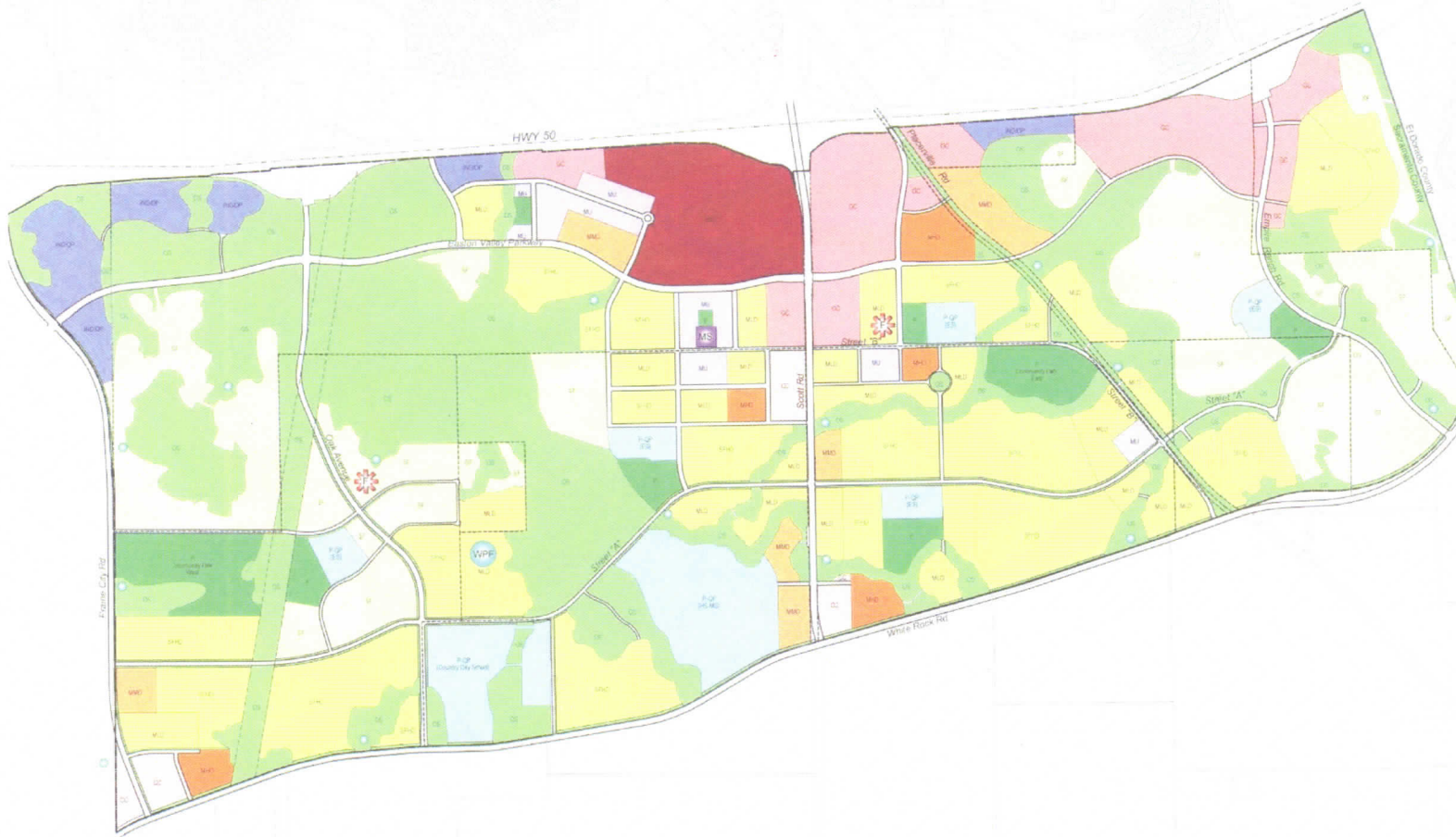


FOLSOM PLAN AREA SPECIFIC PLAN

PUBLIC FACILITIES FINANCING PLAN - ADDENDUM



MAY 2011



KOSMONT COMPANIES

CITY OF FOLSOM
Memorandum

Date: May 18, 2010

Subject: Folsom Specific Plan Area: *Public Facilities Financing Burden Analysis*, and Economic Feasibility Comparison Summary of the Proposed Project and various Alternative Land Use Scenarios

In June, 2010, a Public Facilities Financing Plan (PFFP) was prepared by Economic & Planning Systems (EPS) for the Folsom Specific Plan (FSP). The PFFP included costs for the capital improvements necessary for the buildout of the FSP (see Appendix A). The EPS PFFP indicated a total capital facilities cost of \$1,337,900,000, and also identified the various revenue and funding sources to be used to fund the capital facilities that does not include funds from City revenue sources identified for the existing City services and facilities.

During the past year, the City with Kosmont Companies has worked to refine the required improvements and the associated capital costs. A summary of this work effort is contained herein to reflect the reduced capital facilities cost of \$1,237,000,000. In addition, this addendum contains a comparison of the capital facilities costs required of the four alternative land use plans analyzed by the EIS/EIR for the project.

The four project alternative analysis is based on project costs ranging from \$1,168,000,000 for the *Centralized Development* alternative to \$1,674,000,000 for the *No U.S. Army Corps of Engineers Permit* alternative. The financial burden for each land use in each alternative, as a percentage of the anticipated market value of the ultimate end product (i.e., homes, condominiums, apartments, office buildings or retail structures) was used as a test of financial feasibility based on the comparison of the total infrastructure cost burden compared to the selling price of a home or building. Percentages greater than 15% to 20% are considered financially feasible. For the FSP, the analysis showed that the project average infrastructure cost burden is 19.1%. The other alternatives averaged between 19.9% and 40.9%. Thus, the project is deemed financially feasible and one of the alternatives, the Centralized Development Alternative is deemed marginally feasible but the other three land use alternatives fall out of the range of acceptability. Thus, the proposed project represents the most economically feasible alternative.

Other measures for project feasibility include meeting the desires of the marketplace for housing types; meeting the community's goals under the City's General Plan for land use intensities, and developing a land use plan that is able to provide desired amenities and levels of service expected by the community. The Appendices also include letters and memorandums from qualified professionals providing their opinion about the financial feasibility of the project and the alternatives.

Folsom Specific Plan Area Specific Plan

May 2011 Addendum to:

June 2010 Public Facilities Financing Plan

Background: The City of Folsom retained Kosmont Companies (“Kosmont”) to assist in the City’s evaluation of the cost, potential impact fee burden, and general financial feasibility analysis of the development of backbone infrastructure anticipated to be required pursuant to the build-out of the Folsom Plan Area Specific Plan (“Project”).

In June of 2010 Economic & Planning Systems, Inc. (“EPS”) prepared a Public Facilities Financing Plan for the Project which included a summary of the proposed Project profile, cost estimates for required infrastructure, and potential sources of funding to support the build-out of Project infrastructure.

This document serves as an addendum to the June 2010 EIR Public Review Draft of the Folsom Plan Area Specific Plan Public Facilities Financing Plan prepared by EPS (“EPS Report”) included in Appendix D. This addendum includes updated cost estimates and revisions to the summary tables provided in the EPS Report as well as a brief discussion of the general financial feasibility of the proposed Project, and alternative development profiles included in the Environment Impact Report (“EIR”) prepared for the Project.

The updated figures and alternative development backbone infrastructure cost estimates provided herein are based on updates to anticipated backbone infrastructure scope and the cost of same. The analysis is based on discussions with City staff, consultants and engineering teams, including a review by MacKay & Soms (Appendix C).

Organization: This document contains two primary sections. The first section provides updates to the three tables provided in the EPS Report based on current cost estimates. The second section briefly discusses the general financial feasibility of the proposed Project and development alternatives provided in the EIR for the Project.

Section 1 - Updated Tables to EPS Report

The three tables that follow are updates to Tables 1-1, 1-2, and 1-3 in the EPS Report. While the build-out values included in Table 1-1 have not been modified from the original figures in the EPS Report (Appendix D), Table 1-1 is included in this addendum for ease of reference. Also for reference, the preliminary estimated cost at build-out in the EPS Report totaled approximately \$1.38 billion while the current estimate is approximately \$140 million lower at \$1.24 billion. The tables summarizing the land use assumptions and infrastructure costs are included in Appendix A.

Table 1-1
Folsom Plan Area Specific Plan - May 2011 PFFP Addendum
Land Use Summary

Land Use	Build-Out		
	Acres	Estimated D/U	Bldg. SF
Residential			
Single-Family (SF)	557.8	1,687	-
Single-Family High Density (SFHD)	532.5	2,933	-
Multifamily Low Density (MLD)	266.7	2,434	-
Multifamily Medium Density (MMD)	67.0	1,224	-
Multifamily High Density (MHD)	49.9	1,251	-
Mixed Use District (MU) - Residential	35.5	681	-
Residential Subtotal	1,509.4	10,210	
Commercial			
Mixed Use District (MU) - Commercial	23.6	-	205,952
Office Park (OP)	89.2	-	1,165,666
General Commercial (GC) - Office	47.1	-	512,919
General Commercial (GC) - Commercial	141.4	-	1,539,846
Community Commercial (CC)	38.8	-	423,621
Regional Commercial (RC)	110.8	-	1,351,405
Commercial Subtotal	450.9	-	5,199,409
Total Developable	1,960.3	10,210	5,199,409
Non-Developable Land Uses	1,550.1	-	-
Total Land Uses	3,510.4	10,210	5,199,409

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

Table 1-2
Folsom Plan Area Specific Plan - May 2011 PFFP Addendum
Summary of Estimated Infrastructure Improvement Costs (2010\$)

Improvement	Preliminary Estimated Cost at Build-Out
Backbone Infrastructure Improvements	
Backbone Roads	
Project Specific Roads	194,714,934
Other Road Obligations	121,713,104
Adjusted Subtotal Backbone Roads	316,428,038
Sewer	88,998,231
Storm Drainage	19,970,911
Potable Water	203,748,267
Non-Potable Water	20,523,936
Subtotal Backbone Infrastructure	649,669,383
Public Facility Improvements	
Library	2,579,920
Municipal Services Center	-
Police Facilities	5,267,040
Fire Facilities	12,421,701
Corporation Yard	28,000,000
Parks	80,262,500
Trails	18,370,000
Transit	28,100,000
Schools	350,305,000
Habitat & Agricultural Mitigation	30,000,000
Other Building Permit Fees	32,359,705
Subtotal Public Facility Improvements	587,665,866
Total Estimated Cost	\$ 1,237,335,249

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Table 1-3
Folsom Plan Area Specific Plan - May 2011 PFFP Addendum
Infrastructure Funding Capacity Analysis
Estimated Infrastructure Costs and Sources of Funding: Build-Out (2010\$)

Improvement	Estimated Cost	Build-Out Funding Sources				
		Existing City Fees	FPASP Special Financing District	Existing City Fees - Paid to Other Agencies	Other City Funds and Outside Funding	
Backbone Infrastructure Improvements						
Backbone Roads						
Project Specific Roads	194,714,934					
Other Road Obligations	121,713,104					
Adjusted Subtotal Backbone Roads	316,428,038	X	X	X	X	
Sewer	88,998,231	X	X	X		
Storm Drainage	19,970,911					
Potable Water	203,748,267		X			
Non-Potable Water	20,523,936		X			
Subtotal Backbone Infrastructure	649,669,383					
Public Facility Improvements						
Library	2,579,920		X			
Municipal Services Center	-					
Police Facilities	5,267,040	X				
Fire Facilities	12,421,701	X				
Corporation Yard	28,000,000	X			X	
Parks	80,262,500		X			
Trails	18,370,000		X		X	
Transit	28,100,000	X	X		X	
Schools	350,305,000			X	X	
Habitat & Agricultural Mitigation	30,000,000					
Other Building Permit Fees	32,359,705	X				
Subtotal Public Facility Improvements	587,665,866					
Total Estimated Cost	\$ 1,237,335,249					

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Section 2 - General Financial Feasibility of Proposed Project and EIR Alternatives

The cost of backbone infrastructure will be paid for through existing City fees levied on developments within the Project, special developer fees specific to the Project, and other funding sources external to the City. If the total burden of fees to the property owner and/or developer is too great then Project development and build-out may be financially infeasible. In general, historical experience indicates that total development fees in a range of up to 15 - 20% of development value are considered financially feasible. However, it should be noted that while this burden metric is a general indicator of potential financial feasibility, it is but one component of financial feasibility which is also reliant on an alignment of other factors including but not limited to appropriate ratios of development product type, product pricing, and product demand.

The general financial feasibility of the proposed Project, and development alternatives discussed in the Project EIR were evaluated against this 15 - 20% total burden benchmark. The alternatives evaluated were development without a United States Army Corps. Of Engineers ("USACOE") permit, a centralized development alternative, a reduced hillside alternative, and a resource impact minimization alternative. A detailed description of each alternative can be found in the Project EIR. A discussion of the estimated developer fee burden and general financial feasibility of the proposed Project and each of these alternatives based on the burden metric follows. The tables showing the burden and project alternative comparisons are included in Appendix B.

Proposed Project

The estimated average developer fee burden under the proposed Project is approximately 19.1%. The burden for residential development ranges from 17.9 - 19.8%, and the burden for commercial development ranges from 16.0 – 22.7%. While much of the commercial burden exceeds the general 20% threshold, total commercial value is less than one-quarter of total development value, and the average burden across the Project is less than 20%. As such the proposed Project is generally considered financially feasible.

No USACOE Permit

The estimated average developer fee burden under the No USACOE Permit alternative is approximately 41.2%. This burden is high primarily due to increased bridge and roadway costs and reduced build-out capacity contemplated under this alternative. The burden for residential development ranges from 32.1 – 39.2%, and the burden for commercial development ranges from 47.3 – 71.3%. The No USACOE Permit

alternative is generally considered financially infeasible given the relatively high developer fee burden.

Centralized Development

The estimated average developer fee burden under the Centralized Development alternative is approximately 21.4%. This burden is higher than the proposed Project primarily due to reduced build-out capacity contemplated under this alternative. The burden for residential development ranges from 20.3 – 22.3%, and the burden for commercial development ranges from 17.3 – 25.0%. Given that the average burden level is above 20% and is relatively high for the primary residential components of build-out, the Centralized Development alternative is generally considered financially infeasible.

Reduced Hillside Development

The estimated average developer fee burden under the Reduced Hillside Development is approximately 19.9%. The burden for residential development ranges from 19.1 – 21.4%, and the burden for commercial development ranges from 15.2 – 21.9%. The average burden is below the 20% threshold, and therefore this alternative would typically be considered financially feasible. The general financial feasibility of the Reduced Hillside Development alternative is considered marginal. The burden is essentially at the 20% threshold, and a significant majority of the proposed product types exceed the 20% threshold.

Resource Impact Minimization

The estimated average developer fee burden under the Resource Impact Minimization alternative is approximately 30.9%. This burden is higher than the proposed Project primarily due to increased roadway costs and reduced build-out capacity contemplated under this alternative. The burden for residential development ranges from 26.3 – 30.5%, and the burden for commercial development ranges from 32.9 – 49.1%. Given the average burden is well above 20%, the Resource Impact Minimization alternative is generally considered financially infeasible.

APPENDICIES

- A. May 2011 PFFP Project Costs Tables - Addendum
 - a. Land Use Summary
 - b. Summary of Estimated Infrastructure Improvement Costs
 - c. Summary of Estimated Infrastructure Improvement Costs w/ Funding Sources
- B. May 2011 PFFP Alternative Comparison Tables - Addendum
 - a. Project Alternative Cost Comparison & Adjustments
 - b. Project Alternative Cost Comparison & Adjustments for Alternatives
 - c. Developer Fee Burden, March 2011 for Base Alternative
 - d. Developer Fee Burden, March 2011 for "No USACOE Permit Alternative"
 - e. Developer Fee Burden, March 2011 for "Centralized Development Alternative"
 - f. Developer Fee Burden, March 2011 for "Reduced Hillside Development Alternative"
 - g. Developer Fee Burden, March 2011 for "Resource Impact Minimization Alternative"
- C. April 11, 2011 Letter to Kenneth V. Payne from James C. Ray, MacKay & Soms
regarding Folsom Specific Plan Economic Feasibility of the Proposed Project and
the Land Use Alternatives w/ tables
- D. Folsom Plan Area Specific Plan Public Facilities Financing Plan, prepared by
Economic Planning Solutions, Inc., dated June, 2010

APPENDIX A

Table 1-1
Folsom Plan Area Specific Plan - May 2011 PFFP Supplement
Land Use Summary

Land Use	Buildout		
	Acres	Estimated D/U	Bldg. SF
Residential			
Single-Family (SF)	557.8	1,687	4,217,500
Single-Family High Density (SFHD)	532.5	2,933	5,866,000
Multifamily Low Density (MLD)	266.7	2,434	3,346,750
Multifamily Medium Density (MMD)	67.0	1,224	1,315,800
Multifamily High Density (MHD)	49.9	1,251	1,157,175
Mixed Use District (MU) - Residential	35.5	681	629,925
Residential Subtotal	1,509.4	10,210	16,533,150
Commercial			
Mixed Use District (MU) - Commercial	23.6	-	205,952
Office Park (OP)	89.2	-	1,165,666
General Commercial (GC) - Office	47.1	-	512,919
General Commercial (GC) - Commercial	141.4	-	1,539,846
Community Commercial (CC)	38.8	-	423,621
Regional Commercial (RC)	110.8	-	1,351,405
Commercial Subtotal	450.9	-	5,199,409
Total Developable	1,960.3	10,210	21,732,559
Non-Developable Land Uses	1,550.1	-	-
Total Land Uses	3,510.4	10,210	21,732,559



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Table 1-2
Folsom Plan Area Specific Plan - May 2011 PFFP Supplement
Summary of Estimated Infrastructure Improvement Costs (2010\$)

Improvement	Buildout Cost
Backbone Infrastructure Improvements	
Backbone Roads	194,714,934
Project Specific Roads	121,713,104
Other Road Obligations	316,428,038
Adjusted Subtotal Backbone Roads	
Sewer	88,998,231
Storm Drainage	19,970,911
Potable Water	203,748,267
Non-Potable Water	20,523,936
Subtotal Backbone Infrastructure	649,669,383
Public Facility Improvements	
Library	2,579,920
Municipal Services Center	-
Police Facilities	5,267,040
Fire Facilities	12,421,701
Corporation Yard	28,000,000
Parks	80,262,500
Trails	18,370,000
Transit	28,100,000
Schools	350,305,000
Habitat & Agricultural Mitigation	30,000,000
Other Building Permit Fees	32,359,705
Subtotal Public Facility Improvements	587,665,866
Total Estimated Cost	\$ 1,237,335,249

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Table 1-3
Folsom Plan Area Specific Plan - May 2011 PFFP Supplement
Summary of Estimated Infrastructure Improvement Costs (2010\$)

Improvement	Buildout Funding Sources					Total Funding	Unfunded
	Estimated Cost	Existing City Fees	FPASP Special Financing District	Existing City Fees - Paid to Other Agencies	Other City Funds and Outside Funding		
Backbone Infrastructure Improvements							
Backbone Roads	194,714,934						
Project Specific Roads	121,713,104						
Other Road Obligations							
Adjusted Subtotal Backbone Roads	316,428,038	21,865,399	206,576,376	57,986,263	30,000,000	316,428,038	-
Sewer	88,998,231	11,801,571	16,886,734	60,309,927	-	88,998,231	-
Storm Drainage	19,970,911	-	19,970,911	-	-	19,970,911	-
Potable Water	203,748,267	-	203,748,267	-	-	203,748,267	-
Non- potable Water	20,523,936	-	20,523,936	-	-	20,523,936	-
Subtotal Backbone Infrastructure	649,669,383	33,666,970	467,706,224	118,296,190	30,000,000	649,669,383	-
Public Facility Improvements							
Library	2,579,920	-	2,579,920	-	-	2,579,920	-
Municipal Services Center	-	-	-	-	-	-	-
Police Facilities	5,267,040	5,267,040	-	-	-	5,267,040	-
Fire Facilities	12,421,701	12,421,701	-	-	-	12,421,701	-
Corporation Yard	28,000,000	20,598,836	-	-	7,401,164	28,000,000	-
Parks	80,262,500	-	80,262,500	-	-	80,262,500	-
Trails	18,370,000	-	13,000,000	-	5,370,000	18,370,000	-
Transit	28,100,000	7,347,683	153,481	-	20,598,836	28,100,000	-
Schools	350,305,000	-	-	105,610,578	244,694,422	350,305,000	-
Habitat & Agricultural Mitigation	30,000,000	-	30,000,000	-	-	30,000,000	-
Other Building Permit Fees	32,359,705	-	-	-	-	32,359,705	-
Subtotal Public Facility Improvements	587,665,866	77,994,965	125,995,901	105,610,578	278,064,422	587,665,866	-
Total Estimated Cost	\$ 1,237,335,249	\$ 111,661,935	\$ 593,702,125	\$ 223,906,768	\$ 308,064,422	\$ 1,237,335,249	\$ -

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APPENDIX B

Folsom SOI
Developer Fee Burden
Project Alternative Cost Comparison & Adjustments

	Wrkg Budget Project (March 2011)	Proposed Project w/Wrkg Budget Adjustments	Proposed Project w/Wrkg Budget + Cost Adjustments
Total Major Roads	94,500,024	105,000,027	94,500,024
Total Secondary Roads	27,500,410	67,556,009	27,500,410
Total Signals at Intersections	7,654,500	8,505,000	7,654,500
Total Interchanges	49,760,000	55,288,889	49,760,000
Total Dry Utilities	15,300,000	17,000,000	15,300,000
Total Project Specific Roads	194,714,934	253,349,924	194,714,934
Total Other Road Obligations	121,713,104	121,713,104	121,713,104
Total - Backbone Roads	316,428,038	375,063,028	316,428,038
Total Storm Drains	19,970,911	22,129,696	19,970,911
Total Sewer	88,998,231	82,945,547	88,998,231
Total Potable Water	203,748,267	195,500,871	203,748,267
Total Non-Potable Water	20,523,936	20,523,936	20,523,936
Subtotal Backbone Infrastructure Cost	649,669,383	696,163,078	649,669,383
Total Library	2,579,920	5,500,000	2,579,920
Total Corp. Yard	28,000,000	4,100,000	28,000,000
Total Muni Services	-	5,500,000	-
Total Police	5,267,040	10,400,000	5,267,040
Total Fire	12,421,701	12,421,701	12,421,701
Total Parks	80,262,500	121,800,000	80,262,500
Total Trails	18,370,000	25,100,000	18,370,000
Total Transit	28,100,000	28,100,000	28,100,000
Total Schools	350,305,000	350,305,000	350,305,000
Total Habitats	30,000,000	30,000,000	30,000,000
Total Other Building Permit Fees	32,359,705	18,300,000	32,359,705
Total Public Facilities	587,665,866	611,526,701	587,665,866
Total Costs	1,237,335,249	1,307,689,779	1,237,335,249
Delta From Working Wrkg Budget	-	70,354,530	-
Average Burden	17.7%		19.1%
Average Burden w/CFD	13.8%		15.2%



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Folsom SOI
Developer Fee Burden
Project Alternative Cost Comparison & Adjustments

	Wrkg Budget Project (March 2011)	Proposed Project w/Wrkg Budget Adjustments	Proposed Project w/Wrkg Budget + Cost Adjustments	No USA COE Permit	Centralized Development	Reduced Hillside Development	Resource Impact Minimization
Total Major Roads	94,500,024	105,000,027	94,500,024	715,758,419	86,002,657	72,837,639	445,950,403
Total Secondary Roads	27,500,410	67,556,009	27,500,410	51,342,015	27,097,777	19,562,795	26,350,031
Total Signals at Intersections	7,654,500	8,505,000	7,654,500	7,654,500	7,654,500	7,654,500	7,654,500
Total Interchanges	49,760,000	55,288,889	49,760,000	49,760,000	49,760,000	49,760,000	49,760,000
Total Dry Utilities	15,300,000	17,000,000	15,300,000	15,300,000	15,300,000	15,300,000	15,300,000
Total Project Specific Roads	194,714,934	253,349,924	194,714,934	839,814,934	185,814,934	165,114,934	545,014,934
Total Other Road Obligations	121,713,104	121,713,104	121,713,104	121,713,104	121,713,104	121,713,104	121,713,104
Total - Backbone Roads	316,428,038	375,063,028	316,428,038	961,528,038	307,528,038	286,828,038	666,728,038
Total Storm Drains	19,970,911	22,129,696	19,970,911	19,370,911	29,370,911	40,970,911	19,370,911
Total Sewer	88,998,231	82,945,547	88,998,231	88,298,231	82,798,231	88,498,231	85,998,231
Total Potable Water	203,748,267	195,500,871	203,748,267	193,148,267	194,748,267	202,248,267	189,648,267
Total Non-Potable Water	20,523,936	20,523,936	20,523,936	20,523,936	20,523,936	20,523,936	20,523,936
Subtotal Backbone Infrastructure Cost	649,669,383	696,163,078	649,669,383	1,282,869,383	634,969,383	639,069,383	982,269,383
Total Library	2,579,920	5,500,000	2,579,920	2,579,920	2,579,920	2,579,920	2,579,920
Total Corp. Yard	28,000,000	4,100,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Total Muni Services	-	5,500,000	-	-	-	-	-
Total Police	5,267,040	10,400,000	5,267,040	5,267,040	5,267,040	5,267,040	5,267,040
Total Fire	12,421,701	12,421,701	12,421,701	12,421,701	12,421,701	12,421,701	12,421,701
Total Parks	80,262,500	121,800,000	80,262,500	43,262,500	71,962,500	117,062,500	64,162,500
Total Trails	18,370,000	25,100,000	18,370,000	18,370,000	18,370,000	18,370,000	18,370,000
Total Transit	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000
Total Schools	350,305,000	350,305,000	350,305,000	219,321,391	310,705,304	444,735,043	274,151,739
Total Habitat	30,000,000	30,000,000	30,000,000	11,200,000	26,600,000	31,300,000	27,300,000
Total Other Building Permit Fees	32,360,333	18,300,000	32,360,333	23,023,549	29,040,621	33,474,833	25,615,111
Total Public Facilities	587,666,494	611,526,701	587,666,494	391,546,101	533,047,086	721,311,038	485,968,011
Total Costs	1,237,335,877	1,307,689,779	1,237,335,877	1,674,415,484	1,168,016,469	1,360,380,421	1,468,237,395
Delta From Working Wrkg Budget	-	70,353,902	-	437,079,607	(69,319,408)	123,044,543	230,901,517
Average Burden	17.7%		19.1%	41.2%	21.4%	19.9%	30.9%
Average Burden w/CFD	13.8%		15.2%	37.6%	17.7%	16.0%	26.9%



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Folsom SOI
Developer Fee Burden
March 2011 Base DF (Balanced)

Land Use	RESIDENTIAL				COMMERCIAL							
	SF	SFHD	MLD	MMD	MHD	MU-R	MU-C	OP	GC-O	GC-C	CC	RC
Description	Single-Family	Single-Family High Density	Multifamily Low Density	Multifamily Medium Density	Multifamily High Density	Mixed Use - Residential	Mixed Use - Commercial	Office Park	General Commercial - Office	General Commercial - Comm	Community Commercial	Regional Commercial
Unit Value	525,000	420,000	360,938	282,188	242,813	242,813	195	176	202	202	202	246
Units	1,687	2,933	2,434	1,224	1,251	661	206,301	1,165,666	512,919	1,539,846	423,621	1,351,405
SF/Unit	2,500	2,000	1,375	1,075	925	925	1	1	1	1	1	1
% Of Project	19.4%	27.0%	15.4%	6.1%	5.3%	2.9%	0.9%	5.4%	2.4%	7.1%	1.9%	6.2%
% of Burden	17.5%	25.5%	16.8%	7.0%	6.4%	3.5%	1.0%	4.6%	2.5%	7.6%	1.9%	5.7%
Burden Ratio	90.2%	94.6%	109.0%	116.3%	120.8%	120.9%	102.7%	85.1%	106.9%	106.7%	97.7%	91.3%
City Fees	2,697	2,697	2,103	1,617	1,617	1,617	0.60	0.80	0.64	0.64	0.64	0.59
Building Permit Processing Fee	526	526	596	596	596	596	0.89	0.89	0.89	0.89	0.89	0.89
Police Capital Facilities Fee	951	951	919	919	919	919	0.56	0.56	0.56	0.56	0.56	0.56
Fire Capital Facilities Fee	1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44	0.44	0.44	0.44	0.44
General Capital Facilities Fee	-	-	-	-	-	-	-	-	-	-	-	-
Citywide Park Fee	-	-	-	-	-	-	-	-	-	-	-	-
Park Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Road Fee	-	-	-	-	-	-	-	-	-	-	-	-
City Sewer Fee	-	-	-	-	-	-	-	-	-	-	-	-
Drainage Fees	-	-	-	-	-	-	-	-	-	-	-	-
Water Connection Fee	-	-	-	-	-	-	-	-	-	-	-	-
Water Impact Fee	35	35	25	25	25	25	0.15	0.15	0.15	0.15	0.15	0.15
Transportation Management Fee	326	326	213	99	99	99	0.18	0.30	0.36	0.36	0.36	0.32
Solid Waste Capital Improvement Fee	634	634	436	436	436	436	0.20	0.08	0.20	0.20	0.20	0.20
Light Rail Fee	-	-	-	-	-	-	1.20	1.20	1.20	1.20	1.20	1.20
Housing Trust Fund	-	-	-	-	-	-	4.22	4.42	4.44	4.44	4.44	4.35
Subtotal City Fees	6,566	6,566	5,089	5,089	5,089	5,089	4.22	4.42	4.44	4.44	4.44	4.35
Other Agency Fees	1,000	1,000	700	700	700	700	2.91	1.20	2.55	2.55	2.55	3.71
Measure A Development Impact Fee	7,450	7,450	5,588	5,588	5,588	5,588	0.75	1.49	1.03	1.03	1.03	1.49
SRCSO Sewer Fee	15,600	12,480	8,580	6,708	5,772	5,772	0.47	0.47	0.47	0.47	0.47	0.47
Folsom-Cordova USD School Facilities Fee	4,889	4,889	2,982	2,982	2,982	2,982	3.98	2.81	3.74	3.74	3.74	3.98
50 Corridor Mobility Study	28,939	25,819	17,850	15,978	15,042	15,042	8.11	5.97	7.79	7.79	7.79	9.65
Subtotal Other Agency Fees	-	-	-	-	-	-	-	-	-	-	-	-
FPASP Special Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Construction (Backbone)	-	-	-	-	-	-	-	-	-	-	-	-
Roadway	12,860	12,860	12,275	10,522	8,768	8,183	16.08	14.31	19.43	19.41	17.18	15.34
Sewer	1,354	1,363	1,421	1,121	877	1,146	0.94	0.63	0.85	0.85	0.75	0.67
Storm Drainage	2,160	1,483	1,253	671	521	681	1.68	1.12	1.53	1.53	1.35	1.21
Water	25,979	17,319	15,154	10,825	8,660	8,660	10.24	8.05	9.28	9.27	8.20	6.11
Non-Potable Water	2,617	1,745	1,527	1,090	872	872	1.03	0.81	0.93	0.93	0.83	0.62
Subtotal Infrastructure Construction	44,970	34,770	31,630	24,228	19,698	19,542	29.97	24.92	32.02	32.00	28.31	23.94
Public Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Library	251	251	167	167	167	167	0.11	0.11	0.12	0.09	0.08	0.08
Corporation Yard	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Services Center	-	-	-	-	-	-	-	-	-	-	-	-
Police Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Fire Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Parks	9,631	9,631	6,399	6,399	6,399	6,399	-	-	-	-	-	-
Trails	1,560	1,560	1,036	1,036	1,036	1,036	-	-	-	-	-	-
Transit	15	15	10	10	10	10	0	0	0	0	0	0
Habitat & Agricultural Mitigation	4,997	2,744	1,656	827	603	788	1.73	1.16	1.57	1.57	1.39	1.24
Other Building Permit Fees	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Public Facilities	16,454	14,201	9,268	8,439	8,215	8,400	1.85	1.27	1.70	1.66	1.47	1.32
Total FPASP Special Financing District	61,424	48,970	40,898	32,667	27,913	27,942	31.81	26.19	33.72	33.66	29.78	25.26
TOTAL COST PER UNIT	96,929	81,355	64,437	53,734	48,044	48,073	44.14	36.58	45.95	45.89	42.01	39.26
Cost Burden as % of Unit Sales Price	18.5%	19.4%	17.9%	19.0%	19.8%	19.8%	22.7%	20.8%	22.7%	22.7%	20.8%	16.0%
Total Revenue Based on This Schedule	934,415,118											

**Folsom SOI
Developer Fee Burden
No USACOE Permit DF**

Land Use	SF	RESIDENTIAL					COMMERCIAL					
		SFHD	MLD	MMD	MHD	MUR	MUC	OP	GC-O	GC-C	CC	RC
Description	Single-Family	Single-Family High Density	Multifamily Low Density	Multifamily Medium Density	Multifamily High Density	Mixed Use - Residential	Mixed Use - Commercial	Office Park	General Commercial - Office	General Commercial - Comm	Community Commercial	Regional Commercial
Unit Value	525,000	420,000	360,938	282,188	242,813	242,813	195	176	202	202	202	246
Units	2,388	1,127	1,323	981	210	344	100,183	965,726	427,473	1,283,325	78,408	1,606,318
SF/Unit	2,500	2,000	1,375	1,075	925	925	1	1	1	1	1	1
% Of Project	37.1%	14.0%	11.3%	6.6%	1.2%	2.0%	0.6%	6.0%	2.7%	8.0%	0.5%	10.0%
% of Burden	27.4%	11.6%	11.8%	7.4%	1.4%	2.2%	0.9%	7.2%	4.2%	12.6%	0.7%	12.7%
Burden Ratio	73.8%	82.9%	104.5%	112.5%	112.7%	110.2%	138.6%	119.7%	157.7%	157.3%	140.7%	127.2%
City Fees												
Building Permit Processing Fee	2,697	2,697	2,103	1,617	1,617	1,617	0.60	0.80	0.64	0.64	0.64	0.59
Police Capital Facilities Fee	526	526	596	596	596	596	0.89	0.89	0.89	0.89	0.89	0.89
Fire Capital Facilities Fee	951	951	919	919	919	919	0.56	0.56	0.56	0.56	0.56	0.56
General Capital Facilities Fee	1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44	0.44	0.44	0.44	0.44
Citywide Park Fee	-	-	-	-	-	-	-	-	-	-	-	-
Park Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Road Fee	-	-	-	-	-	-	-	-	-	-	-	-
City Sewer Fee	-	-	-	-	-	-	-	-	-	-	-	-
Drainage Fees	-	-	-	-	-	-	-	-	-	-	-	-
Water Connection Fee	-	-	-	-	-	-	-	-	-	-	-	-
Water Impact Fee	-	-	-	-	-	-	-	-	-	-	-	-
Transportation Management Fee	35	35	25	25	25	25	0.15	0.15	0.15	0.15	0.15	0.15
Solid Waste Capital Improvement Fee	326	326	213	99	99	99	0.18	0.30	0.36	0.36	0.36	0.32
Light Rail Fee	634	634	436	436	436	436	0.20	0.08	0.20	0.20	0.20	0.20
Housing Trust Fund	-	-	-	-	-	-	1.20	1.20	1.20	1.20	1.20	1.20
Subtotal City Fees	6,566	6,566	5,689	5,089	5,089	5,089	4.22	4.42	4.44	4.44	4.44	4.35
Other Agency Fees												
Measure A Development Impact Fee	1,000	1,000	700	700	700	700	2.91	1.20	2.55	2.55	2.55	3.71
SRCDSD Sewer Fee	7,450	7,450	5,588	5,588	5,588	5,588	0.75	1.49	1.03	1.03	1.03	1.49
Folsom-Cordova USD School Facilities Fee	15,600	12,480	8,580	6,708	5,772	5,772	0.47	0.47	0.47	0.47	0.47	0.47
50 Corridor Mobility Study	4,889	4,889	2,982	2,982	2,982	2,982	3.98	2.81	3.74	3.74	3.74	3.98
Subtotal Other Agency Fees	28,939	25,819	17,850	15,978	15,042	15,042	8.11	5.97	7.79	7.79	7.79	9.65
FPASP Special Financing Fees												
Infrastructure Construction (Backbone)												
Roadway	74,247	74,247	70,872	60,748	50,623	47,248	92.81	82.64	112.17	112.09	99.17	88.54
Sewer	4,707	4,738	4,940	3,896	3,047	3,983	3.26	2.18	2.96	2.96	2.61	2.33
Storm Drainage	2,718	1,865	1,576	844	656	857	2.12	1.42	1.92	1.92	1.70	1.52
Water	32,981	21,987	19,239	13,742	10,994	10,994	12.99	10.22	11.78	11.77	10.41	7.76
Non-Potable Water	3,505	2,336	2,044	1,460	1,168	1,168	1.38	1.09	1.25	1.25	1.11	0.82
Subtotal Infrastructure Construction	118,158	105,175	98,672	80,690	66,488	64,250	112.57	97.54	130.08	129.99	115.00	100.98
Public Facilities												
Library	366	366	243	243	243	243	0.16	0.16	0.18	0.13	0.11	0.11
Corporation Yard	13	13	8	8	8	8	0.01	0.01	0.01	0.00	0.00	0.00
Municipal Services Center	-	-	-	-	-	-	-	-	-	-	-	-
Police Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Fire Facilities	561	561	372	372	372	372	0	0	0	0	0	0
Parks	7,991	7,991	5,309	5,309	5,309	5,309	-	-	-	-	-	-
Trails	2,401	2,401	1,595	1,595	1,595	1,595	-	-	-	-	-	-
Transit	1,274	1,274	846	846	846	846	1	1	1	0	0	0
Habitat & Agricultural Mitigation	2,284	1,254	757	378	276	360	0.79	0.53	0.72	0.72	0.63	0.57
Financing Plan Administration & Updates	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Public Facilities	14,890	13,860	9,132	8,753	8,650	8,735	1.74	1.48	1.79	1.50	1.32	1.26
Total FPASP Special Financing District	133,048	119,035	107,803	89,443	75,139	72,985	114.31	99.01	131.87	131.48	116.33	102.23
TOTAL COST PER UNIT	168,553	151,420	131,342	110,510	95,270	93,116	126.64	109.40	144.10	143.71	128.56	116.23
Cost Burden as % of Unit Sales Price	32.1%	36.1%	36.4%	39.2%	39.2%	38.3%	65.0%	62.2%	71.3%	71.1%	63.6%	47.3%
Total Revenue Based on This Schedule	1,468,524,196											

Folsom SOI
Developer Fee Burden
Centralized Development DF

Land Use	RESIDENTIAL					COMMERCIAL						
	SF	SFHD	MLD	MMD	MHD	MU-R	MU-C	OP	GC-O	GC-C	CC	RC
Description	Single-Family	Single-Family High Density	Multifamily Low Density	Multifamily Medium Density	Multifamily High Density	Mixed Use - Residential	Mixed Use - Commercial	Office Park	General Commercial - Office	General Commercial - Comm	Community Commercial	Regional Commercial
Unit Value	500,000	400,000	343,750	268,750	231,250	231,250	195	176	202	202	202	246
Units	641	2,602	2,542	2,044	764	433	126,015	1,474,071	449,135	1,348,359	167,706	1,629,492
SF/Unit	2,500	2,000	1,375	1,075	925	925	1	1	1	1	1	1
% Of Project	8.5%	27.7%	18.6%	11.7%	3.8%	2.1%	0.7%	7.8%	2.4%	7.2%	0.9%	8.7%
% of Burden	7.6%	25.8%	20.0%	13.3%	4.4%	2.5%	0.7%	6.7%	2.6%	7.7%	0.9%	7.8%
Burden Ratio	89.3%	93.1%	107.7%	114.1%	118.1%	118.5%	103.2%	85.1%	107.1%	106.8%	97.5%	90.4%
City Fees												
Building Permit Processing Fee	2,697	2,697	2,103	1,617	1,617	1,617	0.60	0.80	0.64	0.64	0.64	0.59
Police Capital Facilities Fee	526	526	596	596	596	596	0.89	0.89	0.89	0.89	0.89	0.89
Fire Capital Facilities Fee	951	951	919	919	919	919	0.56	0.56	0.56	0.56	0.56	0.56
General Capital Facilities Fee	1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44	0.44	0.44	0.44	0.44
Citywide Park Fee	-	-	-	-	-	-	-	-	-	-	-	-
Park Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Road Fee	-	-	-	-	-	-	-	-	-	-	-	-
City Sewer Fee	-	-	-	-	-	-	-	-	-	-	-	-
Drainage Fees	-	-	-	-	-	-	-	-	-	-	-	-
Water Connection Fee	-	-	-	-	-	-	-	-	-	-	-	-
Water Impact Fee	-	-	-	-	-	-	-	-	-	-	-	-
Transportation Management Fee	35	35	25	25	25	25	0.15	0.15	0.15	0.15	0.15	0.15
Solid Waste Capital Improvement Fee	326	326	213	99	99	99	0.18	0.30	0.36	0.36	0.36	0.32
Light Rail Fee	634	634	436	436	436	436	0.20	0.08	0.20	0.20	0.20	0.20
Housing Trust Fund	-	-	-	-	-	-	1.20	1.20	1.20	1.20	1.20	1.20
Subtotal City Fees	6,566	6,566	5,689	5,089	5,089	5,089	4.22	4.42	4.44	4.44	4.44	4.35
Other Agency Fees												
Measure A Development Impact Fee	1,000	1,000	700	700	700	700	2.91	1.20	2.55	2.55	2.55	3.71
SRCSO Sewer Fee	7,450	7,450	5,588	5,588	5,588	5,588	0.75	1.49	1.03	1.03	1.03	1.49
Folsom-Cordova USD School Facilities Fee	15,600	12,480	8,580	6,708	5,772	5,772	0.47	0.72	0.47	0.47	0.47	0.47
50 Corridor Mobility Study	4,889	4,889	2,982	2,982	2,982	2,982	3.98	2.81	3.74	3.74	3.74	3.98
Subtotal Other Agency Fees	28,939	25,819	17,850	15,978	15,042	15,042	8.11	5.97	7.79	7.79	7.79	9.65
FPASP Special Financing Fees												
Infrastructure Construction (Backbone)												
Roadway	13,866	13,866	13,236	11,345	9,454	8,824	17.33	15.43	20.95	20.93	18.52	16.54
Sewer	1,736	1,747	1,821	1,437	1,124	1,469	1.20	0.80	1.09	1.09	0.86	0.86
Storm Drainage	3,669	2,518	2,128	1,139	885	1,157	2.86	1.91	2.59	2.59	2.29	2.05
Water	29,096	19,398	16,973	12,123	9,699	9,699	11.46	9.01	10.39	10.38	9.19	6.84
Non-Potable Water	3,066	2,044	1,789	1,278	1,022	1,022	1.21	0.95	1.10	1.09	0.97	0.72
Subtotal Infrastructure Construction	51,433	39,573	35,946	27,322	22,184	22,170	34.07	28.11	36.12	36.09	31.93	27.01
Public Facilities												
Library	286	286	190	190	190	190	0.12	0.12	0.14	0.10	0.09	0.09
Corporation Yard	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Services Center	-	-	-	-	-	-	-	-	-	-	-	-
Police Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Fire Facilities	123	123	82	82	82	82	0	0	0	0	0	0
Parks	10,157	10,157	6,748	6,748	6,748	6,748	-	-	-	-	-	-
Trails	1,835	1,835	1,219	1,219	1,219	1,219	-	-	-	-	-	-
Transit	345	345	229	229	229	229	0	0	0	0	0	0
Habitat & Agricultural Mitigation	5,529	3,036	1,832	915	667	872	1.92	1.28	1.74	1.74	1.54	1.37
Financing Plan Administration & Updates	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Public Facilities	18,276	15,782	10,301	9,384	9,136	9,340	2.24	1.60	2.10	2.00	1.77	1.61
Total FPASP Special Financing District	69,709	55,356	46,247	36,705	31,319	31,510	36.31	29.71	38.22	38.09	33.70	28.61
TOTAL COST PER UNIT	105,214	87,741	69,786	57,772	51,450	51,641	48.64	40.10	50.45	50.32	45.93	42.61
Cost Burden as % of Unit Sales Price	21.0%	21.9%	20.3%	21.5%	22.2%	22.3%	25.0%	22.8%	25.0%	24.9%	22.7%	17.3%
Total Revenue Based on This Schedule	885,794,664											

Folsom SOI
Developer Fee Burden
Reduced Hillside Development DF

Land Use	RESIDENTIAL					COMMERCIAL						
	SF	SFHD	MLD	MMD	MHD	MULR	MUC	OP	GC-O	GC-C	CC	RC
Description	Single-Family	Single-Family High Density	Multifamily Low Density	Multifamily Medium Density	Multifamily High Density	Mixed Use - Residential	Mixed Use - Commercial	Office Park	General Commercial - Office	General Commercial - Comm	Community Commercial	Regional Commercial
Unit Value	500,000	400,000	343,750	268,750	231,250	231,250	195	176	202	202	202	246
Units	989	1,619	3,866	2,314	2,380	385	126,015	1,461,003	505,698	1,518,168	167,706	1,629,492
SF/Unit	2,500	2,000	1,375	1,075	925	925	1.7%	6.8%	2.4%	7.1%	0.8%	1.1%
% Of Project	11.5%	15.1%	24.7%	11.6%	10.2%	1.7%	0.6%	5.3%	2.3%	6.9%	0.8%	7.6%
% of Burden	10.3%	14.1%	26.3%	13.1%	12.1%	2.0%	0.6%	5.3%	2.3%	6.9%	0.8%	7.6%
Burden Ratio	89.8%	93.8%	106.3%	113.2%	118.5%	119.1%	94.9%	77.6%	97.1%	96.9%	88.9%	83.3%
City Fees												
Building Permit Processing Fee	2,697	2,697	2,103	1,617	1,617	1,617	0.60	0.80	0.64	0.64	0.64	0.59
Police Capital Facilities Fee	526	526	596	596	596	596	0.89	0.89	0.89	0.89	0.89	0.89
Fire Capital Facilities Fee	951	951	919	919	919	919	0.56	0.56	0.56	0.56	0.56	0.56
General Capital Facilities Fee	1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44	0.44	0.44	0.44	0.44
Citywide Park Fee	-	-	-	-	-	-	-	-	-	-	-	-
Park Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Road Fee	-	-	-	-	-	-	-	-	-	-	-	-
City Sewer Fee	-	-	-	-	-	-	-	-	-	-	-	-
Drainage Fees	-	-	-	-	-	-	-	-	-	-	-	-
Water Connection Fee	-	-	-	-	-	-	-	-	-	-	-	-
Water Impact Fee	-	-	-	-	-	-	-	-	-	-	-	-
Transportation Management Fee	35	35	25	25	25	25	0.15	0.15	0.15	0.15	0.15	0.15
Solid Waste Capital Improvement Fee	326	326	213	99	99	99	0.18	0.30	0.36	0.36	0.36	0.32
Light Rail Fee	634	634	436	436	436	436	0.20	0.08	0.20	0.20	0.20	0.20
Housing Trust Fund	-	-	-	-	-	-	1.20	1.20	1.20	1.20	1.20	1.20
Subtotal City Fees	6,566	6,566	5,689	5,089	5,089	5,089	4.22	4.42	4.44	4.44	4.44	4.35
Other Agency Fees												
Measure A Development Impact Fee	1,000	1,000	700	700	700	700	2.91	1.20	2.55	2.55	2.55	3.71
SRCSO Sewer Fee	7,450	7,450	5,588	5,588	5,588	5,588	0.75	1.49	1.03	1.03	1.03	1.49
Folsom-Cordova USD School Facilities Fee	15,600	12,480	8,580	6,708	5,772	5,772	0.47	0.47	0.47	0.47	0.47	0.47
50 Corridor Mobility Study	4,889	4,889	2,982	2,982	2,982	2,982	3.98	2.81	3.74	3.74	3.74	3.98
Subtotal Other Agency Fees	28,939	25,819	17,850	15,978	15,042	15,042	8.11	5.97	7.79	7.79	7.79	9.65
FPASP Special Financing Fees												
Infrastructure Construction (Backbone)												
Roadway	10,283	10,283	9,816	8,413	7,011	6,544	12.85	11.45	15.54	15.52	13.73	12.26
Sewer	905	911	950	749	586	766	0.63	0.42	0.57	0.57	0.50	0.45
Storm Drainage	4,523	3,104	2,623	1,404	1,091	1,426	3.53	2.36	3.20	3.19	2.83	2.52
Water	25,698	17,132	14,991	10,708	8,566	8,566	10.13	7.96	9.18	9.17	8.11	6.04
Non-Potable Water	2,608	1,739	1,521	1,087	869	869	1.03	0.81	0.93	0.93	0.82	0.61
Subtotal Infrastructure Construction	44,017	33,169	29,900	22,361	18,124	18,171	28.16	22.99	29.41	29.39	26.00	21.89
Public Facilities												
Library	244	244	162	162	162	162	0.10	0.10	0.12	0.09	0.08	0.08
Corporation Yard	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Services Center	-	-	-	-	-	-	-	-	-	-	-	-
Police Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Fire Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Parks	13,690	13,690	9,095	9,095	9,095	9,095	-	-	-	-	-	-
Trails	1,520	1,520	1,010	1,010	1,010	1,010	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	-	-	-	-	-
Habitat & Agricultural Mitigation	5,842	3,208	1,936	967	705	921	2.02	1.35	1.84	1.83	1.62	1.45
Financing Plan Administration & Updates	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Public Facilities	21,296	18,662	12,204	11,235	10,972	11,189	2.13	1.46	1.95	1.92	1.70	1.52
Total FPASP Special Financing District	65,314	51,832	42,104	33,596	29,096	29,360	30.29	24.45	31.36	31.31	27.70	23.42
TOTAL COST PER UNIT	100,819	84,217	65,643	54,663	49,227	49,491	42.62	34.84	43.59	43.54	39.93	37.42
Cost Burden as % of Unit Sales Price	20.2%	21.1%	19.1%	20.3%	21.3%	21.4%	21.9%	19.8%	21.6%	21.6%	19.8%	15.2%
Total Revenue Based on This Schedule	964,612,413											

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

**Folsom SOI
Developer Fee Burden
Resource Impact Minimization DF**

Land Use	Description	RESIDENTIAL				COMMERCIAL							
		SF	SFHD	MLD	MMD	MHD	MU-R	MU-C	OP	GC-O	GC-C	CC	RC
		Single-Family	Single-Family High Density	Multifamily Low Density	Multifamily Medium Density	Multifamily High Density	Mixed Use - Residential	Mixed Use - Commercial	Office Park	General Commercial - Office	General Commercial - Comm	Community Commercial	Regional Commercial
Unit Value		525,000	420,000	360,938	282,188	242,813	242,813	195	176	202	202	202	246
Units		1,513	2,703	2,213	942	287	307	89,362	680,843	388,239	1,165,543	167,706	1,350,185
SF/Unit		2,500	2,000	1,375	1,075	925	925	1	1	1	1	1	1
% Of Project		21.4%	30.7%	17.3%	5.7%	1.5%	1.6%	0.5%	3.9%	2.2%	6.6%	1.0%	7.7%
% of Burden		17.1%	26.7%	18.4%	6.6%	1.7%	1.8%	0.7%	4.2%	3.2%	9.4%	1.2%	9.0%
Burden Ratio		79.8%	87.2%	106.5%	114.1%	115.6%	113.9%	128.6%	109.9%	143.2%	142.8%	128.4%	116.9%
City Fees													
	Building Permit Processing Fee	2,697	2,697	2,103	1,617	1,617	1,617	0.60	0.80	0.64	0.64	0.64	0.59
	Police Capital Facilities Fee	526	526	596	596	596	596	0.89	0.89	0.89	0.89	0.89	0.89
	Fire Capital Facilities Fee	951	951	919	919	919	919	0.56	0.56	0.56	0.56	0.56	0.56
	General Capital Facilities Fee	1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44	0.44	0.44	0.44	-
	Citywide Park Fee	-	-	-	-	-	-	-	-	-	-	-	-
	Park Equipment	-	-	-	-	-	-	-	-	-	-	-	-
	Road Fee	-	-	-	-	-	-	-	-	-	-	-	-
	City Sewer Fee	-	-	-	-	-	-	-	-	-	-	-	-
	Drainage Fees	-	-	-	-	-	-	-	-	-	-	-	-
	Water Connection Fee	-	-	-	-	-	-	-	-	-	-	-	-
	Water Impact Fee	-	-	-	-	-	-	-	-	-	-	-	-
	Transportation Management Fee	35	35	25	25	25	25	0.15	0.15	0.15	0.15	0.15	0.15
	Solid Waste Capital Improvement Fee	326	326	213	99	99	99	0.18	0.30	0.36	0.36	0.36	0.32
	Light Rail Fee	634	634	436	436	436	436	0.20	0.08	0.20	0.20	0.20	0.20
	Housing Trust Fund	-	-	-	-	-	-	1.20	1.20	1.20	1.20	1.20	1.20
	Subtotal City Fees	6,566	6,566	5,689	5,089	5,089	5,089	4.22	4.42	4.44	4.44	4.44	4.35
Other Agency Fees													
	Measure A Development Impact Fee	1,000	1,000	700	700	700	700	2.91	1.20	2.55	2.55	2.55	3.71
	SRCDSD Sewer Fee	7,450	7,450	5,588	5,588	5,588	5,588	0.75	1.49	1.03	1.03	1.03	1.49
	Folsom-Cordova USD School Facilities Fee	15,600	12,480	8,580	6,780	5,772	5,772	0.47	0.47	0.47	0.47	0.47	0.47
	50 Corridor Mobility Study	4,889	4,889	2,982	2,982	2,982	2,982	3.98	2.81	3.74	3.74	3.74	3.98
	Subtotal Other Agency Fees	28,939	25,819	17,850	15,978	15,042	15,042	8.11	5.97	7.79	7.79	7.79	9.65
FPASP Special Financing Fees													
Infrastructure Construction (Backbone)													
	Roadway	45,737	45,737	43,658	37,421	31,184	29,105	57.17	50.91	69.10	69.05	61.09	54.54
	Sewer	2,907	2,927	3,051	2,406	1,882	2,460	2.02	1.35	1.83	1.83	1.61	1.44
	Storm Drainage	2,586	1,775	1,500	803	624	815	2.02	1.35	1.83	1.83	1.62	1.44
	Water	29,783	19,855	17,374	12,410	9,928	9,928	11.73	9.23	10.64	10.63	9.40	7.00
	Non-Potable Water	3,223	2,149	1,880	1,343	1,074	1,074	1.27	1.00	1.15	1.15	1.02	0.76
	Subtotal Infrastructure Construction	84,236	72,442	67,462	54,383	44,692	43,382	74.21	63.82	84.54	84.48	74.74	65.19
Public Facilities													
	Library	318	318	211	211	211	211	0.14	0.14	0.15	0.11	0.10	0.10
	Corporation Yard	-	-	-	-	-	-	-	-	-	-	-	-
	Municipal Services Center	-	-	-	-	-	-	-	-	-	-	-	-
	Police Facilities	-	-	-	-	-	-	-	-	-	-	-	-
	Fire Facilities	347	347	231	231	231	231	0	0	0	0	0	0
	Parks	9,567	9,567	6,356	6,356	6,356	6,356	-	-	-	-	-	-
	Trails	1,938	1,938	1,288	1,288	1,288	1,288	-	-	-	-	-	-
	Transit	765	765	508	508	508	508	0	0	0	0	0	0
	Habitat & Agricultural Mitigation	5,430	2,982	1,800	899	655	856	1.88	1.26	1.71	1.70	1.51	1.35
	Financing Plan Administration & Updates	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal Public Facilities	18,366	15,917	10,394	9,493	9,249	9,450	2.49	1.87	2.40	2.21	1.95	1.79
Total FPASP Special Financing District		102,602	88,360	77,856	63,876	53,942	52,833	76.70	65.69	86.94	86.69	76.69	66.98
TOTAL COST PER UNIT		138,107	120,745	101,395	84,943	74,073	72,964	89.03	76.08	99.17	98.92	88.92	80.98
Cost Burden as % of Unit Sales Price		26.3%	28.7%	28.1%	30.1%	30.5%	30.0%	45.7%	43.2%	49.1%	49.0%	44.0%	32.9%
Total Revenue Based on This Schedule		1,221,196,875											

APPENDIX C

MACKEY & SOMPS

ENGINEERS

PLANNERS

SURVEYORS

April 11, 2011

Mr. Kenneth Payne, Chief Environmental and Water Resources Development
Mr. David Miller, Community Development Director
City of Folsom
50 Natoma Street
Folsom, California 95630

Re: Folsom Specific Plan

Dear Mr. Payne,

This letter summarizes my opinion regarding the economic feasibility of the Proposed Project and the Land Use Alternatives contained in the Draft Environmental Impact Report/Statement dated June 2010 (State Clearing House #2008092051). In comparing each of the four Alternative Land Use Plans to the Proposed Project, I concluded that for numerous reasons explained in the body of this letter that none of the Alternatives are feasible.

I am a registered civil engineer in the State of California and specialize in the planning, design and construction of large scale land development projects. I have 34 years of experience in the land development profession as a design engineer and planner, all with the firm of MacKay & Soms Civil Engineers, Inc. I have served as the President of the firm since 2006. The firm has been involved in land developments throughout Northern California for over 57 years.

I have been involved in land development projects in the Sacramento region since 1984. In addition to my duties in planning, entitling, designing and constructing land development projects I have experience in financing of infrastructure. I have been instrumental in the preparation of Infrastructure Financing Plans for numerous projects in the greater Sacramento Region including the Antelope Community Plan, the Elk Grove-West Vineyard Community Plan, the East Elk Grove Specific Plan, the North Vineyard Specific Plan which are all located in Sacramento County, the Del Webb Roseville Specific Plan and the Highland Reserve Specific Plan both in Roseville, the Twelve Bridges Specific Plan in Lincoln and the Placer Vineyards Specific Plan in Placer County.

Proposed Project

The Proposed Project has been designed to meet the anticipated housing, commercial, recreational, office and employment needs which will occur in the City of Folsom over

— SINCE 1953 —

1552 EUREKA ROAD, SUITE 100 ROSEVILLE, CALIFORNIA 95661-3040 PHONE (916) 773-1189 FAX (916) 773-2595
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www.msce.com

the next few decades. The plan contains 10,210 residential dwelling units and approximately 5.2 million square feet of space for uses other than residential dwellings. The specific plan is designed as a self-sufficient and pedestrian-oriented community with transportation choices to respond to the changing demographics of the future population anticipated for the City of Folsom. The diversity of housing and product types proposed would provide development at densities which are consistent with smart growth principles. The proposed mix of housing in the plan is different from the current mix in the region, which is dominated by low density, single family homes. The Proposed Project would shift the City's mix to about a 50/50 mix of single-family and multi-family housing types, which is responsive to the changing demographics of the region. The mix continues to include a sufficient amount of traditional single-family residential dwellings to meet the ongoing expected market desires, but also includes a substantial number of medium-density dwellings (7-12 du/acre), as well as a healthy component of higher density dwellings. These medium-density products are neither traditional apartments nor condominiums, but rather, smaller, less expensive products designed to satisfy the needs of a changing demographic which include an aging population, many single parents, working couples and a growing interest in a housing type more accessible to nearby walkable services.

The infrastructure burden that a project must absorb can be used as a test to determine the financial viability of the development. Generally infrastructure burdens that fall within a range of 15-20% of the expected sales price are considered feasible. Projects required to bear an infrastructure burden in excess of 20% tend to be outside the acceptable range. Based upon the infrastructure burden analysis prepared by Kosmont Companies dated April 4, 2011 (attached), overall, the Proposed Project has infrastructure burdens averaging 19.1%, which satisfies this test of economic feasibility. The infrastructure burdens on the residential land uses range from 17.9% to 19.9%. These clearly fall within the normally acceptable range. While the non-residential land uses exceed this test, they only exceed it by a small margin. The non-residential land uses were assessed valuation only, which represents a quarter of the total for the Proposed Project. Overall, the average project burden is considered acceptable.

Conclusion: The Proposed Project is economically feasible.

No USA Corps of Engineers Permit Alternative

This Alternative contains approximately 3,800 fewer dwellings units and over 700,000 square feet less of non-residential building space than the Proposed Project. The infrastructure burden on this Alternative as compared to the Proposed Project increases by over \$400,000,000. The significant additional costs involved in developing this Alternative result from the need to construct numerous roadway bridge crossings to span all of the biological resources. Additional costs would be incurred due to the irregular shape of parcels, the need to fence off the preserved wetland resources, and additional grading and retaining walls to match the existing terrain. All land use categories would

exceed the 20% test for economic feasibility. This Alternative would result in an average ratio of infrastructure burden to expected sales price of over 40%. This is clearly outside the normally acceptable range of feasibility. Thus, based on my experience, a reasonable and prudent developer would not construct a development with this level of infrastructure burden due to the difficulty of financing and constructing this type of project.

Conclusion: This Alternative is economically infeasible.

Centralized Development Alternative

This Alternative consists of approximately 1,000 fewer residential dwelling units than the Proposed Project and fewer than 36% of the units in the single-family dwelling unit category. This lower percentage of single-family units will not meet the expected market demand and thus does not achieve a key objective of the Proposed Project. The infrastructure burden analysis indicates that the residential land uses infrastructure burdens on development under this Alternative range from 20.1% to 22.2% which moderately exceed the acceptable range. For five of the six non-residential land uses, the burdens far exceed 20%. This results in an overall average burden ratio of 21.3% which exceeds the acceptable range of feasibility.

Conclusion: This Alternative is economically infeasible.

Reduced Hillside Alternative

This Alternative increases the overall residential dwelling unit total to 11,553 units, but consists of only 23% of the units in the single-family category. This is not consistent with the project objective of providing a marketable and healthy mix of residential land uses. The percentage of land uses in the multi-family categories increases to over 73%, which vastly oversupplies the expected demand. While the demographics point toward a need for an increasing amount of units in these categories, this alternative goes too far in providing higher density products and would likely render the project unmarketable. In addition it is not consistent with the balance of the existing Folsom community and likely would meet resident and political opposition.

Although the infrastructure burdens on development under this Alternative average 19.9% when compared to the expected sales price, which just meets the cutoff for the feasibility test, this ratio is at the absolute highest end of the normally acceptable range. This indicates that the economic feasibility of all the land uses is only marginally economically feasible, even assuming the mix of land uses were marketable, which, as stated above, is probably not.

Conclusion: This Alternative is economically infeasible based on potential marketability and an infrastructure burden at the very highest end of the normally acceptable range.

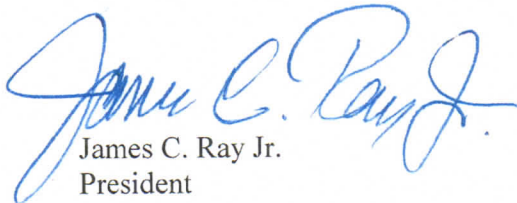
Resource Impact Minimization Alternative

This Alternative has approximately 2,000 fewer residential dwelling units and over 1,400,000 square feet less of non-residential building space with an infrastructure burden of over \$230,000,000 when compared to the Proposed Project. The infrastructure burden ratio to the expected sales price averages 30.6% and greatly exceeds the normally acceptable criteria for feasibility. The infrastructure burden across all land use categories ranges from 26.2% to 48%, and thus every land use category exceeds the acceptable range. Clearly this alternative fails the economic feasibility test.

Conclusion: This Alternative is infeasible.

Let me know if you have any questions regarding my analysis or conclusions.

Sincerely,
MacKay & Somps Civil Engineers, Inc.



James C. Ray Jr.
President

Encl: Draft Kosmont Companies
Infrastructure Burden Analysis for the Folsom SOI

Folsom SOI
Developer Fee Burden
Project Alternative Cost Comparison & Adjustments

	Wrkg Budget Project (March 2011)	Proposed Project w/Wrkg Budget Adjustments	Proposed Project w/Wrkg Budget + Cost Adjustments	No USA COE Permit	Centralized Development	Reduced Hillside Development	Resource Impact Minimization
Total Major Roads	94,500,024	105,000,027	94,500,024	715,758,419	86,002,657	72,837,639	445,950,403
Total Secondary Roads	27,500,410	67,556,009	27,500,410	51,342,015	27,097,777	19,562,795	26,350,031
Total Signals at Intersections	7,654,500	8,505,000	7,654,500	7,654,500	7,654,500	7,654,500	7,654,500
Total Interchanges	49,760,000	55,288,889	49,760,000	49,760,000	49,760,000	49,760,000	49,760,000
Total Dry Utilities	15,300,000	17,000,000	15,300,000	15,300,000	15,300,000	15,300,000	15,300,000
Total Project Specific Roads	194,714,934	253,349,924	194,714,934	839,814,934	185,814,934	165,114,934	545,014,934
Total Other Road Obligations	121,713,104	121,713,104	121,713,104	121,713,104	121,713,104	121,713,104	121,713,104
Total - Backbone Roads	316,428,038	375,063,028	316,428,038	961,528,038	307,528,038	286,828,038	666,728,038
Total Storm Drains	19,970,911	22,129,696	19,970,911	19,370,911	29,370,911	40,970,911	19,370,911
Total Sewer	88,998,231	82,945,547	88,998,231	88,998,231	82,798,231	88,498,231	85,998,231
Total Potable Water	203,748,267	195,500,871	203,748,267	193,148,267	194,748,267	202,248,267	189,648,267
Total Non-Potable Water	20,523,936	20,523,936	20,523,936	20,523,936	20,523,936	20,523,936	20,523,936
Subtotal Backbone Infrastructure Cost	649,669,383	696,163,078	649,669,383	1,282,869,383	634,969,383	639,069,383	982,269,383

Total Library	2,579,920	5,500,000	2,579,920	2,579,920	2,579,920	2,579,920	2,579,920
Total Corp. Yard	28,000,000	4,100,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Total Muni Services	-	5,500,000	-	-	-	-	-
Total Police	5,267,040	10,400,000	5,267,040	5,267,040	5,267,040	5,267,040	5,267,040
Total Fire	12,421,701	12,421,701	12,421,701	12,421,701	12,421,701	12,421,701	12,421,701
Total Parks	80,262,500	121,800,000	80,262,500	43,262,500	71,962,500	117,062,500	64,162,500
Total Trails	18,370,000	25,100,000	18,370,000	18,370,000	18,370,000	18,370,000	18,370,000
Total Transit	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000	28,100,000
Total Schools	350,305,000	350,305,000	350,305,000	219,321,391	310,705,304	444,735,043	274,151,739
Total Habitat	30,000,000	30,000,000	30,000,000	11,200,000	26,600,000	31,300,000	27,300,000
Total Other Building Permit Fees	32,360,333	18,300,000	32,360,333	23,023,549	29,040,621	33,474,833	25,615,111

Total Public Facilities	587,666,494	611,526,701	587,666,494	391,546,101	533,047,086	721,311,038	485,968,011
Total Costs	1,237,335,877	1,307,689,779	1,237,335,877	1,674,415,484	1,168,016,469	1,360,380,421	1,468,237,395

Delta From Working Wrkg Budget	-	70,353,902	-	437,079,607	(69,319,408)	123,044,543	230,901,517
Average Burden	17.7%	19.1%	19.1%	41.2%	21.4%	19.9%	30.9%
Average Burden w/CFD	13.8%	15.2%	15.2%	37.6%	17.7%	16.0%	26.9%



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

865 South Figueroa Street, 35th Floor Los Angeles California 90017 ph 213.417.3300 fax 213.417.3311

**Folsom SOI
Model Adjustments**

SF/Unit	SF	SFHD	MLD	MMD	MHD	MU-R
---------	----	------	-----	-----	-----	------

Original	2,183	2,183	1,200	939	939	939
Ratio of SF	100%	80%	55%	43%	37%	37%
Proposed	2,500	2,000	1,375	1,075	925	925

School Fees 6.24 /SF of Residential

	MU-C	OP	GC-O	GC-C	CC	RC
--	------	----	------	------	----	----

	1	1	1	1	1	1
	1	1	1	1	1	1

0.47 /SF of Commercial

Avg Based on AN

22.7%	20.8%	22.7%	22.7%	20.8%	20.8%	19.1%
65.0%	62.2%	71.3%	71.1%	63.6%	63.6%	41.2%
25.0%	22.8%	25.0%	24.9%	22.7%	22.7%	21.4%
21.9%	19.8%	21.6%	21.6%	19.8%	19.8%	19.9%
45.7%	43.2%	49.1%	49.0%	44.0%	44.0%	30.9%

Avg Based on SF

0.9%	5.4%	2.4%	7.1%	1.9%	1.9%	19.2%
0.6%	6.0%	2.7%	8.0%	0.5%	0.5%	41.7%
0.7%	7.8%	2.4%	7.2%	0.9%	0.9%	21.5%
0.6%	6.8%	2.4%	7.1%	0.8%	0.8%	19.9%
0.5%	3.9%	2.2%	6.6%	1.0%	1.0%	31.1%

Total SF

205,952	1,165,666	512,919	1,539,846	423,621	1,351,405	21,166,331
206,301	1,165,666	512,919	1,539,846	423,621	1,351,405	21,732,908
100,183	965,726	427,473	1,283,325	78,408	1,606,318	16,071,583
126,015	1,474,071	449,135	1,348,359	167,706	1,629,492	18,801,052
126,015	1,461,003	505,698	1,518,168	167,706	1,629,492	21,479,507
89,362	680,843	388,239	1,165,543	167,706	1,350,185	17,635,354

Burden	18.5%	19.4%	17.9%	19.0%	19.8%	19.8%
Proposed Project	32.1%	36.1%	36.4%	39.2%	39.2%	38.3%
No USA COE Permit	21.0%	21.9%	20.3%	21.5%	22.2%	22.3%
Centralized Development	20.2%	21.1%	19.1%	20.3%	21.3%	21.4%
Reduced Hillside Development	26.3%	28.7%	28.1%	30.1%	30.5%	30.0%

Product Type % of Project	19.4%	27.0%	15.4%	6.1%	5.3%	2.9%
Proposed Project (Balanced)	37.1%	14.0%	11.3%	6.6%	1.2%	2.0%
No USA COE Permit	8.5%	27.7%	18.6%	11.7%	3.8%	2.1%
Centralized Development	11.5%	15.1%	24.7%	11.6%	10.2%	1.7%
Reduced Hillside Development	21.4%	30.7%	17.3%	5.7%	1.5%	1.6%

Total SF	3,681,956	6,401,409	2,920,800	1,149,054	1,174,401	639,302
Original Base	4,217,500	5,866,000	3,346,750	1,315,800	1,157,175	629,925
Proposed Project (Balanced)	5,970,000	2,254,000	1,819,125	1,054,575	194,250	318,200
No USA COE Permit	1,602,500	5,204,000	3,495,250	2,197,300	706,700	400,525
Centralized Development	2,472,500	3,238,000	5,315,750	2,487,550	2,201,500	356,125
Reduced Hillside Development	3,782,500	5,406,000	3,042,875	1,012,650	285,475	283,975

Folsom SOI
Developer Fee Burden
Centralized Development DF

Land Use	Description	RESIDENTIAL				COMMERCIAL				RC
		SF	SFHD	MLD	MMMD	MHD	MULR	MULR	MULR	
		Single-Family	Single-Family Density	Single-Family Low Density	Single-Family Medium Density	Single-Family High Density	Mixed Use - Residential	Mixed Use - Residential	Mixed Use - Commercial	
Unit Value		500,000	400,000	343,750	268,750	231,250	231,250	231,250	195	
Units		641	2,602	2,542	2,044	764	433	433	126,015	
SP/Unit		2,500	2,000	1,375	1,075	925	925	925	0.7%	
% Of Project		8.5%	27.7%	18.6%	11.7%	3.6%	2.1%	2.1%	7.8%	
% of Burden		7.6%	25.6%	20.0%	13.3%	4.4%	2.5%	2.5%	6.7%	
Burden Ratio		89.3%	93.1%	107.7%	114.1%	118.1%	118.5%	118.5%	103.2%	
									107.1%	
									106.8%	
									97.5%	
									90.4%	
City Fees										
Building Permit Processing Fee		2,697	2,697	2,103	1,617	1,617	1,617	1,617	0.60	0.64
Police Capital Facilities Fee		526	526	596	596	596	596	596	0.89	0.89
Fire Capital Facilities Fee		951	951	919	919	919	919	919	0.56	0.56
General Capital Facilities Fee		1,397	1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44
Citywide Park Fee		-	-	-	-	-	-	-	-	-
Park Equipment		-	-	-	-	-	-	-	-	-
Road Fee		-	-	-	-	-	-	-	-	-
City Sewer Fee		-	-	-	-	-	-	-	-	-
Drainage Fees		-	-	-	-	-	-	-	-	-
Water Connection Fee		-	-	-	-	-	-	-	-	-
Water Impact Fee		-	-	-	-	-	-	-	-	-
Transportation Management Fee		35	35	25	25	25	25	25	0.15	0.15
Solid Waste Capital Improvement Fee		326	326	213	99	99	99	99	0.18	0.36
Light Rail Fee		634	634	436	436	436	436	436	0.20	0.20
Housing Trust Fund		-	-	-	-	-	-	-	1.20	1.20
Subtotal City Fees		6,566	6,566	5,689	5,089	5,089	5,089	5,089	4.22	4.44
Other Agency Fees										
Measure A Development Impact Fee		1,000	1,000	700	700	700	700	700	2.91	2.55
SRCSO Sewer Fee		7,450	7,450	5,588	5,588	5,588	5,588	5,588	0.75	1.03
Folsom-Cordova USD School Facilities Fee		15,600	12,480	8,580	6,708	5,772	5,772	5,772	0.47	0.47
50 Corridor Mobility Study		4,889	4,889	2,982	2,982	2,982	2,982	2,982	2.81	3.74
Subtotal Other Agency Fees		28,939	25,819	17,850	15,978	15,042	15,042	15,042	8.11	7.79
FPASP Special Financing Fees										
Infrastructure Construction (Backbone)										
Roadway		13,866	13,866	13,236	11,345	9,454	8,824	8,824	17.33	20.93
Sewer		1,736	1,747	1,821	1,437	1,124	1,469	1,469	1.20	1.09
Storm Drainage		3,669	2,518	2,128	1,139	885	1,157	1,157	2.86	2.59
Water		29,096	19,398	16,973	12,123	9,699	9,699	9,699	11.46	10.39
Non-Potable Water		3,066	2,044	1,789	1,278	1,022	1,022	1,022	1.21	1.09
Subtotal Infrastructure Construction		51,433	39,573	35,946	27,322	22,184	22,170	22,170	34.07	36.12
Public Facilities										
Library		286	286	190	190	190	190	190	0.12	0.14
Corporation Yard		-	-	-	-	-	-	-	-	-
Municipal Services Center		-	-	-	-	-	-	-	-	-
Police Facilities		-	-	-	-	-	-	-	-	-
Fire Facilities		-	-	-	-	-	-	-	-	-
Parks		123	123	82	82	82	82	82	0	0
Trails		10,157	10,157	6,748	6,748	6,748	6,748	6,748	-	-
Transit		1,835	1,835	1,219	1,219	1,219	1,219	1,219	-	-
Habitat & Agricultural Mitigation		345	345	229	229	229	229	229	0	0
Habitat Plan Administration & Updates		5,529	3,036	1,832	915	667	872	872	1.92	1.74
Subtotal Public Facilities		18,276	15,782	10,301	9,384	9,136	9,340	9,340	2.24	2.10
Total FPASP Special Financing District		69,709	55,356	46,247	36,705	31,319	31,510	31,510	36.31	38.22
TOTAL COST PER UNIT		105,214	87,741	63,786	57,772	51,450	51,641	51,641	48.64	50.45
Cost Burden as % of Unit Sales Price		21.0%	21.9%	20.3%	21.5%	22.2%	22.3%	22.3%	25.0%	24.9%
Total Revenue Based on This Schedule		885,794,664								

Land Use	SF			RESIDENTIAL			COMMERCIAL					
	Single-Family	SFHD Single-Family High Density	MLD Multifamily Low Density	MMD Multifamily Medium Density	MHD Multifamily High Density	MUR Mixed Use - Residential	MUC Mixed Use - Commercial	OP Office Park	GC-O General Commercial- Office	GC-C General Commercial- Comm	CC Community Commercial	RC Regional Commercial
Description												
Unit Value	500,000	400,000	343,750	268,750	231,250	231,250	195	176	202	202	202	246
Units	989	1,619	3,866	2,314	2,380	385	126,015	1,461,003	505,698	1,518,168	167,706	1,629,492
SF/Unit	2,500	2,000	1,375	1,075	925	925	1	1	2.4%	71.1%	1	1
% Of Project	11.5%	15.1%	24.7%	11.6%	10.2%	1.7%	0.6%	6.8%	2.3%	6.9%	0.8%	7.6%
% of Burden	10.3%	14.1%	26.3%	13.1%	12.1%	2.0%	0.8%	5.3%	2.9%	6.5%	0.7%	6.3%
Burden Ratio	89.8%	93.8%	106.3%	113.2%	118.5%	119.1%	94.9%	77.6%	97.1%	96.9%	88.9%	83.3%
City Fees												
Building Permit Processing Fee	2,697	2,697	2,103	1,617	1,617	1,617	0.60	0.80	0.64	0.64	0.64	0.59
Police Capital Facilities Fee	526	526	596	596	596	596	0.89	0.89	0.89	0.89	0.89	0.89
Fire Capital Facilities Fee	951	951	919	919	919	919	0.56	0.56	0.56	0.56	0.56	0.56
General Capital Facilities Fee	1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44	0.44	0.44	0.44	0.44
Citywide Park Fee	-	-	-	-	-	-	-	-	-	-	-	-
Park Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Road Fee	-	-	-	-	-	-	-	-	-	-	-	-
City Sewer Fee	-	-	-	-	-	-	-	-	-	-	-	-
Drainage Fees	-	-	-	-	-	-	-	-	-	-	-	-
Water Connection Fee	-	-	-	-	-	-	-	-	-	-	-	-
Water Impact Fee	-	-	-	-	-	-	-	-	-	-	-	-
Transportation Management Fee	35	35	25	25	25	25	0.15	0.15	0.15	0.15	0.15	0.15
Solid Waste Capital Improvement Fee	326	326	213	99	99	99	0.18	0.30	0.36	0.36	0.36	0.32
Light Rail Fee	634	634	436	436	436	436	0.20	0.08	0.20	0.20	0.20	0.20
Housing Trust Fund	-	-	-	-	-	-	1.20	1.20	1.20	1.20	1.20	1.20
Subtotal City Fees	6,566	6,566	5,689	5,089	5,089	5,089	4.22	4.42	4.44	4.44	4.44	4.35
Other Agency Fees												
Measure A Development Impact Fee	1,000	1,000	700	700	700	700	2.91	1.20	2.55	2.55	2.55	3.71
SRCSO Sewer Fee	7,450	5,588	5,588	5,588	5,588	5,588	0.75	1.49	1.03	1.03	1.03	1.49
Folsom-Cordova USD School Facilities Fee	15,600	8,580	7,772	7,772	7,772	7,772	0.47	0.47	0.47	0.47	0.47	0.47
50 Corridor Mobility Study	4,889	4,889	2,982	2,982	2,982	2,982	3.98	2.81	3.74	3.74	3.74	3.98
Subtotal Other Agency Fees	28,939	25,819	17,850	15,978	15,042	15,042	8.11	5.97	7.79	7.79	7.79	9.65
FPASP Special Financing Fees												
Infrastructure Construction (Backbone)												
Roadway	10,283	10,283	9,816	8,413	7,011	6,544	12.85	11.45	15.54	15.52	13.73	12.26
Sewer	905	911	950	749	586	766	0.45	0.63	0.57	0.57	0.50	0.45
Storm Drainage	4,523	3,104	2,623	1,404	1,091	1,426	3.53	2.36	3.20	3.19	2.83	2.52
Water	23,696	17,132	14,991	10,708	8,566	8,566	10.13	7.96	9.18	9.17	8.11	6.04
Non-Potable Water	2,608	1,739	1,521	1,087	869	869	1.03	0.81	0.93	0.93	0.82	0.61
Subtotal Infrastructure Construction	44,017	3										

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.



kosmont
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Folsom SOI
Developer Fee Burden
Resource Impact Minimization DF

Land Use	Description	RESIDENTIAL					COMMERCIAL					RC
		SF	SFHD	MLD	MMD	MHD	MUR	MU-C	OP	GC-O	GC-C	
		Single Family	Single-Family High Density	Multifamily Low Density	Multifamily Medium Density	Multifamily High Density	Mixed Use - Residential	Mixed Use - Commercial	Office Park	General Commercial - Office	General Commercial - Comm	Community Commercial
Unit Value		525,000	420,000	360,938	282,188	242,813	242,813	195	176	202	202	246
Units		1,513	2,703	2,213	942	287	307	89,362	680,843	388,239	1,165,543	1,350,185
SF/Unit		2,500	2,000	1,375	1,075	925	925	1	1	1	1	1
% of Project		21.4%	30.7%	17.3%	5.7%	1.5%	1.6%	0.5%	3.9%	2.2%	6.6%	7.7%
% of Burden		17.1%	25.7%	18.4%	6.6%	1.7%	1.8%	0.7%	4.2%	3.2%	9.4%	9.0%
Burden Ratio		79.8%	87.2%	106.5%	114.1%	115.6%	113.9%	128.6%	109.9%	143.2%	142.8%	116.9%
City Fees												
Building Permit Processing Fee		2,697	2,697	2,103	1,617	1,617	1,617	0.60	0.80	0.64	0.64	0.59
Police Capital Facilities Fee		526	526	596	596	596	596	0.89	0.89	0.89	0.89	0.89
Fire Capital Facilities Fee		951	951	919	919	919	919	0.56	0.56	0.56	0.56	0.56
General Capital Facilities Fee		1,397	1,397	1,397	1,397	1,397	1,397	0.44	0.44	0.44	0.44	0.44
Citywide Park Fee		-	-	-	-	-	-	-	-	-	-	-
Park Equipment		-	-	-	-	-	-	-	-	-	-	-
Road Fee		-	-	-	-	-	-	-	-	-	-	-
City Sewer Fee		-	-	-	-	-	-	-	-	-	-	-
Drainage Fees		-	-	-	-	-	-	-	-	-	-	-
Water Connection Fee		-	-	-	-	-	-	-	-	-	-	-
Water Impact Fee		-	-	-	-	-	-	-	-	-	-	-
Transportation Management Fee		35	35	25	25	25	25	0.15	0.15	0.15	0.15	0.15
Solid Waste Capital Improvement Fee		326	326	213	99	99	99	0.18	0.30	0.36	0.36	0.32
Light Rail Fee		634	634	436	436	436	436	0.20	0.08	0.20	0.20	0.20
Housing Trust Fund		-	-	-	-	-	-	1.20	1.20	1.20	1.20	1.20
Subtotal City Fees		6,566	6,566	5,089	5,089	5,089	5,089	4.22	4.42	4.44	4.44	4.35
Other Agency Fees												
Measure A Development Impact Fee		1,000	1,000	700	700	700	700	2.91	1.20	2.55	2.55	3.71
SRCSD Sewer Fee		7,450	7,450	5,588	5,588	5,588	5,588	0.75	1.49	1.03	1.03	1.49
Folsom-Cordova USD School Facilities Fee		15,600	12,480	8,580	6,708	5,772	5,772	0.47	0.47	0.47	0.47	0.47
50 Corridor Mobility Study		4,889	4,889	2,982	2,982	2,982	2,982	3.98	2.81	3.74	3.74	3.98
Subtotal Other Agency Fees		28,939	25,819	17,850	15,978	15,042	15,042	8.11	5.97	7.79	7.79	9.65
FPASP Special Financing Fees												
Infrastructure Construction (Backbone)												
Roadway		45,737	45,737	43,658	37,421	31,184	29,105	57.17	50.91	69.10	69.05	54.54
Sewer		2,907	2,927	3,051	2,406	1,882	2,460	2.02	1.35	1.83	1.83	1.44
Storm Drainage		2,586	1,775	1,500	803	624	815	2.02	1.35	1.83	1.83	1.44
Water		29,783	19,855	17,374	12,410	9,928	9,928	11.73	9.23	10.64	10.63	9.40
Non-Potable Water		3,223	2,149	1,880	1,343	1,074	1,074	1.27	1.00	1.15	1.15	1.02
Subtotal Infrastructure Construction		84,236	72,442	67,462	54,383	44,692	43,382	74.21	63.82	84.54	84.48	65.19
Public Facilities												
Library		318	318	211	211	211	211	0.14	0.14	0.15	0.11	0.10
Corporation Yard		-	-	-	-	-	-	-	-	-	-	-
Municipal Services Center		-	-	-	-	-	-	-	-	-	-	-
Police Facilities		-	-	-	-	-	-	-	-	-	-	-
Fire Facilities		347	347	231	231	231	231	0	0	0	0	0
Parks		9,567	9,567	6,356	6,356	6,356	6,356	-	-	-	-	-
Trails		1,938	1,938	1,288	1,288	1,288	1,288	-	-	-	-	-
Transit		765	765	508	508	508	508	0	0	0	0	0
Habitat & Agricultural Mitigation		5,430	2,982	1,800	899	655	856	1.88	1.26	1.71	1.70	1.35
Financing Plan Administration & Updates		-	-	-	-	-	-	-	-	-	-	-
Subtotal Public Facilities		18,366	15,917	10,394	9,493	9,249	9,450	2.49	1.87	2.40	2.21	1.95
Total FPASP Special Financing District		102,602	88,360	77,856	63,876	53,942	52,833	76.70	65.69	86.94	86.69	66.98
TOTAL COST PER UNIT		136,107	120,745	101,395	84,943	74,073	72,964	89.03	76.08	99.17	98.92	80.98
Cost Burden as % of Unit Sales Price		26.3%	28.7%	28.1%	30.1%	30.5%	30.0%	45.7%	43.2%	49.1%	49.0%	32.9%
Total Revenue Based on This Schedule		1,221,196,875										

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

APPENDIX D

EIR Public Review Draft

Folsom Plan Area Specific Plan Public Facilities Financing Plan

The Economics of Land Use



Prepared for:

Folsom South Area Group

Prepared by:

Economic & Planning Systems, Inc.

June 2010

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1. FINANCING PLAN EXECUTIVE SUMMARY

This Environmental Impact Report (EIR) Public Review Draft Public Facilities Financing Plan (EIR Draft Financing Plan) presents a summary of the strategy to finance required Backbone Infrastructure and other Public Facilities serving the proposed land uses in the Folsom Plan Area Specific Plan (hereafter referred to as Specific Plan or Project) currently located in unincorporated Sacramento County (County) but in the City of Folsom (City)'s Sphere of Influence (SOI). The financing strategy is designed to assure the City that the required facilities will be constructed when necessary. The Financing Plan includes the use of existing fee programs, development of a new Special Financing District, and use of other funding mechanisms.

The financing sources and cost estimates contained in this report are preliminary. Draft and Final Financing Plan reports, which will include additional information from the EIR and public comments, will be presented to the City Council before Project approval.

All costs are in 2010 dollars. Cost estimates will be adjusted for inflation or revised based on more detailed engineering information as the development process is implemented.

Project Background

Pursuant to State of California (State) law, a SOI is required by each Local Agency Formation Commission (LAFCO) to serve as a plan for the probable physical boundaries and service area of a local government agency.¹ In 2001, the Sacramento County LAFCO designated the area south of U.S. Highway 50 (Hwy 50) as Folsom's SOI—the area to which a city is expected to eventually provide services—giving Folsom a “formal voice” over the development process and paving the way for annexation into Folsom in the future.^{2 3}

Establishment of the Folsom SOI in 2001 was the culmination of a 10-year planning process among Folsom, Sacramento County, and the Sacramento County LAFCO. This planning process produced the following three legal compacts, which govern today's SOI:

- *Memorandum of Understanding (MOU) between Folsom and Sacramento County (November 2000).* The MOU required Folsom to adopt, among other things, a general plan amendment and an infrastructure phasing and financing plan. The MOU stipulated that the infrastructure phasing and financing plan shall identify the source of water to serve the area and that the Folsom SOI shall contain a minimum of 30 percent natural open space.
- *LAFCO Resolution 1196 (June 2001).* LAFCO Resolution 1196 requires, among other things, that Folsom prezone the property before annexation, promote annexations in the SOI that

¹ Government Code Section 56425.

² City of Folsom Visioning: South of Highway 50. <http://www.folsom.ca.us/visioning/>.

³ Sacramento LAFCO Resolution No. LAFCO 1195, June 6, 2001.

are well-planned, mitigate potential impacts on traffic and schools, and provide a Transit Master Plan.

- *November 2004 Ballot Measure (Measure W):* In November 2004, Folsom voters overwhelmingly approved a ballot measure that established certain requirements for development of the Folsom SOI, including these:
 - Identifying and securing the source of water for the Folsom SOI.
 - Adopting an infrastructure funding and phasing plan for construction of roadway and transportation improvements necessary to mitigate traffic impacts caused by development of the SOI area.
 - Adopting a plan requiring 30 percent of the area be maintained as natural open space to preserve oak woodlands and sensitive habitat areas.
 - Submitting a plan for funding schools so residents north of Hwy 50 are not required to pay for the construction of new school facilities serving the SOI area.
 - Adopting a general plan amendment in accordance with environmental laws.

Folsom SOI Visioning Process

In the spring of 2004, Folsom commenced a 15-month communitywide outreach program (Visioning Process) to inform its citizenry of the issues, opportunities, and legal constraints pertaining to development of the Folsom SOI and to receive and consider citizen input on those issues. At the conclusion of the Visioning Process and after consultation with the affected landowners, on June 28, 2005, the Folsom City Council unanimously selected a preferred land use plan for the SOI area and directed staff to commence the annexation process. The preferred land use plan was used to assist in creating the land use plans submitted by the landowner group—the Folsom South Area Group (FSAG).

Project Description and Proposed Land Uses

The Project is located on approximately 3,500 acres in the unincorporated County south of Hwy 50 and the City, but in the City's SOI. The Project is bounded to the west by Prairie City Road, to the east by the Sacramento/El Dorado County border, and to the south by White Rock Road. **Map 1-1** shows the size and location of the Folsom SOI relative to the Sacramento Region; **Map 1-2** shows the detailed land use map of the Project.

FSAG proposes to develop a master-planned community, envisioned to contain approximately 10,200 residential units of varying densities and 5.2 million building square feet of commercial space, including nearly 1.4 million square feet of regional retail, about 2.0 million square feet of general and community retail, 200,000 square feet of mixed use retail, and approximately 1.7 million square feet of office space. **Table 1-1** provides a summary of the number of residential units and acres by type of land use.

Map 1-1

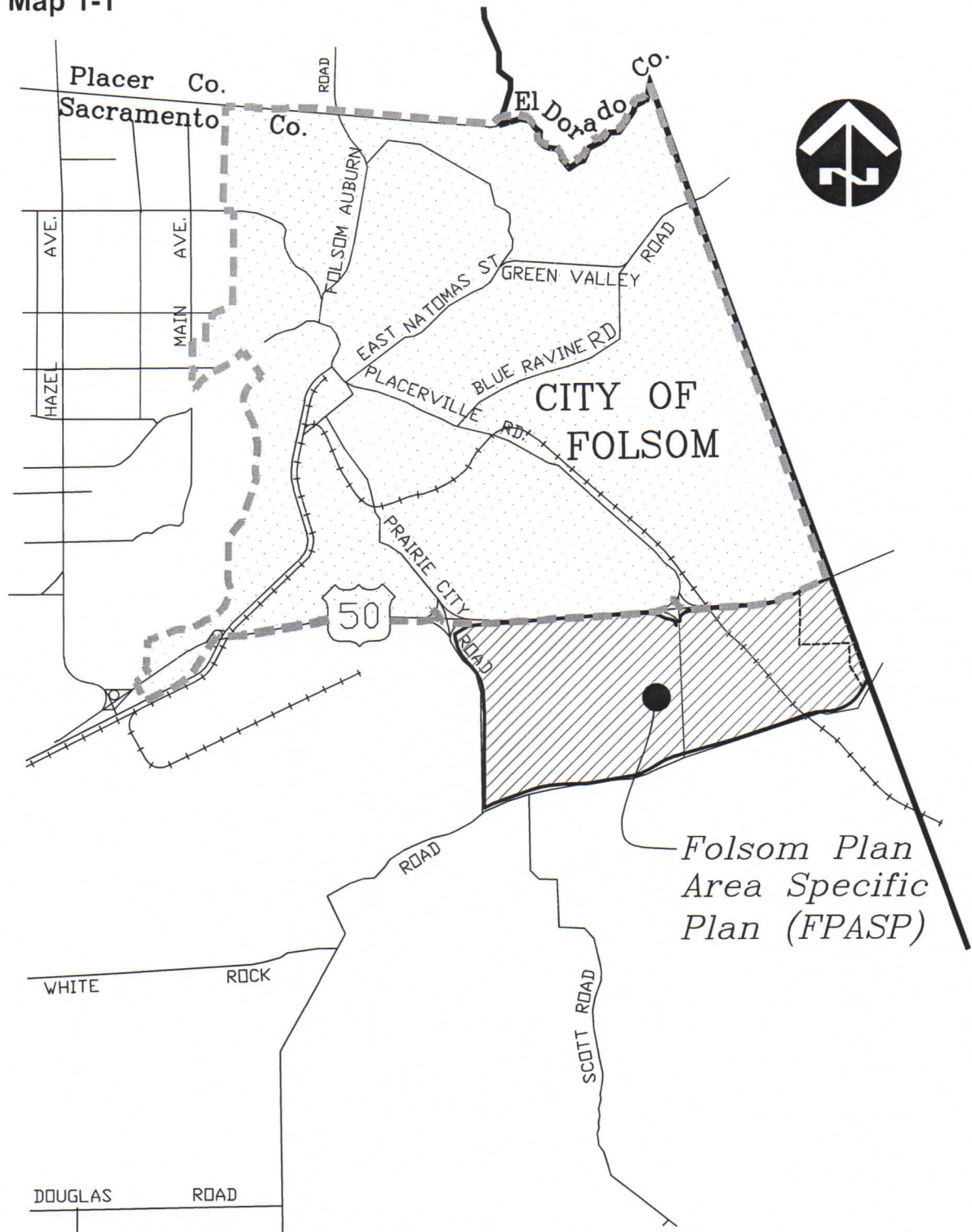
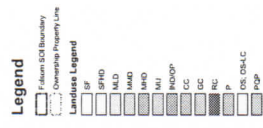


EXHIBIT A
VICINITY MAP
N.T.S.



Composite Land Use Areas

Folsom SOI

City of Folsom,

Mackay & Somp's
CIVIL ENGINEERS, INC.
17400 Mackay Road, Suite 100, Houston, TX 77058
(713) 861-1000

California

May 20, 2009

7919-00

Table 1-1
Folsom Plan Area Specific Plan Public Facilities Financing Plan
Land Use Summary

Land Use	Buildout		
	Acres	Units [1]	Bldg. Sq. Ft.
<u>Developable Land Uses</u>			
Residential			
Single-Family (SF)	557.8	1,687	-
Single-Family High Density (SFHD)	532.5	2,933	-
Multifamily Low Density (MLD)	266.7	2,434	-
Multifamily Medium Density (MMD)	67.0	1,224	-
Multifamily High Density (MHD)	49.9	1,251	-
Mixed Use District (MU) - Residential [2]	35.5	681	-
Subtotal Residential	1,509.4	10,210	-
Commercial			
Mixed Use District (MU) - Commercial [2]	23.6	-	205,952
Office Park (OP)	89.2	-	1,165,666
General Commercial (GC) - Office	47.1	-	512,919
General Commercial (GC) - Commercial	141.4	-	1,539,846
General Commercial (GC) - Non-Developable	24.4	-	-
Community Commercial (CC)	38.8	-	423,621
Regional Commercial (RC)	110.8	-	1,351,405
Subtotal Commercial	475.3	-	5,199,409
Total Developable	1,984.7	10,210	5,199,409
Non-Developable Land Uses	1,525.7	-	-
TOTAL LAND USES	3,510.4	10,210	5,199,409

"lu_summ"

Source: MacKay & Soms Land Use Summary, Administrative Review Draft, May 15, 2009; EPS.

[1] Units are an estimate based on target dwelling units. Actual dwelling units may differ but will fall within specified density range identified in Table 2-1.

[2] Mixed Use District is split 60% residential and 40% commercial.

Phasing of the Financing Plan

The Project is anticipated to build out over a period of many years, in multiple phases. For the purpose of this preliminary draft Executive Summary of the Financing Plan, only the Buildout scenario is shown. The Development Agreement, Environmental Impact Report (EIR) Mitigation Monitoring Program, or mapping conditions placed on tentative maps will specify the timing requirements for major public improvements as the Project builds out.

Regional and Backbone Infrastructure and Public Facilities Costs

Many people tend to use the term "backbone infrastructure" for all publicly owned facilities. This Financing Plan describes Regional Infrastructure, Backbone Infrastructure, and Public Facility Improvements and relies on the following definitions to more precisely define the type of improvements included in the analysis.

Regional Infrastructure

The Project will participate in regional fee programs that will construct regional roadway improvements to serve the Project.

Sacramento County Transportation Development Fee Program

Adopted in 1988 and updated in November 2008, the Sacramento County Transportation Development Fee (SCTDF) program is a countywide fee program that funds construction of regional roadway, transit, bicycle, and pedestrian facilities. Specifically, SCTDF funds those improvements that are needed to accommodate new development in Sacramento County (County).

The Project will pay its fair share of the following off-site regional roadway improvements identified in the SCTDF program:

- Easton Valley Parkway, Rancho Cordova city limits to Hazel Avenue.
- White Rock Road, Luyung Drive to Rancho Cordova city limits.
- White Rock Road, Rancho Cordova city limits to Prairie City Road.
- Hwy 50/Hazel Interchange.

Proposed 50 Corridor Mobility Fee Program

A group of developers and jurisdictional entities, collectively named the Highway 50 Coalition, are considering a transportation funding program (Hwy 50 Corridor Mobility Fee Program) that will identify regional roadway infrastructure improvements that would improve mobility in concert with the region's projected growth. The program would establish a new Hwy 50 fee (Hwy 50 Fee) that would fund major roadway improvements along the Hwy 50 Corridor in Sacramento and El Dorado Counties. The Financing Plan includes a preliminary Hwy 50 Fee for the purpose of testing financial feasibility.

Backbone Infrastructure

For the purpose of this report, Backbone Infrastructure includes most of the essential public service-based items that are underground or on the surface. Backbone Infrastructure is sized to serve numerous individual development projects in the Project and in some cases serves areas beyond the Project site. These items include 4⁺-lane roads, sewer, storm drainage, potable water, and non-potable water. Estimated costs at buildout of the Project equal approximately \$765 million (2010 dollars) for Backbone Infrastructure improvements.

Public Facilities

Project-Specific Public Facilities

The Project public facilities include the following improvements:

- Library facilities.
- Municipal services center.
- Police annex, including vehicles and equipment.
- Fire stations and equipment (both temporary and permanent facilities), including a fire station training area.
- Parks and open space, including neighborhood and community facilities. Private parks (miniparks) and facilities are described, though the Financing Plan excludes the cost of these facilities.
- Trails, specifically paved bicycle trails and associated trail facilities.
- Transit facilities and vehicles.
- Schools.
- Habitat and agricultural mitigation.

This group of items provides amenities to the Project (park facilities and libraries) or houses employees providing services to the area (police, fire, public administration).

Other City Public Facilities

In addition to the Project-specific public facilities, costs will be incurred at building permit issuance for various other City services and facilities. These costs include a transportation management fee used to finance transportation facility improvements, a nonresidential housing trust fund fee used to help facilitate development of affordable housing, a general capital facilities fee used for general government facilities, and a solid waste capital improvement fee used for facilities and equipment (including the corporation yard) needed by the City to provide increased municipal services.

The estimated cost of Public Facility improvements for the Project amounts to approximately \$612 million (2010 dollars).

Total Cost Estimates

Total cost estimates for Backbone Infrastructure and Public Facility improvements amount to approximately \$1.38 billion (in 2010 dollars) at buildout as summarized in **Table 1-2**. These figures include the cost of updating the Financing Plan.

MacKay & Soms prepared the Backbone Infrastructure cost estimates used in this Financing Plan dated May 6, 2010.⁴

The Public Facility improvement costs are based initially on estimates provided in the Project Public Facilities Financing Plan (PFFP) prepared by Goodwin Consulting Group (GCG) dated November 20, 2008. EPS worked with MacKay & Soms and FSAG to further refine the costs of Public Facility improvements designed to serve the Project.

The cost estimates and allocations shown in this report are subject to revision as updated information becomes available. As descriptions of facilities and associated cost estimates change, the Financing Plan will be updated with the most current information available.

Other Project Development Costs

The Backbone Infrastructure and other Public Facility cost estimates do not include the costs of in-tract and other subdivision-specific improvements, which will be privately financed. These are considered subdivision improvements and are not part of this Financing Plan. They are as follows:

- **In-tract improvements** in a subdivision project include local roads, sewer, water, drainage, erosion control, and dry utilities. In addition, this Financing Plan considers miniparks to be in-tract improvements. These improvements are funded privately, and the costs of these improvements are not estimated or included in the cost burdens presented in the Financing Plan. The development community considers these costs in their private financing structure as "Lot Costs" or "Subdivision Improvements."
- **Frontage improvements** include frontage roads, sound walls, and landscape corridors that border a subdivision project. Except for the frontage costs noted in any Public Facilities above, these improvements are funded privately, and the costs of these improvements are not estimated or included in the cost burdens presented in the Financing Plan. These costs are typically included in "Lot Costs" and are included in a developer's private financing structure.

⁴ Preliminary Cost Estimate, Folsom Plan Area Specific Plan, Proposed Project Backbone Infrastructure, MacKay & Soms, May 6, 2010.

Table 1-2
Folsom Plan Area Specific Plan Public Facilities Financing Plan
Summary of Estimated Infrastructure Improvement Costs (2010\$)

Improvement	Preliminary Estimated Costs At Buildout (2010\$)
Backbone Infrastructure Improvements	
Backbone Roads	
Project-specific Roads	\$ 231,800,000
Other Road Obligations	\$ 121,700,000
Subtotal Backbone Roads	\$ 353,500,000
Sewer	\$ 90,300,000
Storm Drainage	\$ 21,600,000
Potable Water	\$ 277,800,000
Non-Potable Water	\$ 22,200,000
Subtotal Backbone Infrastructure	\$ 765,400,000
Public Facility Improvements	
Library	\$ 5,500,000
Municipal Services Center	\$ 5,500,000
Police Facilities	\$ 10,400,000
Fire Facilities	\$ 12,400,000
Corporation Yard	\$ 4,100,000
Parks	\$ 121,800,000
Trails	\$ 25,100,000
Transit	\$ 28,100,000
Schools	\$ 350,300,000
Habitat & Agricultural Mitigation	\$ 30,000,000
Items Funded by Other Building Permit Fees [1]	\$ 18,300,000
Financing Plan Administration and Updates	TBD
Subtotal Public Facility Improvements	\$ 611,500,000
Total Improvements	\$ 1,376,900,000

improve

Source: MacKay & Soms (May 6, 2010), City of Folsom, and EPS

[1] Includes transportation management fee, housing trust fund fee, and general capital facilities fee not used for Municipal Services Center.

Financing Strategy Summary

Purpose

The purpose of the Financing Plan is to recommend the appropriate financing mechanisms to fund the necessary Regional and Backbone Infrastructure and other Public Facility costs required to serve the Project. The selected financing mechanisms are flexible enough to ensure the required improvements are constructed when necessary. The financing mechanisms used will depend on the types and timing of the needed facilities.

Financing Policies

The following objectives and policies, based on Measure W, the November 2004 ballot measure that established certain requirements for the Project, will guide financing of infrastructure and services in the Project:

- Identify and secure the source of water for the Folsom SOI.
- Adopt an infrastructure funding and phasing plan for construction of roadway and transportation improvements necessary to mitigate traffic impacts caused by development of the SOI area.
- Adopt a plan requiring 30 percent of the area be maintained as natural open space to preserve oak woodlands and sensitive habitat areas.
- Submit a plan for funding schools so residents north of Hwy 50 are not required to pay for construction of new school facilities serving the SOI area.
- Adopt a general plan amendment in accordance with environmental laws.

The following additional objectives and policies will also guide the financing of infrastructure and services in the Project:

- Identify ways to finance construction of public infrastructure and facilities through public and private financing.
- Use some of the existing City fee programs to the extent possible.
- Use existing SCTDF, Sacramento Regional County Sanitation District (SRCSD), and other Special District fee programs to the extent possible.
- Establish a Special Financing District to fund all or a portion of major regional backbone infrastructure and other public facilities not included in existing fee programs or funded through other sources.
- Make use of Federal and State funding for transportation improvements.
- Make maximum use of "pay-as-you-go" mechanisms.

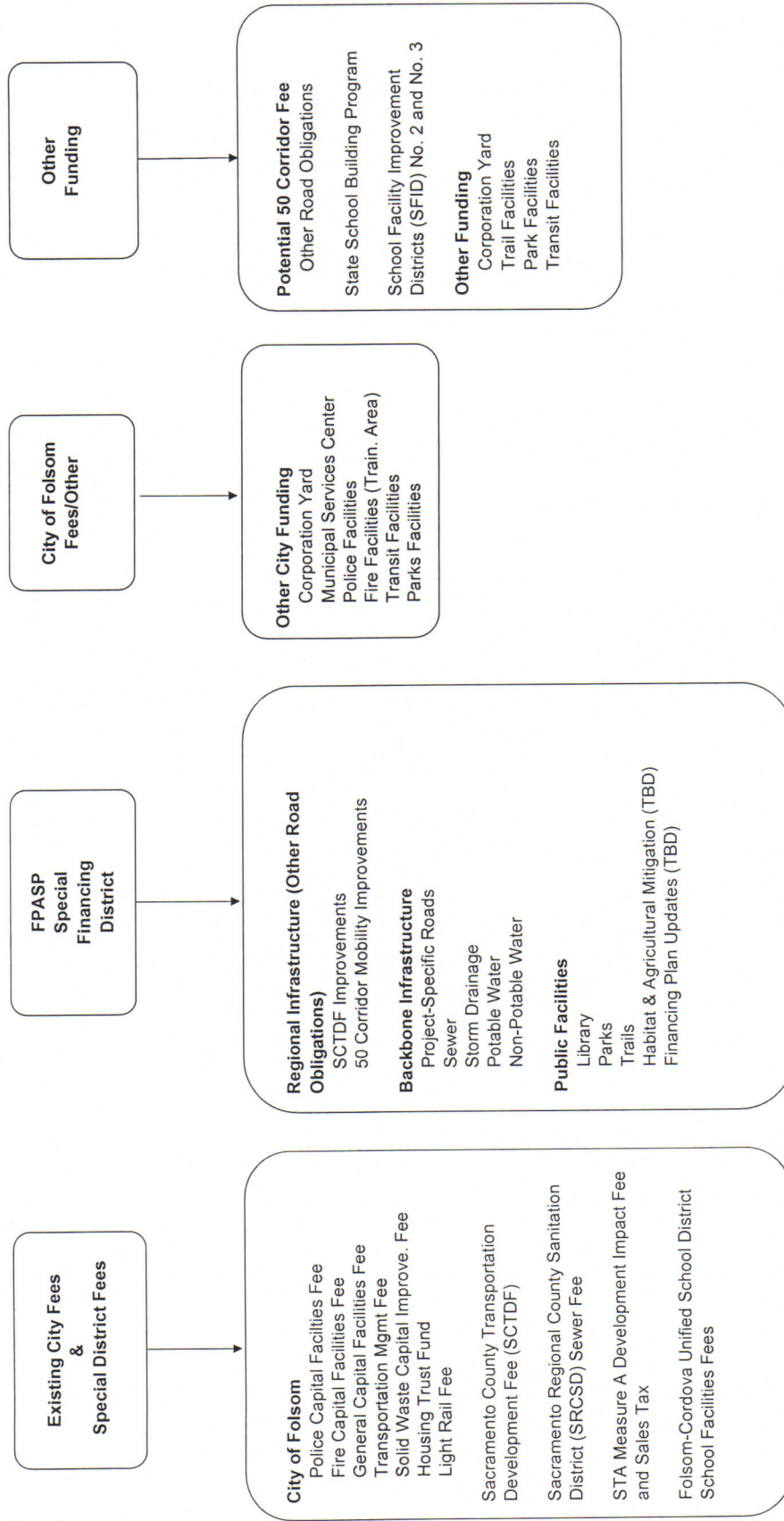
- Build in flexibility to allow response to market conditions.
- Provide developer funding for appropriate facilities, which may include developer funding through municipal debt financing mechanisms.

Financing Strategy

A combination of funding sources will ultimately fund the costs of Backbone Infrastructure and Public Facility improvements. **Figure 1-1** describes these sources, which are summarized below:

- **Existing Fee Programs** administered by the City and other public agencies will be used. Examples of these items are citywide fees, including Police Capital Facilities Fee, Transportation Management Fee, Solid Waste Capital Improvement Fee, and Housing Trust Fund; SCTDF for roadways; SRCSD for sewer; and school district development impact fees.
- **A New Folsom Plan Area Specific Plan (FPASP) Special Financing District** will fund improvements not already included in the capital improvement program of existing fee programs. The Special Financing District likely would be in the form of a new FPASP Fee Program that would assign costs among developable land uses in the Project. The Fee Program could include the use of fee revenue for reimbursements to developers who provide advance funding for infrastructure. The FPASP Fee Program could be a publicly administered fee program (by the City) or privately administered fee program (by FSAG). For example, the City may prefer to administer the portion of the fee dedicated to funding Public Facilities, while FSAG could internally implement a fee program to cover the costs of Backbone Infrastructure. Further discussion between FSAG and the City will be required to determine how the Special Financing District will be administered.
- **City of Folsom Fees/Other City Funding.** Certain improvements will be partially funded through existing citywide fee programs. Specifically, it is assumed the Project will contribute its fair share towards on-site Corporation Yard, Police, Fire Municipal Services, and transit facilities intended to serve beyond the Project. Thus, this Financing Plan assumes these Project facilities will be partially funded by existing citywide fee program revenues or other City General Fund revenues.
- **Enterprise Funding/Utility Revenue Bonds.** Instead of funding some of the potable water improvements through the Special Financing District, Utility Revenue bonds may be used. These bonds are repaid through revenues generated by a specified revenue-generating entity associated with the purpose of the bonds. A special surcharge on water utility rates, applicable only to the Project, may be used to pay debt service on revenue bonds and to pay for acquisition of water supply.
- **Private Developer Funding.** Certain construction costs within the boundaries of the Project are the direct responsibility of the FSAG (e.g., miniparks).
- **CFDs.** The City could form one or more CFDs to finance infrastructure improvements needed during development of the Project. The 1982 Mello-Roos Community Facilities Act enables cities and other entities to establish a CFD to finance various facilities and services by selling bonds and levying an annual special maximum tax on land within the CFD boundaries. The

Figure 1-1
Folsom Plan Area Specific Plan Financing Plan
Summary Infrastructure Funding Programs at Buildout



Source: EPS.

[1] See report text for a description of Folsom Plan Area Specific Plan (FPASP) Fee Program and CFD(s).

net bond proceeds and the special tax can be used to direct-finance improvements, to acquire facilities constructed by the developer(s), to reimburse developers for advance-funding improvements, or to prepay certain development fees.

- **Matching State School Funding/Other School Funding.** It is anticipated that the school districts in the Project will be eligible for grant funding from the State School Facility Program (SFP). In addition to school district impact fees, school facilities will be funded through a combination of State grant programs (i.e., State SFP), and locally approved General Obligation (GO) bonds: School Facilities Improvement District (SFID) No. 2 (SFID-2) and SFID No. 3 (SFID-3). In March 2002, voters in SFID-2 approved a bond measure to fund the modernization of existing schools and construction of new proposed schools in the Project. Then, in March 2007, voters approved Measure M, a \$750 million school facilities GO bond for the newly formed SFID-3, which will provide funding for site acquisition and construction of new schools in the Project.
- **Other Funding Sources** to fund the Backbone Infrastructure and Public Facilities costs will be required. This may include Federal and State highway funding or other Federal/State funding for transit facilities and equipment. This may also include Federal and State funding sources for the grade separation component of the proposed trail improvements.

In addition to the ultimate funding sources described above, financing mechanisms will be used to cover the costs of improvements before the ultimate source of funding (e.g., fees) is available and to cover any funding shortfalls during the initial phases:

- **Developer Advances.** The Financing Plan anticipates that developer advances will finance infrastructure improvements needed in the initial phases of the Project and before the collection of fees or other revenue sources. The Financing Plan assumes that fee credits or reimbursements for facilities otherwise funded by fee programs may be available if developers fund and construct fee-funded facilities. Developer advances will also be financed as the City acquires facilities through the Mello-Roos Districts.

Because developers will be conditioned to complete specific infrastructure improvements and, in many instances, will advance-fund more than their "proportionate share" of infrastructure costs, private or public reimbursement agreements may be appropriate. Private or public reimbursement agreements may be prepared for each development project providing more than its proportionate share of infrastructure costs. Either through such private or public reimbursement agreements or the Development Agreements (DAs), the developers fronting the cost of improvements benefiting adjacent owners may be able to recover those costs.

Table 1-3 shows the detailed costs and funding sources by category of improvement.

Financial Feasibility

Project-related infrastructure and public facilities costs are significant but offset by the availability of local, State, and federal funding sources. As a result, the Project should be able to feasibly fund the Project's backbone infrastructure and public facilities. If certain sources of funding are not available to fund the Project, however, development may need to be restricted until funds become available.

Table 1-3
Folsom Plan Area Specific Plan
Infrastructure Funding Capacity Analysis
Estimated Infrastructure Costs and Sources of Funding: Buildout (2010\$)

Item	Estimated Cost	Buildout Funding Sources			
		Existing City Fees	FPASP Special Financing District	Fees Paid to Other Agencies [1]	Outside Funding
Backbone Infrastructure Improvements					
Backbone Roads					
Project-specific Roads	\$231,800,000		X		X
Other Road Obligations [2]	\$121,700,000		X	X	
Subtotal Backbone Roads	\$353,500,000				
Sewer	\$90,300,000		X	X	
Storm Drainage	\$21,600,000		X		
Potable Water	\$277,800,000		X		X
Non-Potable Water	\$22,200,000		X		
Subtotal Backbone Infrastructure	\$765,400,000				
Public Facility Improvements					
Library	\$5,500,000		X		
Municipal Services Center	\$5,500,000	X			
Police Facilities	\$10,400,000	X			
Fire Facilities	\$12,400,000	X			
Corporation Yard	\$4,100,000	X			
Parks	\$121,800,000		X		X
Trails	\$25,100,000		X		X
Transit	\$28,100,000	X			X
Schools	\$350,300,000			X	X
Habitat & Agricultural Mitigation	\$30,000,000		X		
Items Funded by Other Building Permit Fees [3]	\$18,300,000	X			
Financing Plan Administration and Updates	TBD				
Subtotal Public Facility Improvements	\$611,500,000				
Total Facilities	\$1,376,900,000				

su_bo

Source: EPS, MacKay & Soms

[1] Other Agency Funding includes:

- Roads - Highway 50 Mobility Fee, Measure A
- Sewer - Sacramento Regional County Sanitation District (SRCSD)
- Schools - Folsom-Cordova Unified School District

[2] FPASP funding includes FPASP SCTDF obligation.

[3] Includes transportation management fee, housing trust fund fee, and general capital facilities fee not used for Municipal Services Center.

A detailed Financing Plan will be provided before approval of the Project by the City that will include analysis of the ability of the Project to fund required infrastructure and public facilities. The Financing Plan will compare the Project's cost burden to those of surrounding projects and will show the total cost burden per unit as a percentage of the sale price to demonstrate feasibility.

Information Sources

Preparation of the Financing Plan relied on the following information:

- Land use designations, as provided by MacKay & Somps, June 9, 2009.
- Roadway, sewer, storm drainage, and water cost estimates, prepared by MacKay & Somps, May 6, 2010.
- Folsom Plan Area Specific Plan Public Facilities Financing Plan, prepared by GCG, November 20, 2008.
- Folsom SOI Draft Financing Plan Peer Review Memorandum, prepared by EPS, March 10, 2009.
- Existing and Planned City/County fee program data.

