

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

To: The Honorable Board of Supervisors  
From: David Boesch, County Executive Officer  
By: Allison Carlos, Principal Management Analyst  
Date: March 26, 2013  
Subject: West Placer Land Development Policy, Services, and Facilities

---

**REQUESTED ACTION**

Receive information regarding West Placer development and confirm direction pertaining to policy implementation, services and facilities. There is no net County cost associated with this specific action.

**DISCUSSION**

At the November 20, 2012 meeting, your Board affirmed a series of meetings regarding West Placer land use and development. The first meeting was a broad overview, including projections for doubling of population in that area by 2060. On January 8, 2013, staff provided historical County land development policy detail, highlighting the specific goals and policies that the County relied upon in reviewing development proposals for now entitled projects in West Placer. Today, the Board is being asked to consider information pertaining to services and facilities, and associated matters around fiscal, finance, and policy implications, and to provide direction for implementation of projects.

***I. County services provided***

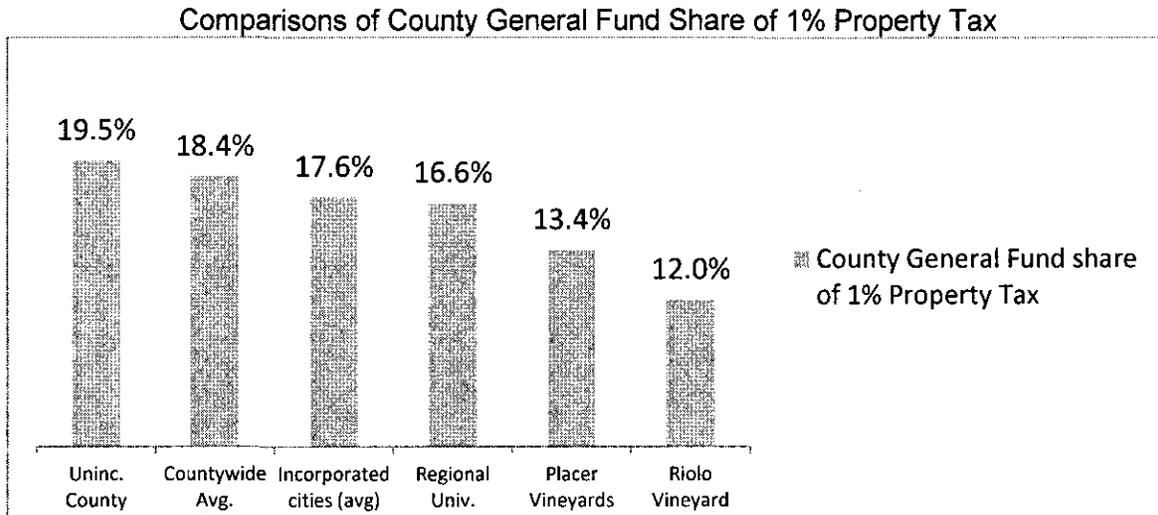
Placer County has a dual responsibility in providing services; those serving residents countywide (cities and unincorporated areas) and municipal services that are provided to residents in the unincorporated area. A comprehensive list of County services is attached to this report and includes countywide services; such as property assessment, elections, probation, and health and human services. In the unincorporated areas, municipal services include fire protection, sheriff patrol, parks facilities, libraries, and county road maintenance. As reflected in the January 8, 2013 staff report, the County has established policies for urban growth and corresponding service levels in western Placer County.

In 2005, the Board provided direction on the provision of higher level urban-type services for West Placer. That direction and developer project descriptions were used to inform services and facilities cost estimates, finance plans, and development agreements ("DAs") for projects within that area. Urban services include public safety, fire protection, parks, library, road maintenance and transit.

***II. Characteristics of the geographic area of entitled projects***

The January 8, 2013 staff report regarding land development policies for West Placer noted that although broad policies existed, Specific Plans and DAs were used to clarify implementation of development. Depending upon the planned community location and features, significant infrastructure is necessary (i.e., roads, water, and sewer must be extended) as the existing use is rural residential and agricultural with limited improvements. Furthermore, the scale, density, and character of the proposed development was unlike that elsewhere in unincorporated Placer County, demanding new standards and increased costs for municipal services.

Providing services to West Placer growth areas is particularly challenging because of the General Fund ("GF") property tax generated in portions of this geographic area. GF property tax, a percentage of the one percent property tax, is the largest general purpose revenue for the County. On average, the County receives about 18-19% of the one percent property tax collected, which is fundamental for the delivery of countywide and municipal-type services.



However, within parts of West Placer, the GF property tax share is significantly lower than typically received countywide and in unincorporated areas. As a result, there are revenue shortfalls to cover baseline services, before adding the costs associated with the delivery of urban services: when urban services are added, the shortfall increases.

Typically, net deficits for services to new development are mitigated through the use of financing mechanisms such as special taxes and/or assessments. The DAs negotiated with the property owners for the Specific Plan areas incorporate these mechanisms. In response to the magnitude of the shortfalls, your Board directed staff to reduce County costs for both services and facilities. For illustrative purposes, the Placer Vineyards project is used as an example as it is the largest Specific Plan with the preponderance of the public facilities intended to partially serve other developments. It incorporates a "town center" that includes public facilities and urban mixed uses, consistent with the Placer County General Plan. Further, the reductions discussed for this project generally apply to the other approved projects.

### Services

Staff has worked with Placer Vineyards to explore how urban-level service costs could be reduced. To date, service costs have been adjusted, resulting in net cost reductions of 20% (assuming the 2006 Services Plan revenues and costs). These reductions were achieved while maintaining consistency with County policy, Board direction, and other approved project thresholds (such as environmental documents, DAs, and Specific Plans). Reductions have been mainly achieved in parks, trails, recreation, sheriff, and road maintenance.

### Facilities

The cost for the Placer Vineyards required facilities are proposed to be reduced by 18% while also remaining consistent with County policies and approved project documentation. This was accomplished by the reduction of park acreage to the current County standards (the developer

ZD

originally programmed higher levels of parkland as an additional amenity), reductions to fire facilities, the library, and reevaluating interim facilities requirements among other things. It is important to note that of the total per unit one-time burden, a significant portion is attributable to charges from outside agencies (i.e. water and school districts).

These planning-level cost estimates will continue to be evaluated as master plans and engineer's cost estimates are refined and before taxes and assessment are set. While further cost savings may occur, the effects of the lower than average GF property tax rate results in a significant funding shortfall remaining unresolved. The net deficit is steep before urban levels of services are considered. Given the revenue constraints, solutions dependent solely upon cost cutting are not practical.

### **III. Issues and Policy**

When the Board approved the various Specific Plans in West Placer, the requirements to be imposed on projects were discussed extensively and provisions were included to minimize financial risk to the County. For example; developers have infrastructure and public facilities construction obligations triggered with building permits as development proceeds. Placer Vineyards is recently discussing moving toward project implementation with potentially different service levels and facilities, as well as financing approaches that could increase risk to the County. These preliminary proposals would:

- Shift public facility construction responsibility and administration from project owners to the County or a future district;
- Shift improvements to later in the project life without a specified schedule;
- Reduce and/or eliminate specific project elements, such as a government center originally envisioned;
- Delete financing policies, such as prioritizing financing for urban services;
- Implement a second assessment district which would extend beyond the life of the existing DA.

These and other possible changes have been discussed informally in an exchange of information between County staff and the property owners. No formal application has been received to change a DA, Specific Plan or other project entitlement for any of the three approved Specific Plans. Cost reductions to facilities and services by County staff are likely to be incorporated into the property owners' concepts. So, while staff supports some of the reductions, and potentially some policy changes, there are other significant policy and fiscal considerations that will require detailed analysis when applications are made.

In general, but subject to further review, staff does not readily support construction responsibility by the County for all public facilities and administration of fee programs. Similarly, while Specific Plans and DAs allow for some flexibility for the construction schedule of facilities, shifting improvements to an unspecified point in the future does not afford the assurances for timely construction as contemplated. Actions that would significantly reduce enhanced or urban services below those of surrounding jurisdictions are not recommended. In addition to cost reductions already discussed staff has expressed preliminary interest, subject to detailed review, for: opportunities for cost effective interim use facilities; reasonable shared use of facilities that would not diminish County standards, County control and access, or service levels approved; and prudent phasing and financing to ensure development occurs as planned and in an effective manner.

## SUMMARY

These workshops have provided information on West Placer projects and policy, reductions of costs by staff, and the fiscal challenges for this geographic area due to the relatively low property tax rates. Proposals to modify facilities, services and financing terms for project(s) may require changes to policies and approvals by the Board. Staff requests direction from the Board regarding land use policy implementation in West Placer to assist in evaluating formal submissions or applications to modify project(s) we may receive. Guidance with respect to service levels, facilities expectations and standards, finance mechanisms, or applicability of these standards to various projects would provide context to staff.

Specifically, with project owners seeking to move forward, the Board will need to consider foundational policies of the approved projects. These would include the extent to which the County is able to minimize financial risk; the ability to prioritize services financing over infrastructure financing; how services would be provided at the enhanced (urban) level; the construction of public facilities by the County rather than by owners and the extent to which density of the project might be considered in planning for services and facilities.

As preliminary information has been exchanged staff has identified that some modifications may be acceptable but require additional detail, such as, adjustments to interim facilities and some shared use of facilities. Staff is prepared to review formal proposals or project modification applications that provide sufficient detail for meaningful evaluation and upon which conclusions can be drawn. The Board may need additional analysis of any one of the concepts before direction can be provided. Therefore, staff would intend to return to the Board as changes to the projects may be proposed and as needed to gain policy perspective.

Absent any specific direction today staff would consider all formal requests based upon existing policy and direction for approved projects, conduct conformity review of proposals with existing approvals under the provisions of the DA and Specific Plan or as the property owners submit a formal application to revise the project.

Attachment: List of County Services

# SERVICES PROVIDED BY PLACER COUNTY

## COUNTYWIDE SERVICES

(Services Provided For Benefit of Residents in Cities and Unincorporated Areas of the County)

### Justice

District Attorney  
Public Defender  
Family Support  
Grand Jury  
Anti-Drug Program  
County Clerk  
Victim Witness Program  
Trial Courts (County Share)

### Police Protection

Drug and Alcohol Testing

### Other Protection

Predatory Animal control  
Public Guardian  
Local Agency Formation Com (LAFCO)  
Fish and Game  
Defensible Space Program  
Emergency Preparedness

### Health and Sanitation

Community Health  
Community Clinics  
Environmental Health (restaurant, recreation facility, water system, septic and hazardous material monitoring and inspections)  
Substance Abuse Programs  
Mental Health Services  
County Medical Services Program

### Park Services

Regional Park Facilities

### Public Assistance

Social Services; MediCal,  
Eligibility Programs  
Childrens' Receiving Home  
In Home Supportive Services  
TANF Program (CalWorks)  
Domestic Violence  
Child Abuse Prevention  
Dispute Resolution  
Emergency Shelter Programs  
Veterans Services  
Employment Services

### Detention and Correction

County Jail  
Probation  
Facility Food Services  
Juvenile Hall  
Juvenile Center

### Education

Library Services  
Information for the Aged (Provided in all cities but Roseville and Lincoln, where cities provide library services)  
Museums

### Finance and Legislative

Auditor-Controller  
Assessor  
Treasurer-Tax Collector  
Elections  
Revenue Services  
Administration

## MUNICIPAL SERVICES

(Services Provided for Benefits of Residents in Unincorporated Areas of the County)

### Public Protection

Sheriff Patrol  
Fire Services

### Public Ways and Facilities

Land Development  
Road Maintenance  
Water (in limited areas)  
Utilities

### Public Ways and Facilities -

#### Regional

Road Construction Projects  
Design and Construction  
Road Maintenance

#### Other Protection

Planning  
Building Inspection  
Domestic Animal Control

### Utilities

Sewer (in limited areas)

### Sanitation Services

Refuse Collection and Disposal

### Park Services

Park Facilities

