

**MEMORANDUM**  
OFFICE OF THE  
COUNTY EXECUTIVE  
COUNTY OF PLACER

**TO:** Honorable Board of Supervisors

**FROM:** Thomas M. Miller, County Executive Officer  
Holly L. Heinzen, Assistant County Executive Officer

**DATE:** June 12, 2007

**SUBJECT:** City of Roseville – Proposed Annexation  
Creek View Specific Plan

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**ACTION REQUESTED:**

Approve a minute order reflecting conditional support of a proposal by the City of Roseville for annexation of approximately 518 acres known as the Creekview Specific Plan (CSP) area, mixed-use development located west of the West Roseville Specific Plan area

Defer consideration of the Sphere of Influence expansion of approximately 136 acres proposed by the City of Roseville that would include a portion of Reason Farms (Attachment 1).

Support of the proposed annexation is predicated upon addressing development impacts in the Placer County unincorporated area consistent with the Placer County/City of Roseville Memorandum of Understanding and resolving issues as outlined below and in correspondence with the City of Roseville staff and Council (October 5, 2005; November 6, 2006; May 16, 2007 [Attachment 2]). As provided in Section Two; Page four of the Memorandum of Understanding (MOU), the County reserves the right to comment on the proposal at all appropriate points in the process.

**BACKGROUND:**

In 1997 Placer County entered into a Memorandum of Understanding (MOU) with the City of Roseville (amended in 1999) to foster a cooperative, long range land use planning effort. A transition area was created adjacent to the City's western boundary, within which the impacts of development must be fully mitigated, unless both parties agree that

overriding considerations justify such development without full mitigation. When a land use application is submitted to the City and the City elects to initiate annexation proceedings, the MOU requires that the city refer the application to the Board of Supervisors for consideration prior to the city's application to the Local Agency Formation Commission. The County may request additional information it deems necessary and must indicate by Minute Order support or opposition to the proposal. The County may provide conceptual direction to the City as to the issues that should be considered in proceeding with the annexation. If the County is in support of the annexation, the City must file a petition for such annexation with the Local Agency Formation Commission (LAFCO) within sixty days. If the County opposes the annexation, the proposal will be referred to the City Council for a determination whether to proceed with the annexation, notwithstanding such opposition. The County has agreed with the City that this initial step be taken to ensure that issues are raised early in the process so that they can be addressed during the specific plan planning process. The projects would be brought back to the Board prior to proceeding to LAFCO as delineated in the MOU.

The Roseville City Council considered the Creek View Specific Plan Feasibility Analysis Report at their meeting of May 16, 2007. At that time they directed City staff to initiate annexation proceedings for the CSP property and referred the application to the Board of Supervisors. Consistent with the MOU between Placer County and the City of Roseville, the Board may support or oppose the CSP annexation and then transmit the determination to the City along with direction as to issues to be addressed in the planning and annexation process.

### **Proposed Project**

The Creekview Specific Plan includes a total of 2,702 dwelling units on approximately 220 acres. Residential densities range from low density residential units (0.5 to 6.9 units per acre) to High Density Residential (13.0 units per acre and greater) with the average density over the project area (not including the sphere of influence amendment area) being 5.2 units per acre. The average density of the residential portion of the project is approximately 12 units per acre.

Other proposed land uses include a total of 153.5 acres set aside in permanent open space; 21.3 acres for dedication to parks; 13.6 acres of public/quasi-public uses (elementary school, substation, well site and recycled water tank site), 12.0 acres of mixed use (commercial, office, residential), 11.1 acres of commercial and 8.5 acres of light industrial. The Project would provide housing for a residential population of approximately 7,000 residents. The Creekview Specific Plan is currently within the City's current sphere of influence.

The City has also requested an expansion of their Sphere of Influence of about 136 acres, which largely falls outside of the MOU area. This area, in the western portion of the Creekview Specific Plan is owned by the City of Roseville and is part of the Reason Farms "panhandle site". The City has indicated that they are exploring development

opportunities for the panhandle including evaluating the site for a potential University site and/or jobs center. The City has developed programming concept plans to evaluate the service needs for such uses and size infrastructure appropriately. They have proposed that this area be evaluated at a program level and no land use designations are assumed or assigned to the area affected by the sphere amendment. There has been limited discussion with the City of the request to expand the Sphere of Influence as part of the Creekview Specific Plan annexation process. The area into which the proposed sphere expansion would occur has heretofore been anticipated to be included in County planning efforts.

As noted, the MOU requires that when an application is received and forwarded to the County by the City, the item is to be placed on the next available Board of Supervisors agenda. The application and supporting materials including technical analyses and feasibility studies were received by the County on May 17, 2007. Recognizing the very limited time in which the County has to respond and in light of the need to accommodate this application within the context of the MOU, staff suggests that the annexation request be considered by the Board separately from the request to expand the Sphere of Influence. This would ensure timely consideration of the specific plan proposal submitted by Blue Oak Partners and, at the same time, would provide time for adequate evaluation of the sphere expansion proposed by the City.

Given there are no specific land uses proposed for the sphere expansion area, it would allow the City to articulate further refinements, provide additional information and ensure County staff has an opportunity to work with the City of Roseville to better define the objectives and potential land uses that may be considered. This particular element of the proposal would be brought back at a subsequent Board meeting when more is known.

With respect to the Creekview Specific Plan, the following reflects priority issues to be addressed by the City and development proponents through the specific plan process.

#### **Issues to Be Addressed**

Based on the preliminary submittal, a number of technical studies have been or are being prepared either to address the information requirements established in the City/County Memorandum of Understanding, which will assist the City and its EIR consultant to prepare an EIR for the Specific Plan. Additional County evaluation and comment will occur as these documents are developed. The attached letters outline in more detail issues raised initially with City staff and subsequently to the Roseville City Council

In summary the following reflects specific issues in the areas of traffic, fiscal considerations, water and the City's sphere of influence.

#### **1. Traffic**

The interconnection of major arterial roadways between jurisdictions is a critical part of the planning and implementation of a transportation system. The Creekview Specific

Plan includes an extension of West Side Drive to the northern boundary. City and County staff are in discussions concerning a future extension of this roadway to the north that would connect to the southwest corner of the Placer Ranch Specific Plan. Traffic studies for the region indicate benefits to Fiddymont Road and other roadways from this connection. It is critical that the City and County resolve this issue in the context of the Creekview Specific Plan including the timing and financing of the roadway connection.

The County has requested additional information and analyses of the traffic impact of the project on the County road system and, as indicated in previous correspondence, believes that capacity constraints must be addressed, as well as providing for through traffic to the West of the proposed plan area.

## **2. Financial Considerations**

Of highest priority to the County in considering moving forward with annexation is the ability of the County to provide for primary countywide services and obligations that we continue to provide to all city residents following annexation. Even with very conservative revenue estimates and expenditures reflected in the City fiscal studies, the studies suggest the feasibility of the City to remain fiscally neutral or positive under the scenarios evaluated when moderate special assessments are applied to new development.

Since 100% of the sales tax and other discretionary revenues typically are directed to the City upon annexation and are then not available to support countywide services, the property tax sharing agreement (or agreements reflecting other revenues) with the City must:

- Reflect countywide service responsibilities and obligations that rely on the countywide tax base;
- Accommodate fluctuations in Federal and State revenues and upon which Counties rely heavily to meet service demands;
- Balance revenues and service demands across Countywide land uses; and
- Recognize the demand on property tax to address long term financial obligations and capital needs of the County.

While the fiscal studies for the Creekview Specific Plan area provided by the City show a revenue shortfall, it appears that the property taxes with which to negotiate would actually be greater than identified in the fiscal study. Subsequent fiscal studies should utilize the current County tax increments, as well as address assumptions, such as crediting new development for spending done by new residents in other areas of the City, which would reduce shortfalls identified. It would be suggested that these adjustments, along with consideration of moderate special assessments applied to new development, would result in neutral or positive impacts to the City. Significant additional work will be required to clarify elements of the fiscal studies and develop appropriate agreements.

Finally, as you may be aware, Roseville currently has two annexations moving forward (Sierra Vista and Creekview), with the Brookfield Specific Plan area potentially to follow within the year. In addition, the City proposes that the Sphere of Influence for the City be expanded as addressed earlier in this memorandum. Consolidation of these efforts into a master tax sharing agreement, that balances the multiple land uses and tax rate areas, would not only allow for a more streamlined and efficient process but would result in a more logical financing structure over time. Direction to pursue multiple land use requests under consolidated tax sharing agreements is requested.

The City has indicated they are considering moving forward with additional annexations in areas adjacent to the City in West Placer. A fiscal analysis that includes these other areas would enable the City and the County to evaluate fiscal implications and balance potential impacts more effectively over a broader range of land uses. The more comprehensive analysis would provide the basis for a broader tax sharing agreement, minimizing the need for multiple agreements and negotiations resulting in a more streamlined and efficient process.

### **3. Water**

The water supply and delivery plan for the Creekview Specific Plan and future growth areas relies on adjusted water demand projections, a potential surface supply from San Juan and wheeled through San Juan Suburban Water District's cooperative basin transmission pipeline, groundwater, the Sacramento River Diversion, a recycled water component and an Aquifer Storage and Recovery program. It is not clear at this time the extent to which groundwater is and will be required to supplement other potential supplies for both the existing city and new land uses. Clarification of the use of groundwater should be provided through this process. This is recognized as a very challenging, complex issue that requires significant technical review. The County expects that the City will receive critical comment from the serving water agencies early in the review process to ensure water supply including the Placer County Water Agency (PCWA).

### **ISSUE:**

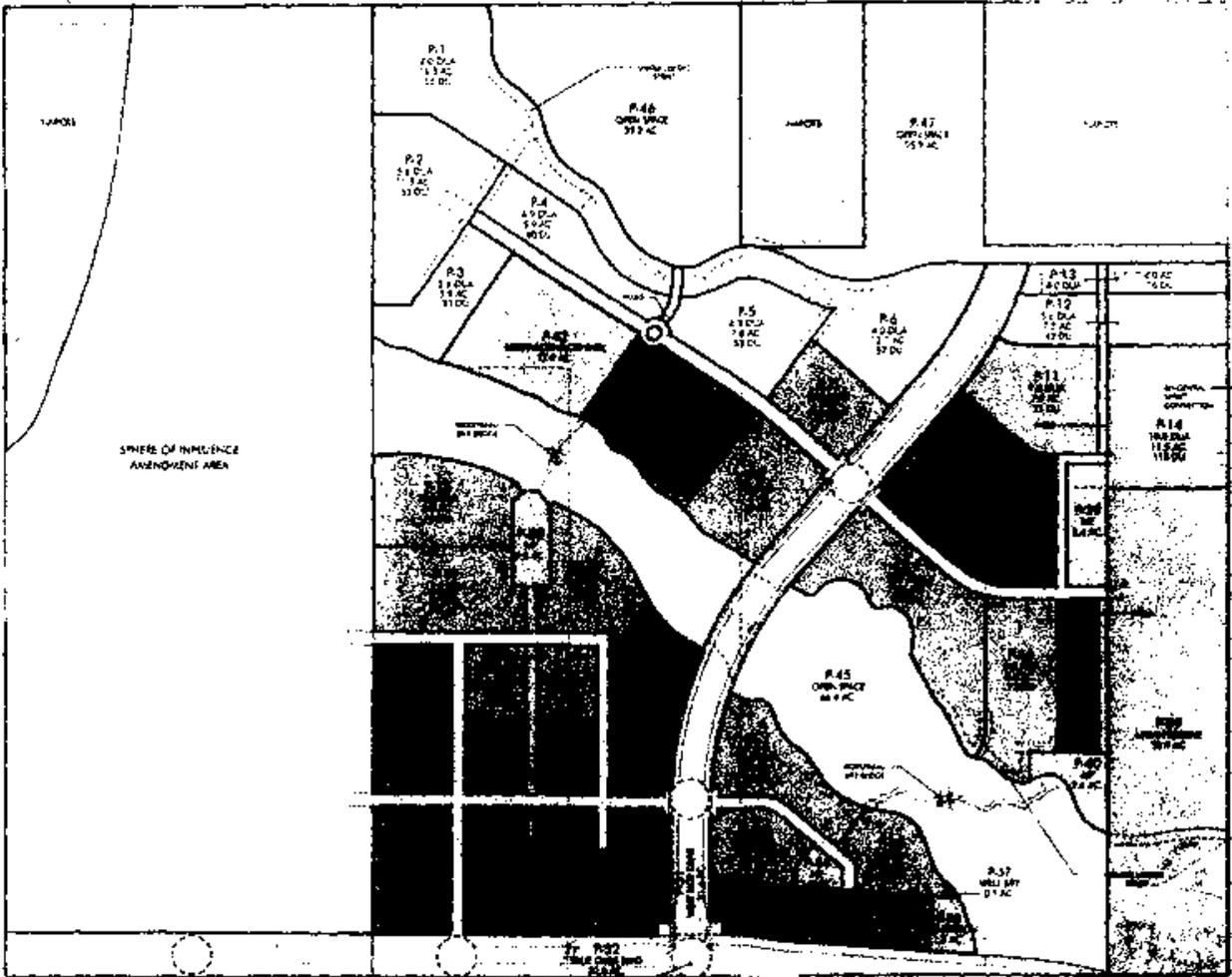
In keeping with the spirit of the intent of the MOU, Board consideration of whether to conceptually support or oppose the proposed annexation and direction as to elements the city should consider in the process is being requested by county staff. The preparation of a draft Specific Plan as identified in the MOU is necessary to meaningfully evaluate the impacts of the potential development on the County. In addition, City staff continues to develop technical studies necessary to evaluate the proposed annexation including preparation of an Environmental Impact Report (EIR) which should address many of the outstanding concerns in greater detail.

Pending receipt of these documents by the County and the issues articulated herein being addressed by the City; staff would suggest that conditional support of the project be considered.

**FISCAL IMPACT:**

Consistent with LAFCO law, the County and the City are evaluating the fiscal impacts of the proposed project and will be negotiating property taxes either specifically for this annexation or within the context of a master property tax sharing agreement. Your action today would not result in immediate additional fiscal impact to the county.

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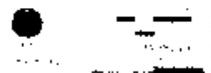
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**LAND USE PLAN  
CREEKVIEW**



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## OFFICE OF COUNTY EXECUTIVE

JAN M. CHRISTOFFERSON, County Executive Officer

175 FULWEILER AVENUE / AUBURN, CALIFORNIA 95603  
 TELEPHONE: 530/889-4030  
 FAX: 530/889-4023  
[www.placer.ca.gov](http://www.placer.ca.gov)

October 5, 2005

Craig Robinson, City Manager  
 City of Roseville  
 311 Vernon St.  
 Roseville, CA 95678

Dear Craig,

I look forward to meeting with you to address financing issues related to development in West Placer. Being new to the process, I would hope to include time in our meeting to review the plans for the remainder of the West Roseville Specific Plan area that the City proposes to annex and to discuss various projects proposed west of the City. Obviously, development of this magnitude has broad implications for residents of both the incorporated and unincorporated areas of the county. A cooperative effort from the onset will best ensure that necessary aspects of the many different land use proposals are addressed. I recognize that at this point, there is only limited information as to the scope of the development proposed for the West Roseville Specific Plan (WRSP) remainder area and I believe this presents an opportunity to integrate these efforts with those underway for land use in the unincorporated area.

Given the amount of development proposed for the area west of Roseville, we believe that the City and the County must consider a more regional approach that reflects the myriad of services, facilities, and infrastructure and the financing mechanisms both the City and the County must rely on to effectively implement them. While the property tax base is material to making this work, certainly, additional sources must be employed to provide the level of municipal services that will be demanded by constituents. The implementation of regional priorities such as the major road network, public safety, recreation, higher education and open space across jurisdictional boundaries dictate that revenue sources to support these services also must be addressed on a regional basis. This is especially important if services are to be comparable in these growth areas.

As you may recollect, the recently adopted West Roseville Specific Plan tax sharing agreement calls for the equivalent of 67% of the property tax being maintained by the County for countywide services and provides that the City and the County use the same methodology for

Craig Robinson, City Manager

October 5, 2005

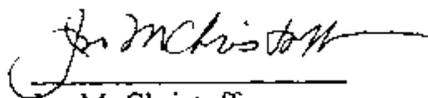
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property taxes in the MOU remainder area. While this may be an appropriate base for allocation of property taxes, the agreement fails to consider other important revenue sources that will be required to maintain service levels in West Placer.

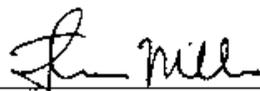
We look forward to working with you to develop regional solutions that will maintain the quality of life for all residents of Placer County.

Sincerely,

**COUNTY OF PLACER**



Jan M. Christofferson,  
County Executive Officer



Thomas Miller, Director  
Community Development Resources Agency

JMC:TM:HH



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Thomas M. Miller, County Executive Officer

175 FULWEILER AVENUE / AUBURN CALIFORNIA 95603

TELEPHONE 530-889-4030

FAX 530-889-4023

www.placer.ca.gov

November 6, 2006

Craig Robinson, City Manager  
City of Roseville  
311 Vernon St.  
Roseville, CA 95678

Dear Craig,

I understand from our recent West Placer Land Use meetings that proposals for new development in Sierra Vista and Creek View are progressing and preliminary plans, along with documents for the environmental review, are being developed for potential submittal to the City in spring of 2007.

As you know, the Memorandum of Understanding (MOU) between Placer County and the City of Roseville calls for forwarding the application for new projects (proposed in the area designated by the MOU) and the Initial Submittal Requirements outlined in Exhibit B of the Memorandum of Understanding (MOU) to the County. Once the application is received by the City and, assuming the City decides to initiate annexation proceedings, the City refers the application within 10 days to the County Board of Supervisors. The Board, at that point, may request additional information.

The submittal requirements, as you may recall, are rather extensive including the draft specific plan document with proposed land uses, infrastructure, development standards and implementation measures identified. In addition, supporting documentation including a market demand analysis, a preliminary fiscal impact analysis, (assuming and not assuming annexation by the City), among other elements, are provided for within Attachment B. Finally, the agreement provides that impacts of the proposed development will be mitigated to a level that is less than significant unless both the County and the City agree that specific overriding considerations render such mitigation requirements infeasible.

Experience suggests that significant work and discussion must occur early in the planning process to ensure that the time frames provided in the MOU can be met. The County, as you know, has a number of large projects under consideration in the unincorporated area impacting

Craig Robinson, City Manager

November 6, 2006

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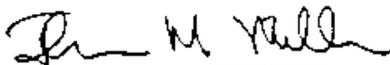
staff resources. Given sufficient information, many of these issues can be addressed as the application is refined, thus avoiding delays that may occur once the application has been submitted should revisions be necessary. This is particularly true with regard to cross-jurisdictional traffic impacts and infrastructure needs, as well as, fiscal studies that may be required. Earlier discussion and information from the City will allow us to consider overall resources necessary for scheduling County staff to ensure review occurs in a timely manner.

While the West Placer Land Use meetings provide a forum for the County and the West Placer cities to address issues of mutual concern, the Memorandum of Understanding expressly provides for cooperation and agreement between Placer County and Roseville that I believe would be beyond the scope of these broader meetings. I would recommend that the County and the City set up an initial meeting to develop an approach that will allow earlier, meaningful input and detailed discussion of these items for projects in the MOU remainder area, including the establishment of more formal staff working groups and agreement on documents and information to be developed in advance of transmittal of the application to the County. As you know, the technical working groups that have been established for evaluation of traffic impacts and utilities including wastewater, drainage and water related to the Vineyards Specific Plan are time consuming and have been meeting, formally and informally, for several years. Nonetheless, they have provided opportunities for more in-depth discussion and analysis related to these issues as is warranted for these significant projects.

We would be happy to initiate this meeting at your convenience. Please let me know how you would like to proceed.

Respectfully,

**COUNTY OF PLACER**



Thomas M. Miller,  
County Executive Officer

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## COUNTY OF PLACER

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OFFICE OF  
COUNTY EXECUTIVE  
THOMAS M. MILLER, County Executive Officer

175 FULWEILER AVENUE / AUBURN, CALIFORNIA 95603  
TELEPHONE: 530/889-4030  
FAX: 530/889-4023  
www.placer.ca.gov

May 16, 2007

Jim Gray, Mayor  
Roseville City Council  
City of Roseville  
311 Vernon Street  
Roseville, CA 95678

Dear Mr. Mayor and Members of the Council,

We understand that the Creekview Specific Plan (SVSP) will be considered at your Council meeting 2007. As you know, in order to ensure early and cooperative communication on development within this area of the County, a Memorandum of Understanding (MOU) exists between our jurisdictions. This comment letter is provided with respect to the MOU and to acknowledge issues that may be relevant in consideration of proposed annexation by the City of Roseville. Given the limited time available to review the staff report and associated feasibility analyses, this letter identifies very preliminary comments. Should your Council direct staff to proceed, we would expect to review these reports and meet with your staff to provide additional information and clarifications prior to proceeding to the Board of Supervisors on this issue.

Although we recognize that the Feasibility Reports are a preliminary assessment of the feasibility to proceed with new development in the City and the County will have the opportunity for input on the draft specific plan, environmental, and other fiscal/finance documents, it contains recommendations by which your City Council may take action at their May 16, meeting. We recognize that this analysis is limited to key elements of feasibility, but that other areas identified in the MOU will be addressed through continued evaluation of the Specific Plan. Given the limited review time, these comments are preliminary in nature and broader analyses will be necessary should the City proceed with this project.

### Traffic

The interconnection of major arterial roadways between jurisdictions is a critical part of the planning and implementation of a transportation system. The Creekview Specific Plan includes an extension of West Side Drive to the northern boundary. City and County staff are in discussions concerning a future extension of this roadway to the north that would connect to the southwest corner of the Placer Ranch Specific Plan. Traffic studies for the region indicate benefits to Fiddymont Road and other roadways from this connection. It is critical that the City and County resolve this issue in the context of the Creekview Specific Plan including the timing and financing of the roadway connection.

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**Fiscal Implications**

As you know, with annexation, one of the County's primary concerns is the ability of the County to provide for primary countywide services and obligations that we continue to provide to all city residents following annexation. While the fiscal studies for the Creekview Specific Plan area provided by the City show a revenue shortfall, it appears that the property taxes with which to negotiate would actually be greater than identified in the fiscal study. Using the correct increment factors will result in a more positive fiscal result overall. Further, it would be fair to credit new development for spending done by new residents in other areas of the City which would also diminish shortfalls identified. It would be suggested that these adjustments, along with consideration of moderate special assessments applied to new development, would easily result in neutral or positive impacts to the City. Significant additional work will be required to clarify elements of the fiscal studies and develop appropriate agreements.

We would reiterate the importance of consolidating tax sharing agreements that balance the multiple land uses contemplated in proposed upcoming annexations.

**Roseville Sphere of Influence**

Consistent with our prior letter, the County would expect additional detail in the need for sphere expansions and that concurrently work proceeds on pulling back Roseville's sphere from the Sunset Industrial Area.

We look forward to working with you and your staff on these issues.

Sincerely,

COUNTY OF PLACER

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Thomas M. Miller  
County Executive Officer

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