR	2.98	635	585	1,892	0	1,892	1,743	0	1,743
MDR	2.98	2,076	1,861	6,186	0	6,186	5,546	0	5,546
HDR	1.76	1,927	1,927	3,392	0	3,392	3,392	0	3,392
Mixed Use	1.76	159	159	280	0	280	280	0	280
Subtotal Residential		4,797	4,532	11,750	0	11,750	10,961	0	10,961
Commercial	<i>emp per acre</i>	<i>acres</i>							
Mixed Use Town Center	30.00	14.47	14.47	0	434	434	0	434	434
Village/Regional Center	30.00	122	25	0	3,651	3,651	0	741	741
Corner Retail	30.00	5.46	2.69	0	164	164	0	81	81
Subtotal Commercial		141.62	41.86	0	4,249	4,249	0	1,256	1,256
Total				11,750	4,249	15,999	10,961	1,256	12,217
<u>Stone Beetland</u>									
Residential	<i>pph</i>	<i>units</i>							
LDR	2.98	190	190	566	0	566	566	0	566
MDR	2.98	262	262	781	0	781	781	0	781
HDR	1.76	711	711	1,251	0	1,251	1,251	0	1,251
Subtotal Residential		1,163	1,163	2,598	0	2,598	2,598	0	2,598
Commercial	<i>emp per acre</i>	<i>acres</i>							
Commercial Mixed Use	30.0	6.1	6.1	0	183	183	0	183	183
Subtotal Commercial		6.1	6.1	0	183	183	0	183	183
Total				2,598	183	2,781	2,598	183	2,781
Total Combined Projects				14,348	4,432	18,780	13,559	1,439	14,998
Delta Shores Pct.				81.9%	95.9%	85.2%	80.8%	87.3%	81.5%
Stone Beetland Pct.				18.1%	4.1%	14.8%	19.2%	12.7%	18.5%

Source: City of Sacramento; EPS

[1] Persons per household / employees per acre based on 2019 Finance Plan.

3. Regional Infrastructure, Backbone Infrastructure, and Public Facilities Costs

Buildout of Delta Shores and Stone Beetland will generate new residential and commercial users and will require public infrastructure and facilities such as roads, water, storm drainage utilities, and public safety facilities.

The Regional Infrastructure, Backbone Infrastructure, and Public Facility requirements summarized in this chapter are based on the infrastructure master plans for the Delta Shores PUD, the mitigation measures set forth in the Delta Shores EIR, conditions of approval placed on tentative maps, the terms of the CRB Cost Share Agreement, and the Delta Shores Development Agreement.

Buildout of Delta Shores and Stone Beetland will require the following Finance Plan Facilities:

- Regional Infrastructure
- Backbone Infrastructure:
 - Roadways
 - Sanitary Sewer
 - Storm Drainage (including Detention Basins)
 - Water
- Public Facilities:
 - Swainson's Hawk/Ag Mitigation
 - Parks
 - Trails
 - Open Space
 - Police Facilities
 - Fire Facilities
 - Transit
 - Library Facilities

As mentioned in **Chapter 1**, many of the Finance Plan Facilities have been constructed, and this Finance Plan focuses on the costs and funding strategy for the remaining Finance Plan Facilities yet to be constructed. This chapter discusses all of the required remaining Regional Infrastructure, Backbone Infrastructure and Public Facilities and provides the estimated remaining costs (in 2025\$) associated with each category.

Cost estimates for the required remaining Regional Infrastructure, Backbone Infrastructure, and Public Facilities were developed based on several sources. Cost estimates were determined based on a combination of bid data, engineering cost estimates, escalation of the 2019 Finance Plan costs to account for cost inflation, and updated estimates from the City for any revised improvement requirements.

Table 1-3 in Chapter 1 summarizes the estimated remaining costs (in 2025\$) for Regional Infrastructure, Backbone Infrastructure, and Public Facilities required for the project. **Table 1-3** contains original costs, which represent the estimated remaining improvement costs in 2025\$, as well as adjusted costs. For each improvement type included in the Delta Shores Impact Fee Program, the adjusted cost is estimated as the original cost adjusted to account for fee program fund balances available to fund improvements (a cost decrease) and fee program credits due to developers who provided advance funding (a cost increase). *Note that these adjustments are applicable to improvements included in the Delta Shores Impact Fee Program only.*

At buildout, remaining Regional Infrastructure, Backbone Infrastructure, and other Public Facility costs total approximately \$223.9 million (in 2025\$) after adjusting the costs for Delta Shores Impact Fee Program fund balances and credits. **Table A-1 in Appendix A** details the cost adjustments for improvements funded through the Delta Shores Impact Fee Program. ***Note that any amounts referenced in this chapter refer to the remaining adjusted costs shown in Table A-1 unless indicated otherwise.***

A variety of financing sources will be used to fund the remaining Finance Plan Facilities, as discussed in **Chapter 5**. Detailed remaining cost estimates are contained in **Appendix A** of this report. In many cases, cost estimates were obtained from earlier documents, such as the 2019 Finance Plan and escalated to 2025 dollars. **Appendix A** clearly identifies these cases and the sources of all cost estimates.

Regional Infrastructure, Backbone Infrastructure, and Public Facilities

As described earlier, the Finance Plan establishes a funding strategy for Regional Infrastructure, Backbone Infrastructure, and Public Facility improvements. The remainder of this chapter describes the remaining improvements to be constructed and the remaining costs.

Regional Infrastructure

Regional Infrastructure improvements required for Delta Shores development comprise regional road improvements designed to serve Delta Shores, Stone

Beetland, and a host of other existing and future users. Development of the initial phase of Delta Shores included two major regional roadway improvements sized to serve not only Delta Shores and Stone Beetland but also existing and other future residents and commuters:

- The CRB Extension from Freeport Boulevard east to Franklin Boulevard.
- An upgrade to the CRB I-5 Interchange.
- Other related improvements, including enhancements for local connectivity (e.g., turn pockets), traffic signal pre-wiring, upgraded landscaping and irrigation, soundwall improvements and decorative hardscape.

These projects were constructed as part of the initial phase of Delta Shores development and were funded by the City and the Delta Shores master developer. The CRB Funding Agreement describes the terms and conditions of the cost-sharing agreement between the City and the master developer for development of the CRB Extension, as well as the CRB I-5 Interchange. Pursuant to the terms described in the CRB Funding Agreement, Delta Shores provided upfront funding to cover both the Delta Shores and Stone Beetland percentage shares of the costs. The shares for Delta Shores and Stone Beetland were derived from the Fehr & Peers Trip Generation and Distribution Study (4/24/07), which estimated the source of traffic for each road segment. In total, the Delta Shores share was 41.3 percent of the total cost, and the Stone Beetland obligation was 7.9 percent of the total cost. This Finance Plan establishes the Delta Shores Impact Fees for the Delta Shores master developer to secure reimbursement for advance-funded Regional Infrastructure costs from subsequent Delta Shores developers, as well as from Stone Beetland developers.

Appendix A identifies the remaining Regional Infrastructure costs for Delta Shores and Stone Beetland. The Delta Shores amount is equal to the remaining Delta Shores Impact Fee Program credits and reimbursements payable to the Delta Shores master developer for advance-funding Delta Shore's cost obligation. The Stone Beetland amount is equal to the Stone Beetland obligation remaining to be paid to the Delta Shores master developer for advance-funding Stone Beetland's cost share. Note that the remaining costs are adjusted annually to account for inflation, according to the procedures detailed in the development agreement in **Appendix E** of this report.

Backbone Infrastructure

Backbone Infrastructure includes most of the essential public service-based items that are underground or on the surface. These items include 4⁺-lane roads, sewer, drainage, water, and dry utilities and exclude the Regional Infrastructure described in the previous section. Backbone Infrastructure is sized to serve

numerous individual development projects in the Combined Projects. Estimated remaining Backbone Infrastructure costs at buildout of the Combined Projects total approximately \$68.3 million (2025\$). Some of the roadway improvements have already been constructed and are accounted for in the remaining costs as Delta Shores Impact Fee Program credits and reimbursements owed to the Delta Shores developers who funded the improvements.

Roadways

Backbone road improvements are designed primarily to serve Delta Shores and Stone Beetland. The PUD Guidelines contain roadway sections with design widths from Delta Shores. Roadway types include residential, arterial, collector, local, and internal streets. The Finance Plan does not include the list of improvements and costs for local and internal residential streets; these streets are considered subdivision improvements and are privately financed.

Three on-site arterials will provide connectivity throughout the Combined Projects:

- **Delta Shores Circle North**, a 4-lane divided arterial segment connecting to Delta Shores Circle South. This improvement was recently constructed by the Delta Shores master developer.
- **Delta Shores Circle South**, a 4-lane, half-circle road that connects to the CRB Extension in two places. This improvement was completed as part of the initial phase of Delta Shores development.
- **24th Street**, a 4-lane arterial going north-south from the CRB Extension to the northern boundary of the project.
- **Traffic Signals** will be installed at key intersections.

In addition, a network of local streets will facilitate automobile circulation, while at the same time supporting transit and alternative modes of transportation such as bicycle and pedestrian mobility.

The total estimated remaining cost of backbone roadway improvements is \$28.1 million (2025\$). The cost of backbone roadway facilities includes the following road components:

- Street work
- Intersections
- Traffic signals
- Bus turnouts
- Roundabouts
- Bicycle lanes (Class II)
- Landscape corridors
- Dry utilities

Appendix A details the Roadway CIP and corresponding cost estimates for the Combined Projects required remaining Backbone roadway improvements. Please note that these costs do not include frontage improvements or subdivision-level street improvements; individual subdivision developers will be responsible for these improvements and their associated costs.

Sanitary Sewer

Backbone sewer improvements are sized to accommodate sewage flows from both Stone Beetland and Delta Shores. On an interim basis, initial phases of development will discharge to the existing 96-inch Sacramento Area Sewer District (SASD) City Interceptor pipeline. Ultimately, all phases of the Combined Projects will tie into a regional sewer lift station in the Community Park that would pump wastewater into the SASD Central Interceptor, located near CRB and Franklin Boulevard. Except for any existing SASD regional sewer lines, the on-site Backbone sewer system will become part of the City's separated sewer system.

Eventually, all wastewater flows from Delta Shores and Stone Beetland will be directed to the Sacramento Regional Wastewater Treatment Plan (SRWTP), via the SASD City Interceptor or the SASD Central Interceptor.

The sewer system is anticipated to include the following types of improvements at buildout:

- Trunk collector gravity lines ranging from 8 inches to 30 inches in diameter.
- Two pump stations.
- On-site and off-site force mains and their appurtenances.

The remaining infrastructure to be constructed includes a regional lift station and regional force main that will also benefit other areas. The total estimated cost for this infrastructure (before fee program adjustments) is approximately \$22.2 million (2025\$), of which the Combined Projects share is approximately \$18.8 million. In addition, sewer improvements that have already been constructed are accounted for in the remaining costs as Delta Shores Impact Fee Program credits and reimbursements owed to the Delta Shores developers who funded the improvements.

The total remaining sewer costs, after accounting for credits and reimbursements, are estimated at \$24.0 million, of which the Combined Projects share is approximately \$20.6 million.

The estimated costs do not include any costs associated with environmental mitigations. Easements, right-of-way, and land acquisition related to sewer improvements will be conveyed to the City at no cost. That is, the developer must dedicate the land to the City free from any encumbrances and with all environmental mitigations satisfied.

Appendix A contains a detailed list of remaining sanitary sewer improvements required for Delta Shores.

Storm Drainage

Storm drains ranging in size from 24 inches to 78 inches will be incorporated in roadways, parks, and open space in locations in the recreational and development areas. Detention facilities, drainage pipes, channels, water quality basins and ponds, permanent and temporary inlets, and other flood control facilities will be constructed to meet the design requirements of the City Department of Utilities.

The estimated remaining cost of the Delta Shores backbone drainage improvements is approximately \$11.1 million (2025\$). The Finance Plan does not include any Stone Beetland drainage costs, as it is assumed that the Stone Beetland developers will privately construct and fund their required drainage improvements.

Many of the Delta Shores drainage improvements have already been constructed and are accounted for in the remaining costs as Delta Shores Fee Program credits and reimbursements owed to the Delta Shores developers who funded the improvements. The Delta Shores storm drainage improvements include the following facilities:

- Two Regional Detention Basins
- Three Water Quality Ponds
- Storm Drainage Pipe Systems
- Drainage Swale

Costs do not include land acquisition. **Appendix A** contains a detailed list of remaining drainage improvements required for the Combined Projects.

Water

The City will obtain and deliver water to the Combined Projects; groundwater use is not planned for Delta Shores.

Delta Shores will include a looped water system with a series of water lines ranging in size from 8 inches to 24 inches. Water service will be provided via a connection to a 24-inch transmission water line extension along Freeport Boulevard, 24th Street, and CRB. As part of the CRB Extension project, a 24-inch transmission water line

was constructed from Freeport Boulevard to Franklin Boulevard through the Delta Shores site and installed as part of the initial phase of Delta Shores development).

The City Department of Utilities originally planned to locate a water storage facility in Delta Shores on 1.55 acres northeast of the intersection of the CRB Extension and 24th Street. The location was later changed to an off-site location in the Meadowview 102 area. The exact size of the facility has not yet been determined but will be designed and sized by the City Department of Utilities in accordance with City requirements for water storage. The water tank will serve the Combined Projects and other areas of the City.

Backbone water facilities consist of transmission and distribution lines throughout the Combined Projects, as summarized below, and are eligible for the City water fee credits described in **Chapter 4** of this report:

- **CRB Transmission Line** extending from the elevated tank on Freeport Boulevard to Franklin Boulevard. This improvement was completed as part of the CRB Extension project and is therefore not included in the cost estimates in this Finance Plan.
- **24th Street Transmission Line** extending from CRB to Meadowview Road.

The total estimated remaining cost of the Combined Projects Backbone water improvements is \$5.2 million (2025\$).

The Future Water Tank and Booster Pump Station to provide water storage is not included in the Finance Plan at this time. The City will construct this facility with water fee revenue collected citywide. Also, estimated costs do not include any costs associated with environmental mitigations. Easements, right-of-way, or land acquisition related to water improvements will be conveyed to the City at no cost. That is, the developer must dedicate the land to the City free from any encumbrances and with all environmental mitigation satisfied.

Appendix A contains a list of remaining water improvements for the Combined Projects.

Public Facilities

The term Public Facilities includes these amenities and improvements:

- Swainson's Hawk/agriculture land mitigation.
- Parks, including neighborhood, community, and regional facilities.
- Trails, primarily focusing on off-street facilities.
- Other citywide park and recreation facilities.
- Open space corridors in the Combined Projects.
- Police substation and equipment.
- Fire station and equipment.

- Transit facilities.
- Library facilities, including buildings, furnishings, equipment, and collections.
- Schools.

This group of items provides amenities to the Combined Projects (park facilities and libraries) or houses employees providing services to the area (police and fire).

The estimated costs of remaining Public Facility improvements in the Combined Projects amount to approximately \$111.5 million (2025\$).

As detailed in the sections to follow, Public Facilities are sized to serve either Delta Shores alone or to serve the Combined Projects. To the extent Public Facilities are sized to serve the Combined Projects, the associated costs then are allocated to both Delta Shores and Stone Beetland in accordance with the appropriate measure of demand.

Swainson's Hawk/Agriculture Mitigation

This section describes the improvements that will mitigate the impact of Delta Shores development on Swainson's Hawks habitat and agricultural land. Prior to any development, Delta Shores included approximately 201 acres of Prime Farmland, 342 acres of Farmland of Statewide Importance, and 222 acres of Farmland of Local Importance for a total of 765 acres of farmland, which also provided potential raptor foraging habitat.

One of the mitigation measures identified in the Delta Shores EIR includes the permanent preservation and management of suitable foraging habitat, contiguous with other areas of suitable foraging habitat, for Swainson's Hawk, White-tailed Kite, Burrowing Owl, and other raptors. To satisfy this mitigation measure, Delta Shores is required to fund 1 to 1 mitigation for development of the farmland. That is, for each acre of farmland developed, Delta Shores must provide an acre of habitat. The Delta Shores master developer acquired in excess of 800 acres of easements to satisfy the required mitigation and is owed Delta Shores Impact Fee Program credits or reimbursements for funding the required mitigation. Swainson's Hawk/Agricultural Mitigation is not included as a Delta Shores Impact Fee Program component because there are no remaining costs. Rather, the remaining fee program credits and reimbursements owed to the Delta Shores master developer are accounted for as cost adjustments and spread to the other public facilities included in the Delta Shores Impact Fee Program in proportion to the remaining cost for each public facility type.

All costs are applicable to Delta Shores only, as Stone Beetland will fund its required mitigation independently rather than through the Delta Shores Impact Fee Program. Mitigation requirements for development of Stone Beetland will be determined at a later date as described in its EIR Mitigation Monitoring Program.

Parks

Community and Neighborhood Parks

The Delta Shores and Stone Beetland parks program provides more than 55 acres of parks, including mini parks, neighborhood parks, and a community park. Community and neighborhood parks will be constructed by the City using City Park Impact Fee (PIF) revenues collected from the Combined Projects.

The total remaining cost for community and neighborhood park facilities is estimated at \$19.0 million (2025\$). This amount is based on the revenue generated by the Combined Projects from the Neighborhood and Community Park Component of the PIF.

Regional Park Contribution

In 2019, Delta Shores had a \$4.0 million required contribution to development of a proposed regional park adjacent to the community park, per the conditions of the Development Agreement. This amount has been escalated to \$4.7 million (2025\$). As stated in the second amendment to the Development Agreement, the Delta Shores regional park obligation shall be satisfied by including a regional park fee subcomponent in the Delta Shores Impact Fee Program that will generate the required \$4.7 million through the payment of residential fees. Stone Beetland does not have a regional park contribution obligation.

Trails

The Delta Shores trails system, designed to be integrated with the City Bikeways Master Plan, will provide a system of on- and off-street pedestrian paths, shared-use trails, widened sidewalks, and paseos that connect parks, schools, residential neighborhoods, and commercial centers. **Exhibit 3-1** shows the planned trails for Delta Shores, and **Exhibit 3-2** shows the planned trails for Stone Beetland.

Appendix A details the planned trail improvements in the Combined Projects, which have a total estimated cost of \$3.1 million (2025\$).

The following improvements are included in the Delta Shores and Stone Beetland trails system:

- Series of interconnected Class I off-street multi-use trails.
- 3 pedestrian crossings at Delta Shores Circle South.
- CRB enhanced crossing with a crosswalk, ramps, and trails running parallel to CRB on both the north and south sides.

Exhibit 3-1 - Delta Shores Trails System



LEGEND

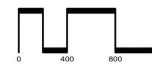
- LDR - Low Density Residential (4 - 7 du/ac)
- MDR - Medium Density Residential (8 - 14 du/ac)
- HDR - High Density Residential (15 - 27 du/ac)
- MU - Mixed Use (23 - 29 du/ac)
- Commercial Retail
- Public Facilities (E - Electrical, F - Firestation, W - Water Tank)
- Wetland
- Detention/Water Quality
- Parks
- ES - School Reservation Sites

- Public Access Barrier (TAB)
- Property Boundary
- Village Boundary

- Class I - Off-street multi-use trail
- Class II - On-street bike lane
- Widened Sidewalk
- Traffic Signal Crossing
- Pedestrian Signal Crossing

DELTA SHORES

CITY OF SACRAMENTO SACRAMENTO COUNTY CALIFORNIA
SCALE: 1" = 400' DATE: MARCH 2023

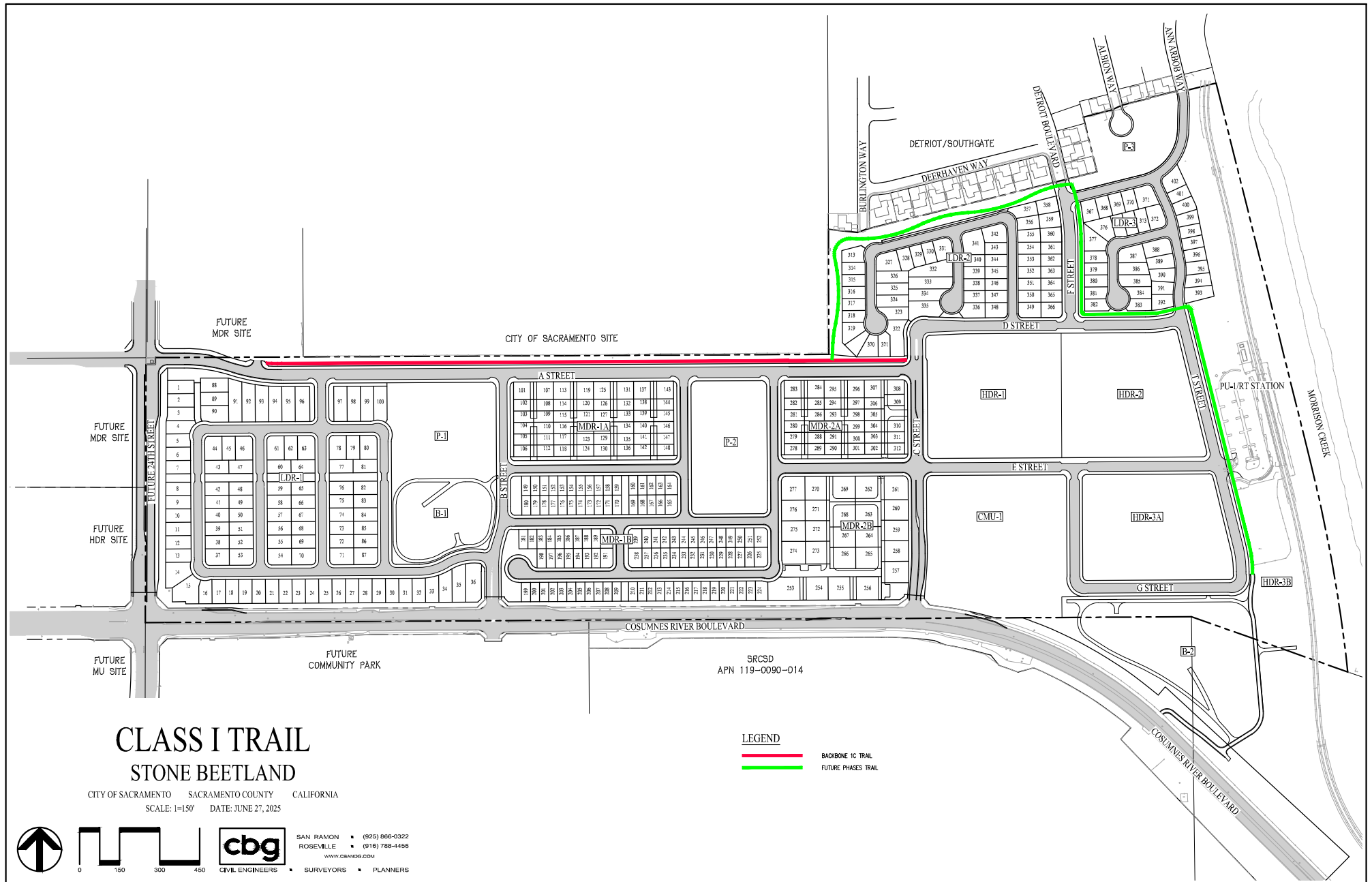


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This exhibit is for reference only and is not a representation as to size, dimension, or location of any tenant in the shopping center. All building, improvements, their occupants, and their uses as shown on this plan are subject to modification at the landlord's discretion.

Exhibit 3-2 - Stone Beetland Trails System



Other Citywide Park and Recreation Facilities

The Citywide Park PIF payments made by Delta Shores and Stone Beetland will be used to fund citywide park and recreation facilities located within the boundaries of the Combined Projects. Examples of these types of improvements are community centers and cultural centers. Although these facilities have not currently been identified by the City, the community park or regional park may house these types of facilities. Currently, the cost of these improvements is estimated at \$9.7 million (2025\$), which is equal to the Citywide PIF generated by the Combined Projects

Open Space

Open space in Delta Shores will support both active and passive recreation. The Delta Shores land use plan, excluding linear parks/trails and private open space lots, includes roughly 26.2 acres of open space throughout the project site. The cost of open space totals approximately \$6.5 million (2025\$). In addition, Delta Shores contains an approximately 22-acre wetland conservation easement

No open space costs are included for Stone Beetland, as it is assumed that Stone Beetland will independently fund its open space obligation.

Police

The City Police Department (SPD) will provide police services to the Combined Projects. The SPD has identified the need for new police facilities in the Meadowview area to provide for a rapidly increasing population. New police facilities would be funded, in part, by a proportionate contribution to be paid by the Combined Projects.

Cost estimates included in this Finance Plan are based on the estimated cost for a 20,000 square foot police substation and Delta Shores and Stone Beetland's portion of that cost (approximately 7.7 percent). The police cost for the Combined Projects is approximately \$1.8 million (2025\$).

Fire

The Sacramento City Fire Department (SFD) will provide fire protection, suppression, emergency medical services, and hazardous materials management to the project. The department uses several measures to determine the need for its fire protection services, which include providing one station for every 1.5-mile service radius or one station for every 16,000 population.

Funding for fire facilities includes the construction of initial fire facilities needed to serve Delta Shores development and the full buildout of fire facilities needed to serve the Combined Projects. The cost obligation for the initial phase of fire facility development is attributable to Delta Shores only. The cost of the full buildout of the fire facility will be distributed based on the proportionate shares shown in **Appendix A**. Delta Shores will be responsible for 80 percent of the costs to build out the fire station, while Stone Beetland will be responsible for 18 percent of the

costs, and the City will be responsible for the remaining 2 percent. Delta Shores and Stone Beetland combined do not have an obligation for the full cost of the fire station because the station is sized to serve 16,000 residents, which is more than the estimated population of the Combined Projects, so the City will fund the portion of costs in excess of the Combined Projects obligation.

The City also may collect reimbursement funds from future development within a 1.5-mile radius of the fire station to repay the Delta Shores master developer for advance-funding the cost of new station facilities. Based on the calculation shown in **Appendix A**, the master developer would be owed approximately \$298,000 (the City's cost obligation) in reimbursement from other developments.

The total cost of the fire facilities is estimated at \$16.2 million, with the Combined Projects' proportionate share totaling approximately \$15.9 million (2025\$). This contribution will fund the Combined Projects' proportionate share of the following costs:

- One Fire Station
- One Ladder Truck
- One Engine Truck
- One Medic Truck

Costs also include construction, contingency, soft costs, and parking but do not include the cost of land. Land costs may be funded privately (via land dedication) or through other non-impact fee sources of funding.

Public Transit

The Sacramento Regional Transit District (RT) provides public transit service north and east of Delta Shores. Services include both light rail service and bus service. The Cosumnes River College light rail station is the southern terminus station of the Blue Line light rail service that extends north through downtown Sacramento to the line's northern terminus at the I-80/Watt light rail station. Bus service is provided along the Meadowview Road and Franklin Boulevard corridors.

The Combined Projects will coordinate with RT to provide transit stops to serve Delta Shores and Stone Beetland. The Morrison Creek light rail station, located on the eastern edge of Stone Beetland, opened in 2021 and is currently operational, although it is not yet accessible to cars. Additional improvements may include new bus routes and rerouting existing bus services through Delta Shores. The Delta Shores master developer, in coordination with RT, will also identify the specific locations of sheltered transit stops with bus turnouts.

The costs for transit capital improvements for Delta Shores were established in the 2019 Finance Plan and total approximately \$378,000 (2025\$) based on the cost of 17 bus stops, including shelters, signage, and trash receptacles. Bus turnout costs are included in the backbone roadway costs described above.

No transit costs are included for Stone Beetland, as it is assumed that Stone Beetland will independently satisfy its transit obligation.

Library

Residents of Delta Shores and Stone Beetland will participate in the City's library system. The Combined Projects will contribute a proportionate share of costs for the construction of new facilities or provision of amenities in Delta Shores that will benefit the Combined Projects.

As established in the 2019 Finance Plan, Delta Shores and Stone Beetland will contribute to library costs based on the level of service provided to City residents and the estimated cost of library facilities, land, collections, and technology workstations as estimated based on the Sacramento Public Library Authority's¹ 2007–2025 Library Master Plan (Library Master Plan).

The Combined Projects contribution to library facilities totals approximately \$5.8 million (2025\$). These funds will be used solely to fund library facilities and amenities in Delta Shores and Stone Beetland. Precise library facility details will be established based on future discussion between the Delta Shores and Stone Beetland developers, the City, and the Sacramento Public Library Authority.

Schools

Delta Shores and Stone Beetland, located in the South Area Community Plan portion of the City, will be served by the SCUSD. There are no existing elementary, middle, or senior high schools located in the Combined Projects. Delta Shores proposes to include two elementary or K-8 school sites within its boundaries. The Stone Beetland land use plan does not include any school sites.

Payment of the SCUSD impact fees will fulfill the Combined Projects' obligation for school facility construction. The estimated fee revenue from the Combine Projects is detailed in **Appendix C**.

¹ Established via a Joint Powers Agreement between the City and the County of Sacramento.

4. Financing Strategy and Funding Sources

This chapter outlines the financing strategy for Delta Shores and Stone Beetland and describes how a combination of funding sources will be used to fund the Regional Infrastructure, Backbone Infrastructure, and Public Facilities required to serve the project.

Financing Strategy and Funding Sources Overview

The Regional Infrastructure, Backbone Infrastructure, and Public Facilities required for development of the Combined Projects will be funded using a combination of public and private funding sources. Specific requirements for developer construction of Backbone Infrastructure and Public Facilities are defined by project conditions of approval, tentative map conditions, and Development Agreement requirements.

Initially, developers will construct and privately finance the construction costs for most of the Backbone Infrastructure (e.g., roads, sewer, water, drainage) needed at the outset of development. Several major Backbone Infrastructure segments already have been installed or advance-funded by the Delta Shores master developer. In addition, developers have or are anticipated to construct or advance-fund the costs of Swainson's Hawk/agriculture land mitigation, trails, and open space facilities.

For these developer-constructed or advance-funded improvements, the developers may receive credits or reimbursements from the appropriate existing or new fee programs (including the Delta Shores Impact Fee Program discussed in this chapter) depending on credit/reimbursement eligibility and policy requirements of the appropriate agency. All of the developer-constructed or advance-funded improvements except for water improvements will be funded entirely by the Delta Shores Impact Fee Program, so the developers who construct or fund these improvements will be eligible for credits and reimbursements from this fee program only. Water improvement will be funded through the City water fee program, so developers who construct or fund water improvements will be eligible for credits and reimbursements from the City water fee program.

As part of the financing strategy, the Delta Shores Community Facilities District No. 2019-1 (CFD 2019-1) was formed to fund a portion of the total Backbone Infrastructure and Public Facility costs needed at the outset of development.

For most of the remaining Public Facilities (e.g., parks, public safety, transit), the Combined Projects' developers will pay applicable existing and new development impact fees. The Delta Shores Impact Fee Program will fund or partially fund the Combined Projects' Public Facility obligations consisting of Swainson's Hawk/ agriculture land mitigation, regional park development, open space, police and fire facilities, transit improvements, and library improvements.

Detailed Sources of Funding

The following sections detail the currently available sources identified to fund Finance Plan Facilities:

- Delta Shores Impact Fee Program.
- Existing City and Other Agency Fee Programs.
- City Funding.
- Other Development Projects.

Table 1-4 in Chapter 1 shows the proposed funding source for each Regional Infrastructure, Backbone Infrastructure, and Public Facility category at buildout. The estimated remaining costs to be funded by each source are summarized below:

• Delta Shores Impact Fee Program:	\$142.0 million
• City and Other Agency Fee Programs:	\$78.3 million
• City Funding:	\$0.3 million
• Other Development Projects:	\$3.3 million
• Total	\$223.9 million

Delta Shores Impact Fee Program

Detailed further in **Chapter 5**, the Delta Shores Impact Fee funds those Backbone Infrastructure and Public Facilities costs not funded by existing City or regional fee programs or other funding sources identified in the sections to follow. Finance Plan Facilities included in the Delta Shores Impact Fee Program are improvements with plan-wide benefits (i.e., serve multiple individual subdivisions), the costs of which should be distributed among Delta Shores and Stone Beetland uses and ownership interests.

The Delta Shores Impact Fee Program, adopted in 2019, is a City-implemented, plan area-specific development impact fee program applicable only to new Delta Shores and Stone Beetland development. Improvements to be funded by this fee are Regional Infrastructure, backbone roadways, sewer and storm drainage improvements, regional parks, open space, police improvements, fire improvements, transit facilities, and library facilities.

Existing City and Other Agency Fee Programs

Specific building projects will be subject to all applicable City and other agency development impact fees in place at the time of acceptance of the building permit application. Revenues generated by certain specific fee programs will be available to directly fund Backbone Infrastructure and Public Facilities identified in this Finance Plan. Fee program revenues generated by the following fee programs may be available to partially or fully fund Finance Plan Facilities required for Combined Projects development and therefore are included in the Finance Plan:

- Citywide Transportation Development Impact Fee (TDIF)
- Citywide Sewer Development Fee
- Citywide Storm Drainage Development Fee
- Citywide Water Development Fee
- City Park Impact Fee
- City Construction Excise Tax
- SCUSD School Mitigation Fee

Appendix C contains estimates of the projected fee revenue from the Combined Projects for each fee program. Note that Delta Shores and Stone Beetland are exempt from paying the TDIF and the City sewer and storm drainage fees, as it is assumed that the applicable project costs will be paid by other sources. Therefore, fee estimates for these fees are not included in **Appendix C**.

The sections below offer additional detail about the above fees.

Citywide TDIF

The TDIF funds the design, construction, installation, improvement, and acquisition of citywide transportation improvements. Through completion of the CRB improvements, Delta Shores satisfied its obligation to provide funding for citywide transportation improvements and thus is exempt from paying the TDIF. Likewise, Stone Beetland will satisfy its obligation for citywide transportation improvements through its required contribution to the CRB improvements and will be exempt from paying the TDIF.

Citywide Sewer, Storm Drainage, and Water Development Fees

In October 2023, the City adopted updates to the citywide sewer, storm drainage, and water development fees. Each of these fees is summarized below.

Water Development Fee

This fee is charged on all new connections to the water system and funds water treatment and transmission facilities to provide water to customers in the City. Both Delta Shores and Stone Beetland are required to pay this fee. The Delta Shores master developer is responsible for constructing the required water improvements for the Combined Projects and has entered into a fee credit and

reimbursement agreement with the City to receive reimbursements or credits from the water fee program. Approximately \$5.2 million (2025\$) of required Delta Shores and Stone Beetland water infrastructure remains to be constructed.

Sewer Development Fee

The City sewer development fee funds sewer improvements that will be needed to increase the sewer system capacity to accommodate projected sewer flows from new development. Improvements funded by the sewer fee include trunk sewer lines, sewer pump stations, and force mains. Delta Shores and Stone Beetland will fund their required sewer improvements through the Delta Shores Impact Fee and are therefore exempt from paying the City sewer development fee.

Storm Drainage Fee

The City storm drainage fee funds flood control improvements required for new development to occur. These flood control improvements include detention facilities, drainage pipes, channels, water quality basins and ponds, inlets, wetland swales, and other facilities. Many of the improvements for Delta Shores have already been constructed. All required Delta Shores storm drainage improvements will be funded through the Delta Shores Impact Fee. In addition, it is assumed that Stone Beetland will privately fund its required storm drainage improvements. Consequently, Delta Shores and Stone Beetland are exempt from paying the City storm drainage fee.

City Parks Impact Fee

In February 2017, the City adopted an update to the Park Impact Fee (PIF). All new residential and nonresidential development in the City is subject to the PIF, which has two components, one that funds park improvements in the community plan area in which a project is located and the other that funds regional facilities. These two components are summarized below.

Neighborhood and Community Parks Component

Both Delta Shores and Stone Beetland will fulfill all neighborhood and community park improvement obligations through payment of the neighborhood and community park component of the PIF. Both subareas provide sufficient parkland to satisfy the City's requirement of 3.5 park acres per 1,000 residents. Payment of the Neighborhood and Community Park PIF will provide sufficient funding to construct the required acres of parks.

Citywide Parks Component

The Citywide Parks Component of the PIF funds citywide improvements (e.g., regional parks and community centers) that benefit not only the Combined Projects but also other areas of the City. As stated in the Delta Shores DA, all Citywide PIF revenue generated by the Combined Projects will be used to fund

improvements located within the Combined Projects boundaries, such as a community center or cultural center, as determined by the City.

Construction Excise Tax

The City imposes a construction excise tax (CET), often known as the Major Street Construction Tax (MSCT), on new construction for purposes of funding land acquisition and the construction, reconstruction, replacement, widening, modification, and alteration (but not for maintenance and repair) of existing and proposed streets in the City.

In practice, the City uses CET funds on streets with a face-to-face curb width of more than 50 feet with bike lanes. In addition, the CET only funds the additional lanes and median in the middle; adjacent development is responsible for the curb, gutter, sidewalk, planter, bike lane, parking lane, and one lane of traffic on each side.

Delta Shores and Stone Beetland are required to pay the CET, but it is not currently anticipated that the CET will be used to fund any of the required roadway improvements for Delta Shores and Stone Beetland.

School District Impact Fees

State law allows school districts to impose fees on new residential and nonresidential development. Level I fees are capped by law, and that cap amount is split between elementary and high school districts. If school districts meet certain criteria, they may impose Level II fees on residential development. Level II fees are not capped but follow a strict formula set forth in the law. The Combined Projects will pay the current SCUSD Level I fees, which will satisfy the Combined Projects' funding obligation for school facilities.

Other Existing Development Impact Fee Programs and Charges

The Combined Projects will be subject to other City, County, and regional development impact fee programs that are not anticipated to fund Finance Plan Facilities.

City Funding

The City will fund a small portion (2 percent) of the fire improvements to cover the costs in excess of the Combined Projects obligation, based on their projected population compared to the population served by the new fire station. Because the new fire station is sized to serve 16,000 residents but the projected combined population of Delta Shores and Stone Beetland at buildout is less than 16,000, the Combined Projects are not obligated to pay the full cost of the fire improvements.

Other Development Projects

The Combined Projects will participate in funding of Finance Plan Facilities whose benefit is shared by other neighboring development projects. Specifically, a portion of the sewer improvements will be funded by other benefitting projects.

Land-Secured Financing

This Finance Plan includes the use of land-secured financing for a portion of Regional Infrastructure, Backbone Infrastructure, and Public Facilities costs. In 2019, a Mello-Roos CFD, the Delta Shores Community Facilities District No. 2019-1 (CFD 2019-1), was formed to fund a portion of the total Backbone Infrastructure and Public Facility costs needed at the outset of development.

Major Finance Plan Facilities oversizing and substantial up-front capital outlays are required for certain projects. Land-secured financing, from the existing CFD or from another future CFD or an Assessment District, may be used to provide debt financing for some of these oversized Finance Plan Facilities, as summarized below:

- **Mello-Roos CFD.** The Mello-Roos Community Facilities Act of 1982 enables public agencies to form CFDs and levy a special tax on property owners in those CFDs. These special taxes may be used to pay debt service on CFD bonds or to finance public improvements directly on a pay-as-you-go (PAYGO) basis.
- **Assessment Districts.** California statutes give local governments the authority to levy several special assessments for specific public improvements such as streets, storm drains, sewers, streetlights, curbs, gutters, and sidewalks. The agency creates a special Assessment District that defines both the area to benefit from the improvements and the properties that will pay for the improvements.

Mello-Roos CFDs tend to be favored over Assessment Districts because Assessment Districts need to establish special benefit to those being assessed, which can be more challenging than the Mello-Roos requirement of establishing general benefit of facilities.

Participation and Use of Land-Secured Financing Proceeds

While the Development Agreement permits participation in one or more Mello-Roos CFDs to fund Finance Plan Facilities, participation by all or a portion of the Combined Projects is voluntary. Certain existing or future property owners may wish to finance construction of Backbone Infrastructure and Public Facilities through cash, equity, or other forms of debt rather than through the use of land-secured financing through the City.

Generally speaking, CFD bond proceeds will be used to fund those Backbone Infrastructure and Public Facilities that are completed first or for which the original payment to the contractor has been outstanding the longest. As such, the financing sources and uses schedules in this Finance Plan (see **Table 1-4**) do not specify exactly where CFD financing will be used in specific amounts for specific Finance Plan Facilities. In this manner, the City and property owners maintain flexibility to use CFD bond proceeds for the most critical Finance Plan Facilities.

At the Delta Shores developer's request, the City formed a Mello-Roos CFD over all residential development areas of Delta Shores. All commercial development is excluded from participation in the CFD. CFD bond sales have occurred as the need to fund or reimburse for Regional Infrastructure, Backbone Infrastructure, and Public Facilities has also occurred. Subsequently, the developer may request the City consider one or more additional CFDs over all or a portion of Delta Shores. As Stone Beetland moves forward, the City and the Stone Beetland developer may consider integrating similar land-secured financing.

Phasing and the Financing Strategy

Phasing of Finance Plan Facility construction is an important component of the overall financing strategy. The ability to sequence Finance Plan Facilities will depend on the type of facility and the pace of new development. When possible, construction of Finance Plan Facilities will be sequenced over time as needed to serve new development. The sequencing of Finance Plan Facility costs will help ensure adequate monies are available from the various financing sources to fund the Finance Plan Facility improvements.

Regional Infrastructure improvements have been completed. Completion of Backbone Infrastructure and other Public Facilities is being phased to serve logical increments of development, based on the demand for such Finance Plan Facilities as the Combined Projects build out. The timing and amount of development in each increment depends on many factors, such as market demand. In the normal course of the development approval process, the City conditions the project's tentative map(s) with Backbone Infrastructure and other Public Facility requirements.

The Finance Plan is designed to be flexible enough to accommodate faster or slower growth of the Combined Projects' development in response to the market for housing and nonresidential development.

The developers of the Combined Projects will be responsible for advance-funding and constructing all Backbone Infrastructure and Public Facilities needed to serve the Combined Projects unless the City and property owners agree otherwise to City construction of specific improvements. Subject to the City's fee credit and reimbursement policies, some or all of this private funding will be reimbursed to the landowners/developers over time as the City is able to issue public debt

through the CFD, issue credits due for landowner/developer proportionate share of fees, and collect fees from other developers that will provide reimbursements.

The City has begun issuing reimbursements, and developers have begun to use fee credits, but the time frame for full reimbursement is unknown and could be a considerable period of time depending on market conditions and the actual absorption of the development projects. There is no guarantee the initial developers will be fully reimbursed for the costs to oversize Finance Plan Facilities for later development projects.

5. Delta Shores Impact Fee Program

This Finance Plan includes a plan area fee program, the Delta Shores Impact Fee Program, which was adopted and implemented following adoption of the 2019 Finance Plan. The Delta Shores Impact Fee Program is designed to fund construction of Regional Infrastructure, Backbone Infrastructure, and Public Facilities improvements necessary to accommodate new residential and commercial uses generated by development of the benefitting land uses after taking into consideration other funding sources for the Finance Plan Facilities. The Delta Shores Impact Fee applies to all future development in the Combined Projects.

Delta Shores Impact Fee

The Delta Shores Impact Fee Program funds the remaining cost of Regional Infrastructure, Backbone Infrastructure, and Public Facilities that are needed to accommodate development in the Combined Projects but that are not funded by existing impact fee programs or other sources of revenues. Some of the improvements benefit and are funded by both Delta Shores and Stone Beetland, and others benefit and are funded by Delta Shores only. Thus, the fee components differ for Delta Shores and Stone Beetland, as detailed later in this chapter. The Regional Infrastructure, Backbone Infrastructure and Public Facilities requirements were discussed in **Chapter 3**. The following categories of Regional Infrastructure, Backbone Infrastructure, and Public Facilities are included in the Delta Shores Impact Fee Program:

- Regional Infrastructure
- Backbone Infrastructure:
 - Roadways
 - Sewer
 - Storm Drainage
- Public Facilities:
 - Regional Parks
 - Trails
 - Open Space
 - Police
 - Fire
 - Transit
 - Library

To the extent the Delta Shores master developer or a Stone Beetland developer constructs or advance-funds Finance Plan Facilities included in the Delta Shores Impact Fee Program, that developer would be eligible for credits against Delta Shore Impact Fee payments due, subject to a credit and reimbursement agreement between the developer and the City. These credits then may, upon approval of assignment by the City, be transferred to other parties or successors in ownership as individual Delta Shores and Stone Beetland development projects proceed. The City and the Delta Shores master developer entered into a credit and reimbursement agreement for the construction of infrastructure facilities accompanying the initial phase of Delta Shores development.

Separately, the Delta Shores master developer requested, and the City formed, a Mello-Roos Community Facilities District for the Delta Shores project. Subject to the terms of the Acquisition and Shortfall (A&S) Agreement between the developer and the City (A&S Agreement No. 2019-1513, which was entered into on September 1, 2019), the developer may be reimbursed for completed and accepted eligible facilities.

Delta Shores Impact Fee Funds

The Finance Plan analysis for the Delta Shores Impact Fee Program is based on the required Regional Infrastructure, Backbone Infrastructure, and Public Facilities discussed previously. Regional Infrastructure, all Backbone Infrastructure except storm drainage facilities, and certain Public Facilities (police, fire, and library) requirements are sized based on development of the Combined Projects. Other Backbone Infrastructure and Public Facilities obligations are established based solely on Delta Shores development (storm drainage, parks, open space, and transit).

With consideration to construction and funding responsibilities for various infrastructure categories and related credit and reimbursement policies, the City established two separate subareas for the purposes of the Delta Shores Impact Fee Program: one for Delta Shores and the other for Stone Beetland. Backbone Infrastructure and Public Facilities obligations sized to serve the Combined Projects are included in the impact fee for both subareas, while Backbone Infrastructure and Public Facilities serving only Delta Shores are included only in the Delta Shores subarea impact fee.

Each subarea has four separate fee components (with attendant subcomponents that vary by subarea and are based on the benefiting development). Note that the fourth fee component for each subarea is an administrative component that is used to fund administrative tasks required to track fee payments, facility construction, credits, and reimbursements. The Delta Shores Impact Fee Program includes the subarea, fee component, and subcomponent structure shown below.

Delta Shores Subarea

1. Regional Infrastructure Component
2. Backbone Infrastructure Component
 - Roadways Subcomponent
 - Sanitary Sewer Subcomponent
 - Storm Drainage Subcomponent
3. Public Facilities Component
 - Regional Parks Subcomponent
 - Trails Subcomponent
 - Open Space Subcomponent
 - Police Subcomponent
 - Fire Subcomponent
 - Transit Subcomponent
 - Library Subcomponent
4. Administration Component
(to fund administration and updates of the fee program)

Stone Beetland Subarea

1. Regional Infrastructure Component
2. Backbone Infrastructure Component
 - Roadways Subcomponent
 - Sanitary Sewer Subcomponent
3. Public Facilities Component
 - Trails Subcomponent
 - Police Subcomponent
 - Fire Subcomponent
 - Library Subcomponent
4. Administration Component
(to fund administration and updates of the fee program)

For each subarea, the City has established separate accounts (one for each fee component) for the purposes of collecting and administering use of the Delta Shores Impact Fee.

Delta Shores Impact Fee Program Cost Allocation

To ensure developed land uses fund their pro-rata share of the Finance Plan Facilities, the cost of such improvements is allocated across the benefitting land uses, based on the proportionate need generated for the Finance Plan Facilities, using common use factors that measure the demand for the Finance Plan Facility generated by each discrete land use category.

The purpose of allocating certain Finance Plan Facilities costs among the various land uses is to provide an equitable method of funding required infrastructure. The key to apportioning the cost of Finance Plan Facilities to different land uses is the assumption that the demands placed on Backbone Infrastructure and Public Facilities are related to land use type, and such demands can be stated in relative terms for all land uses. It is by relating demand for facilities to land use types that a reasonable nexus, or relationship, can be established to apportion each land use's "fair share" costs. Costs included in the Delta Shores Impact Fee Program are apportioned to each land use category using the following common use or cost allocation factors:

- **Average Daily Trips (ADT):** Transportation infrastructure demands are typically measured in terms of automobile trips generated by land use category. Trip factors used to allocate Regional and Backbone roadway costs rely on traffic trip ratios by land use reported in the Delta Shores and Stone Beetland Trip Generation and Distribution Study (Traffic Study), conducted by Fehr & Peers in 2007.
- **Sewer Demand (Gallons per Day per Unit/Acre):** Demand for sewer facilities generated by each land use category is typically stated in terms of sewer flows generated (e.g., gallons per day). Sewer flows are determined based on sewage generation rates by land use category reported in the Delta Shores sewer study.
- **Runoff Coefficients:** Demand for storm drainage improvements is typically stated in terms of impermeable area (i.e., runoff coefficient multiplied by developable acres). Developable acres include parcels with residential, retail, and office development. The total acreage does not include parcels containing private streets, public uses, or open space.
- **Persons Served:** The resident and employee populations generated by residential and commercial development provides the basis of the "persons-served" calculation. The residential population is calculated using average persons-per-household assumptions and the employee population is calculated using per acre employee density assumptions.

All of the cost allocation factors used to allocate costs by land use were derived from the 2019 Finance Plan.

Cost Allocation Methodology

The methodology for allocating costs needed to accommodate new land uses is summarized below:

1. Determine the total cost of Regional Infrastructure, Backbone Infrastructure, or Public Facilities required to serve new residents and commercial users in either Delta Shores or the Combined Projects.
2. Determine the net cost of Finance Plan Facilities to be funded by the Delta Shores Impact Fee Program after accounting for other financing sources, such as citywide sources, state and federal sources, other development impact fees, and funding contributions from other plan areas.
3. Determine the funding obligation for projected Delta Shores and Stone Beetland development based on the amount of development that will be served by new Regional Infrastructure, Backbone Infrastructure, or Public Facilities (i.e., Delta Shores or the Combined Projects). Determine the relative share of costs for each subarea based on aggregate common use factors or other requirements (e.g., cost shares established by the CRB Funding Agreement).
4. For each subarea and infrastructure Finance Plan Facility needed to accommodate new Delta Shores or Stone Beetland development:
 - a. Determine the appropriate common use factor by which to allocate to different land uses the cost of the Infrastructure needed to serve new development.
 - b. Determine each land use category's percentage share of total common use factors generated by the project.
 - c. Apportion costs of Finance Plan Facilities to each land use category based on each land use category's percentage share of common use factors.
 - d. Divide the total cost allocated to each land use zoning category:
 - » By the number of dwelling units for residential land uses to determine the cost per dwelling unit.
 - » By the amount of building square footage for nonresidential land uses to derive the cost per building square foot.
5. Add an administration component to fund the administration, oversight, implementation, and updates to the Delta Shores Impact Fee Program.

Table 5-1 shows the basis on which costs are allocated for each Regional Infrastructure, Backbone Infrastructure, and Public Facility category included in the Delta Shores Impact Fee Program. **Appendix B** contains the detailed cost allocation tables showing the cost allocation methodology by subarea for each fee program component or subcomponent.

Based on the above cost allocation methodology, **Tables 1-5** and **1-6** in **Chapter 1** summarize the Delta Shores Impact Fee Program fees resulting from the allocation of costs to each land use category by subarea, component, and subcomponent. **Table 1-5** shows the fees for the Delta Shores subarea, and **Table 1-6** shows the fees for the Stone Beetland subarea. The administrative fee component for each subarea and land use is calculated as 3 percent of the total of the fees for all other components. The administration component funds City costs associated with credit and reimbursement agreement negotiations and implementation, credit and reimbursement tracking, annual reporting requirements, periodic updates to the Finance Plan and Nexus Study, and other related costs.

The Delta Shores Impact Fee Program and the initial fees were established in accordance with the procedural guidelines established in the Mitigation Fee Act, which is codified in California Government Section 66000 et seq. These code sections set forth the requirements for establishing and collecting various development impact fees. Participation in the Delta Shores Impact Fee Program is detailed in and secured by the Delta Shores Development Agreement, and certain terms related to Regional Infrastructure are established by the CRB Funding Agreement. In addition, when the Stone Beetland developers seek entitlements, the City intends to enter into a Development Agreement with that developer that may further detail participation in the Delta Shores Impact Fee Program.

Table 5-1
Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores and Stone Beetland Impact Fee Cost Allocation Summary

Item	Method
Regional Infrastructure	Average Daily Trips
Backbone Infrastructure	
Roadways	Average Daily Trips
Sewer	Daily Gallons of Flow
Storm Drainage	Runoff Coefficients
Public Facilities	
Regional Park	Resident Population
Trails	Resident Population
Open Space	Resident Population
Police	Resident & Employee Population
Fire	Resident & Employee Population
Transit	Resident & Employee Population
Library	Resident Population

Source: EPS.

Nexus Study Findings

To comply with the Mitigation Fee Act, the following nexus findings are required for each fee subcomponent:

1. Identify the purpose of the fee.
2. Identify how the fee is to be used.
3. Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
4. Determine how a reasonable relationship exists between the need for the facility and the type of development project on which the fee is imposed.
5. Demonstrate a reasonable relationship between the amount of the fee and the cost of the facility or portion of the facility attributable to the development on which the fee is imposed.

The 2019 Finance Plan made the above required findings concerning the nexus between each fee component or subcomponent of the Delta Shores Impact Fee and the new Delta Shores and Stone Beetland development on which the Delta Shores Impact Fee is imposed. These nexus findings are contained in **Chapter 5** of the 2019 Finance Plan.

In 2021, California Assembly Bill 602 (AB 602) amended the requirements by creating a "standards and practices" section to the Mitigation Fee Act, codified as Government Code Section 66016.5. This provision is both declaratory of previously existing law and has added certain new requirements. New provisions that may pertain to this report require that a nexus study "shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development" [66016.5(a)(5)(A)], and "large jurisdictions shall adopt a capital improvement plan as a part of the nexus study" [66016.5(a)(6)]. The required capital improvement plan is included as **Appendix A** to this document.

Water and sewer connection fees described in Government Code Section 66013 are specifically exempt from the requirements of Section 66016.5. Additionally, any other residential fees can be exempt from the requirement that fees be calculated proportionately to the square footage of the dwelling units if specific findings are made as to why the particular fees should be exempt.

Backbone Infrastructure Component

New sewer improvements have been added to the Backbone Infrastructure Component of the Delta Shores Impact Fee, resulting in an increase in the fees for this component as a whole over the fees currently in place. For this reason,

the nexus findings for the three Backbone Infrastructure Fee subcomponents are included in this Finance Plan and are provided in **Appendix D**. For each subcomponent, this appendix includes the required findings listed above.

In addition to the nexus findings in **Appendix D**, for roadways and storm drainage fees, the Mitigation Fee Act now requires that residential fees be proportionate to the square footage of the dwelling units unless specific findings are made as to why the fees should not be enacted on a square foot basis. For both roadway and storm drainage fees, the City will continue to charge the residential fees per unit because the required findings allowing such practice can be made. The findings for each subcomponent of the Backbone Infrastructure Component are discussed further below.

Sewer Improvements

For sewer improvements, the estimated cost of the regional sewer force main increased substantially from the amount in the 2019 Finance Plan, and the City determined that the Delta Shores Impact Fee would fund the full cost of the sewer improvements. Conversely, in the 2019 Finance Plan, it was assumed that the sewer improvements would be partially funded by the Delta Shores Impact Fee but would also be creditable through the citywide sewer development fee program. Consequently, new nexus findings are required for sewer improvements. These findings are detailed in **Appendix D**.

Note that sewer improvements are exempt from the requirements for establishing residential fees by unit square foot, so no new findings are necessary for sewer fees to address the Mitigation Fee Act requirements for charging residential fees per unit square foot.

Roadways

For roadway improvements, the nexus findings from the 2019 Finance Plan are valid and are included in **Appendix D**. In addition, the required justifications to continue to charge the roadway residential fees per unit by residential land use category are provided below.

a) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project.

As outlined previously in this chapter, when the Delta Shores Impact Fee Program was established, the roadway fees were based on the 2007 Traffic Study prepared by Fehr & Peers. This study was completed for the 2009 Delta Shores EIR that accompanied the City's approval of the Delta Shores Planned Unit Development. Average daily trips per unit factors from the study were used to allocate the roadway costs among land uses and establish fees by land use. A change to residential fees per square foot would not be appropriate as the new fees may be interpreted as inconsistent with the applicable Traffic Study and EIR, which are both still applicable to the Combined Projects because the City has determined

that the land use entitlements reflected in this document are substantially conformant with those examined in the Traffic Study and EIR.

b) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.

Because the established fees are consistent with daily trips per unit factors in the Traffic Study and the EIR, the City is justified in charging the residential fees by residential land use category rather than establishing new residential fees that are charged on a square foot basis. The current fees were established by land use to be consistent with each land use's proportional impact on the roadway system.

c) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.

A fee basis of average daily trips ensures equity for the allocation of the cost of the impact from development and is consistent with the analysis of environmental impacts anticipated from the Project. The fee is proportional to the impact caused by different unit types. Higher density residential units have lower average daily trip rates and lower fees per unit. Generally, the unit size in square feet is smaller for medium-density single-family units than for low-density single-family units and smaller yet for high-density (multifamily) units. Consequently, the fees on a per unit basis generally decline as the size of the units decline.

Storm Drainage

For storm drainage improvements, the nexus findings from the 2019 Finance Plan are valid and are included in **Appendix D**. In addition, the required justifications to continue to charge the storm drainage residential fees per unit by residential land use category are provided below.

a) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project.

New impervious surfaces drive the demand for drainage facilities. In housing developments, new impervious surfaces incorporate the footprint on a parcel, capturing ground floor living spaces as well as driveways, sidewalks, patios and other such surfaces. A square footage of proposed units basis would introduce inequities. For example, a two-story home with the same footprint as a single-story home would pay twice the fee while causing an identical impact on the drainage system. This inequity would be amplified in multistory apartment and condominium buildings or towers.

b) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.

For storm water runoff, the standard, customary and equitable method to establish a reasonable relationship between the fee charged, the facilities required, and the type of development on which the fee is imposed is with a direct measure of new impermeable surfaces. New runoff as a result of development establishes the demand for new or improved capacity, the cost of which is the basis of the fee.

c) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.

A fee basis of impermeable square footage ensures equity for the allocation of the cost of the impact from development. The fee is proportional to the impact caused by new impermeable surfaces. Smaller developments with identical unit footprints will have the same fees. Smaller footprints will have proportionately lower fees. Similarly, multifamily apartment buildings will have lower impacts and fees on a per unit basis as the size of the units decline and/or the number of floors increases.

Regional Infrastructure Component

No new improvements have been added to the Regional Infrastructure Component of the Delta Shores Impact Fee, and the total fees are not increasing from the current levels. Thus, the nexus findings from the 2019 Finance Plan remain valid and are not required in this Finance Plan. The proposed new fees are only based on updated remaining land uses and costs, so new nexus findings are not required, and the 2021 additional requirements imposed by AB 602 do not need to be addressed.

Public Facilities Component

New trails improvements have been added to the Public Facilities Component of the Delta Shores Impact Fee, both for Delta Shores and Stone Beetland. This Finance Plan includes all trails costs in the Delta Shores Impact Fee Program, whereas the 2019 Finance Plan assumed that the Citywide Park Infrastructure Fee would fund a portion of the trails costs, and the Delta Shores Impact Fee would fund the remainder.

This Finance Plan also establishes Delta Shores Impact Fee library and trails subcomponents for Stone Beetland. The 2019 Finance Plan did not include any Stone Beetland trails or library costs and indicated that the fees were to be determined. Because new trails costs were added to the Delta Shores Impact Fee Program and Stone Beetland trails and library fees were established in this Finance Plan, the nexus findings for the Public Facilities Fee subcomponents are

included in the Finance Plan. For each subcomponent, **Appendix D** includes the five required findings listed above.

As noted, in addition to the nexus findings in **Appendix D**, the Mitigation Fee Act now requires that residential fees be calculated proportionate to the square footage of the dwelling units unless specific findings are made as to why the fees should not be enacted on a square foot basis. For the Public Facilities Component, the City has determined it will continue to charge the residential fees on a per unit basis and make the required findings as further discussed below.

a) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project.

The Public Facilities Component has been included since the original adoption of the Delta Shores Finance Plan and the last fee update in 2019. Since that time, the City has entered into one or more fee credit agreements that established applicable fee credits on a per unit basis. Changing the fee calculation basis to a square footage metric would not be appropriate given the nature of outstanding fee credit agreements.

b) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.

The original and updated Public Facilities Component fee calculations rely on cost allocation factors that establish relative demands for each of the Public Facilities Component's subcomponents by Delta Shores land use category. The cost allocation methodology and justification that the fees bear a reasonable relationship between the fee charged and the burden posed by the development are detailed in the nexus findings included in **Appendix D**. Based on those nexus determinations, the City concludes the existing basis of calculating the fees satisfies this finding.

c) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.

Imposing residential fees on a per unit basis by residential land use type (low density, medium density, and high density) results in lower fees for smaller more dense units, consistent with the intent of AB 602 to have smaller units pay lower fees. Specifically, the higher density units with smaller average square footages are accommodated by including fee categories for the HDR and Mixed Use or Mixed Use Town Center. Thus, this fee structure is supportive of smaller developments not being disproportionately charged higher fees.

Delta Shores Impact Fee Program Implementation

As referenced earlier and based on the fee calculations and nexus findings described in this chapter, **Tables 1-5** and **1-6** in **Chapter 1** present the proposed maximum justified fees by fee component and subcomponent for the Delta Shores and Stone Beetland subareas, respectively.

Annual adjustments to the fee will be consistent with the provisions of the Delta Shores Development Agreement in **Appendix E** and as further detailed in **Chapter 8**. The development agreement refers to “Public Facilities Fees” and “Plan Area Fees (PAF),” other terms for the Delta Shores Impact Fee.

The Delta Shores Development Agreement states that “the City will perform a comprehensive review and nexus study for the PFF at least every three years unless the City determines that prevailing market conditions do not justify doing so (e.g., if development is lacking or the remaining development is limited.” The City adopted the last nexus study update in 2019, and since 2022 (three years following the last nexus study update) has determined prevailing market conditions did not warrant a nexus study update until now. The City’s determinations were based on the lack of development activity beyond the regional commercial center and the fact that the City has been annually adjusting the fees since the 2019 nexus study update. As part of the annual fee adjustment, remaining development, improvements, and costs are updated annually, precluding the need for a comprehensive nexus study update prior to this current update. A nexus study update is required when the City determines that the scope of development and cost changes requires a more comprehensive update.

6. Development Feasibility

This chapter reviews the overall financial feasibility of the Finance Plan. The financial feasibility is addressed by reviewing a total infrastructure burden analysis, as well as bond issuance guidelines, to ensure the financing districts will meet the required financial tests.

Description of Static Feasibility Analyses

This analysis includes the following static methods for evaluating the financial feasibility of a proposed development project:

- Total Infrastructure Cost Burden of Major Infrastructure.
- Total Taxes and Assessments as a Percentage of Sales Price.

Each of these methods is based on a static financial feasibility evaluation. To be considered financially feasible, a project should meet each of the static feasibility tests.

It is important to note that these feasibility metrics, described in further detail below, should be considered an initial diagnostic, offering a general indicator of whether or not infrastructure costs are likely to present financial feasibility challenges or whether measures should be taken to improve viability, either through a reduction in cost burdens, identification of other funding sources, or other approaches. None of the indicators, by themselves, should be considered absolute determinations regarding project feasibility.

Total Infrastructure Cost Burden

It is common for developers of major development projects to advance-fund and carry infrastructure costs for some period. The impact of the land developer's cost burden depends on several factors, including the time frame for the reimbursements and the extent to which full reimbursement is received, either through public funding programs or through adjustments in land sales prices.

The purpose of the total infrastructure cost burden of Backbone Infrastructure feasibility test is to assess the financial feasibility of the project, given all current and proposed fees and the additional burden of project-specific infrastructure costs. As such, this feasibility test assesses the additional fee burden on residential dwelling units associated with the proposed infrastructure improvements.

The total infrastructure cost burden of major infrastructure feasibility test provides a performance indicator of a project's feasibility. For each residential

land use, the total cost burden per dwelling unit is calculated as a percentage of the finished sales price. Project feasibility is evaluated based on the following general guidelines or benchmarks:

- Burdens below 15 percent generally are considered financially feasible.
- Burdens between 15 and 20 percent may be feasible depending on the specific circumstances of the project.
- Burdens above 20 percent suggest a project may not be financially feasible unless other components of the project pro forma are particularly advantageous to the developer, thus allowing the project to bear unusually high infrastructure costs.²

These static feasibility benchmarks are based on EPS's experience conducting financial feasibility analyses for numerous projects throughout the Sacramento Region and Central Valley over the last 3 decades. This feasibility diagnostic is merely a tool that can be used—along with other tools—as a general measure of financial feasibility. This measure should not automatically be taken to mean that if one land use type exceeds the threshold, the project definitely is infeasible. In certain circumstances, there are ways in which a development project can mitigate against a high cost burden. In addition, the infrastructure costs will be fine-tuned and possibly reduced as engineering studies are completed closer to actual construction.

As mentioned previously, this feasibility metric should be considered an initial diagnostic, offering a general indicator of whether or not a project is likely to meet financial feasibility criteria, or whether measures should be taken to improve viability either through a reduction in cost burdens, identification of other funding sources, or other approaches. The infrastructure feasibility test is one of the many methods of determining project feasibility. There are numerous factors that affect the feasibility of a project. Other factors should be considered when evaluating financial feasibility, including a developer's internal rate of return, cost of land, absorption rates, and the timing of capital investments and reimbursements.

As shown in **Table 6-1**, the total cost of Infrastructure and Public Facilities for Delta Shores accounts for between approximately 12.8 percent and 13.5 percent of the estimated sales price of residential units in the Project. Infrastructure cost burdens of this magnitude are within the range of feasibility targets.

² Such other components may include extraordinarily low land basis (e.g., land has been in the family for a long time, land acquired during severe real estate market downturn, etc.), development phasing (e.g., fast early absorption ahead of a major infrastructure cost such as a new water treatment plant), or low or no environmental mitigation requirements (e.g., through avoidance or on-site preservation).

As shown in **Table 6-2**, the preliminary estimate of total cost of Infrastructure and Public Facilities for Stone Beetland accounts for between approximately 12.6 percent and 13.5 percent of the estimated sales price of residential units in the Project, also within the range of feasibility.

Taxes and Assessments Feasibility Analysis

The measurement of Total Taxes and Assessments as a Percentage of Sales Price often is referred to as the “2-percent test.” This metric is yet another measure of the financial feasibility of a project evaluated by land developers, builders, and municipal governments. The 2-percent test presents a general rule for the feasibility of proposed annual special taxes and assessments. In general, if the sum of property taxes, other ad valorem taxes, and all annual special taxes and assessments is less than 2 percent of the average finished home sales price, then the burden of annual taxes and assessments is considered financially feasible. In the Greater Sacramento Region, jurisdictions and developers typically target total taxes and assessments at levels no greater than approximately 1.6 percent to 1.8 percent of the finished home sales price.

Table 6-3 shows the estimated taxes and assessments as a percentage of home sales prices for the four different proposed residential land uses in Delta Shores. *Note that the analysis in **Table 6-3** is for Delta Shores development. A similar analysis for Stone Beetland would be expected to yield similar results.*

The total annual amount includes the following taxes and assessments:

- Property taxes.
- Other general ad valorem taxes (e.g., school/other General Obligation bonds).
- Services taxes and assessments.
- Infrastructure CFD taxes (proposed in this Finance Plan).

Table 6-1
Delta Shores Public Facilities Financing Plan - 2025 Update
Cost Burden: Delta Shores (2025\$)

Item	Delta Shores				Notes
	Residential				
	LDR	MDR	HDR	Mixed Use	
Home Price	\$700,000	\$600,000	\$350,000	\$350,000	
Assumptions					
Net Acres	126.1	170.4	69.3	6.1	
Number of Units	585	1,861	1,927	159	
Units per Acre	4.6	10.9	27.8	26.0	
Building Valuation					
Construction Type	VB	VB	VA	VA	
Unit Size (Sq. Ft.)	2,500	1,800	1,000	1,000	
Garage Size (Sq. Ft.)	450	400	N/A	N/A	
Valuation per Bldg. Sq. Ft. (Living Area)	\$169.09	\$169.09	\$153.58	\$153.58	February 2025
Valuation per Bldg. Sq. Ft. - Garage (U)	\$66.20	\$66.20	N/A	N/A	February 2025
Building Valuation per Unit	\$452,515	\$330,842	\$153,580	\$153,580	
2002 Building plus Equipment Valuations					
Valuation per Bldg. Sq. Ft.- Living Area	\$92.40	\$92.40	\$92.40	\$92.40	
Valuation per Bldg. Sq. Ft. - Garage	\$24.30	\$24.30	N/A	N/A	
Air Conditioning - Living Area	\$3.50	\$3.50	\$3.50	\$3.50	
Sprinklers - Living Area and Garage	\$2.60	\$2.60	\$2.60	\$2.60	
Building and Equipment Valuation	\$258,355	\$188,060	\$98,500	\$98,500	
Processing Fees					
Administrative Processing Fee	\$164	\$164	\$164	\$164	\$164 per hour, assumes 1 hour review
Building Permit	\$3,471	\$2,645	\$1,442	\$1,442	\$1,078 + \$0.006787 for each dollar over \$100,000 of bldg. valuation
Technology Surcharge	\$278	\$212	\$115	\$115	8% of Building Permit
Plan Review Fee	\$729	\$555	\$303	\$303	42% of Building Permit Fee; 50% of amount for Master Plan projects.
Technology Surcharge	\$58	\$44	\$24	\$24	8% of Plan Review Fee
Planning Review Fee	\$109	\$83	\$45	\$45	15% of Plan Review Fee
Planning Inspection Fee	\$468	\$468	\$468	\$468	Flat rate; charged when Planning Division performs inspections.
Seismic/Strong Motion	\$59	\$43	\$20	\$20	\$0.00013 per \$1 of bldg. valuation
General Plan Recovery Fee	\$1,177	\$860	\$399	\$399	\$2.60 per \$1,000 of bldg. valuation
Green Building/CBSC Fee	\$19	\$14	\$7	\$7	\$1 per \$25,000 of bldg. valuation or fraction, thereof
Construction Excise Tax	\$2,067	\$1,504	\$788	\$788	0.008 * valuation of 2002 bldg. + equipment valuation
Fire Inspection Fee	\$325	\$242	\$110	\$110	\$0.11 x gross square feet
Fire Plan Review Fee	\$255	\$255	\$255	\$255	\$255 per hour, assumes 1 hour review
Subtotal Processing Fees	\$9,177	\$7,090	\$4,141	\$4,141	
City Development Impact Fees					
Transportation Development Impact Fee (TDIF) [1]	\$0	\$0	\$0	\$0	Exempt
Water Development Fee	\$8,539	\$8,539	\$2,079	\$2,224	single fam: 1" meter for single family; multifamily: 2 2" meters per acre; effective July 1, 2024; phased in over 4 years.
Water Easement Tap Installation Fee	\$2,208	\$2,208	\$2,208	\$2,208	Assumes 1" domestic meter for single family and multifamily
Water Meter Installation	\$723	\$723	\$723	\$723	Assumes 1" domestic meter for single family and multifamily
Residential Construction Water Use Fee	\$201	\$201	\$7	\$8	Flat rate per residential lot; multifamily: rate per lot / units per acre.
City Business Operations Tax	\$181	\$132	\$61	\$61	\$0.0004 per \$1 of bldg. valuation; Max. \$5,000/year/contractor
Erosion and Sediment Control (ESC)	\$70	\$70	\$50	\$50	Flat rate per single family lot; multifamily rate for < 5,000 building square feet.

Table 6-1
Delta Shores Public Facilities Financing Plan - 2025 Update
Cost Burden: Delta Shores (2025\$)

Item	Delta Shores				Notes
	Residential				
	LDR	MDR	HDR	Mixed Use	
Home Price	\$700,000	\$600,000	\$350,000	\$350,000	
City Sewer Development Fee [2]	\$0	\$0	\$0	\$0	Exempt
Neighborhood and Community Parks	\$4,603	\$4,140	\$2,300	\$2,300	\$4,603 per unit for units 2,000 sq. ft. or larger; \$2.30 per sq.ft for unit 750-1,999 sq.ft.
Citywide Parks/Facilities	\$2,344	\$2,106	\$1,170	\$1,170	\$2,344 per unit for units 2,000 sq. ft. or larger; \$1.17 per sq.ft for unit 750-1,999 sq.ft.
Housing Impact Fee	\$8,900	\$6,408	\$3,560	\$3,560	\$3.56 per unit sq. ft.
Residential Construction Tax	\$385	\$385	\$315	\$315	Single family: assumes 3 or more bedrooms; multifamily: assumes 2 bedrooms.
Subtotal City Fees	\$28,154	\$24,912	\$12,474	\$12,619	
Other Agency Fees					
SAFCA Development Impact Fee	\$5,250	\$3,780	\$1,200	\$1,200	Per habitable area sq. ft.; single family: \$2.10; multifamily: \$1.20 (effective 1/4/2020)
I-5 Subregional Corridor Mitigation Program [3]	\$0	\$0	\$0	\$0	Exempt
Sacramento Countywide Transportation Mitigation Fee	\$1,758	\$1,599	\$1,355	\$1,355	\$1,758 (unit > 2,400 sq.ft.); \$1,599 (1,600-2,400 sq.ft.); \$1,355 (801-1,200 sq.ft.)
SASD Sewer Treatment Fee	\$6,479	\$6,479	\$4,859	\$4,859	
Sacramento City Unified School District	\$12,825	\$9,234	\$5,130	\$5,130	\$5.13 per residential square foot.
Subtotal Other Agency Fees	\$26,312	\$21,092	\$12,544	\$12,544	
Plan Area Fees					
Regional Infrastructure	\$6,212	\$4,735	\$4,621	\$4,621	
Roadway	\$4,574	\$3,487	\$3,403	\$3,403	
Sewer	\$3,732	\$3,732	\$2,799	\$2,799	
Storm Drainage	\$3,362	\$2,380	\$1,309	\$1,259	
Regional Park	\$1,280	\$1,280	\$756	\$756	
Trails	\$684	\$684	\$404	\$404	
Open Space	\$1,759	\$1,759	\$1,039	\$1,039	
Police	\$363	\$363	\$214	\$214	
Fire	\$3,283	\$3,283	\$1,939	\$1,939	
Transit	\$92	\$92	\$54	\$54	
Library	\$1,303	\$1,303	\$770	\$770	
Financing Plan Administration and Updates	\$799	\$693	\$519	\$518	
Subtotal Plan Area Fees	\$27,443	\$23,791	\$17,827	\$17,776	
TOTAL COST BURDEN PER UNIT	\$91,086	\$76,885	\$46,986	\$47,080	
Cost Burden as % of Unit Sales Price	13.0%	12.8%	13.4%	13.5%	

Source: City of Sacramento; and EPS.

Note: Feasibility Range, based on numerous feasibility analyses conducted by EPS over the last two decades, is described as follows:

- Below 15%: Feasible
- 15% - 20%: May be feasible
- Above 20%: Questionable feasibility

[1] Delta Shores has fulfilled their obligation to the TDIF through construction of the CRB improvements and pursuant to the terms of the Delta Shores Development Agreement and the Cosumnes River Boulevard Cost Share Agreement.

[2] Delta Shores is exempt from the City Sewer fee because of constructing sewer improvements funded through the Delta Shores Impact Fee Program.

[3] The inclusion of freeway impacts in the Delta Shores EIR and the resulting freeway impacts mitigation measures, including construction of an auxiliary lane and 60% of interchange cost, satisfied freeway mitigation requirements.

Table 6-2
Delta Shores Public Facilities Financing Plan - 2025 Update
Cost Burden: Stone Beetland (2025\$)

Item	Stone Beetland			Notes
	LDR	MDR	HDR	
Home Price	\$700,000	\$600,000	\$350,000	
Assumptions				
Net Acres	30.2	25.0	17.9	
Number of Units	190	262	711	
Units per Acre	6.3	10.5	39.7	
Building Valuation				
Construction Type	VB	VB	VA	
Unit Size (sq. ft.)	2,500	1,800	1,000	
Garage Square Feet	450	400	N/A	
Valuation per Bldg. Sq. Ft. (Living Area)	\$169.09	\$169.09	\$153.58	February 2025
Valuation per Bldg. Sq. Ft. - Garage (U)	\$66.20	\$66.20	N/A	February 2025
Building Valuation per Unit	\$452,515	\$330,842	\$153,580	
2002 Building plus Equipment Valuations				
Valuation per Bldg. Sq. Ft.- Living Area	\$92.40	\$92.40	\$92.40	
Valuation per Bldg. Sq. Ft. - Garage	\$24.30	\$24.30	N/A	
Air Conditioning - Living Area	\$3.50	\$3.50	\$3.50	
Sprinklers - Living Area and Garage	\$2.60	\$2.60	\$2.60	
Building and Equipment Valuation	\$258,355	\$188,060	\$98,500	
Processing Fees				
Administrative Processing Fee	\$164	\$164	\$164	\$164 per hour, assumes 1 hour review
Building Permit	\$3,471	\$2,645	\$1,442	\$1,078 + \$0.006787 for each dollar over \$100,000 of bldg. valuation
Technology Surcharge	\$278	\$212	\$115	8% of Building Permit
Plan Review Fee	\$729	\$555	\$303	42% of Building Permit Fee; 50% of amount for Master Plan projects.
Technology Surcharge	\$58	\$44	\$24	8% of Plan Review Fee
Planning Review Fee	\$109	\$83	\$45	15% of Plan Review Fee
Planning Inspection Fee	\$468	\$468	\$468	Flat rate; charged when Planning Division performs inspections.
Seismic/Strong Motion	\$59	\$43	\$20	\$0.00013 per \$1 of bldg. valuation
General Plan Recovery Fee	\$1,177	\$860	\$399	\$2.60 per \$1,000 of bldg. valuation
Green Building/CBSC Fee	\$19	\$14	\$7	\$1 per \$25,000 of bldg. valuation or fraction, thereof
Construction Excise Tax	\$2,067	\$1,504	\$788	0.008 * valuation of 2002 bldg. + equipment valuation
Fire Inspection Fee	\$325	\$242	\$110	\$0.11 x gross square feet
Fire Review Fee	\$255	\$255	\$255	\$255 per hour, assumes 1 hour review
Subtotal Processing Fees	\$9,177	\$7,090	\$4,141	
City Development Impact Fees				
Transportation Development Impact Fee (TDIF) [1]	\$0	\$0	\$0	Exempt
Water Development Fee	\$8,539	\$8,539	\$1,456	single fam: 1" meter for single family; multifamily: 2 2" meters per acre; effective July 1, 2024; phased in over 4 years.
Water Easement Tap Installation Fee	\$2,208	\$2,208	\$2,208	Assumes 1" domestic meter for single family and multifamily
Water Meter Installation	\$723	\$723	\$723	Assumes 1" domestic meter for single family and multifamily
Residential Construction Water Use Fee	\$201	\$201	\$5	Flat rate per residential lot; multifamily: rate per lot / units per acre.
City Business Operations Tax	\$181	\$132	\$61	\$0.0004 per \$1 of bldg. valuation; Max. \$5,000/year/contractor
Erosion and Sediment Control (ESC)	\$70	\$70	\$50	Flat rate per single family lot

Table 6-2
Delta Shores Public Facilities Financing Plan - 2025 Update
Cost Burden: Stone Beetland (2025\$)

Item	Stone Beetland			Notes
	LDR	MDR	HDR	
Home Price	\$700,000	\$600,000	\$350,000	
City Sewer Development Fee [2]	\$0	\$0	\$0	Exempt
Neighborhood and Community Parks	\$4,603	\$4,140	\$2,300	\$4,574 per unit for units 2,000 sq. ft. or larger; \$2.29 per sq.ft for unit 750-1,999 sq.ft.
Citywide Parks/Facilities	\$2,344	\$2,106	\$1,170	\$2,344 per unit for units 2,000 sq. ft. or larger; \$1.17 per sq.ft for unit 750-1,999 sq.ft.
Housing Impact Fee	\$8,900	\$6,408	\$3,560	\$3.56 per unit sq. ft.
Residential Construction Tax	\$385	\$385	\$315	Single family: assumes 3 or more bedrooms; multifamily: assumes 2 bedrooms.
Subtotal City Fees	\$28,154	\$24,912	\$11,848	
Other Agency Fees				
SAFCA Development Impact Fee	\$5,250	\$3,780	\$1,200	Per habitable area sq. ft.; single family: \$2.10; multifamily: \$1.20 (effective 1/4/2020)
I-5 Subregional Corridor Mitigation Program [3]	\$0	\$0	\$0	Exempt
Sacramento Countywide Transportation Mitigation Fee	\$1,758	\$1,599	\$1,355	\$1,758 (unit > 2,400 sq.ft.); \$1,599 (1,600-2,400 sq.ft.); \$1,355 (801-1,200 sq.ft.)
SASD Sewer Treatment Fee	\$6,479	\$6,479	\$4,859	
Sacramento City Unified School District	\$12,825	\$9,234	\$5,130	\$5.13 per residential square foot.
Subtotal Other Agency Fees	\$26,312	\$21,092	\$12,544	
Plan Area Fees				
Regional Infrastructure	\$11,428	\$8,710	\$8,501	
Roadway	\$4,574	\$3,487	\$3,403	
Sewer	\$4,632	\$4,632	\$3,474	
Trails	\$700	\$700	\$413	
Police	\$318	\$318	\$188	
Fire	\$2,636	\$2,636	\$1,557	
Library	\$1,143	\$1,143	\$675	
Financing Plan Administration and Updates	\$763	\$648	\$546	
Subtotal Plan Area Fees	\$26,194	\$22,275	\$18,757	
TOTAL COST BURDEN PER UNIT	\$89,837	\$75,369	\$47,290	
Cost Burden as % of Unit Sales Price	12.8%	12.6%	13.5%	

Source: City of Sacramento; and EPS.

Note: Feasibility Range, based on numerous feasibility analyses conducted by EPS over the last two decades, is described as follows:

Below 15%: Feasible

15% - 20%: May be feasible

Above 20%: Questionable feasibility

[1] Delta Shores has fulfilled their obligation to the TDIF through construction of the CRB improvements and pursuant to the terms of the Delta Shores Development Agreement and the Cosumnes River Boulevard Cost Share Agreement.

[2] Delta Shores is exempt from the City Sewer fee because of constructing sewer improvements funded through the Delta Shores Impact Fee Program.

[3] The inclusion of freeway impacts in the Delta Shores EIR and the resulting freeway impacts mitigation measures, including construction of an auxiliary lane and 60% of interchange cost, satisfied freeway mitigation requirements.

Table 6-3
Delta Shores Public Facilities Financing Plan - 2025 Update
Test of 2 Percent Sales Price - Market-Rate Units

Item	Assumptions	Residential Units			
		Low-Density	Medium Density	High Density	Mixed Use
Home Price Estimate [1]		\$700,000	\$600,000	\$350,000	\$350,000
Less Homeowner's Exemption		(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)
Assessed Value [2]		\$693,000	\$593,000	\$343,000	\$343,000
General Property Tax	1.00%	\$6,930	\$5,930	\$3,430	\$3,430
Other Ad Valorem Taxes [3]					
Los Rios College GOB	0.0192%	\$133	\$114	\$66	\$66
SACTO Unified GOB	0.1278%	\$886	\$758	\$438	\$438
Subtotal Other Ad Valorem Taxes	0.1470%	\$1,019	\$872	\$504	\$504
Total Ad Valorem Taxes		\$7,949	\$6,802	\$3,934	\$3,934
Special Taxes and Assessments					
Citywide Landscape & Lighting Assessment Dist. [4]		\$96	\$96	\$67	\$67
Neighborhood Park Maintenance CFD		\$81	\$81	\$47	\$47
Sacramento Core Library Services Tax [5]		\$15	\$15	\$15	\$15
Sacramento Library Services Tax [6]		\$39	\$39	\$39	\$39
SAFCA Consolidated Capital Assessment #2 [7]		\$182	\$137	\$101	\$101
SAFCA O&M Assessment #1 [8]		\$52	\$52	\$40	\$40
Sac Maintenance CFD No. 2014-04 [9]		\$545	\$428	\$259	\$260
Sac Services CFD No. 2018-05 Tax Zone 3 - Delta Shores South [10]		\$291	\$291	\$0	\$0
Maintenance Area #9 [11]		\$19	\$19	\$19	\$19
Delta Shores Infrastructure CFD 2019-01		\$2,045	\$1,592	\$260	\$260
Total Special Taxes and Assessments		\$3,366	\$2,751	\$848	\$849
Total Tax Burden		\$11,315	\$9,552	\$4,782	\$4,783
Tax Burden as % of Home Price		1.62%	1.59%	1.37%	1.37%

Source: Gregory Group, Development & Financial Advisory, EPS.

- [1] Home prices based on input from project applicant and generally consistent with current home pricing data.
- [2] The adjusted assessed value is the value upon which the 1% property tax rate, as allowed under Proposition 13, is calculated.
- [3] 2023-24 Tax Rates.
- [4] Landscaping and Lighting Assessment District, City of Sacramento, levied on property owners based on land use, subject to annual adjustment in proportion to the increase in the Consumer Price Index (CPI), San Francisco area, all items, most recently available prior to the date of adjustment. This increase shall not exceed 3% in any year.
- [5] This is a parcel tax for library services in the City of Sacramento. A parcel tax for library services is imposed upon every parcel of real property in the City to assist in funding the core library services provided by the City. Core library services include, without limitation, open hours at City libraries, library staff, acquisition of library materials and access to technology.
- [6] Sacramento Library Services Tax, City of Sacramento, imposed upon every parcel of real property in the city, subject to annual adjustment in proportion to the increase in the CPI, San Francisco area, all items, most recently available prior to the date adjustment. This increase shall not exceed 3% in any year.
- [7] SAFCA (Sacramento Area Flood Control Agency) Consolidated Capital Assessment levied on property owners based on the benefit zone, land use, and building sq. ft., subject to annual recalculation from changes in development activity, zoning, conditional use permits, and lot splits.
- [8] SAFCA Operation and Maintenance Assessment for Assessment District No. 1 levied on properties within the district boundaries based on zone type (wet or dry), land use, and parcel size, subject to minimum annual assessment of \$1.50 to reflect SAFCA's administration costs and assessment recalculation from changes in development activity, zoning, conditional use permits, and lot splits.
- [9] Delta Shores is subject to a maintenance agreement and was annexed into CFD 2014-04. Among other things, the CFD will provide funding for interchange maintenance and landscape maintenance for backbone roadways and extension roads.
- [10] This CFD applies to a portion of Delta Shores between Consumnes River Blvd. and Delta Shores Circle South. Other parts of Delta Shores may annex into the CFD a different rates or may not be required to annex into the CFD at all.
- [11] Maintenance Area #9, This assessment finances state maintenance of levees on the east side of the Sacramento River.

Development in Delta Shores and Stone Beetland is subject to participation in several special districts for services and ongoing maintenance with proposed and established rates as specified in **Table 6-3**. When combined with the Delta Shores infrastructure special taxes, total taxes and assessments for Delta Shores are within the feasibility range, at 1.4 to 1.6 percent of home values. Because the total tax and assessment burden remains within feasible ranges after the addition of the services and infrastructure taxes and assessments, these special taxes and assessments are not anticipated to adversely affect the project's competitiveness relative to other similarly positioned projects.

7. Implementation and Administration

Finance Plan Implementation

Following adoption of the 2019 Finance Plan, the City took the following actions:

1. Implemented the Delta Shores Impact Fee Program.
2. Formed a land-secured financing districts, CFD 2019-1 to fund a portion of Regional Infrastructure, Backbone Infrastructure, and Public Facilities.

Finance Program Administration

This chapter describes the implementation and administration of the current infrastructure and public facilities financing program for Delta Shores. It is anticipated that the Finance Plan and related Nexus Study will need to be periodically updated as new information becomes available.

Changes in the CIP and Finance Programs

The Finance Plan principles outlined in **Chapter 1** require that, as the Finance Plan is implemented, Finance Plan Facilities costs and available funding sources be re-evaluated on a regular basis, as they are anticipated to change as development occurs. Changes in the actual or assumed Finance Plan Facilities cost estimates or funding should be re-evaluated in the context of the overall financing strategy to ensure required funding is available when needed.

Possible refinements are listed below:

- New or revised Infrastructure projects.
- New cost information based on actual construction costs, updated engineering estimates, or changes in the land use plan.
- New funding source data.
- Inflation adjustments to cost and funding data.
- Land use changes to the Combined Projects.

Changes to required or completed infrastructure could include higher or lower cost estimates, as well as changes in funding sources. As development occurs and infrastructure is completed, remaining costs and funding amounts for each funding source will need to be adjusted. In addition, costs and funding sources should be adjusted annually to reflect inflation and adjust the costs and funding amounts to current year dollars. Changing market conditions also may permit an increased funding burden on private development.

Annual Inflation Adjustment

The Delta Shores Impact Fee Program costs are adjusted annually as detailed in the Delta Shores Development Agreement between the City and the Delta Shores Master Developer. The Development Agreement is attached to this report as **Appendix E**.

The inflation adjustment varies depending on the fee component and by whether the cost is a remaining construction cost for uncompleted infrastructure or a fee program credit due to a developer for providing advance-funding, as summarized below.

Regional Infrastructure

The Regional Infrastructure improvements have been completed and were funded by the Delta Shores master developer. Stone Beetland owes Delta Shores reimbursement for its fair share of the costs, and this reimbursement amount is included as the remaining Regional Infrastructure costs.

Stone Beetland's obligation is adjusted by the overall percentage adjustment in the remaining Backbone Infrastructure and Public Facilities costs combined, as long as that adjustment is greater than zero. Otherwise, there is no adjustment made to the remaining Regional Infrastructure Costs.

Backbone Infrastructure

As detailed in full in the Delta Shores Development Agreement, the method for adjusting Backbone Infrastructure costs annually involves first establishing a "benchmark cost estimate" and resulting "benchmark percentage change" from the previous year. The benchmark cost estimate is based on a peer review set of detailed costs prepared annually by a third-party professional engineering consultant contracted by the City. The benchmark percentage change reflects the percentage change in the estimated costs of uncompleted improvements as compared to the estimated costs from the prior year.

The benchmark percentage change is then compared to the percentage change in either the San Francisco Engineering News Record Construction Cost Index (ENR CCI) or the Caltrans Cost Index over the same time frame, whichever is greater. If the difference between the benchmark percentage change and the percentage change for the chosen index is greater than or equal to 5 percentage points, then the City will use the benchmark percentage change to adjust costs for uncompleted Backbone

Infrastructure. Otherwise, the City will adjust costs for those improvements using the percentage change in the selected index. The one exception is that if the resulting percentage change is less than zero, no cost adjustment will be made.

Public Facilities

The Public Facilities costs will be updated by the percentage change in the San Francisco ENR CCI over the same time frame used to develop the percentage change for the Regional Infrastructure and Backbone Infrastructure. The one exception is that if the resulting percentage change is less than zero, no cost adjustment will be made.

Fee Program Credits

Delta Shores Impact Fee Program credits due to developers who advance funded improvements are adjusted annually for inflation at the same time that the uncompleted improvements costs are inflated. The credits percentage adjustment is equal to the percentage adjustment for all uncompleted Backbone Infrastructure and Public Facilities combined, as long as that adjustment is greater than zero. Otherwise, there is no adjustment made to the remaining Regional Infrastructure Costs.

Reimbursements and Fee Credits

Under the City's capital improvement policy, the City and individual developers may agree to have developers build or advance-fund certain Finance Plan Facilities contained in the CIP. The Finance Plan Facilities advance-funded or built may be part of the Delta Shores Impact Fee Program or funded by non-fee revenues. The City and developers may enter into credit and reimbursements agreements that specify the terms for developers to receive reimbursements or fee credits. Infrastructure projects that are the financial responsibility of the developer (i.e., designated as private capital) are not subject to reimbursement or fee credits.

For instance, if a developer constructs and funds the extension of a roadway contained in the fee program, then the developer would be eligible for a reimbursement or fee credit up to the amount of funding that was to be included in the fee program. In such an instance, the City and developer would come to agreement before construction of the improvement to determine the amount, timing, and manner of repayment of the advance-funding, i.e., fee credit or reimbursement and enter into a credit and reimbursement agreement.

The City and the Delta Shores master developer entered into an Acquisition, Reimbursement, and Credit Agreement for Construction of Delta Shores Public Infrastructure (August 18, 2020) that details the amount and conditions for receiving or transferring Delta Shores Impact Fee Program credits for an initial phase of improvements advance-funded by the master developer. This agreement is included as **Appendix F** of this Finance Plan.

APPENDICES:

- Appendix A: Capital Improvement Plan
- Appendix B: Infrastructure Cost Allocation
- Appendix C: Fee Program Revenues
- Appendix D: Backbone Infrastructure and
Public Facilities Nexus Findings
- Appendix E: Delta Shores
Development Agreement
- Appendix F: Delta Shores Credit and
Reimbursement Agreement



APPENDIX A:

Capital Improvement Plan

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Table A-1
Delta Shores Public Facilities Financing Plan - 2025 Update
City of Sacramento
Summary of Remaining Delta Shores Impact Fee-Funded Facility Costs (2025\$)

**Delta Shores Impact
Fee Program**

Item	Remaining DIF-Funded Costs				Net Remaining DIF-Funded Costs	Cost Distribution			
	Remaining Infrastructure Cost [1]	Pct. Distrib. of Cash Bal. and Cred/Reimb. [2]	Cash Balance [2]	Credits/ Reimb [2]		Delta Shores	Stone Beetland	Shared	Total
Regional Infrastructure (Completed) [1]	\$12,920,731	NA	(\$564,405)	\$31,685,703	\$44,042,029	\$31,121,298	\$12,920,731	\$0	\$44,042,029
Backbone Infrastructure									
Roads	\$23,117,918	33.5%	(\$133,181)	\$5,105,923	\$28,090,660	\$0	\$0	\$28,090,660	\$28,090,660
Sewer [3]	\$18,830,690	12.2%	(\$48,455)	\$1,857,687	\$20,639,922	\$0	\$0	\$20,639,922	\$20,639,922
Storm Drainage - DS Only	\$3,031,476	54.3%	(\$215,483)	\$8,261,245	\$11,077,239	\$11,077,239	\$0	\$0	\$11,077,239
Subtotal Backbone Infrastructure	\$44,980,084	100.0%	(\$397,119)	\$15,224,856	\$59,807,821	\$11,077,239	\$0	\$48,730,582	\$59,807,821
Public Facilities									
Regional Park	\$4,706,888	NA	\$0	\$0	\$4,706,888	\$4,706,888	\$0	\$0	\$4,706,888
Trails	\$3,023,230	9.3%	(\$215,537)	\$319,309	\$3,127,002	\$319,309	\$0	\$2,807,693	\$3,127,002
Open Space	\$6,256,113	19.3%	(\$446,020)	\$660,761	\$6,470,854	\$6,470,854	\$0	\$0	\$6,470,854
Police Facilities	\$1,724,106	5.3%	(\$122,918)	\$182,098	\$1,783,286	\$182,098	\$0	\$1,601,188	\$1,783,286
Fire Facilities [4]	\$15,389,568	47.6%	(\$1,097,177)	\$1,625,424	\$15,917,815	\$1,625,424	\$0	\$14,292,392	\$15,917,815
Transit	\$365,665	1.1%	(\$26,070)	\$38,621	\$378,217	\$378,217	\$0	\$0	\$378,217
Library	\$5,598,366	17.3%	(\$399,127)	\$591,291	\$5,790,530	\$591,291	\$0	\$5,199,239	\$5,790,530
Subtotal Other Facilities	\$37,063,936	100.0%	(\$2,306,848)	\$3,417,504	\$38,174,592	\$14,274,080	\$0	\$23,900,512	\$38,174,592
Subtotal PFF-Funded Costs	\$94,964,751		(\$3,268,372)	\$50,328,063	\$142,024,442	\$56,472,616	\$12,920,731	\$72,631,094	\$142,024,442
Administration (3%)	\$2,848,943		(\$98,051)	\$1,509,842	\$4,260,733	\$1,694,178	\$387,622	\$2,178,933	\$4,260,733
Total PFF-Funded Costs with Admin.	\$97,813,693		(\$3,366,423)	\$51,837,905	\$146,285,175	\$58,166,795	\$13,308,353	\$74,810,027	\$146,285,175

Source: City of Sacramento; Harris & Associates; EPS.

[1] For Regional Infrastructure, all infrastructure has been completed and was funded by Delta Shores. The Remaining Infrastructure Cost represents the reimbursements owed by Stone Beetland to Delta Shores for its fair share of the costs.

[2] Total regional infrastructure, backbone infrastructure, public facilities, and administration cash balance and credits provided by the City as of July 1, 2025. Credits also include wetland swales credits provided by the City in November 2025. See Table A-4 for backbone infrastructure percentage distribution calculation (based on credits distribution). Percentage distribution for public facilities based on cost distribution of all public facilities excluding regional parks. Total credits are outstanding credit balances of property owners that will be utilized in the future. Includes inflation adjustment.

[3] Remaining DIF-Funded Costs for Sewer facilities excludes the portion funded by Meadowview 102.

[4] Remaining DIF-Funded Costs for Fire facilities excludes the portion covered by City funding.

Table A-2
Delta Shores Public Facilities Financing Plan - 2025 Update
Remaining Regional and Backbone Infrastructure Costs and Funding Sources (2025\$)

Item	Source	Total Remaining Cost	Existing City/ Other Fees	Other Development Projects	Delta Shores and Stone Beetland Impact Fee						
					Initial Cost Allocation			Shared Cost Allocation [1]		Total Cost Allocation	
					Delta Shores	Stone Beetland	Shared Cost	Delta Shores	Stone Beetland	Delta Shores	Stone Beetland
					A	B	C	D	E	A+C*D	B+C*E
Regional Infrastructure											
I5 & Cosumnes River Blvd (constructed) [2]	Table A-3	\$10,807,945	-	-	-	\$10,807,945	-	N/A	N/A	-	\$10,807,945
I5/CRB Enhancements (constructed) [2]	Table A-3	\$2,112,786	-	-	-	\$2,112,786	-	N/A	N/A	-	\$2,112,786
Cost Adjustments [3]	Table A-1	\$31,121,298	-	-	\$31,121,298	-	-	N/A	N/A	\$31,121,298	-
Subtotal Regional Roadways		\$44,042,029	\$0	\$0	\$31,121,298	\$12,920,731	\$0			\$31,121,298	\$12,920,731
Backbone Infrastructure											
Roads											
Delta Shores Circle South 1A (constructed)		-	-	-	-	-	-	81.6%	18.4%	-	-
Delta Shores Circle North 1B (constructed)		-	-	-	-	-	-	81.6%	18.4%	-	-
24th Street	Table A-5	\$19,925,592	-	-	-	-	\$19,925,592	81.6%	18.4%	\$16,256,918	\$3,668,674
24th Street Extension	Table A-6	\$1,823,900	-	-	-	-	\$1,823,900	81.6%	18.4%	\$1,488,086	\$335,814
Traffic Signals	Table A-7	\$1,368,426	-	-	-	-	\$1,368,426	81.6%	18.4%	\$1,116,473	\$251,953
Cost Adjustments [3]	Table A-1	\$4,972,742	-	-	-	-	\$4,972,742	81.6%	18.4%	\$4,057,168	\$915,575
Subtotal Roads		\$28,090,660	\$0	\$0	\$0	\$0	\$28,090,660			\$22,918,645	\$5,172,015
Sewer											
Delta Shores Circle South 1A (constructed)		-	-	-	-	-	-	N/A	N/A	-	-
Regional Sewer Lift Station and Force Main	Table A-8	\$22,172,757	-	\$3,342,067	-	-	\$18,830,690	77.1%	22.9%	\$14,511,997	\$4,318,693
Cost Adjustments [3]	Table A-1	\$1,809,232	-	-	-	-	\$1,809,232	77.1%	22.9%	\$1,394,297	\$414,935
Subtotal Sewer		\$23,981,989	\$0	\$3,342,067	\$0	\$0	\$20,639,922			\$15,906,294	\$4,733,628
Storm Drain											
Drainage - 2 Regional Basins & 3 WQ Ponds (constructed)		-	-	-	-	-	-	N/A	N/A	-	-
Delta Shores Circle South 1A (constructed)		-	-	-	-	-	-	N/A	N/A	-	-
Interconnections 1C (constructed)		-	-	-	-	-	-	N/A	N/A	-	-
Drainage Trunk Line 1D	Table A-9	\$3,031,476	-	-	\$3,031,476	-	-	N/A	N/A	\$3,031,476	-
Drainage Swale (constructed)	DNU	-	-	-	-	-	-	N/A	N/A	-	-
Cost Adjustments [3]	Table A-1	\$8,045,763	-	-	\$8,045,763	-	-	N/A	N/A	\$8,045,763	-
Subtotal Storm Drain		\$11,077,239	\$0	\$0	\$11,077,239	\$0	\$0			\$11,077,239	\$0
Water											
Transmission Main (Franklin to Freeport / constructed) [4]		-	-	-	-	-	-	0.0%	0.0%	-	-
24th Water Main @24th St	Table A-10	\$5,181,800	\$5,181,800	-	-	-	-	0.0%	0.0%	-	-
Subtotal Water		\$5,181,800	\$5,181,800	\$0	\$0	\$0	\$0			\$0	\$0
Total Backbone Infrastructure		\$68,331,688	\$5,181,800	\$3,342,067	\$11,077,239	\$0	\$48,730,582			\$49,902,178	\$9,905,644
Total Regional and Backbone Infrastructure		\$112,373,717	\$5,181,800	\$3,342,067	\$42,198,537	\$12,920,731	\$48,730,582			\$81,023,476	\$22,826,375

Source: City of Sacramento; Merlone Geier Partners; EPS.

[1] Shared road costs allocated based on trips, per the Delta Shores and Stone Boswell Trip Generation and Distribution Study conducted by Fehr & Peers (4/24/07); nonresidential trip rate for Village/Regional Center applied to all nonresidential categories. Shared sewer costs allocated based on gallons per day factors from Delta Shores Sewer Study (MSA) [11/2008]. Storm drain shared costs allocated based on runoff coefficient factors from GCG Financing Plan [2/8/2008].

[2] All Regional Infrastructure has been completed and was funded by Delta Shores. The Total Remaining Cost for these improvements represents the reimbursements owed by Stone Beetland to Delta Shores for its fair share of the costs.

[3] Cost adjustments consist of credits and reimbursements owed to developers for advance funding. See Table A-1.

[4] Paid as part of CRB enhancements.

Table A-3
Delta Shores Public Facilities Financing Plan - 2025 Update
Remaining Regional and Backbone Infrastructure Improvement Costs (2025\$)

Item	Source	Remaining Cost (2025\$) [1]
Regional Infrastructure		
I5 & Cosumnes River Blvd (constructed) [2]		\$10,807,945
I5/CRB Enhancements (constructed) [2]		\$2,112,786
Subtotal Regional Infrastructure		\$12,920,731
Backbone Infrastructure		
Roadways		
Delta Shores Circle South 1A (constructed)		\$0
Delta Shores Circle North 1B (constructed)		\$0
24th Street	Table A-5	\$19,925,592
24th Street Extension to Meadowview 102 Acre Site	Table A-6	\$1,823,900
Traffic Signals	Table A-7	\$1,368,426
Subtotal Roadways		\$23,117,918
Sewer		
Delta Shores Circle South 1A (constructed)		\$0
Regional Sewer Lift Station and Force Main		
Lift Station	Table A-8	\$10,262,002
Force Main	Table A-8	\$11,910,755
Subtotal Sewer		\$22,172,757
Storm Drain		
Drainage - 2 Regional Basins & 3 WQ Ponds (constructed)		\$0
Delta Shores Circle South 1A (constructed)		\$0
Interconnections 1C (constructed)		\$0
Drainage Trunk Line 1D	Table A-9	\$3,031,476
Wetland Swale (constructed)	DNU	\$0
Subtotal Storm Drain		\$3,031,476
Water		
Transmission Main (Franklin to Freeport) (constructed)		\$0
24" Water Main @24th St	Table A-10	\$5,181,800
Subtotal Water		\$5,181,800
Total Regional and Backbone Infrastructure		\$66,424,682

Source: City of Sacramento; Merlone Geier; Teichert Construction; RMC Constructors; MSA Engineering; Harris Engineering; EPS.

[1] Total construction costs prior to being adjusted for fee program fund balances and credits. Costs differ from costs in Table A-1, which are Delta Shores Impact Fee Program costs only and include adjustments for fee program fund balances and credits. Sewer costs on this table include costs funded by other areas.

[2] All Regional Infrastructure has been completed and was funded by Delta Shores. The Remaining Cost represents the amount that Stone Beetland owes Delta Shores for its fair share of the costs.

Table A-4
Delta Shores Public Facilities Financing Plan - 2025 Update
City of Sacramento
Summary of Backbone Infrastructure Credits and Reimbursement Distribution

Item	Merlone Geier Credits and Reimbursements (2020)					2025 Credits (as of 12/1/2025)				
	Village/Regional Center Fees	Initial Phase Funded Amount	Less Merlone Geier Fee Obligation	Credits/ Reimb.	Percentage	Initial Phase [1]	Delta Shores Circle North Phase 1B	Wetland Swales	Total	Percentage
Building Square Feet			926,038							
Backbone Infrastructure										
Roads	\$9.97	\$11,957,488	(\$9,232,599)	\$2,724,889	25.6%	\$2,948,506	\$2,157,417	\$0	\$5,105,923	33.5%
Sewer	\$0.20	\$1,902,006	(\$185,208)	\$1,716,799	16.1%	\$1,857,687	\$0	\$0	\$1,857,687	12.2%
Storm Drainage	\$2.60	\$8,598,706	(\$2,407,699)	\$6,191,007	58.2%	\$6,699,070	\$0	\$1,562,175	\$8,261,245	54.3%
Subtotal Backbone Infrastructure	\$12.77	\$22,458,201	(\$11,825,505)	\$10,632,696	100.0%	\$11,505,264	\$2,157,417	\$1,562,175	\$15,224,856	100.0%

Source: Acquisition, Reimbursement, and Credit Agreement for Construction of Delta Shores Public Infrastructure (Aug. 18, 2020); EPS

[1] For each improvement type, credits = total outstanding credits (\$11,505,234) multiplied by percentage of credits from 2020.

Table A-5
Delta Shores Public Facilities Financing Plan - 2025 Update
24th Street Roadway Segment Detailed Costs

Item	PFFP Estimated Cost per LF	23% Add-on Costs [1]	20% Contingency	Total PFFP Cost per LF	Total PFFP Cost
<i>Linear Feet</i>					3,319
Clearing and Grubbing	\$19	\$4	\$4	\$27	\$88,279
Roadway Excavation	\$210	\$48	\$42	\$300	\$996,696
6" AC / 24" AB	\$365	\$84	\$73	\$521	\$1,729,979
Vertical Curb and Gutter	\$40	\$9	\$8	\$57	\$189,847
Median Curb	\$35	\$8	\$7	\$50	\$166,116
Detached Sidewalk	\$72	\$17	\$14	\$103	\$341,724
Striping and Signage	\$8	\$2	\$2	\$11	\$37,969
Local Drainage	\$76	\$18	\$15	\$109	\$361,895
Street Lighting	\$19	\$4	\$4	\$27	\$88,991
Joint Utility Trench	\$100	\$23	\$20	\$143	\$474,617
Median Landscaping	\$50	\$11	\$10	\$71	\$234,935
Back of Curb Landscaping	\$70	\$16	\$14	\$101	\$334,463
Total (2009\$)	\$1,063	\$245	\$213	\$1,520	\$5,045,511
Cost for Whole Segment (2009\$)	\$3,528,330	\$811,516	\$705,666	\$1,520	\$5,045,511
Cost for Whole Segment (2025\$) [2]	\$13,933,980	\$3,204,815	\$2,786,796	\$6,003	\$19,925,592

Source: MSA Engineering; City of Sacramento; Harris Engineering; EPS

[1] Add-on costs include 4% for traffic and staging; 1% for storm water pollution prevention; and 18% for engineering, inspection, testing, and surveying.

[2] Total cost in 2025\$ from 2025 Delta Shores fee update.

Table A-6
Delta Shores Public Facilities Financing Plan - 2025 Update
24th Street Extension to Meadowview 102 Acre Site Cost Detail (2025\$)

Item	Percentage	PFFP Estimated Cost
24th Street Extension		
Demolition/Site Preparation		\$174,000
Sanitary Sewer		\$127,500
Storm Drain		\$234,900
Water		\$122,750
Electrical		\$257,500
Street Improvements		\$429,400
Landscape		\$33,000
Subtotal		\$1,379,050
Contingency	15%	\$206,858
Total Construction Cost (Rounded)		\$1,586,000
Soft Cost	15%	\$237,900
Total Cost		\$1,823,900

Source: CBG (8/27/2024)

Table A-7
Delta Shores Public Facilities Financing Plan - 2025 Update
Traffic Signal Cost Detail (2025\$)

Item	PFFP Estimated Cost [1]
24th St and C St	\$684,213
Circle North and 24th St	\$684,213
Total	\$1,368,426

Source: City of Sacramento; Merlone Geier; Harris Engineering; EPS.

[1] Includes traffic control and staging, storm water runoff prevention, engineering, inspections, and surveying, and contingency. Rounded to nearest dollar. Signal costs in 2025\$ from 2025 Delta Shores fee update.

Table A-8
Delta Shores Public Facilities Financing Plan - 2025 Update
Sewer Pump Station Cost Detail

Item	ESDs	Estimated Cost (2009\$) [1]	Estimated Cost (2025\$) [2]
Regional Sewer Lift Station			
Contracted Items		-	\$7,925,000
Items to be Contracted		-	\$998,480
Subtotal		-	\$8,923,480
Soft Cost (5% of construction cost)		\$3,575,000	\$446,174
Contingency (10%of construction cost)		\$71,500	\$892,348
Total Regional Sewer Lift Station		\$3,646,500	\$10,262,002
Sump 53 Force Main			
Contracted Items		-	\$9,061,860
Items to be Contracted		-	\$1,032,000
Subtotal		-	\$10,093,860
Soft Cost (8% of construction cost)		-	\$807,509
Contingency (10%of construction cost)		-	\$1,009,386
Total Regional Sewer Force Main		\$1,465,750	\$11,910,755
Total		\$5,112,250	\$22,172,757
Cost Obligation [3]			
Delta Shores	3,908	-	\$14,511,997
Stone Beetland	1,163	-	\$4,318,693
Meadowview 102	900	-	\$3,342,067
Total	5,971	-	\$22,172,757

Source: City of Sacramento; Coleman Engineering; T&S Construction; Preston Pipeline.

[1] From 2009 Financing Plan

[2] New estimates in 2025\$. Lift station estimate from T&S Construction. Force main estimate from Preston Pipeline. Both estimates dated 9-16-2024.

[3] From 2023 ESD Analysis prepared by Coleman Engineering.

Table A-9
Delta Shores Public Facilities Financing Plan - 2025 Update
Drainage Trunk Line 1D Cost

Item	Estimated Cost	
	2014\$	2025\$
Drainage Trunk Line 1D [1]		
Topside [2]	\$28,200	-
Storm Drain	\$1,365,460	\$3,031,476
Total 1D	\$1,393,660	\$3,031,476

Source: Teichert; DeSilva Gates; Merlone Geier; Harris Engineering; EPS

[1] Total cost in 2025\$ from 2025 Delta Shores fee update.

[2] Topside is not included in the Drainage Trunk Line 1D costs.

Table A-10
Delta Shores Public Facilities Financing Plan - 2025 Update
24" Water Main in 24th Street between Meadowview RD and Consumnes River Blvd.

Item	Quantity	Units	Unit Cost	Total Construction Cost	23% Add-on Costs [1]	20% Contingency	Total Cost
Transmission Water Facilities							
24" Waterline w/ Appurtenances	6,303	LF	\$230	\$1,449,690	\$333,429	\$289,938	\$2,073,057
Connect to Existing Transmission Pipeline	2	EA	\$25,000	\$50,000	\$11,500	\$10,000	\$71,500
Total (2009\$)				\$1,499,690	\$344,929	\$299,938	\$2,144,557
Total (2025\$) [2]				\$3,623,636	\$833,436	\$724,727	\$5,181,800

Source: MSA Engineering; Harris Engineering; EPS

[1] Add-on costs include: 4% for traffic and staging; 1% for storm water pollution prevention; 18% for engineering, inspection, testing, and surveying.

[2] Total cost in 2025\$ from 2025 Delta Shores fee update.

Table A-11
Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores Regional Park Cost

Item	Total Cost [1]
Regional Park (2019\$)	\$4,000,000
Regional Park (2025\$) [1]	\$4,706,888

Source: City of Sacramento; EPS.

[1] In 2019, Delta Shores had a \$4 million required contribution to offsite facilities, per the terms of the Development Agreement. Current estimate in 2025\$ accounts for cost inflation and is equal to the the cost from the 2025 Delta Shores fee update. It was determined that this obligation would be satisfied through inclusion in the Delta Shores Impact Fee Program.

Table A-12
Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores and Stone Beetland Trails Costs (2025\$)

Item	Units	Unit Cost	Delta Shores		Stone Beetland				Total Cost
			Quantity	Cost	Quantity			Cost	
			Ph 1C	Ph 2 & 3	Total				
Class I - Off Street Multi-Use Trails [1]									
Earthwork	CY	\$6.00	23,170	\$139,020	-	-	-	\$0	\$139,020
Finish Grading	SF	\$3.00			38,400	46,000	84,400	\$253,200	\$253,200
3" Asphalt Concrete (12' wide)	SF	\$2.00	288,000	\$576,000	28,800	36,000	64,800	\$129,600	\$705,600
6" Aggregate Base (16' wide)	SF	\$1.60	384,000	\$614,400	-	-	-	\$0	\$614,400
10" Aggregate Base	SF	\$1.60	-	-	28,800	36,000	64,800	\$103,680	\$103,680
6" Decomposed Granite	SF	\$2.00	-	-	9,600	12,000	21,600	\$43,200	\$43,200
Striping and Signage	LF	\$3.30	24,000	\$79,200	2,400	3,000	5,400	\$17,820	\$97,020
Subtotal Class I Trails				\$1,408,620				\$547,500	\$1,956,120
Contingency			20%	\$281,724	20%			\$109,500	\$391,224
Subtotal Class I Trails Cost (2025\$)				\$1,690,344				\$657,000	\$2,347,344
Other Delta Shores Trail Improvements (South of CRB) [2]									
New Class 1-Off Street Multi-Use Trail (South of Future HDR-12)									
3" AC/6"AB (12' Wide Class I Trail)	SF	\$4.75	16,735	\$79,491				-	\$79,491
2' Decomposed Granite (Class I Trail)	SF	\$2.50	5,580	\$13,950				-	\$13,950
Post & Cable Fence	LF	\$17.00	1,395	\$23,715				-	\$23,715
Subtotal				\$117,156				-	\$117,156
Delta Shores South Circle Signalized Pedestrian Crossings				\$291,300				-	\$291,300
Consumnes River Boulevard Enhanced Crossing				\$205,986				-	\$205,986
Subtotal Trails Cost				\$614,442				-	\$614,442
Contingency			10%	\$61,444				-	\$61,444
Subtotal Other Trail Cost (2025\$)				\$675,886				-	\$675,886
Total Trails Costs (2025\$)				\$2,366,230				\$657,000	\$3,023,230
Cost Distribution Between Delta Shores and Stone Beetland									
<i>Percent of Total Construction Cost</i>				78.3%				21.7%	100.0%
Construction Cost				\$2,366,230				\$657,000	\$3,023,230
Fund Balance				(\$168,697)				(\$46,840)	(\$215,537)
Credits				\$319,309				\$0	\$319,309
Total Adjusted Cost				\$2,516,842				\$610,160	\$3,127,002

Source: Merlone Gier; Earthcalc; CBG; City of Sacramento.

[1] Unit costs from Merlone Geier (July 2023). Trail quantities provided by City and Merlone Geier. Delta Shores preliminary earthwork quantity per Earthcalc Analysis dated August 4, 2022. Stone Beetland quantities and costs from City (9/10/25) include Phase 1C, 2, and 3 trails.

[2] Quantities and cost estimates from CBG (Feb. 22, 2024).

Table A-13
Delta Shores Public Facilities Financing Plan - 2025 Update
Public Open Space Costs (2025\$)

Item	Net Acres	Cost per Acre [1]	Total
Open Space Lots [2]	26.2	\$238,491	\$6,256,113
Total Open Space Cost (2025\$)			\$6,256,113

Source: City of Sacramento 2030 General Plan (July 2008); Merlone Geier; EPS.

[1] Cost in 2025\$. Amount based on Parcel B acquisition in 2023 escalated to 2024\$ using the ENR CCI percentage change used in the Delta Shores 2024 adjustment. ENR CCI percentage change from 2024 to 2025 was negative, so cost in 2025\$ kept at 2024 level.

[2] See Table A-14.

Table A-14
Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores Open Space Lots - Public [1] [2]

Item	Land Use Designation	Lot ID	Total
Delta Shores West Final Map			
Open Space		C	0.637
Open Space		E	0.760
Open Space		H	1.888
Subtotal Delta Shores West Final Map			3.284
Delta Shores Phase 2			
N/A		N/A	N/A
Delta Shores Phase 3			
Open Space	OS-1	G	7.844
Open Space	OS-2	H	3.527
Open Space	OS-3	I	3.166
Open Space	OS-4	J	1.214
Open Space	OS-5	P	1.528
Open Space	OS-6	M	1.932
Open Space	OS-7	L	1.090
Open Space	OS-9	R	0.518
Open Space	OS-10	D (9)	2.129
Subtotal Delta Shores Phase 3			22.948
Total Delta Shores Open Space Acreage			26.232

Source: Merlone Geier; City of Sacramento.

[1] Excludes Lot B (6.828 acres) that has already been dedicated to the City.

[2] Excludes private open space parcels.

Table A-15
Delta Shores Public Facilities Financing Plan - 2025 Update
Combined Project Police Facilities Contribution

Item	Formula	Amount	Delta Shores	Stone Beetland
New South Area Substation [1]				
Square Feet		20,000		
Cost per Square Foot [2]		\$926		
Total Substation Cost (2019\$)	<i>a</i>	\$18,521,107		
Substation Cost per Acre				
Total Acres Served by Substation	<i>b</i>	11,750		
Cost per Acre (2019\$)	<i>c=a/b</i>	\$1,576		
Combined Projects Cost Share				
Total Acres [3]	<i>d</i>	906.42		
Project Cost Share (2019\$)	<i>e=c*d</i>	\$1,428,758		
Project Percentage	<i>f=e/a</i>	7.7%		
Project Cost Share (2025\$) [4]	<i>g</i>	\$1,724,106		
Cost Distribution Between Delta Shores and Stone Beetland				
<i>Cost Share and Fund Balance Pct.[5]</i>	<i>h</i>		81.5%	18.5%
<i>Credits Pct.</i>	<i>i</i>		100.0%	0.0%
Construction Cost	<i>total g*h</i>	\$1,724,106	\$1,404,414	\$319,692
Fund Balance [6]	<i>total fund bal*h</i>	(\$122,918)	(\$100,126)	(\$22,792)
Credits [6]	<i>total credits*i</i>	\$182,098	\$182,098	\$0
Total Adjusted Cost		\$1,783,286	\$1,486,386	\$296,900

Source: City of Sacramento, SPD, and Delta Shores master developer.

- [1] The proposed location of the new substation is near 24th Street and Meadowview, north of Delta Shores.
[2] Based on February 2009 Finance Plan, escalated from 2009 to 2019 using CCI. Original 2009 construction cost estimates provided by the SPD for an essential services facility is \$750 per square foot, which is designed to operate for disaster relief, updated to 2019 using CCI.
[3] Project acres in 2019 when Project proportion estimated.
[4] Total cost in 2025\$ from 2025 Delta Shores fee update.
[5] Percentage of total population and employees. See Table 2-3.
[6] Total fund balance and credits from Table A-1.

Table A-16
Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores and Stone Beetland Share of Fire Facility Costs (2025\$) [1]

Area	Initial Phase [1]	Full Buildout		Total [3]	Adjustments [4]		Total Adjusted Cost
		Pct. [2]	Total		Fund Balance	Credits	
Delta Shores	\$800,000	80%	\$11,909,852	\$12,709,852	(\$877,741)	\$1,625,424	\$13,457,534
Stone Beetland	\$0	18%	\$2,679,717	\$2,679,717	(\$219,435)	\$0	\$2,460,281
Subtotal	\$800,000		\$14,589,568	\$15,389,568	(\$1,097,177)	\$1,625,424	\$15,917,815
Other (City)	\$0	2%	\$297,746	\$297,746	\$0	\$0	\$297,746
Total (2025\$) [3]	\$800,000		\$14,887,315	\$15,687,315	(\$1,097,177)	\$1,625,424	\$16,215,562

Source: Merlone Geier, City of Sacramento, EPS.

[1] Initial phase costs fund fire facilities to satisfy fire service requirements during buildout of the Delta Shores residential phases and are entirely the responsibility of Delta Shores.

[2] Percent share of full buildout costs based on the 2009 Finance Plan and Delta Shores Development Agreement.

[3] Total cost in 2025\$ from 2025 Delta Shores fee update. Initial total costs were provided by Merlone Geier and the City of Sacramento and adjusted to account for cost inflation.

[4] See Table A-1 for adjustment. Fund balance allocated to Delta Shores and Stone Beetland in proportion to their pct.of full buildout costs. All credits allocated to Delta Shores.

Table A-17
Delta Shores Public Facilities Financing Plan - 2025 Update
Delta Shores Transit Costs [1]

Improvement [2]	Quantity	Unit	Unit Cost	Total Cost
Bus Stop Signage	17	each	\$250	\$4,250
Bus Stop Shelter with Bench	17	each	\$15,000	\$255,000
Bus Stop Trash Receptacle	17	each	\$250	\$4,250
Subtotal				\$263,500
Contingency (15%)				\$39,525
Total Delta Shores Transit Cost (2019\$)				\$303,025
Total Delta Shores Transit Cost (2025\$) [3]				\$365,665

Source: MSA Engineering, and EPS.

[1] Delta Shores only.

[2] Excludes bus stop concrete pad, included in road costs.

[3] Total cost in 2025\$ from 2025 Delta Shores fee update.

Table A-18
Delta Shores Public Facilities Financing Plan - 2025 Update
Estimated Delta Shores Library Facility and Equipment Costs [1]

Planned Facilities	Unit Cost [2]	Amount	Total Cost		
			Delta Shores	Stone Beetland	Total
Source		Table A-19			
Population			10,961	2,598	13,559
Pct. Of Total Population			80.8%	19.2%	100.0%
Facilities (2019\$) [2]					
Construction	\$771 per sq. ft.	5,096	\$3,176,676	\$752,943	\$3,929,619
Land Acquisition [3]	\$239,249 per acre	0.47	\$90,504	\$21,451	\$111,955
Subtotal Facilities			\$3,267,180	\$774,394	\$4,041,574
Items (2019\$) [2]					
Collections	\$33 per item	17,540	\$467,283	\$110,757	\$578,040
Technology Workstations	\$1,318 per item	15	\$15,945	\$3,779	\$19,724
Subtotal Items			\$483,228	\$114,536	\$597,764
Total Facility and Equipment Costs Rounded (2019\$)			\$3,750,408	\$888,930	\$4,639,338
Total Facility and Equipment Costs Rounded (2025\$) [4]			\$4,525,679	\$1,072,686	\$5,598,366
Cost Adjustments					
Fund Balance [5]			(\$322,652)	(\$76,476)	(\$399,127)
Credits [5]			\$591,291	\$0	\$591,291
Total Adjusted Cost			\$4,794,319	\$996,211	\$5,790,530

Source: Sacramento Public Library Authority; County of Sacramento Library Facilities Impact Fee Study; EPS.

[1] Cost of planned facilities based on the existing level of service and the projected future Delta Shores population.

[2] Original unit costs are from the 2013 Sacramento Library Facilities Impact Fee Study. Unit costs are escalated to 2019 dollars using the rate used to increase the Library Facilities Development Impact Fee, effective March 1, 2019.

[3] County of Sacramento Library Facilities Impact Fee Study assumes 0.25 FAR to estimate acres.

[4] Total cost from 2025 Delta Shores fee update. Costs allocated to subareas in proportion to population.

[5] Total fund balance and credits from Table A-1. Fund balances allocated to subareas in proportion to population; all credits allocated to Delta Shores.

Table A-19
Delta Shores Public Facilities Financing Plan - 2025 Update
Library Facility Level of Service Standard

Facilities and Equipment	Existing	Existing Level of Service [1]	Total
City Residents (2019) [2]	508,172		
Delta Shores Projected Population [1]			10,152
		<i>per resident</i>	
Library Facilities [3]			
Building Sq. Ft.	255,077	0.5020	5,096
Collections	878,000	1.7278	17,540
Technology Workstations	749	0.0015	15

Source: Sacramento Public Library Authority

[1] From Delta Shores 2019 Financing Plan Update.

[2] From California Department of Finance (January 1, 2019).

[3] See Table A-20.

Table A-20
Delta Shores Public Facilities Financing Plan - 2025 Update
Existing City of Sacramento Library Facilities Inventory [1]

Facilities	Address	Type	Building Area	Collections [2]	Technology Workstations [3]
Branches			<i>sq. ft.</i>	<i>volumes</i>	<i>items</i>
Central Library	828 I Street	Library Branch	105,600	288,000	139
Central Library - City of Sacramento Share of Systemwide Space	828 I Street	Systemwide	21,760	N/A	N/A
Colonial Heights Library	4799 Stockton Boulevard	Library Branch	12,211	56,000	64
Belle Cooledge Library	5600 South Land Park Drive	Library Branch	12,000	64,000	49
Del Paso Heights Library	920 Grand Avenue	Library Branch	5,425	30,000	24
North Sacramento-Hagginwood Library	2109 Del Paso Boulevard	Library Branch	4,000	42,000	23
North Natomas Library	4660 Via Ingoglia	Library Branch	22,645	82,000	136
South Natomas Library	2901 Truxel Road	Library Branch	13,615	68,000	59
Martin Luther King, Jr. Library	7340 24th Street Bypass	Library Branch	15,078	68,000	64
Valley Hi-North Laguna Library	7400 Imagination Parkway	Library Branch	20,505	67,000	89
McClatchy Library	2112 22nd Street	Library Branch	2,557	18,000	11
McKinley Library	601 Alhambra Boulevard	Library Branch	4,681	43,000	25
Robbie Waters Pocket-Greenhaven Library	7335 Gloria Drive	Library Branch	15,000	52,000	66
Total All Branches			255,077	878,000	749

Source: Sacramento Public Library Authority

[1] Facilities as of 2015.

[2] Include a combination of hard and soft back books, periodicals, and other media materials.

[3] Includes Internet & MS Workstations, Laptops, Early Learning Workstations, and Online Catalog Workstations.

Table A-21
Delta Shores Public Facilities Financing Plan - 2025 Update
ENR Construction Cost Index and Caltrans Highway Construction Price Index

Year	ENR CCI for San Francisco			Caltrans Index		
	March CCI	Annual Pct. Change	Multiplier to 2025	Three-Year Average [1]	Annual Pct. Change	Multiplier to 2025
2008	9,150.17		1.67			
2009	9,757.67		1.56	106.661		1.45
2010	9,756.67	(0.010%)	1.56	94.975	(10.956%)	1.63
2011	10,151.04	4.042%	1.50	86.733	(8.678%)	1.78
2012	10,369.54	2.152%	1.47	82.225	(5.198%)	1.88
2013	10,368.09	(0.014%)	1.47	84.142	2.331%	1.84
2014	10,891.84	5.052%	1.40	96.100	14.212%	1.61
2015	11,169.32	2.548%	1.36	104.616	8.861%	1.48
2016	11,557.90	3.479%	1.32	98.769	(5.589%)	1.57
2017	11,609.44	0.446%	1.31	91.468	(7.393%)	1.69
2018	12,014.72	3.491%	1.27	85.403	(6.630%)	1.81
2019	12,048.19	0.279%	1.26	93.983	10.045%	1.65
2020	12,810.67	6.329%	1.19	100.232	6.649%	1.54
2021	13,137.16	2.549%	1.16	101.783	1.548%	1.52
2022	15,126.84	15.145%	1.01	99.678	(2.069%)	1.55
2023	15,362.28	1.556%	0.99	104.133	4.470%	1.49
2024	15,458.96	0.629%	0.99	125.701	20.711%	1.23
2025	15,238.98	(1.423%)	1.00	154.735	23.098%	1.00

[1] Reflects average of quarterly indices published for the 12 quarters ending in the 1st quarter of the indicated year. For example, the 2019 index = average of quarterly indices from the 2nd quarter of 2016 through the 1st quarter of 2019.

APPENDIX B:

Infrastructure Cost Allocation

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Table B-1
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Regional Roadway Costs (2025\$)

Regional Roadways

Item	Remaining Land Uses		Cost Allocation Basis			Roadway Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Common Use Factor [1]	Total Use	Distribution of Use	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*B</i>	<i>E=D/Total Use</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
<u>Delta Shores</u>								
Residential		<i>units</i>	<i>trips/du/day</i>					<i>per unit</i>
Low Density	126.11	585	8.20	4,797	11.7%	\$3,633,850	\$28,815	\$6,212
Medium Density	170.42	1,861	6.25	11,631	28.3%	\$8,810,969	\$51,701	\$4,735
High Density	69.30	1,927	6.10	11,755	28.6%	\$8,904,486	\$128,492	\$4,621
Mixed Use	5.50	159	6.10	970	2.4%	\$734,724	\$133,586	\$4,621
Subtotal	371.33	4,532		29,153	71.0%	\$22,084,029		
Nonresidential [2]		<i>sq. ft.</i>	<i>trips/acre/day</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	285.00	4,124	10.0%	NA	\$215,895	\$16.42
Village/Regional Center	24.70	374,700	285.00	7,040	17.1%	NA	\$215,895	\$16.42
Corner Retail	2.69	14,778	285.00	767	1.9%	NA	\$215,895	\$16.42
Subtotal	41.86	550,478		11,930	29.0%	\$9,037,269	\$215,895	\$16.42
Total Delta Shores	413.19			41,083	100.0%	\$31,121,298	\$141,468	
<u>Stone Beetland</u>								
Residential		<i>units</i>	<i>trips/du/day</i>					<i>per unit</i>
Low Density	30.20	190	8.20	1,558	16.8%	\$2,171,317	\$71,898	\$11,428
Medium Density	25.00	262	6.25	1,638	17.7%	\$2,282,113	\$91,285	\$8,710
High Density	17.90	711	6.10	4,337	46.8%	\$6,044,429	\$337,678	\$8,501
Subtotal	73.10	1,163		7,533	81.2%	\$10,497,859		
Nonresidential		<i>sq. ft.</i>	<i>trips/acre/day</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	285.00	1,739	18.8%	\$2,422,872	\$397,192	\$31.06
Subtotal	6.10	78,000		1,739	18.8%	\$2,422,872		
Total Stone Beetland	79.20			9,271	100.0%	\$12,920,731	\$163,141	
Total Project	492.39			50,354		\$44,042,029		

Source: EPS

[1] Relies on traffic trip ratio in the Delta Shores and Stone Beetland Trip Generation and Distribution Study conducted by Fehr & Peers (4/24/07).

[2] Cost allocation per square foot = average cost per square foot across all nonresidential uses.

Table B-2
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Roadway Costs (2025\$)

Roadways

Item	Land Uses		Cost Allocation Basis			Roadway Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Common Use Factor [1]	Total Use	Distribution of Use	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*B</i>	<i>E=D/Total Use</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
Delta Shores								
Residential		<i>units</i>	<i>trips/du/day</i>					<i>per unit</i>
Low Density	126.11	585	8.20	4,797	11.7%	\$2,676,075	\$21,220	\$4,574
Medium Density	170.42	1,861	6.25	11,631	28.3%	\$6,488,659	\$38,074	\$3,487
High Density	69.30	1,927	6.10	11,755	28.6%	\$6,557,527	\$94,625	\$3,403
Mixed Use	5.50	159	6.10	970	2.4%	\$541,073	NA	\$3,403
Subtotal	371.33	4,532		29,153	71.0%	\$16,263,333		
Nonresidential [2]		<i>sq. ft.</i>	<i>trips/acre/day</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	285.00	4,124	10.0%	NA	\$158,991	\$12.09
Village/Regional Center	24.70	374,700	285.00	7,040	17.1%	NA	\$158,991	\$12.09
Corner Retail	2.69	14,778	285.00	767	1.9%	NA	\$158,991	\$12.09
Subtotal	41.86	550,478		11,930	29.0%	\$6,655,312	\$158,991	\$12.09
Total Delta Shores	413.19			41,083	100.0%	\$22,918,645	\$105,149	
<i>Percent of Total Project Cost</i>						<i>81.6%</i>		
Stone Beetland								
Residential		<i>units</i>	<i>trips/du/day</i>					<i>per unit</i>
Low Density	30.20	190	8.20	1,558	16.8%	\$869,153	\$28,780	\$4,574
Medium Density	25.00	262	6.25	1,638	17.7%	\$913,503	\$36,540	\$3,487
High Density	17.90	711	6.10	4,337	46.8%	\$2,419,513	\$135,168	\$3,403
Subtotal	73.10	1,163		7,533	81.2%	\$4,202,168		
Nonresidential		<i>sq. ft.</i>	<i>trips/acre/day</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	285.00	1,739	18.8%	\$969,847	\$158,991	\$12.43
Subtotal	6.10	78,000		1,739	18.8%	\$969,847		
Total Stone Beetland	79.20			9,271	100.0%	\$5,172,015	\$65,303	
<i>Percent of Total Project Cost</i>						<i>18.4%</i>		
Total Project	492.39			50,354		\$28,090,660		
<i>Percent of Total Project Cost</i>						<i>100.0%</i>		

Source: EPS

[1] Relies on traffic trip ratio in the Delta Shores and Stone Boswell Trip Generation and Distribution Study conducted by Fehr & Peers (4/24/07).

[2] Cost allocation per square foot = average cost per square foot across all nonresidential uses.

Table B-3
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Sewer (2025\$)

Sewer

Item	Land Uses		Cost Allocation Basis			Sewer Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Gallons per Unit/Acre [1]	Total Gallons	Distribution of Gallons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*A</i>	<i>E=D/Total Gallons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
Delta Shores								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	126.11	585	310	181,350	13.7%	\$2,183,465	\$17,314	\$3,732
Medium Density	170.42	1,861	310	576,910	43.7%	\$6,946,033	\$40,758	\$3,732
High Density	69.30	1,927	233	448,028	33.9%	\$5,394,279	\$77,840	\$2,799
Mixed Use	5.50	159	233	36,968	2.8%	\$445,091	\$80,926	\$2,799
Subtotal	371.33	4,532		1,243,255	94.1%	\$14,968,868		
Nonresidential [2]		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	1,860	26,914	2.0%	\$324,049	\$22,395	\$1.70
Village/Regional Center	24.70	374,700	1,860	45,942	3.5%	\$553,145	\$22,395	\$1.70
Corner Retail	2.69	14,778	1,860	5,003	0.4%	\$60,232	\$22,395	\$1.70
Subtotal	41.86	550,478		77,859	5.9%	\$937,425		\$1.70
Total Delta Shores [3]	413.19			1,321,114	100.0%	\$15,906,294	\$40,574	
Stone Beetland								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	30.20	190	310	58,900	18.6%	\$880,158	\$29,144	\$4,632
Medium Density	25.00	262	310	81,220	25.6%	\$1,213,691	\$48,548	\$4,632
High Density	17.90	711	233	165,308	52.2%	\$2,470,233	\$138,002	\$3,474
Subtotal	73.10	1,163		305,428	96.4%	\$4,564,082		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	1,860	11,346	3.6%	\$169,546	\$27,794	\$2.17
Subtotal	6.10	78,000		11,346	3.6%	\$169,546		
Total Stone Beetland [3]	79.20			316,774	100.0%	\$4,733,628	\$60,872	
Total Project [3]	492.39			1,637,887		\$20,639,922	\$47,955	

Source: EPS.

[1] Allocation factors from Delta Shores Sewer Study (MSA) [11/2008].

[2] Cost allocation per square foot = average cost per square foot across all nonresidential uses.

[3] Excludes costs allocated to Meadowview 102. See Table A-8 for costs allocated to Meadowview 102.

Table B-4
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Drainage (2025\$)

Drainage

Item	Developable Acres	Units/ Sq. Ft.	Cost Allocation Basis			Drainage Cost Allocation		
			Runoff Coefficient	Total Runoff	Distribution of Total Runoff	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*A</i>	<i>E=D/Total Runoff Coeff.</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
<u>Delta Shores</u>								
Residential		<i>units</i>	<i>per acre</i>					<i>per unit</i>
Low Density	126.11	585	0.30	37.83	17.8%	\$1,966,838	\$15,596	\$3,362
Medium Density	170.42	1,861	0.50	85.21	40.0%	\$4,429,835	\$25,993	\$2,380
High Density	69.30	1,927	0.70	48.51	22.8%	\$2,521,882	\$36,391	\$1,309
Mixed Use	5.50	159	0.70	3.85	1.8%	\$200,149	\$36,391	\$1,259
Subtotal	371.33	4,532		175.40	82.3%	\$9,118,705		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	0.90	13.02	6.1%	\$677,025	\$46,788	\$4.21
Village/Regional Center	24.70	374,700	0.90	22.23	10.4%	\$1,155,668	\$46,788	\$3.08
Corner Retail	2.69	14,778	0.90	2.42	1.1%	\$125,841	\$46,788	\$8.52
Subtotal	41.86	550,478		37.67	17.7%	\$1,958,534		
Total Delta Shores	413.19			213.08	100.0%	\$11,077,239	\$36,391	
<u>Stone Beetland</u>								
Residential		<i>units</i>	<i>per acre</i>					<i>per unit</i>
Low Density	30.20	190	0.30	9.06	22.9%	\$0	\$0	\$0
Medium Density	25.00	262	0.50	12.50	31.6%	\$0	\$0	\$0
High Density	17.90	711	0.70	12.53	31.7%	\$0	\$0	\$0
Subtotal	73.10	1,163		34.09	86.1%	\$0	\$0	
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	0.90	5.49	13.9%	\$0	\$0	\$0.00
Subtotal	6.10	78,000		5.49	13.9%	\$0	\$0	
Total Stone Beetland	79.20			39.58	100.0%	\$0	\$0	
Total Project	492.39			252.66		\$11,077,239	\$25,474	

Source: EPS

Table B-5
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Regional Park (2025\$)

Regional Park

Item	Land Uses		Cost Allocation Basis			Regional Park Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per HH	Total Persons	Distribution of Persons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*B</i>	<i>E=D/Total Persons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
<u>Delta Shores</u>								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	126.11	585	2.98	1,743	15.9%	\$748,481	\$5,935	\$1,280
Medium Density	170.42	1,861	2.98	5,546	50.6%	\$2,381,571	\$13,975	\$1,280
High Density	69.30	1,927	1.76	3,392	30.9%	\$1,456,597	\$21,019	\$756
Mixed Use	5.50	159	1.76	280	2.6%	\$120,238	\$21,861	\$756
Subtotal	371.33	4,532		10,961	100.0%	\$4,706,888		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	0.00	0	0.0%	\$0	\$0	\$0.00
Village/Regional Center	24.70	374,700	0.00	0	0.0%	\$0	\$0	\$0.00
Corner Retail	2.69	14,778	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	41.86	550,478		0	0.0%	\$0		
Total Delta Shores	413.19			10,961	100.0%	\$4,706,888		
<u>Stone Beetland</u>								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	30.20	190	2.98	566	21.8%	\$0	\$0	\$0
Medium Density	25.00	262	2.98	781	30.0%	\$0	\$0	\$0
High Density	17.90	711	1.76	1,251	48.2%	\$0	\$0	\$0
Subtotal	73.10	1,163		2,598	100.0%	\$0		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	6.10	78,000		0	0.0%	\$0		
Total Stone Beetland	79.20			2,598	100.0%	\$0	\$0	
Total Project	492.39			13,559		\$4,706,888		

Source: EPS

Table B-6
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Trails (2025\$)

Trails

Item	Land Uses		Cost Allocation Basis			Regional Park Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per HH	Total Persons	Distribution of Persons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*B</i>	<i>E=D/Total Persons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
<u>Delta Shores</u>								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	126.11	585	2.98	1,743	15.9%	\$400,224	\$3,174	\$684
Medium Density	170.42	1,861	2.98	5,546	50.6%	\$1,273,461	\$7,472	\$684
High Density	69.30	1,927	1.76	3,392	30.9%	\$778,864	\$11,239	\$404
Mixed Use	5.50	159	1.76	280	2.6%	\$64,293	\$11,690	\$404
Subtotal	371.33	4,532		10,961	100.0%	\$2,516,842	\$8,394	
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	0.00	0	0.0%	\$0	\$0	\$0.00
Village/Regional Center	24.70	374,700	0.00	0	0.0%	\$0	\$0	\$0.00
Corner Retail	2.69	14,778	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	41.86	550,478		0	0.0%	\$0		
Total Delta Shores	413.19			10,961	100.0%	\$2,516,842		
<u>Stone Beetland</u>								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	30.20	190	2.98	566	21.8%	\$132,960	\$4,403	\$700
Medium Density	25.00	262	2.98	781	30.0%	\$183,345	\$7,334	\$700
High Density	17.90	711	1.76	1,251	48.2%	\$293,855	\$16,416	\$413
Subtotal	73.10	1,163		2,598	100.0%	\$610,160		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	6.10	78,000		0	0.0%	\$0		
Total Stone Beetland	79.20			2,598	100.0%	\$610,160	\$7,917	
Total Project	492.39			13,559		\$3,127,002		

Source: EPS

Table B-7

Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Open Space (2025\$)

Open Space

Item	Land Uses		Cost Allocation Basis			Open Space Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per HH	Total Persons	Distribution of Persons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*B</i>	<i>E=D/Total Persons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
Delta Shores								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	126.11	585	2.98	1,743	15.9%	\$1,028,999	\$8,159	\$1,759
Medium Density	170.42	1,861	2.98	5,546	50.6%	\$3,274,143	\$19,212	\$1,759
High Density	69.30	1,927	1.76	3,392	30.9%	\$2,002,505	\$28,896	\$1,039
Mixed Use	5.50	159	1.76	280	2.6%	\$165,207	\$30,038	\$1,039
Subtotal	371.33	4,532		10,961	100.0%	\$6,470,854		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	0.00	0	0.0%	\$0	\$0	\$0.00
Village/Regional Center	24.70	374,700	0.00	0	0.0%	\$0	\$0	\$0.00
Corner Retail	2.69	14,778	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	41.86	550,478		0	0.0%	\$0		
Total Delta Shores	413.19			10,961	100.0%	\$6,470,854	\$12,329	
Stone Beetland								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	30.20	190	2.98	566	21.8%	\$0	\$0	\$0
Medium Density	25.00	262	2.98	781	30.0%	\$0	\$0	\$0
High Density	17.90	711	1.76	1,251	48.2%	\$0	\$0	\$0
Subtotal	73.10	1,163		2,598	100.0%	\$0	\$0	
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	6.10	78,000		0	0.0%	\$0		
Total Stone Beetland	79.20			2,598	100.0%	\$0		
Total Combined Projects	492.39			13,559		\$6,470,854		

Source: EPS

Table B-8
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Police (2025\$)

Police

Item	Land Uses		Cost Allocation Basis			Police Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per HH/ Emp. per Acre	Total Persons/Emp.	Distribution of Persons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=A*C or B*C</i>	<i>E=D/Total Persons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
<u>Delta Shores</u>								
Residential		<i>units</i>	<i>persons per HH</i>					<i>per unit</i>
Low Density	126.11	585	2.98	1,743	14.3%	\$212,063	\$1,682	\$363
Medium Density	170.42	1,861	2.98	5,546	45.4%	\$674,756	\$3,959	\$363
High Density	69.30	1,927	1.76	3,392	27.8%	\$412,689	\$5,955	\$214
Mixed Use	5.50	159	1.76	280	2.3%	\$34,066	\$6,194	\$214
Subtotal	371.33	4,532		10,961	89.7%	\$1,333,574		
Nonresidential [1]		<i>sq. ft.</i>	<i>emp. per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	30.00	434	3.6%	NA	\$3,651	\$0.28
Village/Regional Center	24.70	374,700	30.00	741	6.1%	NA	\$3,651	\$0.28
Corner Retail	2.69	14,778	30.00	81	0.7%	NA	\$3,651	\$0.28
Subtotal	41.86	550,478		1,256	10.3%	\$152,812	\$3,651	\$0.28
Total Delta Shores	413.19			12,217	100.0%	\$1,486,386	\$4,106	
<u>Stone Beetland</u>								
Residential		<i>units</i>	<i>persons per HH</i>					<i>per unit</i>
Low Density	30.20	190	2.98	566	20.4%	\$60,441	\$2,001	\$318
Medium Density	25.00	262	2.98	781	28.1%	\$83,344	\$3,334	\$318
High Density	17.90	711	1.76	1,251	45.0%	\$133,580	\$7,463	\$188
Subtotal	73.10	1,163		2,598	93.4%	\$277,365		
Nonresidential		<i>sq. ft.</i>	<i>emp. per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	30.00	183	6.6%	\$19,535	\$3,202	\$0.25
Subtotal	6.10	78,000		183	6.6%	\$19,535		
Total Stone Beetland (Rounded)	79.20			2,781	100.0%	\$296,900	\$4,000	
Total Project	492.39			14,998		\$1,783,286	\$4,067	

Source: EPS

[1] Cost allocation per square foot = average cost per square foot across all nonresidential uses.

Table B-9
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Fire (2025\$)

Fire

Item	Land Uses		Cost Allocation Basis			Fire Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per HH/ Emp. per Acre	Total Persons/Emp.	Distribution of Persons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=A*C or B*C</i>	<i>E=D/Total Persons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
Delta Shores								
Residential		<i>units</i>	<i>persons per HH</i>					<i>per unit</i>
Low Density	126.11	585	2.98	1,743	14.3%	\$1,919,987	\$15,225	\$3,283
Medium Density	170.42	1,861	2.98	5,546	45.4%	\$6,109,150	\$35,847	\$3,283
High Density	69.30	1,927	1.76	3,392	27.8%	\$3,736,429	\$53,917	\$1,939
Mixed Use	5.50	159	1.76	280	2.3%	\$308,432	\$56,078	\$1,939
Subtotal	371.33	4,532		10,961	89.7%	\$12,073,998		
Nonresidential [1]		<i>sq. ft.</i>	<i>emp. per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	30.00	434	3.6%	NA	\$33,052	\$2.51
Village/Regional Center	24.70	374,700	30.00	741	6.1%	NA	\$33,052	\$2.51
Corner Retail	2.69	14,778	30.00	81	0.7%	NA	\$33,052	\$2.51
Subtotal	41.86	550,478		1,256	10.3%	\$1,383,536	\$33,052	\$2.51
Total Delta Shores	413.19			12,217	100.0%	\$13,457,534	\$37,175	
Stone Beetland								
Residential		<i>units</i>	<i>persons per HH</i>					<i>per unit</i>
Low Density	30.20	190	2.98	566	20.4%	\$500,845	\$16,584	\$2,636
Medium Density	25.00	262	2.98	781	28.1%	\$690,639	\$27,626	\$2,636
High Density	17.90	711	1.76	1,251	45.0%	\$1,106,920	\$61,839	\$1,557
Subtotal	73.10	1,163		2,598	93.4%	\$2,298,404		
Nonresidential		<i>sq. ft.</i>	<i>emp. per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	30.00	183	6.6%	\$161,877	\$26,537	\$2.08
Subtotal	6.10	78,000		183	6.6%	\$161,877		
Total Stone Beetland	79.20			2,781	100.0%	\$2,460,281	\$33,147	
Total Project	492.39			14,998		\$15,917,815	\$35,710	
Other Funding						\$297,746		
Total Fire Costs						\$16,215,562		

Source: EPS

[1] Cost allocation per square foot = average cost per square foot across all nonresidential uses.

Table B-10
Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Transit (2025\$)

Transit

Item	Land Uses		Cost Allocation Basis			Transportation Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per HH/ Emp. per Acre	Total Persons/Emp.	Distribution of Persons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=A*C or B*C</i>	<i>E=D/Total Persons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
<u>Delta Shores</u>								
Residential		<i>units</i>	<i>persons per HH</i>					<i>per unit</i>
Low Density	126.11	585	2.98	1,743	14.3%	\$53,961	\$428	\$92
Medium Density	170.42	1,861	2.98	5,546	45.4%	\$171,697	\$1,007	\$92
High Density	69.30	1,927	1.76	3,392	27.8%	\$105,012	\$1,515	\$54
Mixed Use	5.50	159	1.76	280	2.3%	\$8,668	\$1,576	\$54
Subtotal	371.33	4,532		10,961	89.7%	\$339,339		
Nonresidential [1]		<i>sq. ft.</i>	<i>emp. per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	30.00	434	3.6%	NA	\$929	\$0.07
Village/Regional Center	24.70	374,700	30.00	741	6.1%	NA	\$929	\$0.07
Corner Retail	2.69	14,778	30.00	81	0.7%	NA	\$929	\$0.07
Subtotal	41.86	550,478		1,256	10.3%	\$38,878	\$929	\$0.07
Total Delta Shores	413.19			12,217	100.0%	\$378,217		
<u>Stone Beetland</u>								
Residential		<i>units</i>	<i>persons per HH</i>					<i>per unit</i>
Low Density	30.20	190	2.98	566	20.4%	\$0	\$0	\$0
Medium Density	25.00	262	2.98	781	28.1%	\$0	\$0	\$0
High Density	17.90	711	1.76	1,251	45.0%	\$0	\$0	\$0
Subtotal	73.10	1,163		2,598	93.4%	\$0		
Nonresidential		<i>sq. ft.</i>	<i>emp. per acre</i>					<i>per sq. ft.</i>
Commercial Mixed Use	6.10	78,000	30.00	183	6.6%	\$0	\$0	\$0.00
Subtotal	6.10	78,000		183	6.6%	\$0		
Total Stone Beetland	79.20			2,781	100.0%	\$0		
Total Project	492.39					\$378,217		

Source: EPS

[1] Cost allocation per square foot = average cost per square foot across all nonresidential uses.

Table B-11

Delta Shores Public Facilities Financing Plan - 2025 Update
Infrastructure Cost Allocation: Library (2025\$)

Library

Item	Land Uses		Cost Allocation Basis			Library Cost Allocation		
	Developable Acres	Units/ Sq. Ft.	Persons per HH	Total Persons	Distribution of Persons	Assigned Cost	per Acre	per Unit/ Sq. Ft.
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=C*B</i>	<i>E=D/Total Persons</i>	<i>F=Total Cost*E</i>	<i>G=F/A</i>	<i>H=F/B</i>
<u>Delta Shores</u>								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	126.11	585	2.98	1,743	15.9%	\$762,385	\$6,045	\$1,303
Medium Density	170.42	1,861	2.98	5,546	50.6%	\$2,425,809	\$14,234	\$1,303
High Density	69.30	1,927	1.76	3,392	30.9%	\$1,483,654	\$21,409	\$770
Mixed Use	5.50	159	1.76	280	2.6%	\$122,471	\$22,268	\$770
Subtotal	371.33	4,532		10,961	100.0%	\$4,794,319		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					<i>per sq. ft.</i>
Mixed Use Town Center	14.47	161,000	0.00	0	0.0%	\$0	\$0	\$0.00
Village/Regional Center	24.70	374,700	0.00	0	0.0%	\$0	\$0	\$0.00
Corner Retail	2.69	14,778	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	41.86	550,478		0	0.0%	\$0		
Total Delta Shores	413.19			10,961	100.0%	\$4,794,319		
<u>Stone Beetland</u>								
Residential		<i>units</i>	<i>per unit</i>					<i>per unit</i>
Low Density	30.20	190	2.98	566	21.8%	\$217,034	\$7,187	\$1,143
Medium Density	25.00	262	2.98	781	30.1%	\$299,477	\$11,979	\$1,143
High Density	17.90	711	1.76	1,251	48.2%	\$479,700	\$26,799	\$675
Subtotal	73.10	1,163		2,598	100.0%	\$996,211		
Nonresidential		<i>sq. ft.</i>	<i>per acre</i>					
Retail/Office	6.10	78,000	0.00	0	0.0%	\$0	\$0	\$0.00
Subtotal	6.10	78,000		0	0.0%	\$0		
Total Stone Beetland	79.20			2,598	100.0%	\$996,211		
Total Project	492.39			13,559		\$5,790,530		

Source: EPS

APPENDIX C:

Fee Program Revenues

Table C-1	Summary of Estimated Park Improvement Fee Revenue	C-1
Table C-2	Estimated Park Improvement Fee Payments— Delta Shores	C-2
Table C-3	Estimated Park Improvement Fee Payments— Stone Beetland	C-3
Table C-4	Estimated Remaining City Water Fee Revenue	C-4
Table C-5	Remaining School Development Impact Fee Revenues	C-5



Table C-1
Delta Shores Public Facilities Financing Plan - 2025 Update
Summary of Estimated Park Improvement Fee Revenue (2025\$) [1]

Item	Source	Total PIF Revenues	Use of Funds (Costs) [1]	
			Neighborhood/Community Parks	Other City Facilities [2]
Neighborhood/Community Parks				
Delta Shores	Table C-2	\$15,415,286	\$15,415,286	-
Stone Beetland	Table C-3	\$3,625,750	\$3,625,750	-
Total		\$19,041,036	\$19,041,036	-
Citywide Parks				
Delta Shores	Table C-2	\$7,819,202	-	\$7,819,202
Stone Beetland	Table C-3	\$1,841,482	-	\$1,841,482
Total		\$9,660,684	-	\$9,660,684
Total Park Impact Fee				
Delta Shores		\$23,234,489	\$15,415,286	\$7,819,202
Stone Beetland		\$5,467,232	\$3,625,750	\$1,841,482
Total		\$28,701,721	\$19,041,036	\$9,660,684

[1] All Delta Shores/Stone Beetland PIF revenue will be used for improvements in Delta Shores/Stone Beetland.

[2] Citywide Parks fee revenue will be used to fund currently unidentified Citywide improvements in the Combined Projects.

Table C-2
Delta Shores Public Facilities Financing Plan - 2025 Update
Estimated Park Improvement Fee Payments - Delta Shores (2025\$) [1]

Item	Units/ Square Feet	Est. Sq. Ft. Per Unit	Remaining City PIF		Total PIF Revenues
			Per Unit	Per Square Foot	
Delta Shores Neighborhood/Community Parks					
Residential	<u>Units</u>				
LDR	585	2,500	\$4,603	NA	\$2,692,755
MDR	1,861	1,800	\$4,140	\$2.30	\$7,704,540
HDR	1,927	1,000	\$2,300	\$2.30	\$4,432,100
Mixed Use	159	1,000	\$2,300	\$2.30	\$365,700
Subtotal Residential	4,532				\$15,195,095
Commercial [2]	<u>Square Feet</u>				
Mixed Use Town Center	161,000			\$0.40	\$64,400
Village/Regional Center	374,700			\$0.40	\$149,880
Corner Retail	14,778			\$0.40	\$5,911
Subtotal Commercial	550,478				\$220,191
Subtotal Neighborhood/Community Parks					\$15,415,286
Delta Shores Citywide Parks					
Residential	<u>Units</u>				
LDR	585	2,500	\$2,344	NA	\$1,371,240
MDR	1,861	1,800	\$2,106	\$1.17	\$3,919,266
HDR	1,927	1,000	\$1,170	\$1.17	\$2,254,590
Mixed Use	159	1,000	\$1,170	\$1.17	\$186,030
Subtotal Residential	4,532				\$7,731,126
Commercial [2]	<u>Square Feet</u>				
Mixed Use Town Center	161,000			\$0.16	\$25,760
Village/Regional Center	374,700			\$0.16	\$59,952
Corner Retail	14,778			\$0.16	\$2,364
Subtotal Commercial	550,478				\$88,076
Subtotal Citywide Parks					\$7,819,202
Total Delta Shores Park Fees					\$23,234,489

[1] Fee in place as of July 1, 2025.

[2] Assumes retail rate applies.

Table C-3
Delta Shores Public Facilities Financing Plan - 2025 Update
Estimated Park Improvement Fee Payments - Stone Beetland (2025\$) [1]

Item	Units/ Square Feet	Est. Sq. Ft. Per Unit	Remaining City PIF		Total PIF Revenues
			Per Unit	Per Square Foot	
Stone Beetland Neighborhood/Community Parks					
Residential	<u>Units</u>				
LDR	190	2,500	\$4,603	NA	\$874,570
MDR	262	1,800	\$4,140	\$2.30	\$1,084,680
HDR	711	1,000	\$2,300	\$2.30	\$1,635,300
Subtotal Residential	1,163				\$3,594,550
Commercial [2]	<u>Square Feet</u>				
Commercial Mixed Use	78,000			\$0.40	\$31,200
Subtotal Commercial	78,000				\$31,200
Subtotal Neighborhood/Community Parks					\$3,625,750
Stone Beetland Citywide Parks					
Residential	<u>Units</u>				
LDR	190	2,500	\$2,344	NA	\$445,360
MDR	262	1,800	\$2,106	\$1.17	\$551,772
HDR	711	1,000	\$1,170	\$1.17	\$831,870
Subtotal Residential	1,163				\$1,829,002
Commercial [2]	<u>Square Feet</u>				
Commercial Mixed Use	78,000			\$0.16	\$12,480
Subtotal Commercial	78,000				\$12,480
Subtotal Citywide Parks					\$1,841,482
Total Stone Beetland Park Fees					\$5,467,232

[1] Fee in place as of July 1, 2025.

[2] Assumes retail rate applies.

Table C-4
Delta Shores Public Facilities Financing Plan - 2025 Update
Estimated Remaining City Water Fee Revenue (2025\$)

Item	Acres	Remaining Units/ Sq. Ft.	Fee Per Unit/ Sq. Ft. [1] [2]	Estimated Remaining Revenue
<u>Delta Shores</u>				
Residential		<i>units</i>	<i>per unit</i>	
LDR	126.1	585	\$8,539	\$4,995,052
MDR	170.4	1,861	\$8,539	\$15,890,242
HDR	69.3	1,927	\$2,079	\$4,006,999
Mixed Use	5.5	159	\$2,224	\$353,598
Subtotal Residential	371.3	4,532		\$25,245,891
Commercial		<i>square feet</i>	<i>per sq. ft.</i>	
Mixed Use Town Center	14.5	161,000	\$5.20	\$836,671
Village/Regional Center	24.7	374,700	\$3.81	\$0
Corner Retail	2.7	14,778	\$10.52	\$155,515
Subtotal Commercial	41.9	550,478		\$992,186
Total Delta Shores Fee Revenue				\$26,238,077
<u>Stone Beetland</u>				
Residential		<i>units</i>	<i>per unit</i>	
LDR	30.2	190	\$8,539	\$1,622,325
MDR	25.0	262	\$8,539	\$2,237,100
HDR	17.9	711	\$1,456	\$1,034,997
Subtotal Residential	73.1	1,163		\$4,894,422
Commercial		<i>square feet</i>	<i>per sq. ft.</i>	
Mixed Use	6.1	78,000	\$4.52	\$352,708
Subtotal Commercial	6.1	78,000		\$352,708
Total Stone Beetland Fee Revenue				\$5,247,130
Total Estimated City Sewer Fee Revenue				\$31,485,207

Source: City of Sacramento, and EPS.

- [1] Single family units assumed to have a 1" meter. Multifamily units and commercial uses assumed to have 2 2" meters per acre. Rates assumed
- [2] Rates shown are the new water fees effective on July 1, 2025. Note that these rates are being phased in over 4 years, so the rate shown is not the full rate. Some developments in the City will be exempt from the newly adopted water fee and will pay the old lower fee. EPS understands that Delta Shores is one of the developments that will pay the older fee, but the new fee rates are shown in the event that Delta Shores status changes.

Table C-5
Delta Shores Public Facilities Financing Plan - 2025 Update
Remaining School Development Impact Fee Revenues (2025\$) [1]

Item	Estimated Fee Per Unit/Sq. Ft. [2]	Delta Shores		Stone Beetland		Total	
		Units/ Sq. Ft.	Revenue at Buildout	Units/ Sq. Ft.	Revenue at Buildout	Units/ Sq. Ft.	Revenue at Buildout
<u>Delta Shores</u>							
Residential	<i>per unit</i>	<i>units</i>		<i>units</i>		<i>units</i>	
Low Density	\$12,825	585	\$7,502,625	190	\$2,436,750	775	\$9,939,375
Medium Density	\$9,234	1,861	\$17,184,474	262	\$2,419,308	2,123	\$19,603,782
High Density	\$5,130	1,927	\$9,885,510	711	\$3,647,430	2,638	\$13,532,940
Mixed Use	\$5,130	159	\$815,670	0	\$0	159	\$815,670
Subtotal		4,532	\$35,388,279	1,163	\$8,503,488	5,695	\$43,891,767
Nonresidential	<i>per sq. ft.</i>	<i>sq. ft.</i>		<i>sq. ft.</i>		<i>sq. ft.</i>	
Mixed Use Town Center	\$0.75	161,000	\$120,750	0	\$0	161,000	\$120,750
Commercial Mixed Use	\$0.75	0	\$0	78,000	\$58,500	161,000	\$58,500
Village/Regional Center	\$0.75	374,700	\$281,025	0	\$0	374,700	\$281,025
Corner Retail	\$0.75	14,778	\$11,084	0	\$0	14,778	\$11,084
Subtotal		550,478	\$412,859	78,000	\$58,500	711,478	\$471,359
Total Delta Shores			\$35,801,138		\$8,561,988		\$44,363,126

Source: EPS.

[1] Fee in place as of July 2025.

[2] Assumes LDR units at 2,500 sq. ft., MDR units at 1,800 sq. ft., and HDR/Mixed Use units at 1,000 sq. ft. Residential fee: \$5.13 per sq. ft.
Assumes nonresidential development pays neighborhood shopping center rate.

APPENDIX D:
Backbone Infrastructure and
Public Facilities Nexus Findings



Backbone Infrastructure and Public Facilities Components Nexus Findings

This appendix addresses the required nexus findings of the Mitigation Fee Act (California Government Code section 66000 et seq.) for the planned Delta Shores and Stone Beetland backbone infrastructure and public facilities improvements to be funded through the Delta Shores Development Impact Fee Program. These findings are detailed below.

Backbone Infrastructure

Roadway Subcomponent

1. Purpose of the Fee

New development in the Project will result in an increase in population, and, therefore, in the demand for roadway improvements. The purpose of the roadway subcomponent of the Backbone Infrastructure component of the Delta Shores Impact Fee is to fund roadway infrastructure and facilities needed to provide pedestrian, bicycle, and automobile access to, from, and in the Combined Projects.

2. Use of Fee

The Delta Shores Impact Fee roadway subcomponent will be used to construct and expand roadway infrastructure to accommodate future traffic volumes projected as a result of new Combined Projects development. Roadway improvements include on-site transportation system infrastructure consisting of roadway and intersection facilities accommodating new bicyclists, pedestrians, and automobiles.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee roadway subcomponent will be used to fund the Delta Shores roadway facilities identified in **Chapter 3**. New residential and nonresidential development in the Combined Projects will generate new residents, employees, and patrons that will travel to, from, and in the Combined Projects via pedestrian, bicycle, and automobile modes of travel. These modes of travel will be accommodated through construction of new roadways.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee roadways subcomponent and the type of development on which the fee is imposed because the fee will be used to construct new roadway facilities needed to accommodate increased pedestrian, bicycle, and automobile traffic generated by the residential and nonresidential development of the Combined Projects.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents, employees, and patrons of residential and nonresidential projects in the Combined Projects will result in new vehicular trips and the need for additional roadway capacity to maintain adequate levels of service in accordance with City service-level standards.

A reasonable relationship therefore exists between the need for roadway facilities and new residential and nonresidential projects on which the roadway subcomponent of the Delta Shores Impact Fee is imposed because the capacity of the roadway system must be expanded to accommodate the new development that will place an increased demand on the roadway system.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of roadway facilities funded by the Delta Shores Impact Fee roadway subcomponent is allocated among the projected new residential and nonresidential land uses in the Combined Projects based on the proportional demand each land use is anticipated to generate for the facilities. Demand for transportation facilities is measured by average daily trips (ADTs) generated by each land use category.

A reasonable relationship therefore exists between the amount of the roadway subcomponent and the cost of the roadway facilities attributed to the residential and nonresidential development on which the roadway subcomponent is imposed because the cost is allocated based on the demand generated by new development for roadways as measured by the anticipated increased ADTs generated by each development type.

Sewer Subcomponent

1. Purpose of the Fee

The purpose of the sanitary sewer subcomponent of the Backbone Infrastructure Component of the Delta Shores Impact Fee is to fund sewer infrastructure and facilities needed to accommodate the sewer flows generated by new residents, employees, and patrons in the Combined Projects.

2. Use of Fee

The Delta Shores Impact Fee sanitary sewer subcomponent will be used to fund the portion of trunk sewer facilities needed to convey sanitary sewage generated by development in the Combined Projects into the City sewer system.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee sanitary sewer subcomponent will be used to fund the Delta Shores sanitary sewer facilities identified in **Chapter 3**. New residential and nonresidential development in the Combined Projects will require a connection to the existing sewer system, and new residents, employees, and patrons will generate increased sewer flows.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee sanitary sewer subcomponent and the type of development on which the fee is imposed because the fee will be used to fund the portion of sewer facilities needed to convey sewage generated by the Combined Projects residential and nonresidential development to the City's sewer system.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residential and nonresidential projects in the Combined Projects will need to connect to the City's sewer system, and new residents, employees, and patrons of the Combined Projects will generate increased sewer flows. Sewer facilities needed to accommodate this demand were determined based on the estimated amount of sewage generated by each residential and nonresidential development project and the Combined Projects in aggregate as set forth in the Delta Shores Sewer Study.

A reasonable relationship therefore exists between the need for sanitary sewer facilities and new residential and nonresidential development projects on which the sanitary sewer subcomponent of the Delta Shores Impact fee is imposed because the portion of sewer facilities funded by the Delta Shores Impact Fee is based on the amount of sewage generated by the Combined Projects development.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of sanitary sewer facilities funded by the Delta Shores Impact Fee sanitary sewer subcomponent is allocated among the projected new residential and nonresidential land uses in the Combined Projects based on the proportional demand each land use is anticipated to generate for the sanitary sewer facilities. The cost of sanitary sewer facilities is allocated to residential and nonresidential land uses based on the estimated proportionate demand each land use is anticipated to generate for the facilities. Demand for sewer facilities is measured by sewage generation rates for each land use category.

A reasonable relationship therefore exists between the amount of the sanitary sewer subcomponent and the cost of the sanitary sewer facilities or portion of facilities attributed to the residential and nonresidential development on which the

fee is imposed because the costs are allocated based on the demand generated by new development for sanitary sewer facilities as measured by the sewage generated by each development type.

Storm Drainage Subcomponent

1. Purpose of the Fee

New development in the Combined Projects will result in increased storm water runoff generated by the addition of impervious surface area created by the new development. The purpose of the storm drainage subcomponent of the Backbone Infrastructure Component of the Delta Shores Impact Fee is to fund storm drainage infrastructure and facilities needed to convey, contain, and discharge to the public drainage system stormwater generated by new residential and nonresidential development in the Combined Projects.

2. Use of Fee

The Delta Shores Impact Fee storm drainage subcomponent will be used to fund improvements to the Combined Projects storm drainage system consisting of new storm drainage facilities needed to collect, contain, and discharge to the public drainage system stormwater generated in Delta Shores. Storm drainage system improvements include backbone storm drainage pipes, detention basins and associated outfall structures and pumps.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee storm drainage subcomponent will be used to construct storm drainage infrastructure needed to adequately serve an increased service population as the result of new Combined Projects development. New residential and nonresidential development in the Combined Projects will generate more stormwater runoff by creating additional impervious surface area, generating the need for facilities that collect, contain, and discharge stormwater.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee storm drainage subcomponent and the type of development on which the fee is imposed because the fee will be used to construct new storm drainage facilities that collect, contain, and discharge to the public storm drainage system stormwater runoff generated by the Combined Projects residential and nonresidential development.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

Development of residential and nonresidential projects will increase impervious surface area and associated storm water runoff. Storm drainage facility needs are established pursuant to the Delta Shores Drainage Master Plan that established

the drainage facilities needed to collect, contain, and discharge storm water based on the land uses anticipated to develop in the Combined Projects.

A reasonable relationship therefore exists between the need for storm drainage facilities and new residential and nonresidential projects on which the storm drainage subcomponent of the Delta Shores Impact Fee is imposed because each project will increase impervious surface area and generate additional storm water runoff, and the storm drainage facilities as identified by the Delta Shores Drainage Master Plan are necessary to collect, contain, and discharge this level of increased storm water runoff.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of storm drainage facilities funded by the Delta Shores Impact Fee storm drainage subcomponent is allocated among the projected new residential and nonresidential land uses in the Combined Projects based on the proportionate demand each land use is anticipated to generate for storm drainage facilities. Demand for storm drainage facilities is measured by the amount of increased storm water runoff generated by each land use category based on impervious surface area or "run-off coefficients."

A reasonable relationship therefore exists between the amount of the storm drainage subcomponent and the cost of the storm drainage facilities attributed to the residential and nonresidential development on which the storm drainage subcomponent is imposed because the costs of the storm drainage facilities are allocated based on the demand generated by new development for storm drainage facilities as measured by the impervious surface area generated by each development type.

Public Facilities

Regional Parks Subcomponent

1. Purpose of the Fee

The purpose of the regional parks subcomponent of the Public Facilities component of the Delta Shores Impact Fee is to fund Delta Shores' obligation to contribute to the construction of a regional park facility, per the conditions of the Development Agreement. Delta Shores' original obligation, as stated in the Development Agreement, was \$4 million and has escalated to approximately \$4.7 million (in 2025 dollars) after accounting for inflation. The Regional Parks fee applies only to the Delta Shores subarea of the Combined Projects and is structured to generate Delta Shores required contribution through the payment of fees by residential development. Stone Beetland does not have a similar required regional park contribution.

2. Use of Fee

The Delta Shores Impact Fee regional park subcomponent will be used to fund a portion of a planned regional park facility near Delta Shores.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee regional parks subcomponent will be used to fund the Delta Shores regional park obligation as set forth in the Development Agreement and as identified in **Chapter 3**. New residential development in Delta Shores will generate new residents that will use the regional park facility.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee Regional park subcomponent and the type of development on which the fee is imposed because the fee will be used to fund a regional park facility that will be used by new project residents and the fee is charged to residential development.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents of residential projects in Delta Shores will use the regional park facility. Regional parks needed to accommodate this new demand were determined based on City service-level standards for the provision of parks and negotiations between the Delta Shores master developer and the City. Delta Shores required contribution for City regional parks is specified in the Development Agreement.

A reasonable relationship therefore exists between the need for regional parks and new residential projects on which the regional parks subcomponent of the Delta Shores Impact Fee is imposed because the regional park is needed to serve new Delta Shores residents that will use the facility.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of regional parks funded by the Delta Shores Impact Fee regional park subcomponent is allocated among the projected new Delta Shores residential land uses based on the proportional demand each land use is anticipated to generate for the regional park. Demand for regional parks is measured by the resident population generated by each land use category.

A reasonable relationship therefore exists between the amount of regional park subcomponent and the cost of the regional park facility attributed to the residential development on which the regional park subcomponent is imposed because the cost is allocated based on the demand generated by new development for regional parks as measured by the resident population generated by each development type.

Trails Subcomponent

1. Purpose of the Fee

The purpose of the trails subcomponent of the Public Facilities component of the Delta Shores Impact Fee is to fund the construction of trail facilities in the Combined Projects.

2. Use of Fee

The Delta Shores Impact Fee trails subcomponent will be used to fund trail facilities in the Combined Projects, including Class I off-street multiuse trails and pedestrian crossings over roadway facilities.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee trails subcomponent will be used to fund the Delta Shores trail facilities identified in **Chapter 3**. New residential development in the Combined Projects will generate new residents who will use trail facilities for recreation and mobility purposes.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee trails subcomponent and the type of development on which the fee is imposed because the fee will be used to fund the trail facilities used by new residents in the Combined Projects, and the fee is charged to residential development.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents of residential projects in the Combined Projects will use trail facilities for recreation and mobility purposes. These trail facilities are needed to accommodate the recreation and mobility needs of the residents in the Combined Projects. The required trails improvements are identified in the Delta Shores PUD.

A reasonable relationship therefore exists between the need for trail facilities and new residential projects on which the trails subcomponent of the Delta Shores Impact Fee is imposed because the specific trail facilities are needed to accommodate the recreation and mobility needs of the Combined Projects resident population.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of trail facilities funded by the Delta Shores Impact Fee trail subcomponent is allocated among the projected new residential land uses in the Combined Projects based on the proportional demand each land use is anticipated to generate for trail facilities. Demand for trail facilities is measured by the resident population generated by each land use category.

A reasonable relationship therefore exists between the amount of the trail subcomponent and the cost of the trail facilities attributed to the residential development on which the trail subcomponent is imposed because the cost is

allocated based on the demand generated by new development for trail facilities as measured by the resident population.

Open Space Subcomponent

1. Purpose of the Fee

The purpose of the open space subcomponent of the Public Facilities component of the Delta Shores Impact Fee is to fund the improvement of public open space located in the Delta Shores development. This fee applies only to the Delta Shores subarea of the Combined Projects. Stone Beetland plans to satisfy its open space obligation with private funding.

2. Use of Fee

The Delta Shores Impact Fee open space subcomponent will be used to fund the improvement of 24 net acres of open space located in Delta Shores.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee open space subcomponent will be used to fund the open space facility improvements identified in **Chapter 3**. New residential development in Delta Shores will generate new residents that will use open space facilities.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee open space facilities subcomponent and the type of development on which the fee is imposed because the fee will be used to fund open space facilities used by new Delta Shores residents and the fee is charged to residential land uses.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents of residential projects in Delta Shores will use open space facilities. Open space facilities needed to accommodate this new demand were determined based on the need to connect residential areas to other recreation uses and provide additional recreation amenities to the residential uses. The required open space acreage is identified in the Delta Shores PUD.

A reasonable relationship therefore exists between the need for open space facilities and new residential projects on which the open space facilities subcomponent of the Delta Shores Impact Fee is imposed because the specific open space facilities are necessary to accommodate new Delta Shores residents.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of open space facilities funded by the Delta Shores Impact Fee open space subcomponent is allocated among the projected new Delta Shores residential land uses based on the proportional demand each land use is anticipated to generate for open space facilities. Demand for open space facilities is measured by the resident population generated by each land use category.

A reasonable relationship therefore exists between the amount of the open space subcomponent and the cost of the open space facilities attributed to the residential development on which the open space facilities subcomponent is imposed because the cost is allocated based on the demand generated by new development for open space facilities as measured by the resident population generated by each development type.

Police Facilities Subcomponent

1. Purpose of the Fee

The purpose of the police facilities subcomponent of the Public Facilities component of the Delta Shores Impact Fee is to fund the Combined Projects' share of new police facilities and personnel.

2. Use of Fee

The Delta Shores Impact Fee police facilities subcomponent will be used to fund the Combined Projects' share of new or expanded police facilities and increased personnel.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee police facilities subcomponent will be used to fund the Combined Projects' share of new police facilities as identified in **Chapter 3**. New residential and nonresidential development in the Combined Projects will generate new residents, employees, and patrons that will require police services. Providing increased police services will require additional police personnel and police stations to house that personnel.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee police facilities subcomponent and the type of development on which the fee is imposed because the fee will be used to construct and equip police facilities necessary to provide adequate emergency services to the new residents, employees, and patrons generated by the new residential and nonresidential development.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents, employees, and patrons of residential and nonresidential projects in the Combined Projects will require police protection and emergency services.

Police facilities needed to accommodate this need were determined based on an analysis prepared by the SPD identifying the police facilities needed to provide police services to the Combined Projects' residential and nonresidential uses, consistent with City service-level standards. As detailed further in **Chapter 3**, the analysis estimated Delta Shores and Stone Beetland's percentage obligation and estimated cost share of a 20,000 square foot police substation.

A reasonable relationship therefore exists between the need for police facilities and new residential and nonresidential projects on which the police facilities subcomponent of the Delta Shores Impact Fee is imposed because the specific police facilities are necessary to maintain City service-level standards for new residents, employees, and patrons of the Combined Projects.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of police facilities funded by the Delta Shores Impact Fee police facilities subcomponent is allocated among the projected new Combined Projects' residential and nonresidential land uses based on the proportional demand each land use is anticipated to generate for the police facilities. Demand for police facilities is measured by the resident and employee population generated by each land use category.

A reasonable relationship therefore exists between the amount of the police facilities subcomponent and the cost of the police facilities attributed to the residential and nonresidential development on which the police facilities subcomponent is imposed because the cost is allocated based on the demand generated by new development for police facilities as measured by the residents and employees generated by each development type.

Fire Facilities Subcomponent

1. Purpose of the Fee

The purpose of the fire facilities subcomponent of the Public Facilities Component of the Delta Shores Impact Fee is to fund the expansion of fire facilities or to construct new fire facilities.

2. Use of Fee

The Delta Shores Impact Fee fire facilities subcomponent will be used to fund facilities housing fire services needed to serve new residents, employees, and patrons of the Combined Projects, except for the initial phase fire facility, which will only serve Delta Shores. As detailed in **Chapter 3** and noted in **Table A-17**, the initial phase fire facilities are the facilities needed to satisfy fire service requirements during buildout of the Delta Shores residential phases. The fire facilities fee will be used to fund a portion of the construction costs of new fire facilities serving the Combined Projects, except for the initial phase fire facility,

which will only serve Delta Shores and will be funded by the Delta Shores subarea development only.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee fire facilities subcomponent will be used to fund the fire facilities identified in **Chapter 3**. New residential and nonresidential development in the Combined Projects will generate new residents, employees, and patrons that will require fire protection services. Providing increased fire protection services will require additional fire personnel, fire stations to house that personnel, equipment, and fire vehicles.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee fire facilities subcomponent and the type of development on which the fee is imposed because the fee will be used to construct and equip fire facilities necessary to provide adequate emergency services to the new residents and employees generated by the new residential and nonresidential development.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents, employees, and patrons of residential and nonresidential projects in the Combined Projects will require fire protection and emergency services. Fire facilities needed to accommodate this need were determined based on an analysis identifying the fire facilities needed to maintain adequate fire protection services to the Combined Projects' residential and nonresidential uses, with the analysis recognizing that the initial phase fire facility will only serve Delta Shores. All such fire facilities shall be consistent with existing City service-level standards. The analysis performed by the City and EPS is detailed in **Chapter 3**.

A reasonable relationship therefore exists between the need for fire facilities and new residential and nonresidential projects on which the fire facilities subcomponent of the Delta Shores Impact Fee is imposed because the specific fire facilities are necessary to maintain City service-level standards for new residents, employees, and patrons of the Combined Projects.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

Except for the initial phase fire facility which will only be allocated among residential and nonresidential land uses within Delta Shores, the total cost of fire facilities funded by the Delta Shores Impact Fee fire facilities subcomponent is allocated among the projected new Combined Project residential and nonresidential land uses based on the proportional demand each land use is anticipated to generate for the fire facilities. Demand for public safety facilities is measured by the resident and employee population generated by each land use category.

A reasonable relationship therefore exists between the amount of the fire facilities subcomponent and the cost of the fire facilities attributed to the residential and nonresidential development on which the fire facilities subcomponent is imposed because the cost is allocated based on the demand generated by new development for public safety facilities as measured by the residents and employees generated by each development type.

Public Transit Subcomponent

1. Purpose of the Fee

The purpose of the public transit subcomponent of the Public Facilities Component of the Delta Shores Impact Fee is to fund public transit facilities providing Delta Shores residents, employees, and patrons access to public transit facilities. This fee applies only to the Delta Shores subarea of the Combined Projects. Stone Beetland plans to satisfy its transit obligation with private funding.

2. Use of Fee

The Delta Shores Impact Fee public transit subcomponent will be used to fund Delta Shores public transit system facilities, including bus stop signage, shelters, benches, and other related transit facilities.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee public transit subcomponent will be used to fund the Delta Shores public transit facilities identified in **Chapter 3**. New residential and nonresidential development in Delta Shores will generate new Delta Shores residents, employees, and patrons that will travel to, from, and within Delta Shores via public transit.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee public transit subcomponent and the type of development on which the fee is imposed because the fee will be used to fund the transit facilities used by new Delta Shores residents, employees, and patrons and the fee is charged to residential and nonresidential development.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents, employees, and patrons of residential and nonresidential projects in Delta Shores will use public transit facilities to travel to, from, and within Delta Shores. Facilities needed for Delta Shores residents, employees, and patrons to access public transit services were included in the public transit subcomponent.

A reasonable relationship therefore exists between the need for public transit facilities and new residential and nonresidential projects on which the public transit subcomponent of the Delta Shores Impact Fee is imposed because the

specific public transit facilities are necessary for Delta Shores residents, employees, and patrons to access public transit services.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of public transit facilities funded by the Delta Shores Impact Fee public transit subcomponent is allocated among the projected new Delta Shores residential and nonresidential land uses based on the proportional demand each land use is anticipated to generate for public transit facilities. Demand for public safety facilities is measured by the resident and employee population generated by each land use category.

A reasonable relationship therefore exists between the amount of the public transit facilities subcomponent and the cost of the public transit facilities attributed to the residential and nonresidential development on which the public transit facilities subcomponent is imposed because the cost is allocated based on the demand generated by new development for public transit facilities as measured by the residents and employees generated by each development type.

Library Facilities Subcomponent

1. Purpose of the Fee

The purpose of the library facilities subcomponent of the Public Facilities component of the Delta Shores Impact Fee is to fund library facilities, land, collections, and technology workstations needed to serve the new residents of the Combined Projects.

2. Use of Fee

The Delta Shores Impact Fee library facilities subcomponent will be used to fund facilities housing library operations and amenities that will be used by new residents in the Combined Projects. The fee will be used to fund the construction costs of library facilities serving the Combined Projects.

3. Reasonable Relationship between Use of Fee and Type of Development on Which the Fee is Imposed

The Delta Shores Impact Fee library facilities subcomponent will be used to fund the library facilities identified in **Chapter 3**. New residential development in the Combined Projects will generate new residents that will use library facilities.

A reasonable relationship therefore exists between the use of the Delta Shores Impact Fee library facilities subcomponent and the type of development on which the fee is imposed because the fee will be used to fund library facilities used by new residents in the Combined Projects, and the fee is charged to residential development.

4. Reasonable Relationship between Need for Facility and Type of Project on Which the Fee is Imposed

New residents of residential projects in the Combined Projects will use library facilities. Needed improvements were identified based on the existing service-level standards observed elsewhere in the City and detailed in the Sacramento Public Library Authority's 2007-2025 Library Master Plan (see **Chapter 3** for more detail). Existing service-level standards were extended to the future resident population of the Combined Projects.

A reasonable relationship therefore exists between the need for library facilities and new residential projects on which the library subcomponent of the Delta Shores Impact Fee is imposed because the specific library facilities are necessary to extend City service-level standards to new residents of the Combined Projects.

5. Reasonable Relationship between Amount of Fee and Cost of Facilities or Portion of Facilities Attributed to Development on Which Fee is Imposed

The total cost of library facilities funded by the Delta Shores Impact Fee library facilities subcomponent is allocated among the projected new residential land uses in the Combined Projects based on the proportional demand each land use is anticipated to generate for the facilities. Demand for library facilities is measured by the resident population generated by each land use category.

A reasonable relationship therefore exists between the amount of the library facilities subcomponent and the cost of the library facilities attributed to the residential development on which the library facilities subcomponent is imposed because the cost is allocated based on the demand generated by new development for library facilities as measured by the resident population generated by each development type.

Administration Component

The administration component of the Delta Shores Impact Fee funds City costs associated with fee program administration and implementation, including credit and reimbursement agreement negotiations and implementation, credit and reimbursement tracking, annual reporting requirements, periodic updates to the Finance Plan, and other related costs. Collection and implementation of the Delta Shores Impact Fee is reliant on funding from the administration component.

For each land use, the administration component is calculated as 3 percent of the total of all other Delta Shores Impact Fee components and subcomponents. Costs of the administration component are therefore based on each fee component and subcomponent, and associated nexus findings for the administration component are established by the nexus finding for each fee component and subcomponent documented above.

APPENDIX E:
Delta Shores Development Agreement



-Record for the Benefit of the City of
Sacramento - Fee Exempt Pursuant
to Government Code Section 6103
and 27383.

When Recorded, Mail to:

Office of the City Clerk
Historic City Hall
915 "I" Street
Sacramento CA 95814-2604



Sacramento County Recorder
Frederick B. Garcia, Clerk/Recorder
BOOK **20090227** PAGE **0082**

Friday, FEB 27, 2009 8:08:30 AM
Ttl Pd \$0.00 Nbr-0005768132

DHB/58/1-104

*****Space for Recorder's Use*****

Development Agreement for Delta Shores Project # P06-197 between the City of Sacramento and M&H
Realty Partners VI, L.P.

Title of Document

No Fee Required: Recording benefits the City of Sacramento, a government entity.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City Clerk
City of Sacramento
915 I Street
Sacramento, CA 95814

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

DEVELOPMENT AGREEMENT

FOR

Delta Shores Project

Project # P06-197

Between

CITY OF SACRAMENTO

and

M&H Realty Partners VI, L.P.

Delta Shores Development Agreement

Revised: 12-30-08

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 2009-0060

ORDINANCE NO. 2009-002

DATE ADOPTED: 1-13-09

DELTA SHORES DEVELOPMENT AGREEMENT

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Exhibit "H"	Procedures for Adjusting Development Fees
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CITY AGREEMENT NO. _____

DATE ADOPTED: _____

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SACRAMENTO
AND
M&H REALTY PARTNERS VI, L.P.**

This Development Agreement (hereinafter "Agreement") is made and entered into this ____ day of _____, 2009, by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"), and M&H REALTY PARTNERS VI, L.P., a California limited partnership (hereinafter the "LANDOWNER"). The CITY and LANDOWNER hereinafter may be referred to collectively as the "Parties" or in the singular as "Party", as the context requires.

RECITALS

- A.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risks of development, the Legislature of the State of California adopted section 65864 et seq. of the Government Code which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project, in order to establish certain rights and obligations of the parties relative to the Property.
- B.** LANDOWNER owns a legal or equitable interest in those certain parcels of real property (hereinafter the "Property"), described in Exhibit "A" attached hereto and incorporated herein by this reference, which are located within the CITY. The Property consists of lands designated as **Assessor Parcels Nos.** 119-0010-060; 119-0010-001; 119-0010-002; 119-0010-003; 119-0010-004; 119-0010-005; 119-0010-006; 119-0010-007; 119-0010-008; 119-0010-009; 119-0010-011; 119-0010-012; 119-0010-013; 119-0010-015; 119-0010-034; 119-0010-040; 119-0010-041; 119-0010-042; 119-0010-043; 119-0010-044; 119-0010-045; 119-0010-046; 119-0010-047; 119-0010-0048; 119-0010-049; 119-0010-051; 119-0010-052; 119-0010-053; 119-0190-026; 119-0190-028; 119-0090-011; 119-0190-024; 119-0190-025; 119-0090-001; 119-0190-030; 119-0090-005; 119-0090-013; 053-0010-051; 053-0010-059; 053-0010-0060; 053-0010-061; 119-0010-026; and 119-0010-050. LANDOWNER seeks to develop the Property consistent with CITY's General Plan, the Airport/Meadowview Community Plan (hereinafter "Community Plan"), the PUD Guidelines, and the Zoning Ordinance as they exist on the Effective Date.
- C.** The City Council has held duly noticed public hearings on the CITY's General Plan, the Community Plan and the Environmental Impact Reports prepared therefor. At the

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DATE ADOPTED: _____

conclusion of these hearings, the City Council, on January 19, 1988, certified the Environmental Impact Report on the City General Plan Update as adequate and complete, and on April 10, 1984, certified the Environmental Impact Report on the Community Plan Update as being adequate and complete.

The City Council on January 19, 1988, after making specific findings and adopting a Statement of Overriding Considerations, approved a revised General Plan by Resolution No. 88-058 (hereinafter the "General Plan"). The City Council on April 17, 1984, after making specific findings and adopting a Statement of Overriding Considerations, approved the Community Plan by Resolution No. 84-317. The uses allowed under the General Plan, the Community Plan, the PUD Guidelines and the applicable zoning ordinances provide for a balanced mix of residential housing and employment opportunities as well as provide for the protection of major open space and recreational resources.

The City Council on January 13, 2009, after a duly noticed public hearing, approved the Delta Shores Finance Plan to provide a plan for the financing of the Infrastructure and public improvements needed for the development of the Property over time.

- D. CITY and LANDOWNER desire to enter into a development agreement pursuant to the provisions of Government Code section 65865 et seq. in order to provide for the orderly development of the Property, in accordance with the goals set forth in Government Code section 65865, the General Plan, the Community Plan and the PUD Guidelines.
- E. The coordinated and orderly development of the Property, and LANDOWNER's commitment to the implementation of the Delta Shores Finance Plan in order to assure the timely and properly-phased construction of all required Infrastructure and facilities, are essential to the proper implementation of the General Plan and the Community Plan.
- F. LANDOWNER desires to facilitate implementation of the General Plan, the Community Plan and the Delta Shores Finance Plan, and LANDOWNER therefore agrees to develop the Property in a manner consistent with the policies of the General Plan, the Community Plan the Delta Shores Finance Plan and the Special Conditions, provided that LANDOWNER is assured that no subsequent changes in the General Plan, the Community Plan the Delta Shores Finance Plan, the PUD Guidelines, the Zoning Ordinance or the Special Conditions shall apply to the Property during the term of this Agreement.

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- G.** The City Council, on September 10, 1996, adopted the Procedural Ordinance set forth at Chapter 18.16 of the City Code, by which CITY will, inter alia, consider, adopt, amend and subsequently review the development agreement by and between CITY and LANDOWNER.
- H.** Development of the Property, in accordance with the conditions of this Agreement, will provide orderly growth and development of the Property in accordance with the requirements, policies, goals, standards, and objectives of the General Plan and the Community Plan. At the same time, it will assure that LANDOWNER is committed to funding its appropriate share of the cost of Infrastructure and other facilities which are the subject of the Delta Shores Finance Plan, and that the funding for acquisition and construction of those facilities will be available to CITY as and when required under the Infrastructure phasing program.
- I.** This Agreement is voluntarily entered into by LANDOWNER in order to assure the implementation of the General Plan, the Community Plan and the Delta Shores Finance Plan, and is made in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by CITY in the exercise of its legislative discretion in order to assure the implementation of the General Plan, the Community Plan and the Delta Shores Finance Plan and in consideration of the agreements and undertakings of LANDOWNER hereunder. But for LANDOWNER's contribution to and participation in programs to mitigate the impacts of the development of the Property and the cumulative impacts of development in the Delta Shores Planning Area as shown on Exhibit "I" attached hereto and incorporated herein by reference (the "DSP Area"), and to the implementation of the Delta Shores Finance Plan, the CITY would not approve development of the Property.
- J.** The authority for this Agreement is contained in the City Charter of CITY, the Procedural Ordinance, other applicable CITY ordinances, resolutions and procedures and Government Code section 65864 et seq.
- K.** CITY and LANDOWNER have taken all actions mandated by and have fulfilled all requirements set forth in the Procedural Ordinance for the adoption of this Agreement by the City Council.
- L.** The City Council has reviewed and approved this Agreement. Pursuant to section 18.16.110A of the Sacramento City Code, it finds the following: (i) the Agreement is consistent with the General Plan, the Community Plan, and the goals, policies, standards and objectives of the DSP Area the Delta Shores Finance Plan, the PUD Guidelines and all other applicable CITY ordinances, rules and regulations; (ii) the

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DATE ADOPTED: _____

subject project should be encouraged in order to meet important economic, social, environmental or planning goals of the City for the DSP Area; (iii) the project would be unlikely to proceed in the manner proposed in the absence of a development agreement; (iv) LANDOWNER will incur substantial costs in order to provide public improvements, facilities or services from which the general public will benefit; (v) LANDOWNER will participate in all programs established and /or required under the General Plan and all of its approving resolutions (including any mitigation monitoring plan), and has agreed to financial participation required under any applicable financing plan and its implementation measures, all which accrue to the benefit of the public; (vi) LANDOWNER has made commitments to a high standard of quality and has agreed to all applicable land use and development regulations. The City Council further finds that the implementation of this Agreement is in the best interest of CITY and the health, safety and welfare of its residents. The environmental impacts of the development contemplated herein were adequately considered in the environmental documentation prepared by CITY and adoption of the ordinance and approval of this Agreement complies in all respects with the California Environmental Quality Act.

AGREEMENT

NOW, THEREFORE, in further consideration of the above recitals, all of which are expressly incorporated into this Agreement, and the mutual promises and covenants of the Parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

I

DEFINITIONS

The terms set forth below, unless the context otherwise requires, shall have the meanings prescribed, for purposes of this Agreement.

- **Adopting Ordinance:** the ordinance pursuant to which the City Council approves this Agreement.
- **Allocation Procedures:** those procedures set forth in section 5H of this Agreement, whereunder the various uses and densities are distributed to and among the various parcels, or portions of them, comprising the Property.
- **Annual Review:** the process, and procedures therefor, whereby CITY reviews, pursuant to Government Code section 65865.1, the nature and extent of compliance

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CITY AGREEMENT NO. _____	ORDINANCE NO. _____
	DATE ADOPTED: _____

by LANDOWNER with all of the terms and conditions of this Agreement, which process and procedures are as specified in section 17 of this Agreement.

- **Assessment:** a special assessment levied on real property within the DSP Area, for the purpose of financing Infrastructure and/or public facilities, or maintenance thereof, in accordance with the California Streets and Highways Code, the California Government Code, and/or the Sacramento City Code.
- **Assessment District Policy Manual:** the document entitled "City of Sacramento Policy and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities," as adopted by the City Council on June 29, 1993 (Resolution 93-381), as said document may be amended from time to time.
- **Assignee:** a third Person executing an Assumption Agreement prepared in accordance with the format prescribed in Exhibit D.
- **Assignment:** the sale or other transfer by LANDOWNER of all or part of its right, title and interest in the Property and in this Agreement to another Person, in accordance with the terms and conditions of this Agreement.
- **Assumption Agreement:** the agreement prescribed in Exhibit D or such other form as shall be proposed by LANDOWNER or Assignee and approved by the City Attorney.
- **Building Permit:** a permit issued pursuant to Title 15 of the City Code that allows for construction of improvements on the Property as specified in the permit.
- **CEQA:** the California Environmental Quality Act, set forth at California Public Resources Code section 21000 et seq., as amended from time to time.
- **CITY:** the City of Sacramento.
- **City Agency:** the Redevelopment Agency of the City of Sacramento, and the Housing Agency of the City of Sacramento.
- **City Council:** the Council of the City of Sacramento.
- **Community Plan:** the Airport/Meadowview Community Plan as adopted by the City Council on April 17, 1984, as said plan may be amended from time to time.

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- **Comprehensive Flood Management Plan:** that plan required to be prepared, and to be adopted by the City Council, pursuant to the CITY's floodplain policy adopted by Resolution No. 93-696.
- **Days:** as used in this Agreement, "days" means calendar days.
- **Dedication:** the transfer of real property, or a defined interest therein, to CITY or another public agency, free of all encumbrances and other matters affecting the title except as may otherwise be agreed to by CITY or such other public agency, and at no cost to CITY or such other public agency, unless otherwise provided in the Delta Shores Finance Plan or in this Agreement.
- **Deed of Trust:** a real property security device whereby the debtor (trustor) conveys title to real property to a trustee as security for a debt owed to the creditor (beneficiary).
- **Default:** a failure of performance, or unreasonable delay in performance, by either Party to this Agreement, of any of its terms, conditions, obligations or covenants. Default shall include but not be limited to failure to comply with all provisions of the Delta Shores Finance Plan and/or failure to pay any fee, tax or assessment enacted pursuant to that Plan.
- **Delta Shores Finance Plan:** the plan, as it may be amended from time to time, which establishes methods for financing required Infrastructure through a combination of land transfers, dedications, contributions, fees, assessment districts, community facilities districts, and other measures. As to development fees, the Delta Shores Finance Plan will provide for adjustment of fee amounts in accordance with the principles in the procedure set forth in Exhibit H, and incorporated herein by reference.
- **Development (or Develop):** the use(s) to which the Property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements in accordance with the Land Use and Development Regulations, Building Permits, and all other Land Use Entitlements.
- **Development Agreement:** this Agreement.
- **Development Fee:** all fees now or in the future collected by the CITY from LANDOWNER or Assignees as a condition of Development of the Property for the funding of Public Facilities. Development Fees also include any lawfully imposed fees

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imposed by another public agency having jurisdiction and which CITY is required or authorized to collect pursuant to State law or local ordinance.

- **Development Plan:** LANDOWNER's plan for development of the Property, including, but not limited to, the PUD Guidelines, the PUD Schematic Land Use Plan and all other land use entitlements for the Property, as set forth in Exhibit B of this Agreement, as they may be amended or modified from time to time.
- **Discretionary Action:** a discretionary approval or disapproval and means an action that requires exercise of judgment, deliberation or a decision, and that contemplates and authorizes the imposition of revisions or conditions by CITY, including any board, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity. Any such approval, disapproval or exercise of judgment, deliberation or a decision shall be subject to a standard of "reasonableness".
- **Drainage Master Plan:** the Drainage System for Delta Shores, prepared by a consulting firm and approved by the Department of Utilities, as it may be amended from time to time.
- **Drainage Phasing Plan:** that portion of the Drainage Master Plan which identifies the sequence of construction of the Drainage System.
- **Drainage System:** that drainage system set forth in the Drainage Master Plan, as that plan may exist from time to time.
- **Drainage Sub-basin:** the individual drainage sub-areas identified in the Drainage Master Plan.
- **DSP Area:** the area including the Property and other real property in close proximity thereto as shown on Exhibit "I" attached hereto and incorporated herein by reference.
- **Effective Date:** the date upon which the Adopting Ordinance becomes effective (not the date on which this Agreement has been approved by the City Council).
- **Finance Plan:** the Delta Shores Finance Plan that encompasses the Property and the Project as approved by the City Council, as it may be amended from time to time.
- **Finance Plan Area:** the lands within the area covered by the Delta Shores Finance Plan, and which are obligated thereby, as that area may exist from time to time.

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- **General Plan:** the General Plan of the City of Sacramento, as adopted by the City Council on January 19, 1988, as said plan may be amended from time to time.
- **Inclusionary Housing Agreement:** the agreement between CITY or City Agency and LANDOWNER that specifies the terms and conditions for LANDOWNER's implementation of the Inclusionary Housing Plan.
- **Inclusionary Housing Ordinance:** Title 17, Chapter 17.190 of the City Code, entitled the "Mixed Income Housing Ordinance," and as said ordinance may be amended from time to time.
- **Inclusionary Housing Plan:** the plan prepared by LANDOWNER and approved by the City Council by its resolution as part of the Land Use Entitlements, that specifies the percentage, number, type, location and phasing of development of housing affordable to very low and low income households for compliance with the Inclusionary Housing Ordinance, as more particularly described in Exhibit C and Exhibit C-1.
- **Infrastructure:** all public facilities and improvements needed to serve urban development, as identified in subdivision maps or parcel maps, master plans, improvement plans, or as may otherwise be constructed and conveyed to CITY or another public agency, including but not limited to street improvements, drainage improvements, sanitary sewer improvements and water storage and transmission facilities.
- **Irrevocable Offer of Dedication:** an unconditional and irrevocable offer by LANDOWNER to transfer real property to CITY in accordance with the provisions of the Delta Shores Finance Plan, this Agreement and/or any condition of approval of any Land Use Entitlement applicable to the Property, in the form specified in Exhibit F.
- **Land Acquisition Fee (LAF):** the fee/reimbursement program if made a part of the Delta Shores Finance Plan, and which is designed to equalize the cost of land acquisition for infrastructure among the various landowners within the Delta Shores Finance Plan Area.
- **Land Acquisition Program:** the plan, if made a part of the Delta Shores Finance Plan, designed to provide a means for transfer to or acquisition by CITY, or such other public agency as is appropriate, of all lands within the DSP Area which are designated to be held publicly, at no cost to CITY.

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- **Land Use and Development Regulations:** the Zoning Ordinance, Subdivision Ordinance, and the other provisions of the City Code (including the Sign Code) applicable to Development of the Property, together with the PUD Guidelines approved by City and any other City ordinances, resolutions, rules, regulations and official policies of the City as they exist on the Effective Date, which govern or regulate land use and/or development in the Community Plan area which encompasses the Property.
- **Land Use Entitlement:** the plans, ordinances, resolutions, maps, plan review, design review, preservation review, and permits and approvals which have been approved by CITY for the Project based on the Development Plan as of the Effective Date, which is set out in Exhibit B. The Land Use Entitlements include the Plans, this Agreement, the Tentative Maps and their conditions of approval, Zoning Map, the Inclusionary Housing Plan, the Mitigation Measures, Design Guidelines and all other official actions in furtherance of Project approval, including modifications to the City Code as set out in this Agreement, as well as modifications and amendments to the Plans and Land Use Entitlements subsequent to the Effective Date as set out in any Subsequent Approval.
- **Lender:** a Person (or a successor in interest to such person) who has advanced funds to, or who is otherwise owed money by a debtor, where the obligation is embodied in a promissory note or other evidence of indebtedness, and where such note or other evidence of indebtedness is secured by a Mortgage or Deed of Trust.
- **Ministerial Action:** a ministerial approval or disapproval and means an action that merely requires a determination whether there has been compliance with applicable statutes, ordinances, resolutions, regulations or conditions of approval including, without limitation, the Plans, Land Use Entitlements and Special Conditions.
- **Mitigation Measures:** the measures adopted by the Planning Commission and/or by the City Council as part of the certification of the Final Environmental Impact Report as of the Effective Date which apply to Development of the Property for the Project and as may be referenced in the Land Use Entitlements.
- **Mitigation Monitoring Program (Plan):** the plan for implementation of the Mitigation Measures as of the Effective Date and as may be referenced in the Land Use Entitlements.
- **Mortgage:** a contract by which the mortgagor (debtor) as owner hypothecates or pledges real property, or otherwise grants a security interest therein to a Lender

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(mortgagee), to secure performance under a promissory note or other evidence of indebtedness, and where the holder of the mortgage is granted a power of sale.

- **Person:** any person, firm, association, organization, partnership, business trust, corporation or company.
- **Plans:** The General Plan, Community Plan, Specific Plan, and Financing Plan. The reference to "Plans" may also include the Development Plan as the context indicates.
- **Procedural Ordinance:** Chapter 18.16 of the City Code, which sets forth procedures for application, review, approval, implementation, amendment, recordation, compliance review and related matters with respect to development agreements for lands outside of the North Natomas Community Plan area (which is governed by Ordinance No. 95-012).
- **Project:** part or all of the elements set forth in LANDOWNER's Development Plan.
- **Project Review:** CITY's actions in reviewing any project proposed by LANDOWNER with respect to the Property, including but not limited to review of all required Land Use Entitlement applications.
- **Property:** the real property owned by LANDOWNER, as set forth in Exhibit A.
- **Protest Waiver:** the agreement set forth in Exhibit E, executed by LANDOWNER pursuant to this Agreement, or in connection with the conditions of any required Land Use Entitlement.
- **Public Facilities:** all public infrastructure, facilities, improvements and amenities needed to serve the Project as identified in the Plans, the Development Plan, the Drainage, Water and Sewer Master Plans, the Land Use Entitlements, the Finance Plan or Subsequent Approvals; or as may otherwise be constructed or owned by, or conveyed to, CITY, City Agency or other public agency, including, without limitation: (i) streets, alleys, bridges, pedestrian and bicycle paths, parking lots and freeway improvements; (ii) heavy and light rail and trolley lines, stations, and passenger facilities; (iii) bus rapid transit lanes and bus transfer facilities, turnouts and stops; (iv) surface and storm drainage improvements; (v) sanitary sewer improvements; (vi) water storage and transmission facilities; (vii) flood control improvements; (viii) solid waste facilities; (ix) electrical and gas utilities; (x) street lighting; (xi) police and fire stations; (xii) parks, plazas, open space, greenbelts, trails, and landscaping; (xiii) habitat conservation areas; (xiv) drainage retention and flood control basins; (xv)

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schools and educational facilities; (xvi) public community centers, performing arts centers, and museums; and (xvii) publicly owned artwork.

- **Public Financing Mechanism:** an assessment district, a community facilities district, a fee district, area of benefit district, or any similar financing mechanism imposed on real property or as a condition of development approval, excluding Development Fees.
- **PUD Guidelines:** the Delta Shores Design Guidelines adopted by the Sacramento City Council for the Delta Shores Planned Unit Development (PUD).
- **Purchaser:** an assignee.
- **Reconfiguration:** the reconfiguration, adjustment or alteration of property lines through parcel or subdivision mapping, or lot line adjustment.
- **Reimbursement:** the reimbursement of monies to a Person who has advanced funds for Infrastructure required for development of the Property, or who has advanced funding for Infrastructure or other improvements which are required in the DSP Area by the Finance Plan, the PUD Guidelines or other document, and which have benefit to land beyond the Property, in accordance with a reimbursement agreement approved by CITY. Any such agreement will be limited to the portion of the funding advanced which is in excess of the allocable share of the cost of the Infrastructure or improvement attributable to the Property.
- **Reimbursable Infrastructure Costs:** those costs paid by LANDOWNER, and which are identified as reimbursable pursuant to CITY's Assessment District Policy Manual (as set forth in section 8D(1) of this Agreement).
- **Sewer Master Plan:** the Sewer System for Delta Shores, prepared by a consulting firm and approved by the Department of Utilities, as it may be amended from time to time.
- **Sewer System:** that sewer system set forth in the Sewer Master Plan, as that plan may exist from time to time.
- **Special Conditions:** those conditions, terms and requirements specified in Exhibit C.
- **Special Permit:** any discretionary permit required pursuant to the Land Use and Development Regulations, and issued by CITY for development of the Property, upon proper application therefor by LANDOWNER.

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- **Subsequent Approvals:** any Ministerial or Discretionary Action of approval or other action by CITY to implement the Development Plan after the Effective Date that is necessary or desirable to implement LANDOWNER's Vested Rights under this Agreement, including Discretionary and Ministerial Actions, that are not set out as a Land Use Entitlement.
- **Term:** the length of this Agreement in terms of time, as specified in section 3, or as that time may be extended pursuant to any applicable provision of this Agreement.
- **Transfer:** an assignment.
- **Transferee:** an assignee.
- **Vested Right:** a property right conferred by this Agreement, pursuant to Government Code Section 65865.4, to develop the Property for the Project in accordance with the Development Plan and consistent with the Plans and Land Use Entitlements, that may not be cancelled or revoked by CITY after the Effective Date, except as expressly provided in this Agreement.
- **Water Master Plan:** the Water System for Delta Shores, prepared by a consulting firm and approved by the Department of Utilities, as it may be amended from time to time.
- **Water System:** that water system set forth in the Water Master Plan, as that plan may exist from time to time.
- **Zoning:** the division of the City of Sacramento into districts, and the application of zoning regulations and the PUD Guidelines thereto, which include (without limitation) regulation of the height or bulk of buildings (structural and architectural design) and the use to which the land and buildings within prescribed districts may be put, all as specified in the Zoning Ordinance, as modified by the PUD Guidelines.
- **Zoning Ordinance:** the Comprehensive Zoning Plan of the City of Sacramento, which is set out in Title 17 of the City Code, as that ordinance exists on the Effective Date.

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II

TERMS AND CONDITIONS OF AGREEMENT

1. **Property Description and Binding Covenants.** The Property is that certain real property owned by LANDOWNER and described in Exhibit "A." The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to the benefit of, the parties and, subject to section 4 below, to their successors-in-interest.
2. **Interests of Landowner.** LANDOWNER represents that LANDOWNER owns a legal or equitable interest in the Property and that all other Persons holding legal or equitable interests in the Property have executed and are bound by this Agreement.
3. **Term.**
 - A. **Initial Term.** The term of this Agreement shall commence on the Effective Date and shall extend for a period of twenty (20) years thereafter, unless it is sooner terminated or modified by the mutual consent of the parties.
 - B. **Renewal Options.** Subject to the provisions of this subsection, LANDOWNER shall have the right to renew this Agreement on its same terms and conditions, taking into account any amendments hereto mutually agreed upon after the Effective Date. The term of this Agreement shall mean and include the initial term, plus any renewal periods. The specific conditions for exercise of the renewal options are as follows:
 - (1) On the Exercise Date, LANDOWNER shall not be in default (as defined in Section 16 hereof) in any material respect under this Agreement, including any amendments hereto, beyond any applicable cure periods. For purposes of this subsection, "Exercise Date" shall mean the date that LANDOWNER or LANDOWNER's successor in interest gives written notice of intention to exercise the option to renew this Agreement, in accordance with the provisions of section 20 hereof.
 - (2) The option to renew shall be exercisable by giving CITY written notice of LANDOWNER's intention to exercise the option on or before the Exercise Date, which notice shall be given not later than one hundred eighty (180) days prior to expiration of the initial term or any renewal term.

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- (3) LANDOWNER shall be limited to two (2) renewal periods of five (5) years each; the parties specifically intend that under no circumstances shall the term of this Agreement extend beyond thirty (30) years, unless this Agreement is amended in accordance with the procedures set forth herein for Agreement amendments.

4. Assignment.

- 4.1 **Right to Assign.** LANDOWNER shall have the right to freely sell, alienate, transfer, assign, lease, license and otherwise convey all or any portion of the Property and improvements thereon, and as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided that no partial transfer shall be permitted to cause a violation of the Subdivision Map Act (Government Code Section 66410 et seq.). LANDOWNER shall notify CITY of any sale, transfer or assignment of all of LANDOWNER's interests in all or any portion of the Property by providing written notice thereof to CITY in the manner provided for notices hereunder not later than thirty (30) days before the effective date of such sale, transfer or assignment; provided, however, that LANDOWNER's failure to provide such notice shall not invalidate such sale, transfer or assignment and provided further that any successor in interest in ownership of all or a portion of the Property shall not benefit from the Vested Rights conferred herein without entering into an Assignment and Assumption Agreement with CITY.
- 4.2 **Release of LANDOWNER.** Such purchaser, assignee or transferee shall execute and deliver to CITY an Assignment and Assumption Agreement whereby such purchaser, assignee or transferee assumes all obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. Upon such execution and delivery, CITY shall release LANDOWNER from all duties, liabilities and obligations under the Development Agreement with respect to the interest(s) sold, assigned or transferred only if LANDOWNER is not in default under this Agreement as of the effective date of the Assignment.
- 4.3 **Assignees.** The Assignee shall be obligated and bound by the terms and conditions of this Agreement if it executes the Assignment and Assumption Agreement, and shall be the beneficiary hereof and a party hereto, only with respect to the Property, or such portion thereof, sold, assigned or transferred to Assignee by LANDOWNER. The Assignee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the

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portion of the Property sold, assigned, or transferred. CITY shall release Assignee from all duties, liabilities and obligations under the Development Agreement of LANDOWNER with respect to the interest(s) that are not sold, assigned or transferred to Assignee. Any such assumption agreement shall be deemed to be to the satisfaction of the City Attorney if executed substantially in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

5. Development of the Property.

- A. **Permitted Uses and Development Standards.** Subject to the Special Conditions set forth in Exhibit C, attached hereto and incorporated herein by this reference (herein the "Special Conditions"), any reserved discretionary approvals specified in this Agreement, and all other terms and conditions of this Agreement, LANDOWNER may develop the Property in accordance with and subject to the terms and conditions specified in the Land Use and Development Regulations in effect on the Effective Date, or, where applicable, the Development Plan, as set forth in Exhibit B, attached hereto and incorporated herein by this reference. Specifically, the permitted uses, density or intensity of use, height or size of buildings and provisions for reservation and dedication of land for public purposes shall be as set forth in the Development Plan and all land use entitlements.
- B. **Discretionary Approvals.**
- (1) **Project Review.** Development of the Property is subject to all required discretionary approvals. In reviewing and approving applications for special permits and other discretionary approvals, CITY may exercise Project Review and may attach such conditions and requirements as are consistent with the policies, goals, standards and objectives of the General Plan, the Community Plan, the PUD Guidelines and as may be necessary to comply with all applicable legal requirements and policies of CITY pertaining to such reserved discretionary approvals.
- C. **Development Timing.** This Agreement contains no requirement that LANDOWNER must initiate or complete development of any phase of the development of the Property or any portion thereof within any period of time set by CITY. It is the intention of this provision that LANDOWNER be able to develop the Property in accordance with LANDOWNER's own schedule; provided, however,

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that to the extent that phasing is required by the PUD Guidelines, by this Agreement, or by conditions of approval of any Land Use Entitlements, such provisions shall govern. No future modification of the Sacramento City Code or any ordinance or regulation which limits the rate of development over time shall be applicable to the Property. However, nothing herein shall be construed to relieve LANDOWNER from any time conditions in any permit or subdivision map approval or to excuse the timely completion of any act which is required to be completed within a time period set by any applicable code or permit provisions.

D. **Special Conditions.** Development of the Property shall be subject to the Special Conditions, as specified in Exhibit C.

E. **Land Use and Development Regulations.**

- (1) Subject to the Special Conditions specified in Exhibit C, development of the Property shall be subject to the Land Use and Development Regulations applicable to such development on the Effective Date.
- (2) Except as otherwise provided in this Agreement, to the extent any future changes in Land Use and Development Regulations adopted by CITY purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, including subsection 5E(1) above, the terms and conditions of this Agreement shall prevail, unless the parties or their successors in interest mutually agree to amend or modify this Agreement in accordance with the provisions for modification hereinafter set forth.
- (3) To the extent that any future changes in the Land Use and Development Regulations adopted by CITY are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable by other provisions of this Agreement, such future changes shall be applicable to the Property.
- (4) Nothing in this Agreement shall preclude the application to development of the Property of changes in the Land Use and Development Regulations, the terms of which are specifically mandated by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the effective date of this Agreement or action by any governmental jurisdiction other than CITY prevent or preclude compliance with one or more

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provisions of this Agreement or require changes in permits, maps or plans approved hereunder by CITY, this Agreement shall be modified, extended or suspended as may be necessary to comply with such specific state or federal laws or regulations or the regulations of such other governmental jurisdiction.

- (5) To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including CITY, required by federal or state agencies or actions of CITY taken in good faith in order to prevent adverse impacts upon CITY by state or federal actions) have the effect of preventing, delaying or modifying development of the DSP Area or any subarea therein, CITY shall not in any manner be liable for such prevention, delay or modification of said development. Such actions may include, but are not limited to, flood plain or wetlands designations and actions of CITY or regional agencies as a result thereof and the imposition of air quality measures or sanctions and actions of CITY or regional and local agencies as a result thereof. In such a situation, CITY's actions shall not be arbitrary or capricious, and the parties shall meet and endeavor to achieve solutions which preserve the integrity of the development of the DSP Area, while to the extent feasible allow development of the Property in the manner contemplated by this Agreement.
- (6) Nothing herein shall be construed to limit the authority of CITY to enact amendments to the Land Use and Development Regulations, or enact other ordinances or resolutions, which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk. In addition, nothing herein shall be construed to limit the authority of CITY to enact city-wide greenhouse gas reduction ordinances or resolutions and have the mandatory provisions of those ordinances and resolutions applicable to the land uses within the Project, that, but for this Agreement, would not be applicable to the Project.
- (7) Building codes, ordinances and regulations relating to construction standards or permits shall apply as of the time of grant of each applicable construction permit.
- (8) No modification of CITY's ordinances, resolutions, policies, rules or regulations adopted after the Effective Date, which purport to limit the rate of development over time or to govern the sequence of development of land

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within the Community Plan area, shall apply to the Property. The provisions of this subsection apply to modifications adopted or imposed by the City Council, or through the initiative or referendum process; provided, however, nothing in this subsection shall limit the ability of CITY to act in accordance with the provisions of subsections 5E(3), 5E(4), 5E(5) and 5E(6) of this Agreement.

- F. **CITY Review of Applications.** Consistent with the standards set forth in section 15 of this Agreement, nothing contained in this Agreement shall preclude CITY from its right and responsibility to review applications for entitlements submitted by LANDOWNER in accordance with its normal and usual procedures and practices, as they may exist at the time the application is accepted as complete, or is otherwise deemed complete by operation of law.
- G. **Extension of Entitlements.** Pursuant to Government Code section 66452.6 all tentative vesting subdivision maps, tentative master parcel maps, parcel maps, tentative subdivision maps, planned unit development permits, special permits, or any other maps, rezonings or land use entitlements of potentially limited duration previously, contemporaneously or subsequently approved for the Property subject to this Development Agreement, shall be valid for a minimum term equal to the full term of this Agreement (including the initial term, and any renewal period resulting from exercise by LANDOWNER of the options provided for in section 3 hereof), or for a period of thirty-six (36) months, whichever is longer, but in no event for a shorter period than the maximum period of time permitted by the Subdivision Map Act or Government Code for such land use entitlements.
- H. **Allocation Procedures for Building Square Footage.** Procedures for allocating the uses or densities approved for the Property among the various parcels and/or portions thereof, and for resolution of any disputes regarding such allocations, shall be as follows:
- (1) **Allocation.** Unless otherwise identified in the Development Plan, which is attached as Exhibit B to this Agreement, the allocation of building square footage shall be as identified in subsequent entitlements for the Property, including but not limited to parcel maps, subdivision maps, PUD schematic plans and development guidelines. The appropriate entitlement to address the allocation of nonresidential building square footage shall be determined by CITY in the land use entitlement process. Allocations for residential development shall be determined in the subdivision mapping process, unless

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CITY determines that some other method is appropriate under the circumstances.

- (2) **Dispute Resolution.** Where a dispute exists between LANDOWNER, and/or any successor or successors in interest which does not involve the CITY, with respect to any matter involving allocation of nonresidential building square footage for or on the Property, such dispute shall be resolved by arbitration, utilizing the commercial arbitration procedures of the American Arbitration Association, or some other alternative dispute resolution procedure mutually agreed upon by the parties involved in the dispute. In no case shall CITY be a party to such dispute, or to the dispute resolution procedures. All of the provisions of this Agreement relating to indemnification and defense of CITY, and payment of CITY costs, shall apply to all disputes relating directly or indirectly to allocation.

6. **Fees, Charges, Assessments and Taxes.**

A. **City Fees.** All applications for CITY approvals, permits and entitlements shall be subject to the application fees, processing fees, mitigation fees and other development fees within the control of the CITY that are in force and effect as of the date that the application or other request for approval is filed.

B. **Levies Imposed by Other Jurisdictions.** LANDOWNER shall be responsible for:

- (1) all fees, charges, assessments, special taxes or levies of any sort imposed by any other state or local agency, including but not limited to the Sacramento Area Flood Control Agency, in the future as a charge for mitigation measures imposed for the purpose of mitigation of environmental impacts associated with the provision of flood control improvements and measures for the Community Plan area;
- (2) all fees, charges, assessments, special taxes or levies of any sort associated with the financing of the construction and implementation of said flood control improvements and measures;
- (3) all special benefit assessments, special taxes or levies of any sort associated with construction of or maintenance of public improvements, where the

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Property is located within a district formed for that purpose by any agency other than CITY;

(4) ad valorem real estate taxes, and utility fees.

In the event that any of the fees, charges, assessments, special taxes or levies covered by this subsection B are imposed by or with the assistance of CITY, LANDOWNER shall nevertheless be responsible therefor. Nothing in this Agreement shall be construed to limit LANDOWNER's right to protest, in accordance with applicable provisions of law: the formation of any district included within the provisions of this subsection or to protest the amount of any assessment levied by or on behalf of such district on the Property or any portion thereof; or to protest the nature and amount of any tax, fee, assessment or charge imposed pursuant to this subsection.

- C. **Implementation of the Delta Shores Finance Plan.** The Delta Shores Finance Plan (hereafter "Finance Plan") establishes a method for financing of required Infrastructure and public facilities through a combination of land transfers, dedications and contributions, fees, assessment districts, community facilities districts and other sources, so that the land within the Finance Plan Area pays for its share of the cost of such Infrastructure and facilities. The Finance Plan also recognizes that there is a regional benefit associated with certain portions of the Infrastructure and public facilities, and that the regional cost share will ultimately have to be paid from other sources and other property owners that benefit therefrom. LANDOWNER acknowledges that it may have to participate in funding regional costs of such Infrastructure and facilities that is located off-site of the Property on a fair share basis as identified in the Finance Plan and Final Environmental Impact Report. LANDOWNER shall participate in the Finance Plan, as made applicable to the development of the Property, and shall faithfully and timely comply with each and every provision thereof, including but not limited to the Land Acquisition Fee (if any), assessments, special taxes, and other development fees and exactions set forth therein. Without limiting the foregoing, applications for special permits, subdivision maps or other land use entitlements and building permits may be made subject to LANDOWNER's participation in and compliance with the Finance Plan. Failure to so participate shall be an event of default to which the default provisions of this Agreement and the Procedural Ordinance shall apply. For purposes of this Agreement "participate" and "participation" shall mean payment of all monies required by virtue of the Finance Plan, and performance of all obligations imposed thereby.

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D. **LANDOWNER's Waivers.** LANDOWNER hereby agrees to the provisions of Exhibit E, which (without limitation) contains a comprehensive waiver of protest rights with respect to CITY's establishment and implementation of development and impact fees; and CITY's actions in forming assessment districts and community facilities districts, and in levying assessments and taxes pursuant thereto. As set forth in Exhibit E, LANDOWNER reserves the right to protest the actual amount of the fee, assessment or tax levy, or other CITY charge imposed on or allocated to the Property pursuant to the Finance Plan.

7. **Reconfiguration of Parcels.** LANDOWNER shall have the right to file applications with CITY for subdivision, lot line adjustment, or for master parcelization of all or part of the Property, for the purpose of Reconfiguration of the Property. Such applications shall be processed and determined in accordance with the provisions of section 5, and all other applicable provisions of this Agreement. Where Reconfiguration requires a Special Permit, or a Planned Unit Development (PUD) designation, or other Land Use Entitlement applicable to the Property or portion thereof which is subject to the application, CITY reserves the right to require such Land Use Entitlements as a condition of granting the application.

8. **Infrastructure.**

A. **Construction by CITY.** To the extent that funds are available to CITY pursuant to the Finance Plan, and to the extent that any required real property has been transferred to CITY, or has been obtained by CITY through its power of eminent domain, which CITY agrees to utilize, where required, and subject to LANDOWNER's compliance with the terms of this Agreement and all of the terms and conditions of any Land Use Entitlement applicable to the Property, CITY agrees to use its best efforts to bring about the construction of the Infrastructure required to implement the Development Plan (Exhibit B). Provided, however, that CITY's obligations hereunder shall be limited to those items of Infrastructure which, under the Finance Plan, are to be constructed by CITY or under CITY's direction and control; where Infrastructure is to be constructed by LANDOWNER, either pursuant to conditions of approval or otherwise, the provisions of this subsection 8A shall not apply.

B. **Construction by LANDOWNER.** When required by conditions of approval, and in accordance with CITY specifications and standards in effect as of the date of construction, LANDOWNER shall be responsible for the construction of Infrastructure required for implementation of the Development Plan (Exhibit B). LANDOWNER shall further comply with all required funding requirements

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specified in the Finance Plan, and all real property transfers required pursuant to this Agreement or the Land Use Entitlements. Provided, however, LANDOWNER shall enter into a separate agreement with CITY no later than February 20, 2009, or such other date as CITY and LANDOWNER may otherwise agree to address funding of the development, design, environmental matters, right of way acquisition and construction of the Cosumnes River Boulevard/I-5 Interchange and Extension Project, including construction of traffic signals, median, landscaping and utilities. That agreement shall specifically address fair share contributions for CITY and LANDOWNER and the project schedule.

- C. **Drainage, Water and Sewer Infrastructure.** As of the Effective Date, it is contemplated that the water and sewer systems and permanent drainage for the Property, and the entire Finance Plan Area, will be provided by the Water System, Sewer System, and Drainage System, respectively. Construction of the Water, Sewer and Drainage Systems will require land transfers to CITY pursuant to conditions for the Land Use Entitlements and this Agreement, or acquisition of required land by CITY through the use of eminent domain procedures, and funding for the required improvements, all on a timely basis and in accordance with the Finance Plan, or such other arrangement which has been implemented or required by CITY, together with any Drainage Sub-basin agreement, or substitute therefore, as specified in the Special Conditions. In recognition of the need for retention of flexibility and CITY discretion with respect to decisions relating to the ultimate solution to drainage, water, and sewer for the Community Plan area, and the need for unconditional provision of financing by LANDOWNER and other owners of land in the Finance Plan Area through the mechanisms specified in the Finance Plan, the parties agree as follows:

- (1) **Establishment of Financing Mechanisms.** CITY shall, as soon as feasible following the adoption of the Finance Plan by the City Council, establish public financing mechanisms as identified in the Finance Plan, applicable to lands within the Community Plan area which will benefit from the Water, Sewer and Drainage Systems.
- (2) **Issuance of Bonds.** Decisions as to whether to issue bonds pursuant to such financing mechanisms, and the timing and manner of issuance thereof, shall be within the sole and exclusive discretion of CITY; provided, however, that CITY shall exercise its discretion in a good faith manner, so as to provide for timely construction of Infrastructure in order not to stop or slow development.

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- (3) **Linkage of Development to Completion of Drainage, Water and Sewer Systems.** CITY has established a performance standard that requires (inter alia) that the Drainage System, Water System and Sewer System be completed and in operation no later than the point in time when building permits have been issued for fifty percent (50%) build-out of the Finance Plan Area, as measured by developable residential and commercial acreage as defined in the Finance Plan; however, CITY shall not issue any certificates of occupancy or approval of final inspection for any lot or parcel until the Drainage System, Water System and Sewer System serving said lot or parcel is, in fact, completed and in operation. In the event that a different phasing plan is approved by LANDOWNER and is adopted and implemented by CITY, LANDOWNER shall comply with all provisions of such a plan, and shall execute any agreement or other document, or participate in any mechanism as is reasonably required by CITY to implement such a plan.

D. Infrastructure Financing Proceedings.

- (1) **LANDOWNER-Initiated Proceedings.** In the event that LANDOWNER desires to initiate proceedings for the formation of an assessment district, community facilities district, or other similar form of improvement financing mechanism to fund the construction of Infrastructure required by conditions of approval or otherwise, LANDOWNER shall file an application with CITY for that purpose in accordance with CITY's Assessment District Policy Manual, as same may be amended from time to time, or such other policy document as may after the Effective Date be adopted by the City Council as a substitute therefor. CITY agrees to diligently process any such application, provided that such application:
- (a) is complete and is accompanied by payment of CITY fees applicable on the date of filing of the application;
 - (b) otherwise complies with the Land Use and Development Regulations and applicable law, as the applicable law exists on the date of the application, including but not limited to the Assessment District Policy Manual;
 - (c) is consistent with CITY's policies and procedures;

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- (d) provides for a value to lien ratio and other financial terms that are acceptable to CITY, which acceptance shall not be unreasonably conditioned or delayed;
- (e) provides for all funding requirements established by CITY for the purpose of payment of the costs of outside consultants needed, in CITY's sole discretion; and
- (f) provides that the specific consultants (e.g., bond counsel, financial advisors, underwriters, or other consultants as may be necessary under the circumstances) shall be selected by CITY in its sole discretion.

Notwithstanding any other provision of this Agreement, CITY agrees that upon request made by LANDOWNER, CITY will consider making exceptions to the Assessment District Policy Manual, to allow for alternative methods of financing in-tract improvements, including but not limited to formation of assessment districts or similar financing mechanisms, where such alternatives are contemplated by the Finance Plan, including any amendments thereto. Provided, however, that CITY reserves its discretion to condition use of any such alternatives on satisfaction of performance preconditions (including but not limited to water, sewer and drainage capacity), and to consider underwriting considerations and criteria, together with the manner in which such alternatives further the overall implementation of the Finance Plan. Further, CITY may in its reasonable discretion deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent. CITY and LANDOWNER further agree that CITY will not sell any bonds for any LANDOWNER-initiated assessment district, community facilities district or other similar form of improvement financing mechanism until they have agreed upon the timing and date of such bond sale.

- (2) **Proceedings Initiated by CITY.** In the event that CITY in its discretion determines that a particular financing mechanism, including but not limited to an assessment district, a community facilities district, a fee district, a development fees procedure, or any similar mechanism, is required in order to implement the Finance Plan, LANDOWNER's participation obligations set forth in this Agreement (including but not limited to Exhibit C) shall apply.

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(3) **Maintenance Districts.**

- (a) LANDOWNER may, following the procedures specified in subsection 8D(1) above, request that CITY establish one or more maintenance districts for the purpose of financing the maintenance of landscaping or other public improvements, whereunder lands benefitting from the improvements and their maintenance are assessed for a proportionate share of the maintenance cost.
- (b) LANDOWNER shall request that CITY establish one or more maintenance districts for the purpose of financing a portion of the maintenance of landscaping the Consumnes River Boulevard/I-5 Interchange. The portion of the costs to be funded by the entire DSP Area under the maintenance district shall be not more than 49% of the cost to maintain the landscaping at the Consumnes River Boulevard/I-5 Interchange project, consistent with the fair share allocation of the costs of this project.

E. Reimbursement to LANDOWNER.

- (1) **From Financing Proceeds.** Subject to the Finance Plan, where LANDOWNER has provided advance funding for public Infrastructure required by the Finance Plan or has constructed such Infrastructure under the direction and control of CITY, LANDOWNER shall be reimbursed for Reimbursable Infrastructure Costs ("Costs"), with adjustments for Costs as provided for in the Finance Plan, but not less than zero percent (0.0%) for each annual adjustment, at such time as CITY has established a permanent financing mechanism in the form of an assessment district, community facilities district, or other similar mechanism through which permanent public financing for such improvements is established and funds are received therefrom. Those items qualifying as Reimbursable Infrastructure Costs shall be determined pursuant to CITY policies in existence at the time of establishment of the permanent financing mechanism. CITY agrees to entertain reasonable requests from LANDOWNER for exceptions to such policies; provided, however, that CITY may, in its reasonable discretion, deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent. Nothing in this Agreement shall authorize reimbursement of any cost which, in the opinion of CITY's bond counsel, is not permissible for purposes of establishing or retaining tax free status of any bonds issued, or contemplated to be issued by CITY. The foregoing

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provisions of this Section 8.E.(1) shall not apply to a separate written agreement between CITY and LANDOWNER for the Interstate 5/Cosumnes River Boulevard Interchange and Extension Project.

- (2) **Reimbursement From Others Benefitted.** In any case where CITY requires or permits LANDOWNER to plan, design, construct, or fund the planning, design or construction of improvements required for development by the Finance Plan, in excess of or beyond those required for development of the Property, or, where required by the Finance Plan, this Agreement, or conditions of approval of the Land Use Entitlements to make dedications, provide mitigation or incur costs in connection with public improvements or the planning of the DSP Area and/or Community Plan area in excess of or beyond those required for development of the Property, and the provisions of subsection 8E(1) do not apply, CITY shall make reasonable efforts to require that all other Persons benefitted by the improvements shall reimburse LANDOWNER (through fee districts, agreements, conditions of approval, or otherwise) for such Person's proportionate share of such costs, with adjustments for such costs as provided for in the Finance Plan, but not less than zero percent (0.0%) for each annual adjustment, and as otherwise determined in accordance with the Finance Plan, or by CITY. No permits for construction by such other Persons shall be issued by City until such reasonable efforts are applied. For purposes of this Agreement, the term "in excess of or beyond those required for development of the Property" means requirements which exceed LANDOWNER's fair proportionate share, as determined in accordance with the provisions of the Finance Plan and any associated documents or studies.

Such reimbursement shall be subject to the limitations specified in the preceding paragraph (including those provisions relating to consideration by CITY of exceptions to its policies), relating to CITY policy and Reimbursable Infrastructure Costs. Reimbursement shall be limited to that amount which exceeds LANDOWNER's appropriate share of the cost, determined in accordance with principles established in the Finance Plan, and any associated documents or studies.

- (3) **Reimbursement of Planning, Engineering and Staff Costs.** In accordance with the provisions of the Finance Plan and the Citywide Fee and Charges Policy, CITY shall impose a fee upon the DSP Area landowners, including LANDOWNER, to pay the planning, engineering, staff and related costs (including but not limited to CITY staff and related costs),

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as specified in the Finance Plan, and which relate to development of the DSP Area, the Finance Plan, the Drainage Master Plan, the Water Master Plan, the Sewer Master Plan, and all related documents. The fee shall be spread across lands within the DSP Area in the same fashion as the public facilities fees. Credits shall be given to those landowners who have paid some or all of their share of the said costs, for the amounts so paid. The fee shall be payable prior to issuance of the first discretionary Land Use Entitlement for each individual parcel of land or approved phase thereof as to which an application has been filed with CITY.

9. LANDOWNER Obligations.

- A. **Transfer of Land to CITY.** As set forth in the Development Plan, Land Use Entitlements, and Special Conditions, LANDOWNER has agreed to transfer lands at no cost that are needed for Infrastructure or public facilities to CITY, City Agency or other public agency, as specified or appropriate, excluding, however, any and all lands owned by LANDOWNER to be acquired by CITY for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project, which will be the subject of a separate acquisition agreement between CITY and LANDOWNER. Set forth in Exhibit G, attached hereto and incorporated herein by this reference, are tables and maps describing and depicting the currently contemplated approximate location and amount of lands, together with a categorical listing of the types of Infrastructure and public facilities which are covered by the terms of this subsection. Included as part of Exhibit G are maps that depict the location and amount of lands owned by LANDOWNER to be dedicated to CITY for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project, as well as the lands to be acquired from LANDOWNER by CITY for that project. LANDOWNER will receive compensation and/or credit for the value of the land dedicated for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project at the same value as the acquired lands pursuant to the Finance Plan and the terms of a separate cost sharing agreement between CITY and LANDOWNER for the project. LANDOWNER shall transfer the lands to be dedicated to CITY either by a statement on the final map in accordance with Government Code section 66439, or by Grant Deed as specified in the conditions of approval, or by utilizing the Irrevocable Offer of Dedication form set forth in Exhibit F, attached hereto and incorporated herein by this reference, at such time as is:

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- (1) required pursuant to a condition or term of any Land Use Entitlement for use or development of the Property; or
- (2) requested by CITY, where LANDOWNER has not applied for a Land Use Entitlement for use or development of the Property, but the land is needed, in CITY's sole discretion, for purposes of construction of Infrastructure or public facilities.

In the event that, at the time of the required transfer to CITY, the location of, or the quantity of land required for the Infrastructure or public facilities has changed from that depicted or described in Exhibit G, to such a significant degree or extent that the location or quantity is inconsistent with the Community Plan as it exists on the effective date of this Agreement and the Finance Plan, the Parties shall meet and negotiate, and in good faith endeavor to reach agreement on any amendments to this Agreement needed to allow development of the Property in a reasonable manner, taking into account the changes in Infrastructure and public facilities. If agreement is reached between the Parties, the procedures specified herein and in the Procedural Ordinance shall apply to amendments to this Agreement. If agreement is not reached, either Party shall have the right to terminate this Agreement by providing the other Party sixty (60) days notice.

- B. **Development Timing.** LANDOWNER shall have no obligation to initiate or commence development of any particular phase of the Property within any period of time.
- C. **Transfer of Park Funds to CITY.** As set forth in Exhibit C, LANDOWNER shall transfer four million dollars (\$4,000,000) to CITY for purposes of future development of a regional park (the "Regional Park Fee") upon issuance of the 3,375th residential building permit at the Property. LANDOWNER waives any and all administrative or judicial challenges that it can legally make based on insufficient nexus for the Regional Park Fee.
- D. **Waiver of Nexus Challenge.** LANDOWNER waives any and all administrative or judicial challenges that it can legally make based on insufficient nexus relative to lands or funds it is required to transfer to CITY or to other public agencies pursuant to the conditions of approval for the Land Use Entitlements, tentative or final maps, or this Agreement for Infrastructure, as appropriate.

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10. **Litigation/Indemnification.**

A. **Third-party Challenge to Agreement or Entitlements.**

- (1) In the event of any action instituted by a third party challenging the validity of any portion of this Agreement, including but not limited to, the proceedings taken for its approval (including the requirements of the California Environmental Quality Act – "CEQA") or any other act undertaken by the parties hereto in furtherance of this Agreement or its terms, or any action instituted by a third party challenging the validity of any of the entitlements specified herein (including CEQA challenges), the parties agree to cooperate in the defense of the action. In all such litigation brought to contest the validity of this Agreement or such entitlements, the following shall apply:
 - (a) City may, in its sole discretion, either defend such litigation or tender its defense to LANDOWNER.
 - (b) In the event that CITY determines to defend the action itself, LANDOWNER shall be entitled, subject to court approval, to join in or intervene in the action on its own behalf, or to advocate in favor of validity of this Agreement or any challenged entitlement. In such a case, each Party shall bear its own attorney fees and costs.
 - (c) In the event that CITY determines to tender the defense of the action to LANDOWNER, LANDOWNER shall defend the action on its behalf and on behalf of CITY, and shall bear all attorney fees and costs associated with such defense from and after the date of the tender. Provided, however, that CITY may at any time after the tender elect to assume representation of itself; in that event, from and after the date CITY gives notice of its election to do so, CITY shall be responsible for its own attorney fees and costs incurred thereafter.
- (2) If, in such litigation, a final judgment or other final order is issued by the court which has the effect of invalidating or rendering ineffective, in whole or in part, any provision of this Agreement or the Agreement itself, or any entitlement issued during the term of this Agreement and pursuant to its terms, the following shall apply:

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- (a) If the judgment or order includes a provision for attorney fees and/or costs of the successful party or parties, LANDOWNER shall pay the entire cost thereof, without right of offset, contribution or indemnity from CITY, irrespective of anything to the contrary in the judgment or order. Provided, however, that if the litigation relates entirely, solely and exclusively to a challenge to the Community Plan in general, separate and apart from this Agreement or any entitlement relating to the Property, and if LANDOWNER is named or becomes a party in such litigation, LANDOWNER and CITY shall bear the cost of the successful party's attorney fees and/or costs in the manner specified in the court's judgment.
- (b) CITY and LANDOWNER shall meet and endeavor, in good faith, to attempt to reach agreement on any amendments needed to allow development of the Property to proceed in a reasonable manner, taking into account the terms and conditions of the court's judgment or order. If agreement is reached, the procedures for amending this Agreement as specified herein shall apply. If agreement is not reached, either Party shall have the right to terminate this Agreement by giving the other Party sixty (60) days' notice of termination.
- (c) In the event that amendment is not required, and the court's judgment or order requires CITY to engage in other or further proceedings, CITY agrees to comply with the terms of the judgment or order expeditiously.

B. **Indemnification.** LANDOWNER agrees to defend and indemnify CITY, its elective and appointive boards, commissions, officers, agents and employees against any liability for damage or claims for damage for personal injury, including death, or property damage, arising out of or relating in any way to actions or activities to develop the Property, undertaken by LANDOWNER or LANDOWNER's contractors, subcontractors, agents or employees.

11. **Effect of Subsequent Laws.**

A. **Laws of Other Agencies.**

- (1) If any public agency, other than CITY, adopts any new law, regulation, ordinance or imposes any new condition (herein referred to collectively as "the New Law") after the date of this Agreement, which prevents or precludes

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either the CITY or LANDOWNER, or both, from complying with one or more provisions of this Agreement, then immediately following the enactment of the New Law the parties shall meet and confer in good faith to determine whether the New Law applies to the Property, and whether suitable amendments to this Agreement can be made, in order to maintain LANDOWNER's right to develop the Property in a reasonable manner in accordance with Exhibit B of this Agreement.

- (2) In the event that the parties, after having engaged in good faith negotiations, are unable to agree on such amendments, the parties shall consider whether suspension of the term of this Agreement is appropriate, and if so, what the terms and conditions of any such suspension should be. In the event that the parties, after having engaged in good faith negotiations are unable to agree on the suspension issues, either Party shall have the right to terminate this Agreement by giving the other Party sixty (60) days' written notice of termination.
- (3) LANDOWNER or CITY shall have the right to institute litigation relating to the New Law, and raise any issues relating to its validity. If such litigation is filed, this Agreement shall remain in full force and effect until final judgment is issued. Provided, however, that if any action that CITY would take in furtherance of this Agreement would be rendered invalid, facially or otherwise, by the New Law, CITY shall not be required to undertake such action until the litigation is resolved, or the New Law is otherwise determined invalid, inapplicable, or is repealed. In the event that such judgment invalidates the New Law, or determines that it does not affect the validity of this Agreement, this Agreement shall remain in full force and effect, and its term shall be extended by the amount of time between the effective date of the New Law, and the effective date of the judgment. In the event that such judgment determines that the validity of this Agreement is, directly or indirectly affected by the New Law, the parties shall proceed under the provisions of subsections 11A(1) and 11A(2) above.

- B. **Laws Passed by CITY.** Subject to the provisions of section 5 of this Agreement, neither the CITY nor any CITY Agency shall enact any initiative, ordinance, policy, resolution, general plan amendment or other measure that relates to the density or intensity of development on the Property, or the rate, timing or sequencing of the development or the construction on the Property on all or any part thereof, or that is otherwise in conflict, either directly or indirectly, with this Agreement.

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12. **Enforced Delay; Extension of Times of Performance.** In addition to other specific provisions of this Agreement, performance by either Party hereunder shall not be deemed in default where delay or inability to perform is due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, enactment of conflicting state or federal laws or regulations, new or supplementary environmental laws or regulations, litigation instituted by third parties challenging the validity of this Agreement or any of the vested entitlements described in section 5 of this Agreement. Upon request of either Party to the other, a written extension of time for such cause shall be granted for the period of the enforced delay, or longer as may be mutually agreed upon.
13. **Legal Actions; Applicable Law; Attorney's Fees.**
- A. **Legal Actions.** In addition to any other rights or remedies, either Party may institute legal action to cure, correct, or remedy any default by any other Party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder. Notwithstanding any other provision of law, or of this Agreement, in no event shall a Party (or successor), or its officers, agents or employees, be liable to the other Party (or successor), or its officers, agents or employees, in damages for any breach, default or violation of this Agreement, it being specifically understood and agreed that the Parties' sole legal remedy for a breach, default or violation of this Agreement shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.
- B. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. LANDOWNER agrees and acknowledges that CITY has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity and meaning of this Agreement shall be that accorded legislative acts of CITY.
- C. **Attorney Fees.** In any arbitration, quasi-judicial, administrative or judicial proceeding (including appeals), brought by either Party hereto to enforce or interpret any covenant or any of such Party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all costs, expenses and disbursements in connection with such action, including the costs of reasonable investigation, preparation and professional or expert consultation, which sums

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may be included in any judgment or decree entered in such action in favor of the prevailing party. For purposes of this section, and any other portion of this Agreement relating to attorney fees, reasonable attorneys fees of the City Attorney's Office shall be based on comparable fees of private attorneys practicing in Sacramento County.

14. **Amendment of Agreement.** This Agreement may be amended from time to time only by the mutual written consent of the Parties, in accordance with the provisions of Government Code sections 65867 and 65868.

15. **CITY's Good Faith in Processing.** Subject to the provisions of subsection 5B hereof, and LANDOWNER's compliance with each and every term and condition of this Agreement and all of its exhibits, CITY agrees that it will accept in good faith for processing, review, and action, all complete applications for master parcel maps, zoning, planned unit development designation, planned unit development guidelines, schematic plans, special permits, building permits, parcel maps, subdivision maps, or other Land Use Entitlements for use of the Property in accordance with the General Plan, the Community Plan, PUD Guidelines, and this Agreement.

CITY shall inform the LANDOWNER, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall expeditiously review said application for completeness and shall schedule the application for expeditious review by the appropriate authority.

16. **Default, Remedies, Termination.**

A. **General Provisions.** Subject to any extensions of time by mutual consent of the parties, and subject to the cure provisions set forth herein, any failure or unreasonable delay by either Party to perform any material term or provision of this Agreement shall constitute a default.

(1) **LANDOWNER Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with subsection 16B., wherein a default by LANDOWNER is alleged, CITY shall not be obligated to issue any building permit, or grant any Land Use Entitlement as to which an application has been filed.

(2) **CITY Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with subsection 16B,

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wherein a default by CITY is alleged, any resulting delays in LANDOWNER's performance caused by CITY's default shall not constitute a LANDOWNER default, or be grounds for termination or cancellation of this Agreement.

- (3) **Successors in Interest.** Where the Property, after the Effective Date, has been lawfully conveyed in whole or in part to one or more successors in interest in such a manner as to invoke the provisions of section 4 of this Agreement, and one or more of such successors in interest is in default with respect to the portion of the Property owned by it, neither LANDOWNER nor any other non-defaulting successor in interest shall be liable for the default, if the provisions of section 4 have been complied with, and in accordance with the terms and conditions of that section.

- B. **Cure of Default.** In the event of an alleged default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured and a reasonable period of time in which to cure, that shall in no event be less than thirty (30) days. During any such period, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

- C. **Remedies After Expiration of Cure Period.** After notice of default or breach pursuant to subsection 16B and expiration of the specified period to cure, if the alleged default has not been cured in the manner set forth in the notice, the other Party may at its option:

- (1) institute legal proceedings to obtain appropriate judicial relief, including but not limited to mandamus, specific performance, injunctive relief, or termination of this Agreement; or
- (2) give the other Party notice of intent to terminate this Agreement pursuant to Government Code section 65868. In the event that such notice is given, CITY shall schedule the matter for public hearing before the City Council to review the matter and make specific written findings regarding the alleged default. Where LANDOWNER is the Party alleged to be in default, LANDOWNER shall be afforded a reasonable opportunity to respond to all allegations of default at such public hearing. CITY shall provide LANDOWNER at least thirty (30) days prior written notice of such public

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hearing, as well as provide LANDOWNER copies of all CITY staff reports prepared in connection therewith at least five (5) days prior to the hearing.

17. Annual Review.

- A. **General Provisions.** In accordance with Government Code section 65865.1, CITY shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith compliance by LANDOWNER with the terms of this Agreement. Failure of CITY to conduct an annual review shall not constitute a waiver by CITY or LANDOWNER of the right to conduct future annual review or to otherwise enforce the provisions of this Agreement, nor shall a party have or assert any defense to such enforcement by reason of any such failure. The failure of CITY to undertake such review, shall not, in itself, invalidate the terms of this Agreement or excuse any party hereto from performing its obligations under this Agreement.
- B. **Scope of Review.** The annual review shall be limited in scope to compliance with the terms and conditions of this Agreement.
- C. **Proceedings.** The procedures specified in the Procedural Ordinance for conduct of the annual review by the City Manager, and by the City Council, shall apply to each annual review of this Agreement. At least ten (10) days prior to the commencement of any annual review, CITY shall deliver to LANDOWNER a copy of any public staff reports and other documents to be used or relied upon in conducting the review. LANDOWNER shall be permitted an opportunity to respond to CITY's evaluation of LANDOWNER's performance by written and oral testimony at the public hearing to be held before the City Council, if LANDOWNER so elects.

At the conclusion of the annual review, CITY shall make written findings and determinations on the basis of substantial evidence, as to whether or not LANDOWNER or its successors have complied in good faith with the terms and conditions of this Agreement.

- D. **Failure of Compliance.** Any determination of failure of compliance shall be subject to the notice requirements and cure periods set forth in section 16 of this Agreement. If termination is proposed, it shall apply solely with respect to that portion of the Property (if less than all) affected by the failure to show good faith compliance. If modification of the Development Agreement is proposed, the

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modification shall pertain solely to the provisions hereof as applicable to that portion of the Property (if less than all) affected by the condition that has prompted the proposed modification.

18. Termination Upon Completion of Development.

- A. **General Provisions.** This Agreement shall terminate as to each parcel of property contained within the Property when that parcel of land: (i) has been fully developed with all buildings; (ii) all occupancy permits for the buildings constructed thereon have been issued by CITY; (iii) CITY has accepted any public facilities constructed by LANDOWNER thereon or required to serve that parcel; (iv) CITY has accepted the dedications thereon; and (v) all of LANDOWNER'S obligations in connection therewith are satisfied, as reasonably determined by CITY. CITY shall, upon written request made by LANDOWNER to CITY's Development Services Department, determine if the Agreement has terminated with respect to any parcel of land contained within the Property, and shall not unreasonably withhold, condition or delay termination as to that parcel if LANDOWNER'S obligations therewith are satisfied. LANDOWNER, or its successor, shall prior to said termination pay to CITY a fee commensurate with the cost of processing the request and making such a determination, including but not limited to CITY's administrative and legal expenses. Such fee shall be determined in accordance with CITY's established fees and charges then in effect. Upon termination of this Agreement, CITY shall upon LANDOWNER's request expeditiously record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated. The aforesaid notice may specify, and LANDOWNER agrees, that termination shall not affect in any manner any continuing obligation to pay any item specified by this Agreement, and shall have the effect as set forth in subsection 18C.
- B. **Multi-family and Single Family Residential Projects .** This Agreement shall automatically terminate and be of no further force and effect as to any single family residence or multi-family building, and the lot or parcel upon which said residence or building is located, when CITY has issued an occupancy permit for that residence or building or otherwise has been approved by CITY for occupancy.
- C. **Effect Of Termination On Landowner Obligations.** Termination of this Agreement as to the Property or any portion thereof shall not affect any of the LANDOWNER's obligations to comply with CITY's General Plan, the DSP Area, the PUD Guidelines, and all Land Use Entitlements issued for the Property, nor

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CITY AGREEMENT NO. _____

DATE ADOPTED: _____

shall it affect any other covenants of this Agreement specified in this Agreement to continue after the termination of this Agreement, including but not limited to those specified in sections 6 and 10 and subsection 13C.

19. **No Joint Venture, Partnership, or Other Relationship.** Nothing contained in this Agreement or in any other document executed in connection with this Agreement shall be construed as creating a joint venture or partnership between CITY and LANDOWNER. No relationship exists as between LANDOWNER and CITY other than that of a governmental entity regulating the development of private property, and the owners of such private property.
20. **Notices.** All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the CITY and LANDOWNER or LANDOWNER's assigns and successors, and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other Party as indicated below:

Notice to the CITY: City of Sacramento
 915 I Street
 Sacramento, California, 95814
 ATTN: City Manager

Notice to the LANDOWNER: M&H Realty Partners VI, L.P.
 3580 Carmel Mountain Road, Suite 260
 San Diego, California 92130
 ATTN: Scott McPherson

with copies to:

Law Offices of Gregory D. Thatcher
1730 I Street, Suite 220
Sacramento, California 95811
ATTN: Gregory D. Thatcher

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and to:

Peter Merlone
425 California Street, 11th floor
San Francisco, California 92104-2113

Any party may change the address to which notices are to be mailed by giving written notice of such changed address to each other party in the manner provided herein.

21. **Severability.** If any provision of this Agreement is held invalid, void or unenforceable but the remainder of the Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the parties, utilizing the procedures provided in section 14 of this Agreement. If any provision of this Agreement is held invalid, void or unenforceable and the remainder of the Agreement cannot be enforced without failure of material consideration to any Party, either Party shall have the right, in its sole discretion, to terminate this Agreement for its convenience upon providing written notice of such termination to the other Party and specifying the effective date thereof. In the event either Party so elects to terminate this Agreement, such election shall not affect in any manner the terms and conditions of any entitlement granted by CITY with respect to the Property, any portion thereof, prior to the termination date except as specified in subsection 18C.
22. **Recording.** The City Clerk shall cause a copy of this Agreement to be recorded with the Sacramento County Recorder no later than ten (10) days following execution of this Agreement by CITY, which execution will take place no sooner than the effective date of the ordinance approving this Agreement.
23. **OMITTED.**
24. **Provisions Relating to Lenders.**
- A. **Lender Rights and Obligations.**
- (1) **Prior to Lender Possession.** No Lender shall have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of LANDOWNER or LANDOWNER's successors in interest, but shall otherwise

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be bound by all of the terms and conditions of this Agreement, which pertains to the Property or such portion thereof in which it holds an interest. Nothing in this section shall be construed to grant to a Lender rights beyond those of LANDOWNER hereunder, or to limit any remedy CITY has hereunder in the event of default by LANDOWNER, including but not limited to termination and/or refusal to grant Land Use Entitlements with respect to the Property.

- (2) **Lender in Possession.** A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of LANDOWNER, and which remain unpaid as of the date such Lender takes possession of the Property or portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive Land Use Entitlements with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of LANDOWNER hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the LANDOWNER hereunder or entitled to enforce the provisions of this Agreement against CITY unless and until such Lender or successor thereof qualifies as a recognized assignee under the provisions of section 4 of this Agreement.

- B. **Notice of LANDOWNER's Default Hereunder.** If CITY receives notice from a Lender requesting a copy of any notice of default given LANDOWNER hereunder and specifying the address for service thereof, then CITY shall deliver to such Lender, concurrently with service thereon to LANDOWNER, any notice given to LANDOWNER with respect to any claim by CITY that LANDOWNER has committed a default, and if CITY makes a determination of non-compliance, CITY shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on LANDOWNER.
- C. **Lender's Right to Cure.** Each Lender shall have the right (but not the obligation) during the same period of time available to LANDOWNER to cure or remedy, on behalf of LANDOWNER, the default claimed or the areas of non-compliance set forth in CITY's notice. Such action shall not entitle a Lender to develop the

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property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of LANDOWNER hereunder.

- D. **Other Notices Given By City.** A copy of all notices given by CITY pursuant to the terms of this Agreement shall be sent to Lender at the address provided in section 20 hereof.

25. **Conflicts.**

- A. **Concurrent Map Conditions.** In the event any requirements imposed on the Project by any of the maps or conditions of approval thereto which are approved concurrently with this Agreement conflict with requirements of the PUD Guidelines or this Agreement, the map requirements shall control. Notwithstanding the foregoing, the amount of right of way to be dedicated for the Interstate 5/Cosumnes River Boulevard Interchange and Extension project shall be based on the terms of the separate cost sharing agreement and not on the map conditions.
- B. **Future Map Conditions.** No requirement shall be imposed on the Project by any maps or conditions of approval thereto subsequent to execution of this Agreement if such requirement directly conflicts with any specific provision of this Agreement.

26. **Construction.** All Parties have had the opportunity to be represented by legal counsel of their own choice in the preparation of this Agreement and no presumption or rule that "an ambiguity shall be construed against a drafting party" shall apply to the interpretation or enforcement of any provision hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision to which they pertain.
27. **Counterparts.** This Agreement may be executed in any number of counterparts and shall be deemed duly executed when each of the parties has executed such a counterpart.
28. **Time.** Time is of the essence of each and every provision hereof.
29. **Limitation of Actions.** No court action shall be filed by a party to this Agreement on the ground of default or breach of its terms unless such action is filed within one hundred eighty (180) days from the date of discovery by the aggrieved party of the facts underlying the claim of breach or default.

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30. **No Third Parties Benefitted.** No Person who is not a qualified successor or assign of a party hereto pursuant to section 4 of this Agreement, or who has not become a party by duly adopted amendment hereof, may claim the benefit of any provision of this Agreement.
31. **Effect of Agreement Upon Title to Property.** In accordance with the provisions of Government Code section 65868.5, from and after the time of recordation of this Agreement, the Agreement shall impart such notice thereof to all persons as is afforded by the recording laws of the State of California. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement.
32. **Covenant of Good Faith.** CITY and LANDOWNER agree that each of them shall at all times act in good faith in order to carry out the terms of this Agreement.
33. **Exhibits:** The following are the exhibits to this Agreement:
- A Legal Description of the Property
 - B Landowner's Development Plan
 - C Special Conditions
 - D Assignment and Assumption Agreement
 - E Protest Waiver Form
 - F Irrevocable Offer of Dedication Form
 - G Map and Categorical Listing of Land and Infrastructure
 - H Procedures for Adjusting Development Fees
 - I Diagram of Delta Shores Planning Area
34. **Entire Agreement/Integrated Document.** This Agreement, the Exhibits and the documents incorporated by reference in this Agreement or in the Exhibits, are to be considered as one document and default of any of the provisions contained herein or therein shall be considered a default of this Agreement. This Agreement, including the Exhibits and documents incorporated herein by reference, integrates all of the terms and conditions related or incidental to its subject matter and constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement.

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35. **City Attorney Costs.** Landowner shall pay to the City of Sacramento the sum of ten thousand dollars (\$10,000) as and for reimbursement of the costs of the City Attorney in preparation and processing of this Agreement. Said sum shall be paid to CITY prior to the City Attorney approving this Agreement as to form.

IN WITNESS WHEREOF, the CITY and LANDOWNER have executed this Development Agreement as of the date first set forth above.

CITY OF SACRAMENTO

By: _____

Mayor

ATTEST:

Dawn Bullwinkel
City Clerk 2-17-09

APPROVED FOR LEGAL FORM:

Lawrence J. Duran
Senior Deputy City Attorney

M&H REALTY PARTNERS VI, L.P.

A California limited partnership

By: MHRP VI, L.P.,

A California limited partnership,
its General Partner

By: Merlone/Hagenbuch VI Inc.,
a California corporation,
General Partner

By: _____

Name: _____

Title: _____

BRADLEY A. GEIER
MANAGING DIRECTOR

(ATTACH APPROPRIATE ACKNOWLEDGMENT)

FOR CITY CLERK USE ONLY

ORDINANCE NO. **2009-002**

CITY AGREEMENT NO. **2009-0060**

DATE ADOPTED: **1-13-09**

ACKNOWLEDGMENT

State of California

County of SACRAMENTO

On FEBRUARY 26, 2009 before me, VELVA E. MC LAURIN
(insert name and title of the officer)

personally appeared KEVIN JOHNSON,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is ~~are~~
subscribed to the within instrument and acknowledged to me that he ~~she/they~~ executed the same in
his ~~her/their~~ authorized capacity(ies), and that by his ~~her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Velva E. McLaurin

(Seal)



STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) ss.

On January 12, 2009 before me, Angel Baugh, Notary Public (here insert name and title of the officer), personally appeared Bradley A. Geier who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature A. Baugh (Seal)

EXECUTION PAGE FOR LENDER

[Name + nature of entity] (herein "LENDER") owns an equitable interest in the Property described in Exhibit "A" of this Agreement as the beneficiary of that certain deed of trust and assignment of rents dated _____ and recorded on _____, as Instrument No. _____, in Book _____, Page _____, Official Records, Sacramento County, California.

LENDER hereby executes this Agreement and agrees to be bound by the terms and condition hereof, subject to the limitations set forth in section 24 hereof.

LENDER requests that it be provided with copies of all notices mailed to LANDOWNER pursuant to the terms of this Agreement and that said copies be addressed as follows:

Attn: _____

Dated: _____

LENDER: _____

By: _____

Its: _____

(ATTACH APPROPRIATE ACKNOWLEDGMENT)

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ORDINANCE NO. _____

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DATE ADOPTED: _____

EXHIBIT A

**LEGAL DESCRIPTION OF
LANDOWNER'S PROPERTY**

SEE ATTACHED

NOTE: UPON RECORDATION OF FINAL MASTER PARCEL SUBDIVISION MAP, THIS EXHIBIT A WILL BE REPLACED BY THE SAID MAP, WITHOUT NEED FOR AMENDMENT OF THIS AGREEMENT; PROVIDED, HOWEVER, IF THE FINAL MAP IS RECORDED IN PHASES, ONLY THE PERTINENT PORTIONS OF THIS EXHIBIT A WILL BE REPLACED BY THE FINAL MASTER PARCEL SUBDIVISION MAP PHASES, AS APPROPRIATE, WITHOUT THE NEED FOR AMENDMENT OF THIS AGREEMENT.

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EXHIBIT A
LEGAL DESCRIPTION

Description:

The land referred to herein is situated in the State of California, County of Sacramento, City of , and is described as follows:

PARCEL ONE:

A PORTION OF SECTIONS 11 AND 12, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST RIGHT OF WAY LINE OF FREEPORT BOULEVARD, AS SHOWN ON THAT RECORD OF SURVEY FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 38 OF SURVEYS AT PAGE 12, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 11 BEARS NORTH 01°45'06" WEST 337.55 FEET AND NORTH 07°07'53" EAST 4270.93 FEET, SAID POINT OF BEGINNING BEING THE MOST NORTHERLY SOUTHWEST CORNER OF G.T.E. DATA SERVICES, INC. PROPERTY AS DESCRIBED IN BOOK 80 04 07, PAGE 485, OFFICIAL RECORDS OF SAID COUNTY; THENCE FOLLOWING THE BOUNDARY OF SAID G.T.E. PROPERTY, NORTH 88°15'23" EAST 178.13 FEET; THENCE SOUTH 01°44'37" EAST, 85.21 FEET; THENCE NORTH 88°15'23" EAST 100.00 FEET; THENCE NORTH 86°03'03" EAST 42.03 FEET; THENCE NORTH 88°15'23" EAST 67.68 FEET; THENCE NORTH 63°23'23" EAST 4.85 FEET; THENCE LEAVING SAID PROPERTY LINE, SOUTH 19°48'46" EAST 258.18 FEET; THENCE ALONG THE SOUTHERLY LINE OF SAID G.T.E. PROPERTY AND ITS SOUTHWESTERLY PROLONGATION NORTH 72°07'45" EAST 911.39 FEET; THENCE LEAVING SAID PROPERTY LINE ALONG THE ARC OF A NON-TANGENT 6055.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 20°42'31" EAST 612.50 FEET; THENCE SOUTH 62°00'07" WEST 667.24 FEET; THENCE SOUTH 70°11'14" WEST 58.76 FEET; THENCE ALONG THE ARC OF A TANGENT 1570.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 74°08'45" WEST 216.77 FEET; THENCE SOUTH 78°06'16" WEST 567.71 FEET; THENCE ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 59°06'50" WEST 33.96 FEET; THENCE NORTH 18°19'56" WEST 138.76 FEET; THENCE NORTH 11°35'20" WEST 252.38 FEET; THENCE NORTH 02°46'20" WEST 110.89 FEET; THENCE NORTH 72°27'54" EAST 380.65 FEET; THENCE NORTH 02°46'20" WEST 180.88 FEET; THENCE SOUTH 72°27'54" WEST, 380.65 FEET; THENCE NORTH 02°46'20" WEST 206.99 FEET; THENCE NORTH 01°45'06" WEST 221.24 FEET TO THE POINT OF BEGINNING. ALSO DESCRIBED AS PARCEL B OF THE CERTIFICATE OF COMPLIANCE RECORDED JUNE 29, 1988, IN BOOK 88 06 29, PAGE 1668.

APN: 119-0010-060

Delta Shores Development Agreement

- 45 -

Revised: 1-5-09

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PARCEL TWO:

TRACT 5 THROUGH 8, INCLUSIVE AND TRACTS 13 THROUGH 34, INCLUSIVE AND THAT PORTION AS SHOWN AND DESIGNATED, "SACRAMENTO DRAINAGE CANAL", AS SHOWN ON THE OFFICIAL MAP OF "FREEPORT ACRES", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ON MAY 19, 1915, IN BOOK 15 OF MAPS, MAP NO. 20.

EXCEPTING FROM SAID PARCEL ALL THAT PORTION OF SECTIONS 11 AND 12, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF FREEPORT BOULEVARD, AS SHOWN ON THE OFFICIAL PLAT OF "FREEPORT ACRES", RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, IN BOOK 15 OF MAPS, MAP NO. 20, SAID POINT OF BEGINNING BEING THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED AS PARCEL NO. 1 IN THAT CERTAIN DEED RECORDED IN THE OFFICE OF SAID RECORDER IN BOOK 4101 OF OFFICIAL RECORDS, PAGE 716; SAID POINT OF BEGINNING IS FURTHER DESCRIBED AS BEING A POINT ON THE SOUTHERLY BOUNDARY OF THAT CERTAIN 0.315 ACRE TRACT OF LAND

GRANTED TO THE COUNTY OF SACRAMENTO BY DEED RECORDED IN THE OFFICE OF SAID RECORDER IN BOOK 3200 OF OFFICIAL RECORDS, PAGE 108; THENCE FROM SAID POINT OF BEGINNING ALONG SAID SOUTHERLY BOUNDARY NORTH 86°54'37" EAST 53.65 FEET; NORTH 70°58'37" EAST 148.54 FEET; NORTH 78°42'47" EAST 100.00 FEET AND NORTH 86°45'37" EAST 94.81 FEET TO THE MOST SOUTHWESTERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED AS PARCEL NO. 2 GRANTED TO THE COUNTY OF SACRAMENTO BY DEED RECORDED IN THE OFFICE OF THE RECORDER IN BOOK 3200 OF OFFICIAL RECORDS, PAGE 102; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL NO. 2 AND THE EASTERLY PROJECTION THEREOF, NORTH 86°45'37" EAST 467.78 FEET; THENCE NORTH 78°13'47" EAST 1264.30 FEET; THENCE SOUTH 11°46'10" EAST 100.02 FEET; THENCE SOUTH 43°39'20" EAST 63.59 FEET; THENCE SOUTHWESTERLY CURVING TO THE LEFT ON AN ARC OF 20.00 FEET RADIUS SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 33°13'50" WEST 28.28 FEET; THENCE SOUTH 11°46'10" EAST 124.11 FEET; THENCE CURVING TO THE LEFT ON AN ARC OF 30.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 24°42'45" EAST 13.42 FEET; THENCE CURVING TO THE RIGHT ON AN ARC OF 50.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 15°42'15" EAST 37.31 FEET; THENCE SOUTH 83°47'20" EAST 99.29 FEET; THENCE SOUTH 41°45'10" EAST 81.53 FEET TO A POINT ON THE NORTH LINE OF A 100.00 FOOT RIGHT OF WAY, RECORDED IN THE OFFICE OF SAID RECORDER IN BOOK 525 OF DEEDS, PAGE 374; THENCE ALONG SAID NORTH LINE SOUTH 72°07'22" WEST 1423.07 FEET; THENCE NORTH 17°52'40" WEST 231.00 FEET; THENCE CURVING TO THE RIGHT ON AN ARC OF 400.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 16°52'15" WEST 14.05 FEET; THENCE SOUTH 74°08'10" WEST 166.35 FEET; THENCE SOUTH 72°07'20" WEST 128.00 FEET; THENCE NORTH 78°22'25" WEST 127.44 FEET; THENCE SOUTH 63°23'00" WEST 65.87 FEET; THENCE SOUTH 88°15'00" WEST 67.68 FEET; THENCE SOUTH 86°02'40" WEST 42.03 FEET; THENCE SOUTH 88°15'00" WEST 100.00 FEET; THENCE NORTH 01°45'00" WEST 85.21 FEET; THENCE SOUTH 88°15'00" WEST 178.95 FEET TO A POINT ON THE EASTERLY LINE OF FREEPORT BOULEVARD; THENCE ALONG SAID EASTERLY LINE NORTH 01°45'04" WEST 337.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING FROM SAID PARCEL, ALL LAND INCLUDED IN FINAL ORDER OF EMINENT DOMAIN, RECORDED IN BOOK 83 04 28, PAGE 1097, OF OFFICIAL RECORDS OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS PARCEL 19698-1 THEREIN

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ALSO EXCEPTING THEREFROM A PORTION OF SECTIONS 11 AND 12, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST RIGHT OF WAY LINE OF FREEPORT BOULEVARD AS SHOWN ON THAT RECORD OF SURVEY FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, IN BOOK 38 OF SURVEYS AT PAGE 12, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 11 BEARS NORTH $01^{\circ}45'06''$ WEST 337.55 FEET AND NORTH $07^{\circ}07'53''$ EAST 4270.93 FEET; SAID POINT OF BEGINNING BEING THE MOST NORTHERLY SOUTHWEST CORNER OF G.T.E. DATA SERVICES, INC. PROPERTY AS DESCRIBED IN BOOK 80 04 07, PAGE 485, OFFICIAL RECORDS OF SAID COUNTY; THENCE FOLLOWING THE BOUNDARY OF SAID G.T.E. PROPERTY NORTH $88^{\circ}15'23''$ EAST 179.13 FEET; THENCE, SOUTH $01^{\circ}44'37''$ EAST 85.21 FEET; THENCE NORTH $88^{\circ}15'23''$ EAST 100.00 FEET; THENCE NORTH $86^{\circ}03'03''$ EAST 42.03 FEET; THENCE NORTH $88^{\circ}15'23''$ EAST 67.68 FEET; THENCE NORTH $63^{\circ}23'23''$ EAST 4.85 FEET; THENCE LEAVING SAID PROPERTY LINE, SOUTH $19^{\circ}48'46''$ EAST 258.18 FEET; THENCE ALONG THE SOUTHERLY LINE OF SAID G.T.E. PROPERTY AND ITS SOUTHWESTERLY PROLONGATION NORTH $72^{\circ}07'45''$ EAST 911.39 FEET; THENCE LEAVING SAID PROPERTY LINE ALONG THE ARC OF A NON-TANGENT 6055.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH $20^{\circ}42'31''$ EAST 612.50 FEET; THENCE SOUTH $62^{\circ}00'07''$ WEST 667.24 FEET; THENCE SOUTH $70^{\circ}11'14''$ WEST 58.76 FEET; THENCE ALONG THE ARC OF A TANGENT 1570.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH $74^{\circ}08'45''$ WEST 216.77 FEET; THENCE SOUTH $78^{\circ}08'16''$ WEST 576.11 FEET; THENCE ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS NORTH $59^{\circ}06'50''$ WEST, 33.96 FEET; THENCE NORTH $16^{\circ}19'56''$ WEST, 138.76 FEET; THENCE NORTH

$11^{\circ}35'20''$ WEST 252.38 FEET; THENCE NORTH $02^{\circ}46'20''$ WEST 110.68 FEET; THENCE NORTH $72^{\circ}27'54''$ EAST 380.65 FEET; THENCE NORTH $02^{\circ}46'20''$ WEST 180.88 FEET; THENCE SOUTH $72^{\circ}27'54''$ WEST 380.65 FEET; THENCE NORTH $02^{\circ}46'20''$ WEST 206.99 FEET; THENCE NORTH $01^{\circ}45'06''$ WEST 221.24 FEET TO THE POINT OF BEGINNING. ALSO DESCRIBED AS PARCEL "B" OF THE CERTIFICATE OF COMPLIANCE RECORDED JUNE 29, 1988, IN BOOK 88 06 29, PAGE 1668.

ALSO EXCEPTING THEREFROM SAID PARCEL ALL THAT PORTION CONVEYED TO G.T.E. DATA SERVICES INCORPORATED, IN DEED DATED JUNE 8, 1988 AND RECORDED JUNE 28, 1988, IN BOOK 88 06 29, PAGE 1672, OFFICIAL RECORDS.

APN: 119-0010-001, 119-0010-002, 119-0010-003, 119-0010-004, 119-0010-005, 119-0010-006, 119-0010-007, 119-0010-008, 119-0010-009, 119-0010-011, 119-0010-012, 119-0010-013, 119-0010-015, 119-0010-034, 119-0010-040, 119-0010-041, 119-0010-042, 119-0010-043, 119-0010-044, 119-0010-045, 119-0010-046, 119-0010-047, 119-0010-048, 119-0010-049, 119-0010-051, 119-0010-052, 119-0010-053

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PARCEL THREE:

ALL THAT PORTION OF SWAMP LAND SURVEY NOS. 96, 148 AND 174 BEING A PORTION OF SECTION 13 AND 14, TOWNSHIP 7 NORTH, RANGE 4 EAST, AND SECTION 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE CENTERLINE OF FREEPORT ROAD, FROM WHICH SOUTHWEST CORNER OF "FREEPORT ACRES" (THE OFFICIAL PLAT OF WHICH IS RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, IN BOOK 15 OF MAPS, MAP NO. 20) BEARS NORTH $13^{\circ}27'20''$ WEST 1241.71 FEET ALONG SAID CENTER LINE AND NORTH $78^{\circ}30'40''$ EAST 22.01 FEET TO THE SOUTHWEST CORNER OF SAID "FREEPORT ACRES", SAID POINT OF BEGINNING BEING THE WESTERLY TERMINUS OF THE COURSE DESIGNATED "NORTH $79^{\circ}30'$ EAST 39.71 CHAINS" IN THE DESCRIPTION OF THE LINE DIVIDING THE NORTH ONE-HALF AND THE SOUTH ONE HALF OF THE "D.R. HUNT RANCH", AS SAID LINE IS SPECIFICALLY DESCRIBED IN AND ESTABLISHED BY THE TWO DEEDS, EXCHANGED BETWEEN MARK T. HUNT AND FRANK L. HUNT, DATED DECEMBER 21, 1901, RECORDED DECEMBER 24, 1901 IN BOOK 185 OF DEEDS, PAGES 396 AND 397; THENCE FROM SAID POINT OF BEGINNING ALONG A FENCE LINE MARKING THE DIVISION LINE OF SAID "D.R. HUNT RANCH", THE FOLLOWING FOUR COURSES AND DISTANCES: NORTH $78^{\circ}42'20''$ EAST 2562.05 FEET; THENCE NORTH $88^{\circ}47'40''$ EAST 1217.98 FEET; THENCE NORTH $84^{\circ}50'19''$ EAST 1709.06 FEET TO A POINT IN A FENCE LINE MARKING THE LINE COMMON TO SAID SECTIONS 13 AND 18 FROM WHICH POINT A FENCE CORNER MARKING THE NORTHERLY CORNER COMMON TO SECTIONS 13 AND 18 BEARS NORTH $02^{\circ}03'20''$ WEST 1595.22 FEET; THENCE CONTINUING ALONG THE FENCE LINE MARKING SAID DIVISION LINE OF THE "D.R. HUNT RANCH", NORTH $84^{\circ}50'19''$ EAST 1366.08 FEET TO A FENCE CORNER; THENCE ALONG A FENCE LINE MARKING THE EAST LINE OF SAID "D.R. HUNT RANCH", AND ALONG THE WEST LINE OF THE EAST ONE HALF OF THE WEST ONE HALF OF SAID SECTION 18, SOUTH $01^{\circ}11'10''$ EAST 1077.62 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST ONE QUARTER OF THE NORTHWEST ONE QUARTER OF SAID SECTION 18, SAID POINT BEING ALSO THE NORTHEAST CORNER OF SAID SWAMP LAND SURVEY NO. 174; THENCE ALONG A FENCE LINE WEST 42.54 FEET; THENCE ALONG THE REMAINS OF A FENCE LINE SOUTH $06^{\circ}28'10''$ EAST 1289.33 FEET TO THE REMAINS OF A FENCE CORNER; THENCE ALONG THE REMAINS OF A FENCE LINE SOUTH $86^{\circ}57'55''$ WEST 1404.64 FEET TO A FENCE CORNER MARKING THE LINE COMMON TO SAID SECTIONS 13 AND 18; THENCE ALONG THE FENCE LINE MARKING THE LINE COMMON TO SAID SECTIONS 13 AND 18 NORTH $02^{\circ}03'20''$ WEST 648.44 FEET TO A FENCE CORNER MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 148; THENCE ALONG A FENCE LINE MARKING THE BOUNDARIES OF SAID SWAMP LAND SURVEY NO. 148 THE FOLLOWING TWO DISTANCES: SOUTH $78^{\circ}50'20''$ WEST 2709.00 FEET AND NORTH $10^{\circ}57'10''$ WEST 698.94 FEET; THENCE CONTINUING ALONG SAID FENCE LINE, LEAVING THE BOUNDARY OF SAID SWAMP LAND SURVEY NO. 148, NORTH $10^{\circ}57'10''$ WEST 158.25 FEET TO A FENCE CORNER; THENCE ALONG A FENCE LINE SOUTH $78^{\circ}34'50''$ WEST 2123.53 FEET TO A FENCE

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Order No.: 54806-70002760 JMM

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CORNER; THENCE NORTH 13°27'20" WEST 298.03 FEET TO A 1 1/2 INCH IRON PIPE STAMPED R.E. 2675 MARKING THE SOUTHEAST CORNER OF THE FREEPORT SCHOOL DISTRICT; THENCE CONTINUING NORTH 13°27'20" WEST 291.37 FEET FROM THE EAST BOUNDARY OF SAID SCHOOL DISTRICT PROPERTY TO A SIMILAR IRON PIPE MONUMENT; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID SCHOOL DISTRICT PROPERTY, SOUTH 76°32'40" WEST 299.36 FEET TO A 1 INCH IRON STAKE SET TO MARK THE EAST LINE OF SAID FREEPORT ROAD; THENCE CONTINUING SOUTH 76°32'40" WEST 20.64 FEET TO A POINT IN THE CENTER LINE OF SAID FREEPORT ROAD; THENCE ALONG SAID CENTER LINE NORTH 13°27'20" WEST 676.22 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PROPERTY SHOWN IN THE FINAL ORDER OF EMINENT DOMAIN FILED APRIL 21, 1983, IN SUPERIOR COURT, COUNTY OF SACRAMENTO, CASE NO. 222268 (CONSOLIDATED WITH ACTION NOS. 222267 AND 222674), RECORDED APRIL 28, 1983, IN BOOK 83 04 28, PAGE 1092, OFFICIAL RECORDS, AND AMENDED IN BOOK 83 07 08, PAGE 1437, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL LEGAL GAS RIGHTS OF WAY 500 FEET BENEATH THE SURFACE OF SAID LAND SUBJECT TO THE CONDITION THAT GRANTOR CANNOT ENTER UPON SUBJECT PROPERTY FOR DRILLING PURPOSES OR FOR ANY PURPOSES CONNECTED WITH EXPLORING OR DEVELOPING SAID MINERAL RIGHTS, AS RESERVED IN THE DEED EXECUTED BY HARRY M. TONKIN AND DALTON G. FELDSTEIN, AS TRUSTEES OF THE FREEPORT LIQUIDATING TRUST, RECORDED JUNE 29, 1984, IN BOOK 84 06 29, PAGE 1677, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE FOLLOWING PARCEL OF LAND:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN SECTION 13, T. 7 N., R. 4 E., MDB&M, AND SECTION 18, T. 7 N., R. 6 E., MDB&M, SAID REAL PROPERTY BEING A PORTION OF THE LANDS SHOWN ON THE RECORD OF SURVEY FILED IN THE OFFICE OF THE SACRAMENTO COUNTY RECORDER ON AUGUST 23, 1983, IN BOOK 38 OF SURVEYS AT PAGE 12; SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE LAND SHOWN ON SAID RECORD OF SURVEY; THENCE ALONG THE GENERAL SOUTHERLY LINE THEREOF THE FOLLOWING COURSES: SOUTH 88°16'58" WEST 1404.76 FEET, NORTH 0°44'17" WEST 648.57 FEET AND SOUTH 80°09'23" WEST 710.00 FEET TO A POINT THEREON; THENCE LEAVING SAID LINE FROM A TANGENT THAT BEARS NORTH 69°25'38" EAST ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1430.00 FEET AND CENTRAL ANGLE OF 25°19'40" AN ARC DISTANCE OF 632.14 FEET; THENCE TANGENT TO THE PRECEDING CURVE NORTH 44°05'58" EAST 363.74 FEET; THENCE TANGENT TO THE PRECEDING COURSE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 4070.00 FEET AND A CENTRAL ANGLE OF 21°49'45", AN ARC DISTANCE OF 1550.64 FEET TO A POINT ON THE GENERAL EASTERLY LINE OF THE LANDS SHOWN ON SAID RECORD OF SURVEY; THENCE ALONG SAID LINE THE FOLLOWING COURSES: SOUTH 0°07'53" WEST 690.00 FEET, NORTH 88°40'57" WEST 42.54 FEET AND SOUTH 5°09'07" EAST 1289.34 FEET TO THE POINT OF BEGINNING.

APN: 119-0190-026, 119-0190-028 AND 119-0090-011

Delta Shores Development Agreement

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Revised: 1-5-09

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PARCEL FOUR:

ALL THAT CERTAIN PARCEL OF LAND LYING IN A PORTION OF SECTIONS 13 AND 14, TOWNSHIP 7 NORTH, RANGE 4 EAST, MDB&M, AND IN A PORTION OF SECTION 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THE SOUTHERLY LINE OF LOT 1 OF "FREEPORT ACRES", AS SAID LOT IS SHOWN AND SO DESIGNATED ON THAT CERTAIN MAP OF "FREEPORT ACRES", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY MAY 19, 1915, IN BOOK

15 OF MAPS, MAP NO. 20 FROM WHICH POINT THE SOUTHWEST CORNER OF THE AFORESAID LOT 1, BEARS SOUTH 77°52'50" WEST 370.30 FEET DISTANT, SAID POINT OF BEGINNING BEING FURTHER DESCRIBED AS THE MOST NORTHERLY CORNER OF THAT CERTAIN TRACT OF LAND NOW OR FORMERLY OWNED BY ANNA F. AZEVEDO; THENCE FROM SAID POINT OF BEGINNING, ALONG THE SOUTHERLY AND EASTERLY BOUNDARY OF THE AFORESAID "FREEPORT ACRES", THE FOLLOWING THREE COURSES: (1) NORTH 77°52'50" EAST 2036.49 FEET (2) NORTH 89°13'08" EAST 3312.61 FEET (3) NORTH 00°38'00" WEST 460.71 FEET TO THE CORNER COMMON TO SECTIONS 12 AND 13, TOWNSHIP 7 NORTH, RANGE 4 EAST AND SECTION 7 AND 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, THENCE ALONG THE LINE COMMON TO AFORESAID SECTIONS 7 AND 18, NORTH 89°30'06" EAST A DISTANCE OF 1387.54 FEET TO A FENCE CORNER MARKING THE NORTHWEST CORNER OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 18, AS DESCRIBED IN THE DEED FROM FAUSTINO SILVA AND MARY J. SILVA TO CHARLES E. BROWN, ET AL, DATED MAY 23, 1955, RECORDED JUNE 9, 1955, IN BOOK 2851 OF OFFICIAL RECORDS, PAGE 248; THENCE ALONG A FENCE LINE MARKING THE WEST LINE OF THE EAST 1/2 OF SAID NORTHWEST 1/4 AS DESCRIBED IN SAID DEED, SOUTH 00°05'30" EAST A DISTANCE OF 1569.98 FEET TO THE EASTERLY EXTREMITY OF THAT CERTAIN DIVISION LINE OF "D.R. HUNT RANCH", AS SAID DIVISION LINE WAS ESTABLISHED BY THAT CERTAIN BOUNDARY LINE AGREEMENT BETWEEN ESTHER V. FITZGERALD AND OTHERS, DATED JUNE 16, 1955, RECORDED JUNE 28, 1955, IN BOOK 2854 OF OFFICIAL RECORDS, PAGE 324, SACRAMENTO COUNTY RECORDS, SAID DIVISION LINE MARKING ON THE GROUND AS SHOWN ON THAT CERTAIN MAP ENTITLED "RECORD OF SURVEY OF SWAMP LAND SURVEYS NOS. 148 AND 174, SACRAMENTO COUNTY SURVEYS LOCATED IN SECTIONS 13 AND 14, TOWNSHIP 7 NORTH, RANGE 4 EAST, AND SECTION 18, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDM", RECORDED AUGUST 7, 1958, IN BOOK 13 OF SURVEYS, MAP NO. 37, SACRAMENTO COUNTY RECORDS; THENCE ALONG SAID DIVISION LINE THE FOLLOWING THREE COURSES: (1) SOUTH 85°57'25" WEST 3075.23 FEET, (2) SOUTH 89°54'40" WEST 1218.00 FEET, (3) SOUTH 79°49'20" WEST 2562.52 FEET TO THE CENTER LINE OF FREEPORT ROAD SO CALLED; THENCE ALONG SAID CENTER LINE, NORTH 12°18'00" WEST A DISTANCE OF 220.88 FEET, THENCE LEAVING SAID CENTER LINE, NORTH 77°42'00" EAST 352.50 FEET ALONG THE SOUTH LINE OF PROPERTY OWNED BY WILLIAM GAVIA AND VIRGINIA GAVIA, HIS WIFE, TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 12°18'00" WEST 37.50 FEET TO THE MOST EASTERLY CORNER OF THAT CERTAIN TRACT OF LAND NOW OR FORMERLY OWNED BY MARY G. MACHADO; THENCE ALONG THE EASTERLY AND NORTHERLY BOUNDARY OF SAID LANDS OF MACHADO THE FOLLOWING TWO COURSES: (1) NORTH 12°18'00" WEST 187.50 FEET; (2) SOUTH 77°42'00" WEST

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352.50 FEET TO THE CENTER LINE OF THE AFORESAID FREEPORT ROAD; THENCE ALONG THE CENTER LINE NORTH 12°18'00" WEST A DISTANCE OF 34.53 FEET, THENCE ALONG THE SOUTHERLY AND EASTERLY LINES OF THAT CERTAIN TRACT OF LAND DESCRIBED IN THE DECREE QUIETING TITLE ENTERED IN AN ACTION IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF SACRAMENTO, IN AN ACTION ENTITLED, JOHN SOUZA, JR. AND MAE SOUZA, HIS WIFE, PLAINTIFFS, VS. RAY ORTON HUNT AND MYRTLE EVELYN SHOWLER, TRUSTEES UNDER TRUST AGREEMENT, RECORDED IN BOOK 1341A OF OFFICIAL RECORDS, PAGE 161, AND OTHERS, DEFENDANTS, A CERTIFIED COPY OF WHICH WAS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY ON FEBRUARY 14, 1950, IN BOOK 1771 OF OFFICIAL RECORDS, AT PAGE 70, THE FOLLOWING TWO COURSES: (1) NORTH 77°42'00" EAST 187.50 FEET; (2) NORTH 12°18'00" WEST 343.70 FEET TO A POINT IN THE SOUTHERLY LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO JOSEPH LEAL AND RECORDED IN BOOK 611 OF DEEDS, PAGE 332, SACRAMENTO COUNTY RECORDS; THENCE ALONG THE SOUTHERLY AND EASTERLY LINE OF SAID LAND OF SAID LEAL, THE FOLLOWING TWO COURSES: (1) NORTH 77°42'00" EAST 155.00 FEET; (2) NORTH 12°18'00" WEST 75.00 FEET, MORE OR LESS, TO THE MOST EASTERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO KAORU GOTOW AND RECORDED IN BOOK 1603 OF OFFICIAL RECORDS, PAGE 199, SACRAMENTO COUNTY RECORDS; THENCE ALONG THE EASTERLY LINE OF SAID GOTOW, NORTH 12°18'00" WEST A DISTANCE OF 134.87 FEET TO THE SOUTHEASTERLY CORNER OF THE AFORESAID LANDS OF ANNA F. AZEVEDO; THENCE ALONG THE EASTERLY LINE OF SAID LANDS OF SAID AZEVEDO, NORTH 01°17'40" WEST A DISTANCE OF 211.16 FEET TO THE POINT OF BEGINNING.

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EXCEPTING THEREFROM ALL OIL, GAS AND MINERALS, BELOW A DEPTH OF 100 FEET BELOW THE SURFACE OF THE ABOVE DESCRIBED PROPERTY EXCEPTED IN QUITCLAIM DEED DATED JANUARY 19, 1960, RECORDED JANUARY 20, 1960, IN BOOK 3980 OF OFFICIAL RECORDS, PAGE 661, EXECUTED BY LESTER C. HUNT AND MARTHA HUNT, HIS WIFE, TO CALIFORNIA PACIFIC TITLE COMPANY, SACRAMENTO DIVISION, A CORPORATION, AND MODIFIED BY DEED DATED FEBRUARY 15, 1960, RECORDED MARCH 25, 1960, IN BOOK 4024 OF OFFICIAL RECORDS, PAGE 939, EXECUTED BY SAID PARTIES, AND AS CONVEYED BY DEED DATED MARCH 18, 1960, RECORDED MARCH 25, 1960, IN BOOK 4024 OF OFFICIAL RECORDS, PAGE 940, EXECUTED BY CALIFORNIA PACIFIC TITLE COMPANY, SACRAMENTO DIVISION, A CORPORATION TO LESTER C. HUNT AND MARTHA E. HUNT, HIS WIFE, AS JOINT TENANTS.

ALSO EXCEPTING THEREFROM PARCEL "A", AS SHOWN ON THE PARCEL MAP ENTITLED "PORTION OF SECTIONS 13 AND 14, T. 7 N., R. 4 E., MDN", FILED IN THE SACRAMENTO COUNTY RECORDERS OFFICE ON OCTOBER 1, 1982, IN BOOK 73 OF PARCEL MAPS, MAP NO. 6, AS CONVEYED BY CORPORATION GRANT DEED FROM MOSS LAND COMPANY, A CALIFORNIA CORPORATION, TO THOMAS MACMILLIAN, ET AL, RECORDED OCTOBER 1, 1982, IN BOOK 82 10 01, PAGE 1587, OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PROPERTY SHOWN IN THE FINAL ORDER OF EMINENT DOMAIN, FILED APRIL 21, 1983, IN SUPERIOR COURT, COUNTY OF SACRAMENTO, CASE NO. 222674 (CONSOLIDATED WITH ACTION NOS. 222267 AND 222268), RECORDED APRIL 28, 1983, IN BOOK 83 04 28, PAGE 1088, OFFICIAL RECORDS.

APN: 119-0190-024, 119-0190-025 AND 119-0090-001

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ORDINANCE NO. _____

DATE ADOPTED: _____

PARCEL FIVE:

ALL THAT CERTAIN REAL PROPERTY LYING AND BEING IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND LYING IN SECTION 13, T. 7 N., R. 4 E., MDS&M, SAID REAL PROPERTY BEING A PORTION OF THE LANDS OF SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE GENERAL SOUTHERLY LINE OF THE LANDS SHOWN ON THE RECORD OF SURVEY, FILED IN THE OFFICE OF THE SACRAMENTO COUNTY RECORDER ON AUGUST 23, 1983, IN BOOK 38 OF RECORD OF SURVEYS, AT PAGE 12, SAID POINT BEING THE WESTERLY TERMINUS OF THE LINE SHOWN AS NORTH 80°09'23" EAST 2709.68 FEET ON SAID RECORD OF SURVEY; THENCE FROM SAID POINT OF BEGINNING ALONG SAID GENERAL SOUTHERLY LINE NORTH 9°38'07" WEST 857.32 FEET AND SOUTH 77°54'07" WEST 374.08 FEET TO A POINT ON THE NORTHEASTERLY LINE OF THE FRONTAGE ROAD 50.00 FEET IN WIDTH, KNOWN AS BEACH LAKE ROAD, THAT LIES ADJACENT TO AND NORTHEASTERLY OF THE RIGHT OF WAY OF THE INTERSTATE 5 FREEWAY AND SHOWN ON THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION MONUMENT DESIGNATED SAC CO. RTE 5 P.M. 14.4, SHEET 6 OF 12; THENCE ALONG SAID NORTHEASTERLY LINE OF FRONTAGE ROAD SOUTH 14°32'00" EAST 845.43 FEET TO A POINT THEREON, THENCE LEAVING LAST SAID LINE ALONG THE WESTERLY PROLONGATION OF SAID COURSE ON THE GENERAL SOUTHERLY LINE OF THE LANDS SHOWN ON SAID RECORD OF SURVEY, DESCRIBED AS NORTH 80°09'23" EAST 2709.68 FEET, NORTH 80°09'23" EAST 301.55 FEET TO THE POINT OF BEGINNING.

APN: 119-0190-030

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DATE ADOPTED: _____

PARCEL SIX:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND LYING WITHIN SECTION 18, T. 7 N., R. 5 E., MDB&M, SAID REAL PROPERTY BEING A PORTION OF THE LANDS OF SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE GENERAL EASTERLY LINE OF THE LANDS SHOWN ON THE RECORD OF SURVEY, FILED IN THE OFFICE OF THE SACRAMENTO COUNTY RECORDER ON AUGUST 23, 1983 IN BOOK 38 OF RECORD OF SURVEYS, AT PAGE 12; DISTANT THEREON NORTH 89°43'04" EAST 1387.85 FEET AND SOUTH 0°07'53" WEST 992.85 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 18; THENCE FROM SAID POINT OF BEGINNING ALONG THE LAST SAID LINE SOUTH 0°07'53" WEST 965.08 FEET TO A POINT THEREON; THENCE LEAVING LAST SAID LINE FROM A TANGENT THAT BEARS NORTH 65°55'43" EAST ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 4070.00 FEET AND A CENTRAL ANGLE OF 22°44'52" AN ARC DISTANCE OF 1686.92 FEET; THENCE TANGENT TO THE PRECEDING COURSE NORTH 89°40'35" EAST 31.39 FEET; THENCE NORTH 0°19'25" WEST 620.43 FEET TO A POINT ON THE NORTH LINE OF SAID LANDS OF SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT; THENCE ALONG THE LAST SAID LINE SOUTH 89°40'35" WEST 1662.76 FEET TO THE POINT OF BEGINNING.

APN: 119-0090-005 & 119-0090-013

PARCEL SEVEN:

ALL THAT PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 7, TOWNSHIP 7 NORTH, RANGE 5 EAST, MDB&M, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED ON THE SOUTH LINE OF SAID SECTION 7, FROM WHICH THE SOUTHWEST CORNER THEREOF BEARS NORTH 89°57'00" WEST 589.66 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 00°03'00" EAST 457.65 FEET; THENCE SOUTH 89°57'00" EAST 748.45 FEET; THENCE SOUTHEASTERLY, CURVING TO THE LEFT ON AN ARC OF 800.00 FEET RADIUS SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 47°52'07" EAST 10.96 FEET; THENCE SOUTH 48°15'40" EAST 26.98 FEET; THENCE CURVING TO THE RIGHT ON AN ARC OF 500.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 27°02'04" EAST 382.06 FEET; THENCE NORTH 89°57'00" WEST 541.58 FEET; THENCE SOUTH 00°03'00" WEST 110.00 FEET TO A POINT LOCATED ON THE SOUTH LINE OF SAID SECTION 7; THENCE ALONG THE SOUTH LINE OF SAID SECTION 7, NORTH 89°57'00" WEST 400.00 FEET TO THE POINT OF BEGINNING.

APN: 053-0010-051

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CITY AGREEMENT NO. _____

ORDINANCE NO. _____

DATE ADOPTED: _____

PARCEL EIGHT:

PARCELS "A", "B" AND "C", AS SHOWN ON THAT CERTAIN PARCEL MAP ENTITLED, "PORTION OF THE WEST 1/2 OF SECTION 7, T. 7 N., R. 5 E., MDB", CITY OF SACRAMENTO, CALIFORNIA, FILED OCTOBER 20, 1980, IN BOOK 61 OF PARCEL MAPS, MAP NO. 7.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON MINERALS AND WATER NOW OR AT ANY TIME HEREFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL, BORE, OPERATE, STORE AND REMOVE FROM BENEATH SAID LAND AT ANY LEVEL OR LEVELS 500 FEET MORE OR LESS BELOW SURFACE OF SAID LAND FOR THE PURPOSES OF DEVELOPMENT OR REMOVAL OF SUBSTANCES FROM ADJACENT LANDS. GRANTOR WAIVES THE RIGHT OF THE USE AND OCCUPANCY OF THE SURFACE OR SUBSURFACE AREA OF THE ABOVE

DESCRIBED REAL PROPERTY EXCEPT FROM THE DRILLSITE EASEMENT, BUT SUBJECT TO THE LIMITATIONS ABOVE SET FORTH RESERVED ALL SUBSURFACE RIGHTS, EASEMENTS, RIGHTS OF WAY AND SERVITUDES IN AND UNDER SAID LAND NECESSARY OR CONVENIENT IN CONNECTION WITH THE FOREGOING MINERAL RESERVATIONS. AS EXCEPTED AND RESERVED IN THE DEED EXECUTED BY TRANSAMERICA DEVELOPMENT COMPANY, A CALIFORNIA CORPORATION, RECORDED FEBRUARY 3, 1978, IN BOOK 78 02 03, PAGE 306, OFFICIAL RECORDS.

ALL SURFACE RIGHTS ABOVE A DEPTH OF 500 FEET WERE RELEASED AND SURRENDERED BY TRANSAMERICA DEVELOPMENT COMPANY, A CALIFORNIA CORPORATION, BY QUITCLAIM DEED RECORDED NOVEMBER 9, 1989, IN BOOK 89 11 09, PAGE 2357, OFFICIAL RECORDS.

APN: 053-0010-059, 053-0010-060 AND 053-0010-061

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ORDINANCE NO. _____

CITY AGREEMENT NO. _____

DATE ADOPTED: _____

PARCEL NINE:

ALL THAT PORTION OF LOTS 9, 10 AND 11, AS SHOWN ON THE PLAT OF "FREEPORT ACRES",
RECORDED IN BOOK 15 OF MAPS, MAP NO. 20, RECORDS OF SACRAMENTO COUNTY,
DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF THE PARCEL OF LAND DESCRIBED AND
DESIGNATED PARCEL 1, IN THE DEED FROM PACIFIC GAS AND ELECTRIC COMPANY TO
LAWRENCE J. DEE AND WIFE, DATED SEPTEMBER 24, 1957 AND RECORDED IN BOOK 3390 OF
OFFICIAL RECORDS AT PAGE 84, SACRAMENTO COUNTY RECORDS, AND RUNNING THENCE
ALONG THE NORTHERLY BOUNDARY LINE OF SAID PARCEL OF LAND DESIGNATED PARCEL 1:
(1) SOUTH 72°49' WEST 380.57 FEET TO THE NORTHWESTERLY CORNER OF SAID PARCEL 1;
THENCE RUNNING ALONG THE NORTHERLY PROLONGATION OF THE WESTERLY BOUNDARY
LINE OF SAID PARCEL 1; (2) NORTH 2°32' WEST 180.88 FEET TO THE MOST SOUTHERLY
CORNER OF THE PARCEL OF LAND DESCRIBED AND DESIGNATED PARCEL 2 IN SAID DEED
DATED SEPTEMBER 24, 1957, AND RUNNING ALONG THE SOUTHERLY BOUNDARY LINE OF SAID
PARCEL OF LAND DESIGNATED PARCEL 2; (3) NORTH 72°49' EAST 380.57 FEET TO THE
SOUTHEASTERLY CORNER OF SAID PARCEL OF LAND DESIGNATED PARCEL 2; THENCE
RUNNING ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY BOUNDARY LINE OF
SAID PARCEL OF LAND DESIGNATED PARCEL 1; (4) SOUTH 2°32' EAST 180.88 FEET TO THE
POINT OF BEGINNING.

APN: 119-0010-026

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CITY AGREEMENT NO. _____

DATE ADOPTED: _____

PARCEL 10:

A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED TO STATE OF CALIFORNIA RECORDED JULY 29, 1970 IN BOOK 7007-29 AT PAGE 29 OFFICIAL RECORDS OF SACRAMENTO COUNTY.

SAID PORTION IS THAT PART THEREOF LYING EASTERLY FROM THE LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF EXISTING STATE OF ROUTE 5 BEING THE NORTHERLY TERMINUS OF THE COURSE DESCRIBED AS "NORTH 24°55'26" WEST 455.30 FEET IN DEED TO STATE OF CALIFORNIA RECORDED OCTOBER 9, 1970 IN BOOK 7010-09, PAGE 536, OFFICIAL RECORDS OF SACRAMENTO COUNTY; THENCE FROM SAID POINT OF BEGINNING ALONG SAID COURSE SOUTH 24°55'26" EAST 455.30 FEET; THENCE FROM A TANGENT THAT BEARS SOUTH 24°47'58" EAST ALONG CURVE TO THE RIGHT WITH A RADIUS OF 6345.00 FEET, THROUGH AN ANGLE OF 4°30'54", AN ARC DISTANCE OF 500.00 FEET.

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EXCEPTING THEREFROM THAT PART THEREOF RELINQUISHED TO THE CITY OF SACRAMENTO BY DOCUMENT RECORDED SEPTEMBER 6, 1923 IN BOOK 8309-06, PAGE 0795, RECORDS OF SACRAMENTO COUNTY.

APN: 119-0010-050

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. _____

ORDINANCE NO. _____

DATE ADOPTED: _____

EXHIBIT B

LANDOWNER'S DEVELOPMENT PLAN

SEE ATTACHED

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. _____

ORDINANCE NO. _____

DATE ADOPTED: _____



Development Summary				
Land Use	Range	Active	Potential	Notes
Residential				
Single-Family Residential	1,100,000	1,800	1,100	50%
Multi-Family Residential	5,000,000	1,000	1,000	100%
Commercial	1,500,000	1,000	1,000	100%
Commercial				
Office	1,500,000	1,000	1,000	100%
Industrial	1,500,000	1,000	1,000	100%
Public Use				
Park	1,500,000	1,000	1,000	100%
School	1,500,000	1,000	1,000	100%
Other				
Unimproved	1,500,000	1,000	1,000	100%
Total				
		1,000	1,000	

- LEGEND**
- 100' (Low Density Residential) (R-100)
 - 200' (Medium Density Residential) (R-200)
 - 300' (High Density Residential) (R-300)
 - 400' (Very High Density Residential) (R-400)
 - 500' (Ultra High Density Residential) (R-500)
 - 600' (Super High Density Residential) (R-600)
 - 700' (Hyper High Density Residential) (R-700)
 - 800' (Mega High Density Residential) (R-800)
 - 900' (Giga High Density Residential) (R-900)
 - 1000' (Tera High Density Residential) (R-1000)
 - 1100' (Peta High Density Residential) (R-1100)
 - 1200' (Exa High Density Residential) (R-1200)
 - 1300' (Zetta High Density Residential) (R-1300)
 - 1400' (Yotta High Density Residential) (R-1400)
 - 1500' (Bronto High Density Residential) (R-1500)
 - 1600' (Tronto High Density Residential) (R-1600)
 - 1700' (Pexto High Density Residential) (R-1700)
 - 1800' (Vexto High Density Residential) (R-1800)
 - 1900' (Schto High Density Residential) (R-1900)
 - 2000' (Tecto High Density Residential) (R-2000)
 - 2100' (Qucto High Density Residential) (R-2100)
 - 2200' (Sexcto High Density Residential) (R-2200)
 - 2300' (Sexto High Density Residential) (R-2300)
 - 2400' (Sexto High Density Residential) (R-2400)
 - 2500' (Sexto High Density Residential) (R-2500)
 - 2600' (Sexto High Density Residential) (R-2600)
 - 2700' (Sexto High Density Residential) (R-2700)
 - 2800' (Sexto High Density Residential) (R-2800)
 - 2900' (Sexto High Density Residential) (R-2900)
 - 3000' (Sexto High Density Residential) (R-3000)



Schematic Land Use Plan

EXHIBIT C

SPECIAL CONDITIONS

I. PURPOSE AND INTENT

The definitions applicable to the body of the Agreement shall apply to this Exhibit C.

In order to achieve its objectives, and in order to obtain from each LANDOWNER and developer, all required contributions, fees, land transfers, agreements, and other mechanisms required to implement its terms, the Community Plan provides that all rezoning and development shall occur through the planned unit development process. Development agreements should be entered into with LANDOWNERS whenever feasible under the circumstances.

Under no circumstances can development of the Property proceed without satisfaction of the conditions specified in this exhibit. These Special Conditions shall constitute binding and legally enforceable obligations of LANDOWNER and its successors and assigns, and binding and legally enforceable requirements and conditions for the development of the Property, in addition to other obligations, requirements and conditions imposed during the rezoning, special permit, subdivision map and other Land Use Entitlement processes.

II. LANDOWNERS' OBLIGATIONS

- A. **Mitigation Monitoring.** When required in order to comply with the Final Environmental Impact Report for the Project, LANDOWNER shall execute a mitigation monitoring plan agreement and comply with all applicable mitigation measures therein. LANDOWNER shall fully cooperate with CITY in implementing any mitigation monitoring plan adopted as part of the approval process for development of the Property.
- B. **Agreements With Other Agencies.** As required by CITY, LANDOWNER shall enter into agreements with other affected agencies, including but not limited to:
 - 1. Appropriate sanitation districts, including but not limited to Sacramento County Regional Sanitation District ("SCRSD"), for provision of facilities, payment of fees and charges, and payment (if applicable) of any proportionate share of penalties imposed by the Environmental Protection Agency. CITY and LANDOWNER acknowledge and agree that the sewer interceptor serving the

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Property is already surcharged, but that SCRSD has nonetheless agreed to allow the Property to connect its sewer system to said interceptor.

C. **Inclusionary Housing Requirements.** CITY has enacted a mixed-income housing policy ("Policy"), as set forth in Chapter 17.190 of the Sacramento City Code. To the extent that the Property is subject to the Policy, certain Land Use Entitlements for the Property will contain conditions which implement the Policy, including but not limited to conditions requiring an inclusionary housing plan ("IHP") and an inclusionary housing agreement ("IHA"). The IHP for the property, where the Policy is applicable, is attached to this Exhibit C as Exhibit C-1, and incorporated herein by this reference. The requirements specified in the IHP shall be implemented by LANDOWNER, and LANDOWNER shall execute the required IHA.

D. **Flood Insurance; TMA Requirement.** As required by CITY, LANDOWNER shall do the following:

1. **Flood Insurance.** For residential units constructed in any area within the Project designated as Zone A99 by the Federal Emergency Management Agency (FEMA), LANDOWNER shall provide, at its cost, flood insurance for two (2) years, from the time of sale of individual units to homebuyers, for all residential units on the project site, provided that the total cost not exceed one thousand dollars (\$1,000) per unit.
2. **TMA Requirement.** Prior to the issuance of building permits for the commercial portion of the project, LANDOWNER shall either enter into an existing Transportation Management Association (TMA), or create a new TMA to serve the project area. Funding may be provided by the project applicants through a Community Facilities District (CFD) or other funding mechanism approved by CITY. Currently, the nearest existing TMA which would cover the Project area is the Sacramento TMA.

E. **Parkland Dedication; Park Funding Requirement.** As required by CITY, LANDOWNER shall do the following:

1. **Parkland Dedication.** For purposes of calculating parkland dedication pursuant to Section 16.64.030 of the Sacramento City Code, the parkland dedication requirement shall be based upon the highest residential density allowed within the zoning designation applied for, unless the LANDOWNER enters into an agreement with CITY for a lower density which shall specify a lower parkland dedication requirement. Using the number and type of lots

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proposed in the Delta Shores East and Delta Shores West Tentative Subdivision Maps and the highest density for all remaining unmapped areas proposed for residential uses would put LANDOWNER's parkland dedication requirement at 73.06 acres. Pursuant to Section 16.64.030, the Parties hereby agree that the total parkland dedication for the Delta Shores PUD shall be 61.28± acres, based upon an assumed maximum housing unit count within the Delta Shores PUD Schematic Land Use Plan of 5,222 units, where 2,012 are single-family detached units and 3,210 are attached units. The total parkland dedication requirement may be amended based upon the actual number of units constructed pursuant to the following formula. This parkland dedication is determined according to the formula $D \times F = A$, where D = the number of dwelling units, F = a 'factor' that when multiplied by the number of units will produce five acres per thousand population (for single-family detached units the factor is 0.0149, and for attached and multi-family units the factor is 0.0088), and A = the buildable acres to be dedicated. Because parkland dedication requirements are based both on unit type and count, the number of acres of parkland dedicated with the Tentative Master Parcel Subdivision Map establishes a limit on the number and type of units that may be approved without additional parkland dedication or in-lieu fee obligations under Chapter 16.64 of the Sacramento City Code. In reaching this agreement, it is the intent of the Parties to establish a parkland dedication limit based on how LANDOWNER proposes to develop the site, but to allow CITY to reserve the ability to require more parkland dedication, in the event LANDOWNER exceeds the assumed unit count or type so as to require more than the 61.28± acres using the formula outlined above.

2. **Land Dedication Security.** The Delta Shores PUD includes a Tentative Master Parcel Subdivision Map and subsequent tentative maps entitled Delta Shores East and Delta Shores West Tentative Subdivision Maps, respectively, and will also include future subsequent tentative subdivision maps. The Parties acknowledge that each tentative map subsequent to the Tentative Master Parcel Subdivision Map may or may not be able to completely satisfy its Quimby Act parkland dedication requirements as a stand alone map, but it is the Parties' intent to meet the parkland cumulative dedication requirement for the Project overall. Therefore, if any map subsequent to the Tentative Master Parcel Subdivision Map contains less parkland than is required to meet its Quimby parkland dedication requirement for such map, the parkland dedication for such map together with the accumulated totals for both residential units and parkland for all preceding final maps, shall be compared to the required cumulative parkland dedications for those maps. If the cumulative dedications for all such maps

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are less than the required dedications for those maps, LANDOWNER shall provide the City with a letter of credit or other authorized security in a form approved by the City Attorney, in an amount equal in value to the balance of parkland due, to secure the dedication of parkland for the Final Map. The Letter of Credit shall be released by CITY upon acceptance of the IOD for the balance of the parkland dedication that is due. The dedication of excess parkland does not obligate CITY to reimburse the LANDOWNER for the value of the land dedicated.

3. **Park Funding Requirement.** As required by subsection 9C of the Development Agreement, LANDOWNER shall transfer four million dollars (\$4,000,000) to CITY for purposes of future development of a regional park to be located on or adjacent to the Property (the "Regional Park Fee") upon or before issuance of the 3,375th residential building permit at the Property.

F. **Global Climate Change Mitigation Conditions.** LANDOWNER shall implement the voluntary mitigation measures identified as Mitigation Measures 5.10-1(a) through and including 5.10-1(cc) in the Final Environmental Impact Report for the Project.

G. **Agricultural Impact Mitigation Condition:** LANDOWNER shall undertake preservation of farmland at a 1:1 mitigation ratio by preserving an equal amount of farmland in Sacramento County at a site approved by the City comprised of Prime Farmland and Farmland of Statewide Importance, prior to the issuance of any grading permit, in order to reduce any impacts arising from the conversion of the current agricultural uses at the project site to urban development. Where mitigation provided pursuant to Mitigation Measure 5.4-3 for the loss of Swainson's hawk foraging habitat also meets the requirements for farmland mitigation, it shall be applied in satisfaction of the foregoing requirement.

III. CONDITIONS OF DEVELOPMENT; SPECIAL FINDINGS REQUIRED

- A. In addition to other findings and conditions as may be deemed applicable, no special permit, subdivision map or other land use entitlement for the Property shall be approved unless the approving body either: (1) makes the following findings; or (2) expressly waives such findings, in whole or in part, as not applicable to the Property and stating the reasons therefor with such waiver and the reasons therefor appear in the record or document of approval. These findings are:

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1. The approval of the proposed project is consistent with the policies, goals, standards and objectives of the General Plan, the Community Plan, the PUD Guidelines and other relevant factors and circumstances, including but not limited to:
 - a. The adequacy of the required interim and permanent Infrastructure needed to support the project planned for the Property;
 - b. The extent of participation required of LANDOWNER under the Finance Plan has been determined;
 - c. The extent to which LANDOWNER has complied with provisions of this Agreement.
2. The Delta Shores Finance Plan has been adopted by the City Council.
3. All transfers of land applicable to the specific parcel in question, owned by or under the control of LANDOWNER, have been transferred to CITY or to the appropriate public agency. For this purpose, a transfer will be deemed to occur upon delivery to CITY of an Irrevocable Offer of Dedication in form and manner approved by the Department of Transportation and the City Attorney. These dedications include, but are not limited to streets, utilities, drainage facilities and public transit.

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4. LANDOWNER has entered into all agreements required pursuant to sections II.A through II.F, inclusive, above.
 5. Appropriate environmental review of the proposed project has been completed, and any suggested mitigation measures resulting therefrom have been included in the approval of the project to the extent feasible.
- B. In the event that any of the special findings required herein cannot be made and are not waived, approval may nevertheless be given to the proposed project if all of the following conditions can be satisfied with respect to each such special finding not made:
1. Practicable and feasible alternative requirements or mitigation measures can be imposed upon the project, the implementation of which would allow such special finding to be made;
 2. The applicant has agreed to be bound (through written agreement satisfactory to the City Attorney) by and to implement such alternative requirements or mitigation measures, and has posted such security for compliance therewith as may be required by the City Manager; and
 3. It is in the public interest and consistent with the policies, goals, standards and objectives of the General Plan for the project to be approved with such requirements and mitigation measures.

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EXHIBIT C-1

INCLUSIONARY HOUSING PLAN

THE INCLUSIONARY HOUSING PLAN FOR THE PROJECT DATED AS OF _____ AND
APPROVED BY THE CITY COUNCIL ON _____ BY RESOLUTION NO. _____ IS
ATTACHED AS EXHIBIT C-1 AND INCORPORATED IN THIS AGREEMENT BY THIS REFERENCE.

NOTE: ANY CHANGES TO THE TERMS AND CONDITIONS OF THE INCLUSIONARY HOUSING PLAN
REQUIRES AN AMENDMENT TO THIS AGREEMENT TO BECOME EFFECTIVE, UNLESS
OTHERWISE SPECIFIED IN THE AGREEMENT.

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EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (herein "this Assignment") is entered into this ____ day of _____, 20____, by and between _____ (herein "LANDOWNER") and _____ (herein "ASSIGNEE"), and the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"). The LANDOWNER, ASSIGNEE and CITY hereinafter may be referred to collectively as the "Parties" or in the singular as a "Party," as the context requires.

RECITALS

- A. LANDOWNER has entered into a Development Agreement (herein "the Development Agreement") dated _____, with the City of Sacramento, pursuant to which LANDOWNER agreed to develop certain property more particularly described in the Development Agreement (herein "the Property") for the project referred to as _____ (herein the "Project") subject to LANDOWNER's compliance with certain conditions and obligations set forth in the Development Agreement.
- B. LANDOWNER intends to transfer a portion of the Property to ASSIGNEE (herein the "Assigned Parcels") under the terms of a written agreement between LANDOWNER and ASSIGNEE dated _____ (the "Transfer Agreement").
- C. LANDOWNER has agreed to assign to ASSIGNEE, and ASSIGNEE has agreed to assume from LANDOWNER, all of the rights and obligations under the Development Agreement as they relate to the Assigned Parcel(s). The CITY has consented to the foregoing assignments and assumptions on the terms and conditions set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Effective Date; Termination.** This Assignment shall be effective as of the "Closing Date", as defined in the Transfer Agreement (the "Effective Date"). In the event the Transfer Agreement terminates prior to the closing thereunder, this Assignment shall automatically terminate and the Parties shall have no further obligations hereunder.

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2. **Assignment and Assumption.** As of the Effective Date, LANDOWNER hereby assigns and transfers to ASSIGNEE any and all of LANDOWNER's rights under the Development Agreement as they relate to the Assigned Parcel(s), and ASSIGNEE hereby accepts and assumes all of the duties and obligations of LANDOWNER under the Development Agreement as they relate to the Assigned Parcel(s). ASSIGNEE hereby agrees to observe and fully perform all of the duties and obligations of LANDOWNER under the Development Agreement, and to be subject to all of the terms and conditions thereof, with respect to the Assigned Parcel(s).
3. **Assumption Terms and Conditions.** LANDOWNER and ASSIGNEE understand and agree that this Assignment is subject to section 4 of the Development Agreement, which reads as follows:

"4. Assignment.

4.1 **Right to Assign.** LANDOWNER shall have the right to freely sell, alienate, transfer, assign, lease, license and otherwise convey all of any portion of the Property and improvements thereon, and as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided that no partial transfer shall be permitted to cause a violation of the Subdivision Map Act (Government Code Section 66410 et seq.). LANDOWNER shall notify CITY of any sale, transfer or assignment of all of LANDOWNER's interests in all or any portion of the Property by providing written notice thereof to CITY in the manner provided for notices hereunder not later than thirty (30) days before the effective date of such sale, transfer or assignment; provided, however, that LANDOWNER's failure to provide such notice shall not invalidate such sale, transfer or assignment and provided further that any successor in interest in ownership of all or a portion of the Property shall not benefit from the Vested Rights conferred herein without entering into an Assignment and Assumption Agreement with CITY.

4.2 **Release of LANDOWNER.** Such purchaser, assignee or transferee shall execute and deliver to CITY an Assignment and Assumption Agreement whereby such purchaser, assignee or transferee assumes all obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. Upon such execution and delivery, CITY shall release LANDOWNER from all duties, liabilities and obligations under the Development Agreement with respect to the interest(s) sold, assigned or transferred only if LANDOWNER is not in default under this Agreement as of the effective date of the Assignment.

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4.3 **Assignees.** The Assignee shall be obligated and bound by the terms and conditions of this Agreement if it executes the Assignment and Assumption Agreement, and shall be the beneficiary hereof and a party hereto, only with respect to the Property, or such portion thereof, sold, assigned or transferred to Assignee by LANDOWNER. The Assignee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred. CITY shall release Assignee from all duties, liabilities and obligations under the Development Agreement of LANDOWNER with respect to the interest(s) that are not sold, assigned or transferred to Assignee. Any such assumption agreement shall be deemed to be to the satisfaction of the City Attorney if executed substantially in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment."

4. **Assignee Development Agreement.** At the request of the City, ASSIGNEE agrees to enter into a separate development agreement with respect to the Assigned Parcel(s) in accordance with the same terms and conditions as set out in the Development Agreement, subject only to those changes in the Development Agreement that are mutually agreed to by both CITY and ASSIGNEE, and subject to processing of the approval of that development agreement in accordance with CITY's Procedural Ordinance.
5. **No Cross-Default.** The Parties acknowledge and agree that the respective obligations of LANDOWNER and ASSIGNEE under the Development Agreement shall be separate and independent from one another, such that a default by LANDOWNER of any of the LANDOWNER's duties and obligations will not constitute a default under the Development Agreement by ASSIGNEE, and a default by ASSIGNEE of any of the ASSIGNEE's duties and obligations will not constitute a default under the Development Agreement by LANDOWNER, and the CITY's rights and remedies under the Development Agreement shall apply only to the Party, and the Property or Assigned Parcel(s), that is the subject of the default. Any duties and obligations under the Development Agreement that apply to both the Assigned Parcel(s) and the remaining Property must be complied with by both LANDOWNER and ASSIGNEE, as applicable.

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6. **Successors and Assigns.** All of the covenants, terms and conditions set forth in this Assignment shall be binding upon and shall inure to the benefit of the Parties and to their respective heirs, successors and assigns.
7. **Legal Advice.** ASSIGNEE agrees that it has read, and has sought and received all required legal and other expert consultation with regard to the duties and obligations set out in the Development Agreement to which ASSIGNEE is hereby bound, and fully understands all of its terms and conditions. ASSIGNEE further agrees that: (i) LANDOWNER has furnished ASSIGNEE with a copy of all documents and materials containing or relating to terms and conditions of development of the Assigned Parcel(s); (ii) ASSIGNEE has read and understands all of the terms and conditions of said documents and materials; and (iii) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other public financing mechanisms and obligations inherent in such documents and materials, nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all of such obligations and requirements, and be bound by all of the provisions of such documents and materials, in addition to the express terms and conditions of the Development Agreement.
8. **Representations; Entire Agreement.** ASSIGNEE hereby affirms and acknowledges that CITY has not made any representations, commitments or promises to ASSIGNEE that are contrary to or different from the express terms and conditions of the Development Agreement, unless such terms and conditions have been set forth in writing and approved by ASSIGNEE and the City Council prior to the execution of this Assignment. This Assignment contains the entire agreement of the Parties, no other understanding whether verbal, written or otherwise exists between the Parties, and no prior verbal or written communications regarding this Assignment shall be binding on any Party.
9. **Further Assurances.** The Parties agree to execute all such additional instruments and documents and to take all such additional actions, as may be reasonable and necessary to carry out the provisions of this Assignment.
10. **Notices.** All notices required or provided for under this Assignment shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the other Parties and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other Party(ies) as indicated below:

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Notice to CITY:

Notice to the LANDOWNER:

Notice to the ASSIGNEE:

Notice to Lender:

Any Party may change the address to which notices are to be mailed by giving written notice of such changed address to each other Party(ies) in the manner provided herein.

11. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of California.
12. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original (including copies sent to a Party by facsimile transmission) as against the Party signing such counterpart, but which together shall constitute one and the same instrument.
13. **Release of LANDOWNER.** Upon execution and delivery of this Assignment by CITY, CITY hereby releases LANDOWNER from all duties, liabilities and obligations pursuant to the Development Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

ASSIGNEE

By: _____

LANDOWNER

By: _____

CITY:

By: _____

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DATE ADOPTED: _____

EXHIBIT E

Protest Waiver Provisions Agreed to by LANDOWNER

LANDOWNER understands and agrees that financing of the Infrastructure and programs required under the Delta Shores Finance Plan (hereafter "Finance Plan") will be accomplished through a variety of financing mechanisms, including but not limited to a combination of special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts) and developer fees, all of which mechanisms are designed to spread the cost of those items in accordance with benefit and other methodologies. LANDOWNER further understands and agrees that an important component of this Agreement is LANDOWNER's advance consent to the formation of, or implementation of any such district or imposition of any such fee, and LANDOWNER's agreement not to protest or contest such formation, implementation or fee imposition.

Accordingly, LANDOWNER agrees for itself, its constituents, successors and assigns that it fully, finally and forever waives and relinquishes any right it may have to protest or contest the formation or implementation of any special assessment or tax district or any similar form of financing mechanism, or any combination thereof, together with any rights it may have to contest the imposition of any developer fee established or imposed to implement the Finance Plan. Nothing in this Agreement, however, shall prevent LANDOWNER from presenting CITY any information or opinions regarding any financing mechanism CITY may from time to time consider establishing or imposing, which information or opinions relate to the dollar amount of any fees, assessments, taxes or other charges imposed by CITY pursuant to the Finance Plan, or which information or opinions relate to the question of consistency of the financing mechanism with the Finance Plan. If a financing mechanism is proposed for adoption by CITY, which mechanism both: (i) directly and significantly conflicts with the language and the intent of the Finance Plan, as amended; and (ii) directly and significantly conflicts with the Nexus Study adopted by the City Council in connection with establishment of development fees for the Finance Plan Area, LANDOWNER shall have the right to protest only the actual amount of the directly and significantly conflicting proposed fee, charge, special tax, or assessment proposed to be levied, charged, assessed or taxed against the Property by virtue of the proposed financing mechanism. Provided, however, that LANDOWNER's said right to protest, together with any right to object, shall be waived unless LANDOWNER's protest or objection is made at or before the time of the public hearing wherein the proposed financing mechanism, together with the fee, charge, special tax or assessment is established by the City Council. LANDOWNER's right to judicially challenge any such mechanism, and the fees, charges, assessments or special taxes imposed or to be imposed in connection therewith, shall be limited to review of the decision of the City Council establishing the said mechanism and the said fees, charges, assessments or special taxes; LANDOWNER shall not have the right, in connection with any land use entitlement

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proceeding with respect to the Property, to judicially challenge the financing mechanism or the fees, charges, assessments or special taxes (but not the dollar amount thereof) as applied to the Property, and waives any statutory or common law right to pay such fees, charges, assessment or special taxes under protest. For purposes of this Agreement, "fees, charges, assessments or special taxes" shall include any monetary exaction or payment required to be paid by LANDOWNER by virtue of or relating to development of the Property.

Without limiting the generality of the foregoing, LANDOWNER for itself, its constituents, successors and assignees specifically, as to the Property, agrees to the following:

(1) Waives, and hereby grants advance consent to the formation and implementation of any and all special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts), fee districts or other financing mechanisms of a similar nature recommended or established by CITY for the purpose of financing Infrastructure. Without limiting the generality of the foregoing, LANDOWNER specifically waives:

(i) the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (division 4 of the Streets and Highways Code, beginning at section 2800), together with associated provisions of the California Constitution;

(ii) the provisions of any other statute designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism; and

(iii) the provisions of any procedure embodied in the Sacramento City Code designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism.

(2) Waives, and hereby grants advance consent to the formation and implementation of any and all special fees, exactions, development fees, assessments, taxes or other charges established by CITY for the purpose of financing Infrastructure. Without limiting the generality of the foregoing, LANDOWNER specifically waives:

(i) to the extent applicable, those statutory and constitutional provisions specified in paragraph (1) above; and

(ii) the provisions of Government Code section 66000 et seq. or any other provision of law providing a procedure for contest or protest of establishment or imposition of special fees, exactions, development fees, assessments, taxes or other charges of a similar nature.

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(3) Agrees to:

(i) affirmatively petition CITY, where applicable, for the formation of all special districts and other financing mechanisms that have been or will be in the future selected or recommended by CITY in order to implement the Finance Plan;

(ii) execute an irrevocable proxy or proxies when necessary (such as in the formation of, or imposition of taxes relative to, a Mello-Roos Community Facilities District) authorizing a representative designated by CITY, who will vote in favor of establishing the specific financing mechanism in question; and

(iii) execute immediately upon presentation any document which is required or convenient for the formation of the district or facilitation of the particular financing mechanism.

LANDOWNER agrees and specifically represents to CITY that it is fully aware of all of its legal rights relative to the waivers, advance consents and other agreements set forth herein, having been fully advised by its own independent attorneys. Having such knowledge and understanding of its rights, LANDOWNER has nevertheless voluntarily entered into this Agreement, of which this Exhibit is a material part. LANDOWNER is aware that CITY is relying on the representations contained in this Exhibit in entering into this Agreement.

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EXHIBIT F

IRREVOCABLE OFFER OF DEDICATION FORM

SEE ATTACHED

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. _____

ORDINANCE NO. _____

DATE ADOPTED: _____

*Recording Requested by and Benefiting
the City of Sacramento, a Government Entity –
No Fee Required per Government Code 6103*

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City Clerk
City of Sacramento
915 I Street
Sacramento, CA 95814

IRREVOCABLE OFFER TO DEDICATE

_____, a _____, ("GRANTOR") hereby offers to
dedicate in (fee or easement) to the CITY OF SACRAMENTO, a municipal corporation
("CITY"), that certain real property ("Property") in the City of Sacramento, County of
Sacramento, State of California, described as follows:

**See Exhibit "A", legal description, and Exhibit "B", exhibit map, attached hereto and
made a part hereof.**

GRANTOR, for itself, its successors and assigns hereby waives any claims for any and all
damages which: (i) will accrue to the remaining property of the undersigned by reason of its
severance from that portion the Property subject to this offer to dedicate, (ii) taking
compensation, if any, or (iii) damages on account of the location, establishment, construction
or operation of the public facilities to be located on the Property. The foregoing waivers shall
include any and all rights or claims that GRANTOR may have under Article 1, Section 19 of
the California Constitution, the Eminent Domain Law, or any other law or regulation.
GRANTOR acknowledges for itself, its successors and assigns that it has been advised to
seek the advice of counsel on the issue of waiver of severance and other damages, and has
either done so or has chosen not to do so despite being given such advice.

GRANTOR acknowledges and agrees as follows:

1. This offer is given pursuant to Government Code Section 7050, and shall be recorded in
the office of the County Recorder, County of Sacramento.

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ORDINANCE NO. _____

CITY AGREEMENT NO. _____

DATE ADOPTED: _____

2. This offer may be accepted at any time by the City Council of CITY. This offer may be terminated only in the manner specified in the Streets and Highways Code, commencing at Section 8300, for summary vacation of streets or highways.
3. CITY assumes no responsibility or liability whatsoever with respect to the Property or occurrences thereon, as a consequence of the offer set forth herein.
4. GRANTOR shall not create, nor permit to be created, any lien, encumbrance or other title impediment of any sort or nature on or affecting the Property.
5. At the time CITY accepts this offer, GRANTOR shall insure that the Property is free and clear of all rights, restrictions, easements, impediments, encumbrances, liens, assessments or other security interests of any kind, except (a) easements or rights-of-way for public utilities, if any, and (b) items which CITY has expressly consented in writing, if any.
6. In the event that there are improvements upon the Property placed thereon either before or after this offer is recorded, GRANTOR shall have full legal responsibility, without cost to CITY, to remove such improvements, if this offer is accepted by CITY.
7. GRANTOR agrees and covenants to indemnify and defend CITY and its officers, employees and agents, harmless from and against any and all liabilities, penalties, losses, damages, costs, expenses (including reasonable attorneys' fees, whether for outside or staff counsel), causes of action, claims, or judgments that arise by reason of any death, bodily injury, personal injury, property damage, or violation of any law or regulation resulting from any acts or omissions related to the presence, use, storage, treatment, transportation, release, or disposal of Hazardous Substances on or about any portion of the Property. GRANTOR further agrees and understands that CITY does not, and shall not be deemed to, waive any rights against GRANTOR which it may have by reason of the aforesaid indemnity and hold harmless agreement because of any insurance coverage available to CITY.

CITY agrees and covenants that this dedication is expressly being made and accepted upon the condition that CITY will fully indemnify, defend and hold harmless GRANTOR and its officers, employees and agents from and against any and all liabilities, penalties, losses, damages, costs, expenses (including reasonable attorneys' fees, whether for outside or staff counsel), causes of action, claims, or judgments that arise by reason of any death, bodily injury, personal injury, property damage, or violation of any law or regulation resulting from any acts or omissions related to the presence, use, storage, treatment, transportation, release, or disposal of Hazardous Substances on or about any portion of the Property by any person or entity acting on CITY's behalf or under CITY's

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CITY AGREEMENT NO. _____

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control (excluding persons or entities acting on GRANTOR's behalf or under GRANTOR's control) occurring on or at any time after the date the Property is conveyed to CITY.

As used in this offer, the term "Hazardous Substances" means any substance, material, waste or other pollutant or contaminant that is or becomes designated, classified and/or regulated as hazardous or toxic under any federal, state or local law, statute, ordinance, regulation, rule, order, decree, or other governmental requirement now in effect or later enacted. Any liability associated with the presence of any Hazardous Substances on or adjacent to any portion of the Property shall be governed by the foregoing provisions regardless of whether any inspection, examination, sampling, testing, assessment or other investigation is conducted by CITY prior to acceptance of the offer.

The provisions of this Section 7 shall survive the acceptance of the Property by CITY hereunder.

8. This offer is made by GRANTOR for itself, its heirs, successors and assigns, and shall be fully binding on such heirs, successors and assigns.

GRANTOR represents and warrants that the GRANTOR owns the entire fee interest in the Property and therefore has the legal right to execute this offer. The individual executing this offer on behalf of GRANTOR represents and warrants that he or she has been authorized to do so by GRANTOR and that GRANTOR shall thereby be obligated to perform the terms of this offer.

IN WITNESS WHEREOF, GRANTOR has executed this offer on the date set forth below.

GRANTOR(s):

By: _____

Title:

Print Name:

Date: _____

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ORDINANCE NO. _____

CITY AGREEMENT NO. _____

DATE ADOPTED: _____

EXHIBIT G

**MAP AND CATEGORICAL LISTING
OF LAND AND INFRASTRUCTURE**

SEE ATTACHED

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. _____

ORDINANCE NO. _____

DATE ADOPTED: _____

LIST OF LAND AND INFRASTRUCTURE

Streets (from tentative map conditions):

<u>Street Name</u>	<u>Boundary From</u>	<u>Boundary To</u>	<u>No. of Lanes</u>	<u>R/W Width (Feet)</u>
Cosumnes River Blvd *	Freeport Boulevard	INTERSTATE 5 South Bound Ramps	4 -lane	99'
Cosumnes River Blvd. *	INTERSTATE 5 North Bound Ramps	24 th Street	6-lane	121'
Cosumnes River Blvd. *	24 th Street	Franklin Boulevard	4-lane	99'

* Denotes entire right of way, although only a portion is to be dedicated and a portion is to be acquired per Caltrans Right of Way Manual for a regional transportation improvement. Landowner's obligation to dedicate a portion of the Cosumnes River Blvd right-of-way located within the Delta Shores Project is to be set out in a separate cost sharing agreement. Landowner has no obligation to dedicate any right-of-way not situated within lands owned by the Landowner, (i.e., portions of the Cosumnes River Blvd. right-of-way located on the Stone-Boswell properties).

Delta Shores Circle (South)	Cosumnes River Blvd.	Street D (South)	4-Lane	103' Includes 10' widened sidewalk on one side
Delta Shores Circle (South)	Street D (South)	Street E	4-Lane + Parking on one side	110' Includes 10' widened sidewalk on one side
Delta Shores Circle (South)	Street E	Cosumnes River Blvd.	4-Lane	110' 99'+ (7' Parking one side)+ 10' widened sidewalk on one side
Delta Shores Circle (North)	Cosumnes River Blvd.	Street C	4-Lane	99' (No parking)
Delta Shores Circle (North)	Street C	Street A	2-Lane Major collector with parking	83'

FOR CITY CLERK USE ONLY

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CITY AGREEMENT NO. _____

DATE ADOPTED: _____

<u>Street Name</u>	<u>Boundary From</u>	<u>Boundary To</u>	<u>No. of Lanes</u>	<u>R/W Width (Feet)</u>
Delta Shores Circle (North)	Street A	24 th Street	2-Lane Major collector	115' 83'+32' (widened median for Towers)
Street D (North&South)	Delta Shores Circle (South)	Delta Shores Circle (south)	2-Lane Minor Collector With parking	71'
Street E	Street D	Delta Shores Circle (South)	2-Lane Major Collector with parking	83'
Street C	Delta Shores Circle (North)	West Boundary	Major Collector, parking one side only	76'
Street C	Delta Shores Circle (North)	24 th Street	Minor Collector W/Parking	71'
Street A	Cosumnes River Blvd.	Delta Shores Circle (North)	Minor Collector W/Parking	71'
Street F	Cosumnes River Blvd.	Delta Shores Circle (south)	Minor Collector W/Parking	71'
Street G	Cosumnes River Blvd.	Street E	Major Collector, parking one side only	76'
Street B	Cosumnes River Blvd.	Street C	Minor Collector W/Parking	71'
24 th Street**	Cosumnes River Blvd.	Delta Shores Circle (North)	4-Lane No Parking	99'

** Landowner's obligation is only to dedicate that portion of the right-of-way located within the Delta Shores Project. Landowner has no obligation to dedicate any right-of-way not situated within lands owned by the Landowner.

Other dedication requirements are set out in the tentative map conditions and the PUD Guidelines and Schematic Plan.

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ORDINANCE NO. _____

CITY AGREEMENT NO. _____

DATE ADOPTED: _____

Map of I-5 Interchange and Cosumnes Blvd Dedication Lands

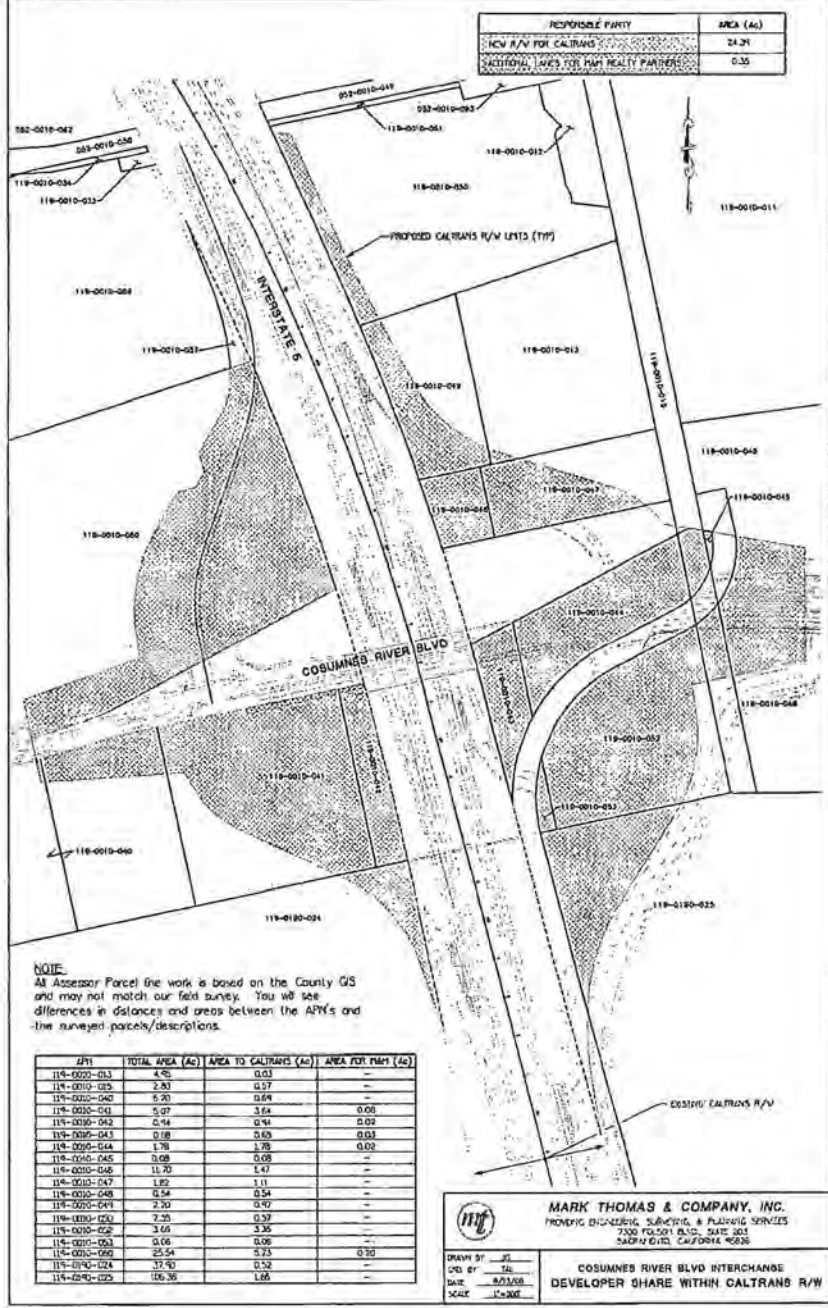
See attached

FOR CITY CLERK USE ONLY

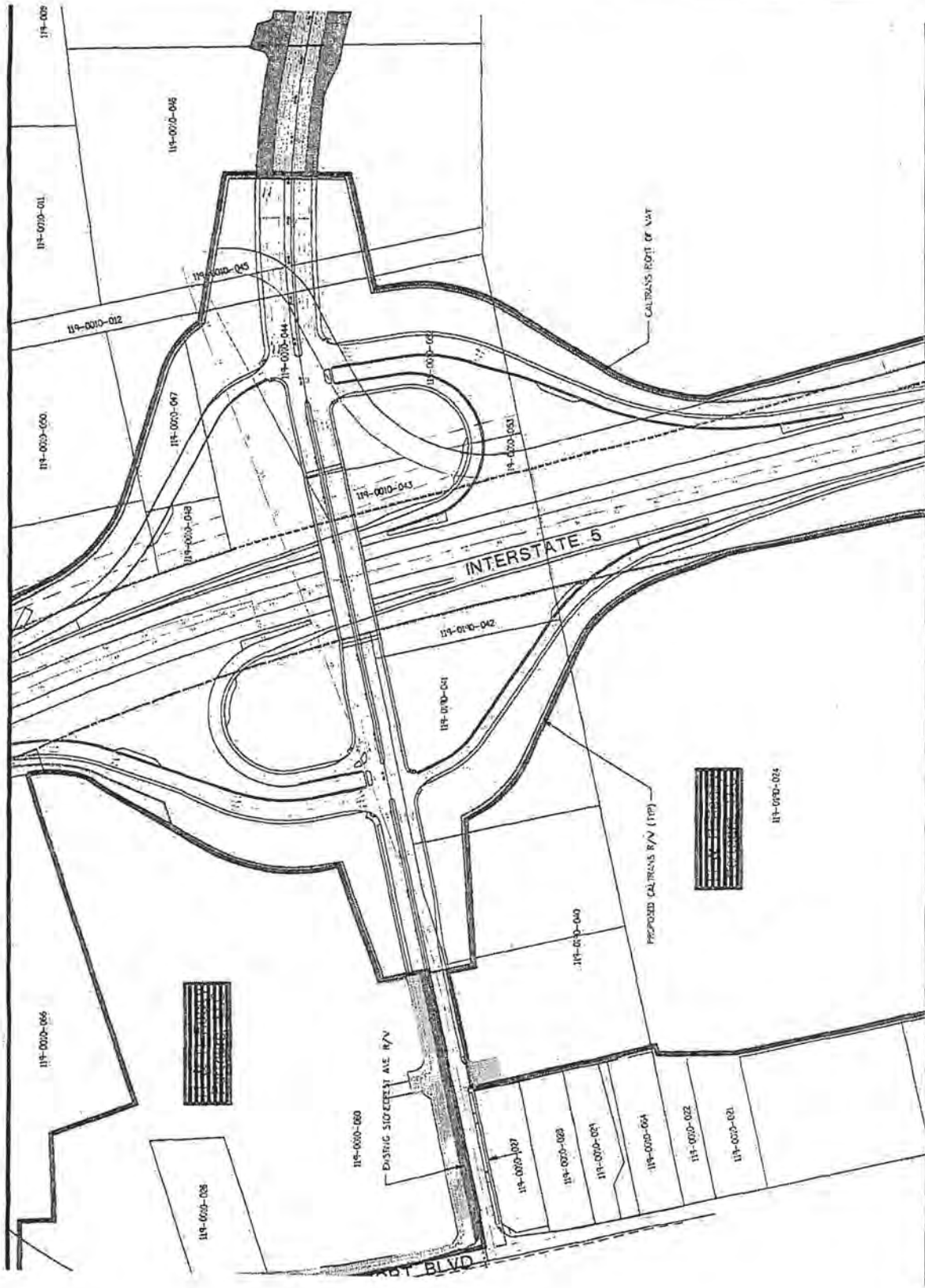
ORDINANCE NO. _____

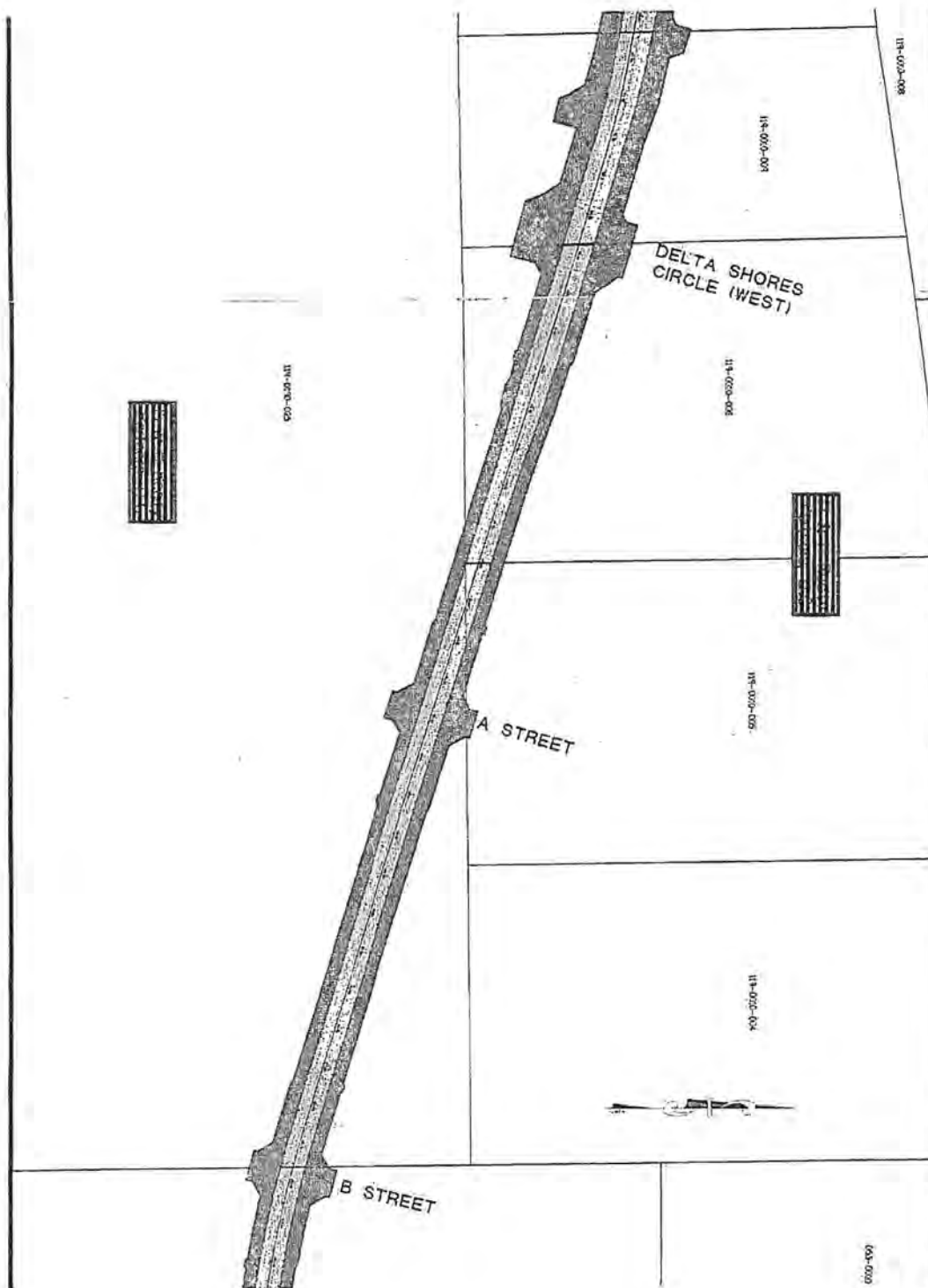
CITY AGREEMENT NO. _____

DATE ADOPTED: _____



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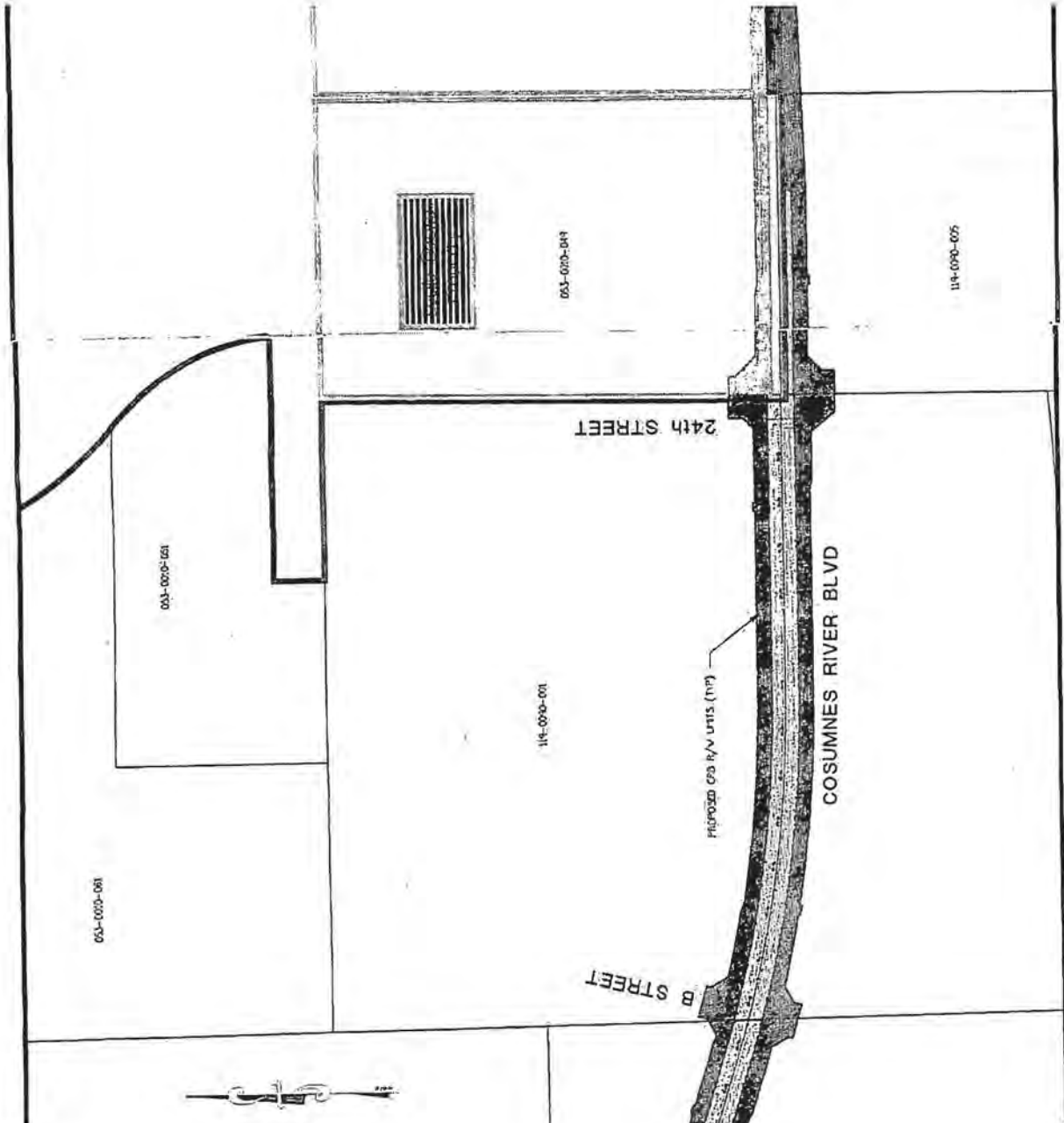


FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

CITY AGREEMENT NO. _____

DATE ADOPTED: _____

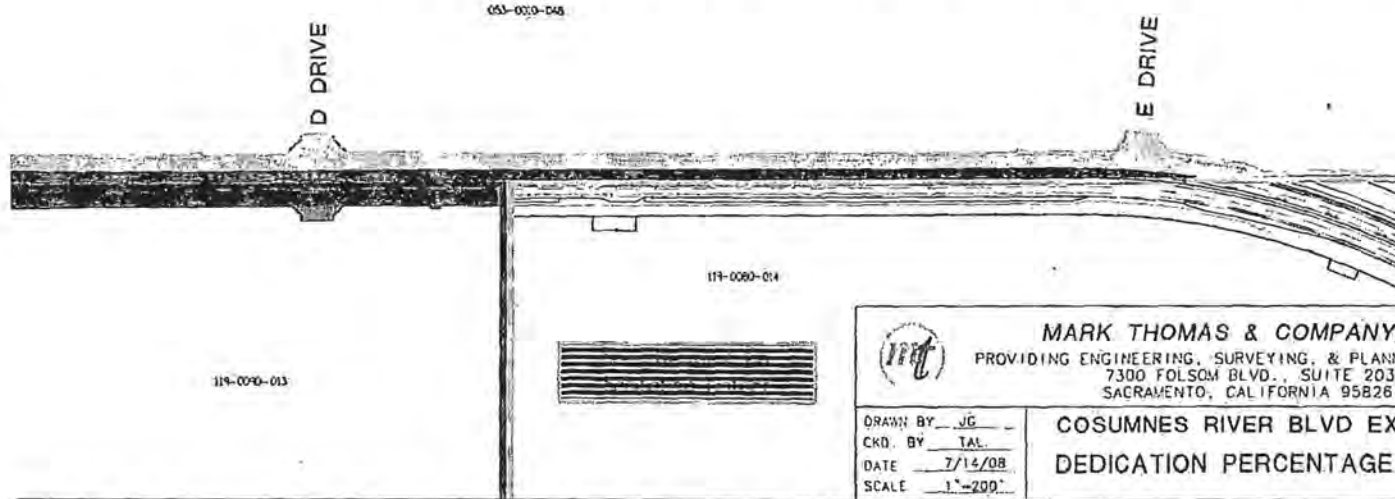


LEGEND

	M & H REALTY PARTNERS, LLC PROPERTY BOUNDARY
	SAC REGIONAL CO. SANITATION DISTRICT PROPERTY BOUNDARY
	BOSWELL ALLIANCE CONSTRUCTION PROPERTY BOUNDARY
	LESLIE BOSWELL PROPERTY BOUNDARY

APN	RESPONSIBLE PARTY	TOTAL PARCEL AREA ± (Ac)	AREA REQUIRED ± (Ac)
119-0000-026	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	1.58	0.12
119-0000-060	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	25.54	0.00
119-0000-040	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	6.20	0.01
119-0000-046	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	11.70	0.51
119-0000-009	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	12.23	0.61
119-0000-006	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	20.00	1.53
119-0000-005	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	20.00	1.24
119-0000-025	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	106.56	0.21
119-0000-001	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	52.00	0.15
119-0000-013	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	17.46	2.40
119-0000-005	M&H REALTY PARTNERS, LLC CITY OF SACRAMENTO	10.00	1.93
053-0000-049	LESLIE BOSWELL TRUSTEE CITY OF SACRAMENTO	15.00	2.35
053-0000-043	BOSWELL ALLIANCE CONSTRUCTION CO. CITY OF SACRAMENTO	72.65	1.64
			0.77
			0.41
			0.60
			0.31
			0.58
			0.27
			1.98
			0.93

NOTE: All Assessor Parcel line work is based on the County GIS and may not match our field survey. You will see differences in distances and areas between the APN's and the surveyed parcels/descriptions.





MARK THOMAS & COMPANY, INC.
 PROVIDING ENGINEERING, SURVEYING, & PLANNING SERVICES
 7300 FOLSOM BLVD., SUITE 203
 SACRAMENTO, CALIFORNIA 95826

DRAWN BY: JG
 CKD. BY: TAL
 DATE: 7/14/08
 SCALE: 1"=200'

**COSUMNES RIVER BLVD EXTENSION
 DEDICATION PERCENTAGE EXHIBIT**

Revised: 1-5-09

Delta Shores Development Agreement

FOR CITY CLERK USE ONLY

ORDINANCE NO.

CITY AGREEMENT NO.

DATE ADOPTED:

EXHIBIT H

PROCEDURE FOR ADJUSTING THE PUBLIC FACILITIES FEE AND REVISING THE INVENTORY OF REMAINING INFRASTRUCTURE TO BE FINANCED BY THAT FEE

When amending the Delta Shores Finance Plan, the City shall set the amount of the Public Facilities Fee by using the estimated cost of the facilities to be financed, determined in accordance with the following procedure:

1. Definitions.

- (a) "Aggregate Costs" means the cost to construct remaining PFF Eligible Facilities.
- (b) "CalTrans Index" means the Quarterly California Highway Construction Cost Index (Price Index for Selected Highway Construction Items) published by the California Department of Transportation, Division Of Engineering Services – Office Engineer .
- (c) "ENR Index" means the Engineering News Record Construction Cost Index for San Francisco.
- (d) "Finance Plan" means the Delta Shores Finance Plan, as amended.
- (e) "Funding Requirement" means the amount of the PFF that must be generated from remaining development so that the City will have adequate funding (A) to construct the PFF Facilities remaining to be completed and (B) to administer the PFF program. It is calculated as follows: *first*, calculate the aggregate cost to complete the remaining PFF Facilities and to pay the administrative component of the PFF as required by the Finance Plan; *second*, from the result, subtract the PFF revenues then available to complete the remaining PFF Facilities; and *third*, add the amount of outstanding PFF credits.

Funding Requirement = (current year's cost estimate) – (revenue on hand) + (outstanding credits)

- (e) "PFF" means the Public Facilities Fee established by Sacramento City Code for the Delta Shores Finance Plan.
- (f) "PFF Eligible Facility" means a public improvement or segment of a public improvement that is identified in the first Delta Shores Finance Plan.

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- (g) "PFF Funding Obligation" means the maximum funding obligation of the PFF for a given year.
- (h) "PFF Share" means the portion of a PFF Eligible Facility's cost that is funded, in whole or part, by the PFF.

2. Annual PFF Adjustment for PFF Eligible Facilities.

- (a) Each July 1, the City will adjust the PFF in accordance with the difference between (1) the Funding Requirement for the current year; and (2) the funding that would be available, after deducting revenue on hand and adding outstanding PFF credits, if the then-existing PFF were applied to remaining development. In no event will the annual inflationary adjustment to outstanding credits be less than zero (0%).
- (b) Example of Annual PFF Adjustment for PFF Eligible Facilities:

As of April 1, 2010

Cost Changes of:		
3.257%	-6.000%	6.000%

Initial Comparison

Remaining Costs from April 1, 2009 Estimate	200,000,000	200,000,000	200,000,000
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
	3.257%	-6.000%	6.000%

Funding Requirement Calculation

Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
Less Cash on Hand April 1, 2010	-30,000,000	-30,000,000	-30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000

2010 Funding Requirement 201,514,000 183,000,000 207,000,000

Existing Fee Calculation

Revenue From Remaining Development Using 2009 Fees	200,000,000	200,000,000	200,000,000
Less Cash on Hand April 1, 2010	-30,000,000	-30,000,000	-30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000

Resources Based on 2009 Fees 195,000,000 195,000,000 195,000,000

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Fee Change Effective July 1, 2010

Resources Based on 2009 Fees	195,000,000	195,000,000	195,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Fee Change \$	6,514,000	-12,000,000	12,000,000
Fee Change %	3.341%	-6.154%	6.154%

3. Adjustments to Aggregate Costs: Remaining Freeway Improvements, Roadways, Bridges, Signals, and Bikeways.

(a) Adjustment by Index.

- (1) Subject to Subsection 3(b) below, for all PFF Eligible Facilities except the police substation and the fire station, the cost adjustment to remaining PFF Eligible Facilities is the greater of the following (but in no event less than zero percent):
 - (A) the ENR Index; or
 - (B) the CalTrans Index 3-year moving average.
- (2) Index measurement.
 - (A) ENR Index: Year-over-year change as of each March.
 - (B) CalTrans Index: 12-quarter average through quarter 1 of the current year over 12-quarter average through quarter 1 of the prior year.
- (3) Precision. All calculations will be carried out to three decimal places.

(b) Adjustment by Benchmarking.

- (1) Before April 1 of each calendar year, a third-party professional engineering consultant who is under contract to the City will estimate the cost to construct all PFF Eligible Facilities subject to this subsection 3(b). The cost estimate will anticipate cost changes to the next July 1. The cost estimate plus an estimated contingency (not to exceed an amount equal to 26% of the cost estimate) is the "Benchmark Estimate" of Aggregate Costs for the year.
- (2) If the percentage change between the Aggregate Costs for the then-current year and the Aggregate Costs for the same set of PFF Eligible Facilities for the immediately preceding year differ by an amount equal to, or more than, plus or minus 5% in aggregate from the percentage change determined by index in accordance with Subsection 3(a) above, then the City will use the then-current

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DATE ADOPTED: _____

year's Benchmark Estimate of Aggregate Costs to determine the Funding Requirement.

- (c) **Comprehensive Review and Nexus Study.** The City will perform a comprehensive review and nexus study for the PFF at least every three years unless the City determines that prevailing market conditions do not justify doing so (e.g., if development is lacking or the remaining development is limited).
- (d) **Sample cost adjustments for freeway improvements, roadways, bridges, signals, and bikeways:**

Sample #1

Benchmarking *increase* of 4%
ENR Index *increase* of 2%
CalTrans Index *increase* of 3.1%

Change in Aggregate Costs: plus 3.1%

Sample #2

Benchmarking *increase* of 4%
ENR Index *increase* of 1%
CalTrans Index *decrease* of 1%

Change in Aggregate Costs: plus 1%

Sample #3

Benchmarking *decrease* of 4%
ENR Index *decrease* of 0.5%
CalTrans Index *decrease* of 1%

Change in Aggregate Costs: 0%

Sample #4

Benchmarking *decrease* of 5%
ENR *increase* of 0.5%
Cal Trans Index *decrease* of 1%

Change in Aggregate Costs: minus 5%

Sample #5

Benchmarking *increase* of 6%
ENR Index *increase* of 3.5%
CalTrans Index *decrease* of 1%

Change in Aggregate Costs: plus 6%

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4. Adjustments to Aggregate Costs: Police Substation and Fire Station.

For the police substation and fire station, the portion of the cost for each that is funded by the PFF will not exceed that established in the first Delta Shores Finance Plan, except as follows: the City will adjust the cost of the police substation and fire station by using the change in the ENR Index from March to March, effective each July 1.

5. PFF Funding Obligation; Change in list of Facilities being funded with PFF.

- (a) The Finance Plan shows not just the estimated cost of each PFF Eligible Facility but also the PFF Share for the PFF Eligible Facility. Each year, after adjusting costs in accordance with sections 1 through 4 above, the City shall determine the aggregate PFF share for all PFF Eligible Facilities, and that aggregate amount will be the PFF Funding Obligation for that year.
- (b) Each year, the City may revise the PFF Share for each PFF Eligible Facility and shall give Landowner 30-days' prior written notice of any revision that will result in a Removed PFF Facility (defined below), as follows:
 - (1) If a PFF Eligible Facility is removed from the Delta Shores Finance Plan because it will no longer be funded by the PFF (a "Removed PFF Facility"), then the City may allocate the Removed PFF Facility's PFF Share (determined in accordance with subsection 3(b)(1) above) to another PFF Eligible Facility on the list. Public improvements not identified in the Delta Shores Finance Plan may not be funded with the PFF.
 - (2) The City may not require, as a condition for approving the Landowner's request for land-use entitlements on all or part of the Property, that the Landowner or any other signatory to a Delta Shores Development Agreement construct all or part of a Removed PFF Facility. This limitation does not apply if the Landowner requests and receives a change in the then-existing zoning on all or part of the Property and the City determines that the change creates a need for construction of a Removed PFF Facility.
 - (3) If the City has previously required the Landowner to build a PFF Eligible Facility as a condition of approval for a land-use entitlement granted to the Landowner, then the City may not subsequently remove the PFF Eligible Facility from the list of remaining PFF Eligible Facilities and thereby deny the Landowner the opportunity to obtain reimbursement from the PFF program.

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DATE ADOPTED: _____

6. Scope of PFF Eligible Facilities.

The scope of each PFF Eligible Facility is as described in the Finance Plan, as amended, and may not be revised except as required to comply with federal or state law. With respect to public roadways and streets, the scope is to be based on the City's street-design standards for lands within the Delta Shores area.

7. Adequate Funding for PFF Eligible Facilities.

The City may not cite, as a reason for increasing the amount of the PFF Funding Obligation, the loss of potential funding from sources identified in the first Delta Shores Finance Plan as Non-PFF Funding Sources, such as federal funding, state funding, regional funding, grants, gifts, contributions, fees, reimbursements, the City's general fund, the City's Major Street Construction Tax, private funds, or payments from the Stone-Boswell area in the event of the approval of land entitlements for this area.

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ORDINANCE NO. _____

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DATE ADOPTED: _____

EXHIBIT "I"

DIAGRAM OF DELTA SHORES PLANNING AREA

SEE ATTACHED

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

CITY AGREEMENT NO. _____

DATE ADOPTED: _____

DELTA SHORES PLANNING AREA
December 8, 2008



FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

CITY AGREEMENT NO. _____

DATE ADOPTED: _____

APPENDIX F:

Delta Shores Credit and
Reimbursement Agreement



CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): _____
Contract Effective Date: 08/18/2020 Contract Expiration Date (if applicable): _____
\$ Amount (Not to Exceed): 40123421 Adjusted \$ Amount (+/-): _____
Other Party: M & H Realty Partners
Project Title: Acquisition Reimbursement & Credit Agreement for the Construction of Delta Shores Public Infrastructure
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: Sacramento

Contract Processing Contacts

Department: Finance Project Manager: Arwen Wacht
Contract Coordinator: Sini Makasini Email: jcerullo@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature) _____ (Date) _____

Supervisor:

(Signature) Sheri Smith (Date) _____

Division Manager:

(Signature) _____ (Date) _____

Other:

(Signature) _____ (Date) _____

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)

Recording Requested

Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BEYOND THIS LINE-----



2020-2502



Acquisition, Reimbursement, and Credit Agreement for Construction of Delta Shores Public Infrastructure

This *Acquisition, Reimbursement, and Credit Agreement*, dated August 18, 2020, for purposes of identification only, is between the CITY OF SACRAMENTO, a California municipal corporation and charter city (the “City”); and M&H REALTY PARTNERS VI, L.P., a California limited partnership (“M&H”).

Background

- A. M&H is the developer of the Delta Shores project and owns the land described in Exhibit A (the “Property”).
- B. Development of the Property is subject to payment of the Delta Shores Impact Fee (the “Impact Fee”) in accordance with chapter 18.56 of the Sacramento City Code (the “Fee Ordinance”).
- C. Development of the Property has required and will require the construction of necessary public infrastructure as detailed in the Finance Plan (defined in § 4.1(D)). This agreement deals with the construction and funding of the components of that infrastructure identified in Exhibit B as “Regional Infrastructure,” “Backbone Infrastructure,” and “Public Facilities.”
- D. In accordance with the *Cost Sharing Agreement — I-5 Interchange & Cosumnes River Boulevard Extensions* designated as City Agreement No. 2012-0059 (the “Cost Sharing Agreement”), the City has constructed, and M&H has paid part of the cost to construct, the Regional Infrastructure. Section 6 of the Cost Sharing Agreement sets forth how the City will reimburse M&H for M&H’s advance payments of the *Stone Boswell Share* of the *Project Cost* and *Enhancement Cost*, as those italicized terms are defined in the Cost Sharing Agreement. Section 7 of the Cost Sharing Agreement sets forth how the City will reimburse M&H for the *Future Owners’* fair share of the *Project Cost*, as those italicized terms are defined in the Cost Sharing Agreement. This agreement provides M&H with fee credits that will fully discharge the City’s reimbursement obligation under section 7, but all other provisions of the Cost Sharing Agreement continue in full force.
- E. Subject to the credits against, and reimbursements from, the Impact Fee as provided in this agreement, M&H has constructed the Backbone Infrastructure and the Public Facilities (together, the “Project”) in accordance with plans that have been reviewed and approved by the City (the “Project Plans”). M&H funded the entire cost of this construction.
- F. Because the Project is designated for funding by the Impact Fee, the Project is eligible for, and the City desires to provide credits against and reimbursement from, the Impact Fee (excluding the Administration Component) for M&H’s eligible (as determined by the City in its reasonable discretion) Project Costs in accordance with the Fee Ordinance and subject to the terms and conditions of this agreement. “Project Costs” means the following: costs related to all contracts for the construction of the Project, including change orders thereto, and costs associated with all other contracts for professional and other services necessary to

implement and complete construction; planning and design costs and right-of-way acquisition costs, if any, associated with the Project; engineering estimates of Project Costs (or the actual costs for infrastructure that has already been constructed) set forth in Exhibit B; construction inspection fees; and applicable plan-check fees, inspection fees, and labor-compliance costs.

- G. This agreement also memorializes M&H's use of a portion of those fee credits as M&H's fair share of the Project Costs associated with public infrastructure needed to serve the 926,038 square feet of commercial development that was constructed in the Village/Regional Center (identified in table 2-1 of the Finance Plan) before the Fee Ordinance's effective date.

With these background facts in mind, the City and M&H hereby agree as follows:

1. Construction of Project.

- 1.1 ***Construction.*** M&H has constructed the Project and conveyed or will convey all or portions of the Project, along with all interests in real property necessary for the operation, maintenance, and ownership of all portions of the Project, to the City or appropriate other public entities or utilities.
- 1.2 ***Plans and Specifications.*** M&H represents that it has obtained approval of the Project Plans from all appropriate City departments and from any other public entity or public utility from which such approval must be obtained. M&H represents that the Project was constructed in compliance with the approved Project Plans and with the City's Standard Specifications for Public Construction approved by the Sacramento City Council on June 4, 2007 (Resolution No. 2007-350), as subsequently amended (the "**Standard Specifications**"). M&H represents that it provided copies of the Project Plans to the City's Director of Public Works or his designee (the "**Director**").
- 1.3 ***Compliance with Labor Code.*** M&H represents that the construction work for the Project was performed consistently with the following:
- (A) M&H and each contractor hired by M&H complied with Sacramento City Code section 3.60.180 (concerning prevailing wages, hours of work, etc.) for all work performed on the Project. M&H has certified to the City Engineer, in writing, that M&H and all its contractors have complied with the requirements of Sacramento City Code section 3.60.180 to the extent that section applies. Upon request, M&H shall provide copies of certified payrolls to the City Engineer.
 - (B) Consistent with California Labor Code section 1720, subdivision (c)(2), work performed on the Project is eligible for reimbursement under this agreement because all public-improvement work was required as a condition of regulatory approval for the M&H's project and has been performed in compliance with Sacramento City Code sections 3.60.180 to the extent that section applies.
 - (C) Sacramento City Code section 3.60.190 (concerning apprentices) did not apply to the construction contracts and subcontracts for the Project because they were advertised for bid or awarded before December 25, 2014.

- 1.4 *Inspection.* M&H shall permit the City and any other public entities or public utilities to which any portion of the Project will be conveyed to inspect the Project.
- 1.5 *Performance and Payment Bonds.* Consistent with California law, the Sacramento City Code, and the City's Standard Specifications, M&H represents that it complied with all applicable City performance- and payment-bond requirements for all of the work on the Project as though the City had awarded M&H a public-works contract for the work.

2. City Acceptance; Conveyance of Project.

- 2.1 *Acceptance and Conveyance.* When the City formally accepts any portion of the Project, that portion of the Project will become the City's property. M&H shall take all actions necessary to convey to and vest in the City full, complete, and clear title in the Project and in all of the underlying real-property interests (easement or fee title), including those necessary for maintenance and access. The City will not formally accept any portion of the Project until the real-property interests have been conveyed to the City. The City will not accept a portion of the Project until the portion is completed in accordance with the Project Plans and the City has finally inspected and approved the portion for acceptance into its infrastructure system, as evidenced by a written statement or letter to that effect signed by or on behalf of the City.
- 2.2. *Release of Liens.* M&H has provided or shall provide, in a form satisfactory to the Director, evidence that all costs of the Project have been fully paid, including all lien claims. M&H represents that it has provided, and at the Director's request shall provide, lien releases under California Civil Code sections 8124 and 8138 to assure that any outstanding claims of M&H's contractors, subcontractors, and suppliers have been paid.
- 2.3 *Documentation of Project Costs.* M&H has provided, and City has accepted, copies of all contracts, change orders, and invoices for the costs of the work and such other documentation as the City requires to determine the total Project Costs incurred by M&H. The total Project Costs determined and approved by the City are set forth in Exhibit B.

3. Indemnification.

- 3.1 *Indemnification by M&H.* Subject to this § 3.1, M&H shall fully indemnify, defend, and hold harmless the City and the City's elective and appointive boards, commissions, officers, employees, and agents from and against all liabilities, penalties, losses, damages, costs, expenses (including reasonable attorneys' fees, whether for outside counsel or the City Attorney), causes of action, claims, or judgments (collectively, "Claims") arising by reason of any death, bodily injury, personal injury, property damage, or violation of any law or regulation to the extent arising from any actions or omissions in connection with the design, construction, operation, maintenance, or repair of the Project by M&H or its contractors or agents, *except that* M&H is not obligated by this section 3.1 to the extent Claims arise from the City's active negligence or willful misconduct. Nothing in this agreement waives any immunity or defense the

City might have relating to any a Claim, including immunity or defenses relating to design review and approval or construction inspection.

- 3.2 *Indemnification Regarding Hazardous Substances.* M&H shall fully indemnify, defend, and hold harmless the City and the City's elective and appointive boards, commissions, officers, employees, and agents from and against all Claims arising by reason of any death, bodily injury, personal injury, property damage, or damage to the environment to the extent caused by the use, storage, treatment, transportation, release, or disposal by M&H or its contractors or agents of any Hazardous Substances, as defined in Exhibit C, on, about, or around any portion of the Property on which any component of the Project is located or any easement that is transferred to the City in connection with the Project.
- 3.3 *Indemnification Regarding Application of Credits and Reimbursements.* M&H shall fully indemnify, defend, and hold harmless the City and the City's elective and appointive boards, commissions, officers, employees, and agents from and against all Claims to the extent arising from any actions or omissions in connection with the application or calculation of Fee Credits under this agreement.
- 3.4 *Additional Provisions Regarding Indemnification Obligations.*
- (A) M&H's obligations under this § 3 are not limited or waived in any way because the City has prepared, supplied, or approved the Project Plans or has inspected or failed to inspect construction of the Project.
 - (B) M&H's obligations under this § 3 are to be construed broadly and liberally to provide the maximum coverage for the City in accordance with their terms.
 - (C) No specific term or word in this § 3 is to be construed as a limitation on the scope of the parties' rights and obligations under this § 3 unless specifically so provided.
 - (D) This § 3 will survive the expiration or termination of this agreement.
- 3.5 *Waiver by M&H.* M&H and its assigns, transferees, and successors hereby waive and release all Claims of whatever sort or nature that may arise against the City or the City's officers, employees, and agents in connection with the design or construction of the Project.
- 3.6 *Unknown Claims.* The waiver and release provided in § 3.5 includes Claims arising under section 1542 of the California Civil Code, which provides as follows:
- "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Thus, notwithstanding the provisions of section 1542, this agreement is intended to release and extinguish all Claims that the parties do not know or suspect to exist.

3.7 *Indemnification by the City.* The City shall fully indemnify, defend, and hold harmless M&H and M&H's directors, members, shareholders, partners, officers, employees, and agents from and against all Claims that arise by reason of any death, bodily injury, personal injury, property damage, or damage to the environment and are caused by the City's active negligence or willful misconduct, as follows:

- (A) to the extent arising from an act or omission on the part of the City or its agents, employees, contractors, or invitees in the use and operation of the Project; or
- (B) to the extent occurring on, or at any time arising from any entry upon, M&H's Property by the City or the City's agents, employees, contractors, or invitees in accordance with § 1.4.

4. **Reimbursement.** Upon full completion of the Project and the City's acceptance of the final portion of the Project, M&H will be entitled to reimbursement of eligible Project Costs through the City's issuance in accordance with § 4.3 of Fee Credits that M&H may use in either or both of the following ways: by submitting the Fee Credits to the City for redemption in accordance with § 4.5 using revenues from the Impact Fee; and by applying Fee Credits against Impact Fees in accordance with § 4.6.

4.1. *Definitions.*

- (A) **"BIC"** means the Backbone Infrastructure Component of the Impact Fee, as described in the Finance Plan at page 33.
- (B) **"BIC Account"** means the separate account maintained by the City to hold revenues from the BIC.
- (C) **"Fee Credit"** means a credit against the RIC, BIC, or PIC that would otherwise be collected in connection with the issuance of a building permit issued for all or a portion of the Property.
- (D) **"Finance Plan"** means the *Updated Delta Shores Public Facilities Finance Plan* approved by Resolution No. 2019-0378 on September 24, 2019, as it may be amended from time to time.
- (E) **"Reimbursement Amount"** means the entire amount of the eligible actual Project Costs M&H incurs for construction of the Project in accordance with this agreement, as determined by the City in its reasonable discretion, up to the amounts indicated for the Project in the Finance Plan. The Reimbursement Amount for each component of the Impact Fee reflects the maximum value of Fee Credits the City will issue for the component in accordance with this agreement.

- (F) **"PFC"** means the Public Facilities Component of the Impact Fee, as described in the Finance Plan at page 33.
 - (G) **"PFC Account"** means the separate account maintained by the City to hold revenues from the PFC.
 - (H) **"RIC"** means the Regional Infrastructure Component of the Impact Fee, as described in the Finance Plan at page 33.
 - (I) **"RIC Account"** means the separate account maintained by the City to hold revenues from the RIC.
- 4.2. *Reimbursement Amounts for RIC, BIC, and PFC.* The maximum Reimbursement Amounts for the RIC, BIC, and PFC Fee Credits,* which the City will adjust for inflation in accordance with the procedure in the Finance Plan for adjusting the amount of the Impact Fee, are as follows:
- (A) For the RIC, \$43,363,885. This represents the cost of Regional Infrastructure that is covered by the Finance Plan (i.e., \$52,963,527) minus the cost allocated to the Stone-Boswell property (i.e., \$9,599,642), which will be separately reimbursed to M&H under the Cost Sharing Agreement. See Exhibit D.
 - (B) For the BIC, \$22,458,201. This represents the cost of Backbone Infrastructure that is covered by the Finance Plan. See Exhibit D.
 - (C) For the PFC, \$6,120,000. This represents the cost of Public Facilities that is covered by the Finance Plan. See Exhibit D.
- 4.3 *Issuance of Fee Credits.* When the City has accepted the Project in full in accordance with § 2.1, the City shall issue Fee Credits to M&H from the RIC, BIC, and PFC Accounts in amounts not exceeding the limits specified for those accounts in § 4.2, subject to the following: the total Fee Credits issued will not exceed the approved Project Costs as set forth in Exhibit B. The Fee Credits will be subject to any policies and procedures the City adopts or amends, other than policies and procedures that have the effect of reducing the Reimbursement Amounts described in § 4.2. M&H may appeal any changes to the policies and procedures to the City Council.
- 4.4 *Use of Fee Credits for Fair-Share Contribution.* M&H constructed 926,038 square feet of the 1.26 million square feet of commercial development within the Property's Village/Regional Center before the City enacted the Impact Fee (the **"Pre-Fee Development"**). As a result, M&H thus did not pay in cash, or offset with Fee Credits, the Impact Fee for the Pre-Fee Development, and the Pre-Fee Development has not contributed the fair share allocated to it by the Finance Plan of the cost to construct the Regional, Backbone, and Public Facilities Infrastructure.

* The Impact Fee also has an Administrative Component, for which the Reimbursement Amount is \$0.

- (A) For the purpose of making the Pre-Fee Development's fair-share contribution, M&H has elected to have the RIC, BIC, and PFC Fee Credits issued under § 4.3 reduced by the following amounts, which represent the RIC, BIC, and PFC Impact Fees that would have been paid had the Impact Fees been in effect when the Pre-Fee Development was constructed. If the approved Project Costs are less than the total Reimbursement Amounts for the RIC, BIC, and PFC, then the City will decrease the maximum amounts in the following tables proportionally.

Maximum RIC Fee Credits Issued Under § 4.3	\$43,363,885
Minus RIC Fair-Share Contribution	
Multiply 926,038/ft ² by \$18.03/ft ²	
Maximum RIC Fee Credits Available for Future Use	\$26,667,420

Maximum BIC Fee Credits issued Under § 4.3	\$22,458,201
Minus BIC Fair-Share Contribution	
Multiply 926,038/ft ² by \$12.77/ft ²	
Maximum BIC Fee Credits Available for Future Use	\$10,632,696

Maximum PFC Fee Credits issued Under § 4.3	\$6,120,000
Minus PFC Fair-Share Contribution	
Multiply 926,038/ft ² by \$3.56/ft ²	
Maximum PFC Fee Credits Available for Future Use	\$2,823,305

- (B) The City's issuance to M&H in accordance with § 4.3 of the maximum Fee Credits available for future use, and M&H's subsequent redemption or application of those Fee Credits in accordance with § 4.5 or § 4.6 will satisfy the City's obligation under section 7 of the Cost Sharing Agreement (titled "Contributions from Future Owners").

4.5 Redemption of Fee Credits.

- (A) *RIC and BIC Fee Credits.* After the City issues Fee Credits in accordance with § 4.3, M&H may tender available RIC and BIC Fee Credits to the City for redemption in cash, and the City shall redeem the tendered Fee Credits each June and December to the extent funds are then available for reimbursement in the RIC Account and the BIC Account, as applicable. M&H's right to redeem RIC and BIC Fee Credits will terminate when the total cash paid for redemption of those credits plus the total value of RIC and BIC Fee Credits applied to pay the RIC and the BIC (and to make the Pre-Fee Development's fair-share contribution in accordance with § 4.4) reaches the limits specified in § 4.2(A) and § 4.2(B).
- (B) *PFC Fee Credits.* After the permanent fire station is constructed in Delta Shores and accepted by the City, M&H may tender PFC Fee Credits for redemption in cash, and the City shall redeem the tendered Fee Credits each June and December to the extent funds are then available for reimbursement in the PFC

Account. M&H's right to redeem PFC Fee Credits will terminate when the total cash paid for redemption of those credits plus the total value of PFC Fee Credits used to pay the PFC (and to make the Pre-Fee Development's fair-share contribution in accordance with § 4.4) reaches the limit specified in § 4.2(C).

- (C) *Priority for Reimbursement.* Funds in the RIC, BIC, and PFC Accounts will not be available for redemption of Fee Credits if the City determines, in its sole discretion, that the funds must be expended upon an infrastructure project in the Finance Plan area for one or more of the following projects:
 - (1) A project that is essential to protect public health and safety against an immediate risk.
 - (2) A project that is required as a result of a federal or state mandate.
 - (3) A project that is required to meet federal or state air-quality requirements.
 - (4) A project that is required as a result of, or is needed to alleviate the effects of, an act of God or other disaster.
- (D) *Sources for Redemption.* The City's obligation under this agreement to redeem Fee Credits is limited to the following source of funds: Impact Fees paid to the City for the RIC, BIC, and PFC in accordance with the Fee Ordinance.
 - (1) The City shall maintain revenues from the RIC, BIC, and PFC in the RIC Account, BIC Account, and PFC Account, respectively and shall not commingle those revenues with any other development-impact fees collected with respect to Delta Shores.
 - (2) M&H is entitled to redeem Fee Credits under this agreement only to the extent revenues from the RIC, BIC, and PFC are available and not otherwise committed for reimbursement to others (no revenues are available as of the effective date of this agreement). **Neither the City's general fund nor any of the City's other accounts, funds, or monies is liable for payment of the City's obligations arising under this agreement.**
 - (3) Impact Fees that other landowners would otherwise pay might be offset or reduced by credits in consideration of their having constructed Regional Infrastructure, Backbone Infrastructure, or Public Facilities, resulting in no money being paid into the RIC, BIA, and PFC Accounts by those landowners until their credits are exhausted.

4.6 Application of Fee Credits Against Future Impact Fees. M&H may apply its available RIC Fee Credits, BIC Credits, and PFC Credits against 100% of the RIC, BIC, and PFC, respectively, that would otherwise be payable by M&H with respect to the issuance of a building permit for any building within the Property. M&H must make its claim for use of Fee Credits at the time required by Sacramento City Code § 18.56.125.

4.7 Fee Deferral. If the City adopts a program for deferring payment of the Impact Fee and M&H elects to participate in the program, then M&H's right under § 4.6 to apply Fee Credits against the Impact Fee being deferred will be waived unless exercised when M&H elects to participate (i.e., at the time of deferral).

5. Assignments of Fee Credits. M&H may assign the Fee Credits issued under § 4.3, and hence the right to reimbursement through redemption of Fee Credits in accordance with § 4.5 and application of Fee Credits against Impact Fees in accordance with § 4.6, to any person or entity in accordance with this § 5.

5.1 City Approval of Assignment. All assignments of Fee Credits under this § 5 are subject to the City's prior written consent, which the City shall not unreasonably withhold or delay, subject to the following:

- (A) The City may deny an assignment of Fee Credits if it determines that excessive fractionalization of Fee Credits would result, except that the City shall not deny for such reason an assignment that represents an amount equal to at least \$50,000 of M&H's Fee Credits.
- (B) The City may assess as a condition of its consent to any assignment, a reasonable fee for the City's review, approval, and administration of the assignment and the assigned Fee Credits.

5.2 Assignment-and-Assumption Agreement. M&H and each assignee of Fee Credits must enter into a written assignment-and-assumption agreement, approved by the City, by which the assignee agrees to be subject to this agreement with respect to the redemption of Fee Credits in accordance with § 4.5 and the application of Fee Credits against Impact Fees in accordance with § 4.6. The assignment-and-assumption agreement must provide that the Fee Credits are subject to any policies and procedures the City adopts or amends, other than policies and procedures that have the effect of reducing the Reimbursement Amounts described in § 4.2; must provide that M&H and the assignee may appeal any changes to the policies and procedures to the City Council; and must obligate M&H and the assignee to fully and completely indemnify and defend the City, as a third-party beneficiary, from any liability relating to the assignment of Fee Credits.

5.3 Priority of Assigned Fee Credits. If M&H assigns any Fee Credits in accordance with this § 5, then the Fee Credits that M&H retains and the Fee Credits it assigns will have the same redemption priority, which will be determined by the effective date of this agreement. If the funds then available in the RIC, BIC, and PFC Accounts, as applicable, are not sufficient to redeem all tendered Fee Credits of the same priority, then redemption of the tendered Fee Credits will be pro rata.

5.4 Disputes between M&H and Assignee. If a dispute arises between M&H, any assignee of M&H, and the City regarding the ownership of Fee Credits, then the City may decline to redeem the disputed Fee Credits and may disallow the use of any Fee Credits to pay the Impact Fee until one of the following occurs:

- (A) All parties to the dispute have executed an agreement in a form approved by the City Attorney specifying the ownership of the disputed Fee Credits and the manner in which the Fee Credits may be exercised. The agreement must contain indemnification and defense provisions acceptable to the City Attorney.
- (B) One of the parties has obtained an order from a court with jurisdiction over the disputing parties that determines the ownership of the Fee Credits and the manner in which the Fee Credits may be exercised.

5.5 Fee Credits Do Not Run with the Property. The reimbursement rights created by this agreement do not run with the Property and, unless assigned as provided in this § 5, will remain the exclusive rights of Landowner. The City shall not give any Fee Credits to any subsequent purchaser or encumbrancer of any portion of the Property unless M&H and the subsequent purchaser or encumbrancer have entered into an assignment-and-assumption agreement in accordance with this § 5.

6. Miscellaneous.

6.1 Notices. Any notice required or elected to be given hereunder shall be given by placing the notice in the United States mail, postage prepaid, and addressed in accordance with the provisions of this § 6.1. Unless the text of this agreement otherwise provides, notice will be deemed to have been given on the date that the notice was placed in the mail in accordance herewith. Notice to M&H must be given to the single address set forth below.

If to the City:

City of Sacramento
New City Hall
915 I Street, 5th Floor
Sacramento, California 95814
Attention: City Manager

If to M&H:

M&H Realty Partners VI, LP
425 California Street, 10th Floor
San Francisco, CA 94104
Attention: Peter Merlone

WITH A COPY TO—

Gregory D. Thatcher
1730 I Street, Suite 220
Sacramento, CA 95811

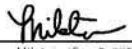
- 6.2 Assignments.** A party may not assign or otherwise transfer this agreement or any interest in it without the other party's prior written consent, which the other party shall not withhold, delay, or condition unreasonably. An assignment or other transfer made contrary to this § 6.2 is void.
- 6.3 Binding effect.** This agreement binds and inures to the benefit of each party's successors and assigns.
- 6.4 Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

- 6.5 *Interpretation.* This agreement is to be interpreted and applied in accordance with California law, except that the rule of interpretation in California Civil Code section 1654 will not apply.
- (A) Exhibits A, B, C, and D are part of this agreement.
 - (B) “**Include**” and its variants are terms of enlargement rather than of limitation. For example, “includes” means “includes but not limited to,” and “including” means “including but not limited to.”
 - (C) If any provision in this agreement conflicts with the Finance Plan, then the Finance Plan will govern.
- 6.6 *Severability.* If a court with jurisdiction rules that any provision of this agreement is invalid, unenforceable, or contrary to law or public policy, then the parties want the court to interpret this agreement as follows:
- (A) by modifying the provision to the minimum necessary to make it enforceable or, if that modification is not permitted by law, by disregarding the provision;
 - (B) by holding that the rest of the agreement will remain in effect as written;
 - (C) by holding that the provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and
 - (D) by holding the entire agreement unenforceable if modifying or disregarding the unenforceable provision would result in the failure of an essential purpose of this agreement.
- 6.7 *Force Majeure.* Except as otherwise expressly provided in this agreement, if the performance of any act required by this agreement to be performed by either party is prevented or delayed because of a Force Majeure Event, then the time for performance will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. “Force Majeure Event” means a cause of delay that is not the fault of the party who is required to perform under this agreement and is beyond that party’s reasonable control, including the elements (including floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City when not exercising its police power) or that entity’s agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages. This § 6.7 does not excuse either party’s obligation to perform an act when performance is rendered difficult or impossible solely because of that party’s financial condition.
- 6.8 *Preparation Fees.* M&H shall pay to the City the sum of \$1,500 for the City Attorney’s services in negotiating and drafting this agreement.

- 6.9 *Waiver.* A party's failure to insist on strict performance of this agreement or to exercise any right or remedy upon breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any provision in this agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving party.
- 6.10 *Venue.* Venue of any litigation arising out of, or connected with, this agreement will lie exclusively in the Sacramento County Superior Court or the U.S. District Court for the Eastern District of California (Sacramento Division). The parties consent to jurisdiction over their persons and over the subject matter of any such litigation in those courts and to service of process issued by those courts.
- 6.11 *Authority to Sign.* Each person who signs this agreement on a party's behalf represents that he or she is authorized to do so.
- 6.12 *Entire Agreement.* This agreement and the Cost Sharing Agreement set forth the parties' entire understanding regarding the matters set forth above and are intended to be the parties' final, complete, and exclusive expression of those matters. This agreement and the Cost Sharing Agreement supersede all prior or contemporaneous agreements, representations, and negotiations—written, oral, expressed, or implied—and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)

City of Sacramento

By: 
Leyne Milstein
for
Howard Chan, City Manager
Date: _____, 2020

Attest:

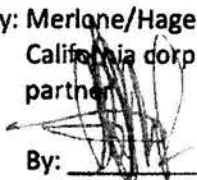
By: 
City Clerk

Approved as to Form

By: 
Senior Deputy City Attorney

M&H Realty Partners VI, L.P., a California limited partnership

By: MHRP VI L.P., a California limited partnership, its general partner

By: 
Merlone/Hagenbuch VI Inc., a California corporation, its general partner

By: _____
Scott A. McPherson
Executive Managing Director
Date: August 3, 2020

Exhibit A
Property Description

PARCEL A, PARCEL B, PARCEL C AND PARCEL D AS DESCRIBED IN THAT GRANT DEED TO M & H REALTY PARTNERS VI L.P., A CALIFORNIA LIMITED PARTNERSHIP DATED MAY 5, 2019 RECORDED IN DOCUMENT NO. 201905141227 OF OFFICIAL RECORDS OF SACRAMENTO COUNTY, IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

TOGETHER WITH

PARCEL 1 AS DESCRIBED IN THAT GRANT DEED TO M & H REALTY PARTNERS VI L.P., A CALIFORNIA LIMITED PARTNERSHIP DATED NOVEMBER 2, 2018 RECORDED IN DOCUMENT NO. 201811020929 OF OFFICIAL RECORDS OF SACRAMENTO COUNTY, IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

TOGETHER WITH

PARCEL ONE AND PARCEL FIVE AS DESCRIBED IN THAT GRANT DEED TO M & H REALTY PARTNERS VI L.P., A CALIFORNIA LIMITED PARTNERSHIP DATED JUNE 30, 2016 RECORDED IN BOOK 20160630, PAGE 1120 OF OFFICIAL RECORDS OF SACRAMENTO, SITUATE IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

Exhibit B

Project Description and Cost Estimates

Regional Infrastructure

- I-5 Interchange and Cosumnes River Boulevard Extensions \$50,009,106
- I-5 and Cosumnes River Boulevard Enhancements \$2,954,421

Note: *In accordance with City Agreement No. 2012-0059, (a) the City constructed the Regional Infrastructure, with the cost allocated as follows: (a) the City and M&H shared the cost of the I-5 Interchange and Cosumnes River Boulevard Extensions, with the City paying 50.8% and M&H paying 49.2%, representing the 41.3% Delta Shores share plus the 7.9% Stone-Boswell share; and (b) M&H paid 100% of the cost of the I-5 and Cosumnes River Boulevard Enhancements, subject to later reimbursement from the owners of the Stone-Boswell property of their 16% share.*

Backbone Infrastructure

Roads

- Delta Shores Circle South 1A (roadway) \$11,957,488

Sewer

- Delta Shores Circle South 1A (sewer) \$1,902,006

Storm Drain

- Drainage – 2 Regional Basins and 3 WQ Ponds \$4,630,388
- Delta Shores Circle South 1A \$2,749,186
- Interconnections 1C \$1,219,132

Note: *M&H constructed the Backbone Infrastructure without any financial contribution from the City.*

Public Facilities

- Swainson Hawk/Agricultural Mitigation \$6,414,493

Note: *M&H performed the mitigation without any financial contribution from the City.*

Exhibit C

Hazardous Substances

A. No Review, Examination or Assessment.

The parties acknowledge and understand that City has not conducted any review, examination, or assessment to assess, identify, or detect the presence of any Hazardous Substances, as defined below, on, under, or around M&H's Property. As between the City and M&H, any liability associated with the presence of any Hazardous Substances on, under, or around M&H's Property, including any interests in M&H's Property dedicated to City under this agreement, will be governed by the indemnity provisions in this agreement regardless of whether any such review, examination, or assessment is conducted.

B. Definition of Hazardous Substances.

"Hazardous Substances" means any substance, material, waste, or other pollutant or contaminant that is or becomes designated, classified, or regulated as hazardous or toxic under any federal, state, or local law, statute, ordinance, regulation, rule, order, decree, or other governmental requirement now in effect or later enacted.

ORDINANCE NO. _____

Adopted by the Sacramento City Council

[Date Adopted]

**AN ORDINANCE AMENDING SECTIONS 18.56.1010, 18.56.1020,
AND 18.56.1040 OF THE SACRAMENTO CITY CODE, RELATING TO
THE DELTA SHORES IMPACT FEE**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

- A. The definition of “Stone Boswell sub-area” in Section 18.56.1010 of the Sacramento City Code is hereby amended to read as follows:

“Stone Beetland sub-area” means the approximately 121 acres adjacent to the eastern boundary of the Delta Shores sub-area and identified in the updated Delta Shores finance plan as the Stone Beetland site. The Stone Beetland sub-area is comprised of a 14 acre parcel (APN 053-0010-049), a 37 acre parcel (APN 053-0010-076) and a 70 acre parcel (APN 053-0010-048), with the 14 acre parcel and the 70 acre parcel zoned R-1A (single-unit or duplex dwelling zone) and the 37 acre parcel zoned R-1-R (single-unit dwelling zone).

- B. Except as amended by subsection A above, all provisions of section 18.56.1010 remain unchanged and in full effect.

Section 2.

Section 18.56.1020 of the Sacramento City Code is hereby amended to read as follows:

18.56.1020 Delta Shores impact fee and imposition.

- A. The Delta Shores impact fee is established and imposed on all parcels located within the Delta Shores sub-area and the Stone Beetland sub-area for the following types of development:
1. New dwelling units, buildings, or structures.
 2. Additions to the commercial building area or residential building area of a building or structure.
 3. Changes in use of a building or structure.

- B. Consistent with the updated Delta Shores finance plan, the amount of the Delta Shores impact fee may vary depending on whether it is being imposed within the Delta Shores sub-area or the Stone Beetland sub-area.

Section 3.

Section 18.56.1040 of the Sacramento City Code is hereby amended to read as follows:

18.56.1040 Time of payment of Stone Beetland sub-area regional infrastructure component of the fee.

Consistent with section 18.56.135, the city shall collect the Delta Shores impact fee within the Stone Beetland sub-area at the following times:

- A. Master Parcel Maps. The Delta Shores impact fee is due and payable when the final map for each master parcel is filed with the city for recordation.
- B. Subdivision and Parcel Maps. The Delta Shores impact fee is due and payable when a final map or parcel map is filed with the city for recordation.
- C. Building Permits. If neither a final map nor a parcel map is required to be recorded for the development of parcels within the Stone Beetland sub-area, then the city shall not issue building permits for construction related to any parcel within the Stone Beetland sub-area until the Delta Shores impact fee for the parcel or parcels is paid.