# MEMORANDUM

To: Alexi Wordell and Elizabeth Boyd

From: Tom Martens and Amy Lapin

Subject: Meadowview 102 Project Report Summary; EPS #222163

Date: November 3, 2023

## Introduction

The City of Sacramento (City) engaged an Economic & Planning Systems, Inc. (EPS)-led team to evaluate the feasibility of alternative development scenarios for a City-owned 102-acre site (Site), located between Meadowview Road and Cosumnes River Boulevard in the southwestern portion of the City (see **Figure 1** later in this document). This memorandum summarizes the project background, technical analyses prepared, key findings derived from each analysis, and key considerations to inform future land use and policy decisions related to the Site.

## Background

In January 2022, the City acquired an undeveloped 102-acre Site located in the Meadowview neighborhood of the City. The Site is surrounded by a combination of existing public and quasi-public land uses and undeveloped land proposed for future development, is not served by utilities, and does not have public roadway access. The Site was purchased to serve as a safe parking location for the unhoused as a temporary short-term use. The City then halted that work in October 2022 to focus on long-term affordable housing solutions and conduct a more comprehensive examination of potential uses on the Site.

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At the time of the purchase, the City assumed long-term uses on the Site would include affordable housing, a permanent homeless shelter, recreation, and other community resources. Community listening sessions conducted by City Councilmember Vang's office related to the Site resulted in several preferred land uses, including the inclusion of outdoor recreation facilities, open space (trails), employment/career training centers, and a grocery store.

The City then retained EPS and subconsultants, Wood Rodgers, Inc. (Wood Rodgers), Raney Planning & Management, Inc. (Raney), and Madrone Ecological Consulting, LLC (Madrone), to conduct environmental, engineering, urban planning, and real estate economics technical analyses to guide decision-making regarding potential options to develop the Site. This memorandum summarizes these technical analyses and key findings that emerged from each analysis.

The initial scope of work focused on a comparison of a straightforward sale of the Site, as-is, versus a planned site, encompassing input from the community. As part of that exercise, a charrette was conducted to build upon previously compiled community input. Out of the charrette process, 3 concept plans were developed, each including some form of a community park with sports fields. Other goals from both the community listening sessions and the charrette included incorporating some form of economic development driver at the Site, such as bringing a grocery store to the Site to serve the local community or including a hotel to generate Transient Occupancy Tax (TOT) to help fund City infrastructure investment related to the proposed concepts.

After deliberations among City officials, it was determined that a more significant sports complex should be considered for the Site. Based on input from Visit Sac, the sports complex was envisioned to be primarily a "flat field" complex capable of hosting soccer tournaments and other tournaments that would generate visitation and tourism revenue for Sacramento. The concepts were adjusted to include one concept with a sports complex occupying the entire Site and capable of accommodating 20 flat fields. Two other concepts that were similar to each other, with the exception of a wetland preservation area, were devised with what was deemed the minimum size required (16 fields) to be a viable facility for bringing tournaments to Sacramento.[1] A final concept focused on medium- to high-density housing and replacing the sports complex with a neighborhood park, was also included for comparison purposes. The potential for selling off the Site, as-is, was omitted from further evaluation.

[1] The addition of an indoor sports complex reduces the maximum number of fields that can be accommodated in the concept with wetlands preservation to 13 fields, below the targeted threshold of 16 fields. However, for purposes of comparing the environmental mitigation benefit from setting aside acreage for wetlands preservation, a 13-field complex was assumed to function similarly to a 16-field complex.

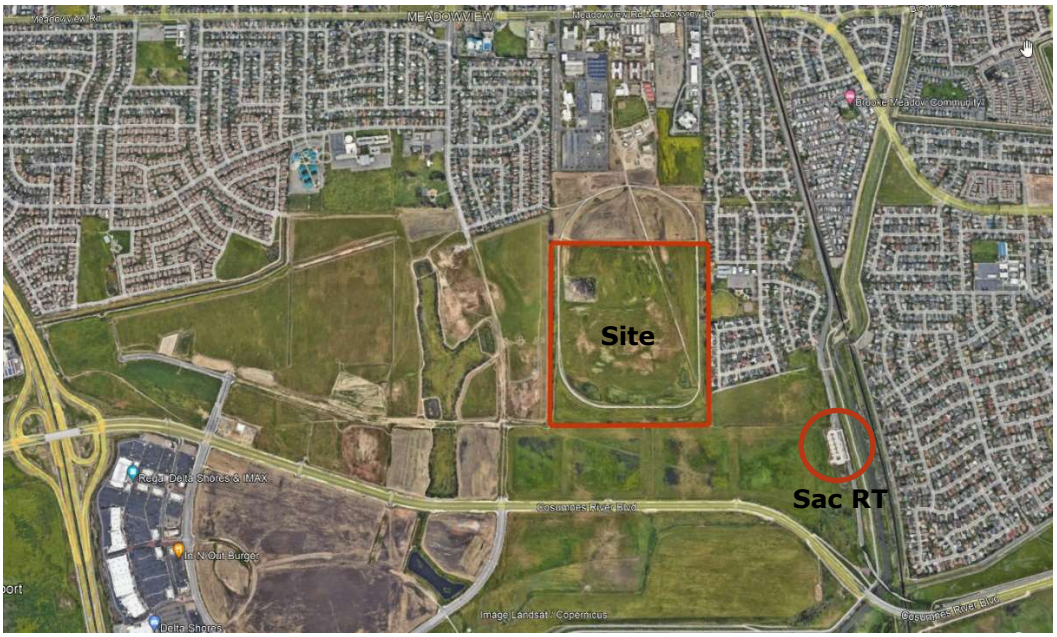
The key focus of the analysis for this project became a comparison of the costs required to implement each of the proposed concepts with the potential ongoing revenues (or costs) that would be generated by each of the concepts.

## Site Context

The Site, at the southern portion of the Meadowview Road Job Corps site, had been used as a California Highway Patrol testing track before being transferred to the Federal Government in 1978. However, the Site sat unused and was deemed excess land in 2021.

The Meadowview Road corridor to the north of the Site was generally developed between the 1960s and the 1980s, with a mix of commercial and residential uses. An existing single-family residential neighborhood is located to the east of the Site, with the Cosumnes River Sacramento Regional Transit (Sac RT) light rail line beyond that. See **Figure 1**.

**Figure 1. Meadowview 102-Acre Site**




The newly developed Delta Shores shopping center, currently with approximately 900,000 square feet of retail space, lies approximately 1 mile to the southwest of the Site, in the southeast quadrant of the Interstate-5 (I-5)/Cosumnes River Boulevard interchange.

The undeveloped areas adjacent to the western and southern boundaries of the Site are in the planning process, with both anticipated to be primarily single-family residential. The 140-acre Stone Beetland development to the south, which is in the later stages of the planning process (Master Parcel Map submitted), includes a higher density transit village between the Sac RT light rail station and Consumnes River Boulevard that is anticipated to include a commercial component. Delta Shores property to the west is in the preliminary stages of the planning process.

## Key Considerations

The Surplus Land Act (SLA) is a critical consideration for developing any proposed uses on the Site. The SLA is State legislation that places various restrictions on City-owned parcels, with the goal of encouraging the provision of affordable housing or providing other municipal benefits such as parks facilities. For the analysis included in this report, the primary impact of the SLA is a requirement for 25 percent affordable units if residential uses are developed on the Site. The affordable housing requirement impacts the financial feasibility of any proposed residential uses on the Site, and therefore the price that any future residential developer would be able to pay to purchase the Site from the City.

The existence of wetlands on the Site, created by an elevated track trapping runoff on the Site, provides another key consideration. While the wetlands are not considered "high value" in that they were not created naturally, they do appear to contain species that require further investigation and will require either setting aside wetlands area on-site or purchasing mitigation credits.

The other key area of consideration is the infrastructure (and associated cost) required to develop the Site. While a 24th Street connector would be advantageous for ease of access to the Site for tournament attendees, it is not certain if such a connector will be possible. Without a 24th Street connector, some on-site roadways connecting the Site to the south will require upgrading. However, the adjacent Stone Beetland development's planned roadway network can accommodate the expected additional traffic volume but with potential increased queuing and related safety concerns. Under all scenarios, because of the cumulative effect of the Site and neighboring planned development projects, Cosumnes River Boulevard would drop below a currently acceptable Level of Service (from LOS D to LOS E), east of C Street, a new street in the planned Stone Beetland project located south of the Site.

# Tasks Completed

Evaluation of the Meadowview 102 Site has resulted in several technical analysis deliverables, including:

- Development of 4 land use Concept Plans by Wood Rodgers, along with 3 conceptual sports complex land use plans.
- Market Demand Assessment Report by EPS.
- Sports Facility Demand Review Memorandum by EPS.
- Environmental Resource Constraints Memorandum by Madrone.
- Opportunity and Constraints Memorandum by Raney.
- Environmental Risk Matrix by Wood Rodgers.
- Infrastructure Needs Assessment Technical Memorandum by Wood Rodgers.
- Infrastructure Preliminary Opinion of Cost by Wood Rodgers.
- Preliminary Storm Drainage Assessment by Wood Rodgers.
- Traffic Feasibility Memorandum by Wood Rodgers.
- Financial Analysis Technical Memorandum by EPS.

The key findings from each of the project deliverables above are summarized in the following section. Copies of each deliverable are included in the Attachments.

# Key Site Planning Considerations

The requested programming for each concept and the resulting land planning design characteristics are summarized below.

## Land Use Concept 1: Maximum Sports Complex

### *Requested Programming*

Large sports complex planned for entire 102-acre Site, including high-level concept plans for sports fields to test configuration viability, with:

- 20 flat fields at 3-4 acres/field.
- 100,000 square foot indoor facility.
- Cross country course.
- Storm drainage facility for on-site uses.

**Figure 2. Land Use Concept 1**


### *Resulting Design*

Site designed to accommodate large-scale sports complex with:

- 20 tournament-level flat fields for soccer (or similar sporting activity).
- A 100,000 sq. ft. building for indoor recreational uses.
- Several at-grade parking lots.
- 3.8-acre storm drainage facility.

## Land Use Concept 2A: Sports Complex + Residential *with* Wetland Preservation

### *Requested Programming*

Scaled down sports complex including on-site open space for wetland preservation, with:

- 16 (or fewer) flat fields at 3 to 4 acres/field.
- 100,000 square foot indoor facility.
- Cross country course.
- Wetland preservation (including appropriate storm drainage facility acreage).
- MDR and HDR uses on any remaining acreage.

**Figure 3. Land Use Concept 2A**


### *Resulting Design*

Site designed to accommodate large-scale sports complex with:

- 60-acre sports complex including:
  - 13 tournament-level flat fields for soccer (or similar sporting activity).
  - a 100,000 sq. ft. building for indoor recreational uses.
  - cross country course.
  - several at-grade parking lots.
- Medium-density residential (MDR) uses on 13.6 acres, supporting 122 units.
- High-density residential (HDR) uses on 5.5 acres, supporting 165 units.
- Open Space uses on 15.3 acres for wetland preservation.
- Storm drainage facility on 4.1 acres.

## Land Use Concept 2B: Sports Complex + Residential *without* Wetland Preservation

### *Requested Programming*

Scaled down sports complex including housing and storm drainage facilities, with:

- 16 (or fewer) flat fields at 3-4 acres/field.
- 100,000 square foot indoor facility.
- Cross country course.
- Storm drainage facility.
- MDR and HDR uses on any remaining acreage.

### *Resulting Design*

Site designed to accommodate large-scale sports complex with:

- 60-acre sports complex including:
  - 16 tournament-level flat fields for soccer (or similar sporting activity).
  - a 100,000 sq. ft. building for indoor recreational uses.
  - cross country course.
  - several at-grade parking lots.
- Medium-density residential (MDR) uses on 22.2 acres, supporting 200 units.
- High-density residential (HDR) uses on 10 acres, supporting 300 units.
- Storm drainage facility on 5.5 acres.

**Figure 4. Land Use Concept 2B**

## Land Use Concept 3: Maximum Residential

### *Requested Programming*

Housing focused alternative incorporating higher-density MDR and HDR uses and neighborhood park that fulfills Quimby requirements, with:

- Mix of MDR and HDR uses at higher densities.
- No LDR uses.
- No wetland preservation.
- Storm drainage facility for on-site uses.

### *Resulting Design*

Site designed to accommodate large-scale sports complex with:

- Medium-density residential (MDR) uses on 43.4 acres, supporting 392 units.
- Medium-high density residential (MHDR) uses on 14.4 acres, supporting 230 units.
- High-density residential (HDR) uses on 19.5 acres, supporting 591 units.
- Neighborhood park on 10 acres.
- Paseo corridors on 2 acres for pedestrian/bike trails.
- Storm drainage facility on 7.8 acres.

Larger images of the 4 concept plans developed by Wood Rodgers, along with 4 hypothetical test-fit sports complex land use plans are located in **Attachment A**.

**Figure 5. Land Use Concept 3**

# Key Analytic Findings

The following subsections summarize the key findings of each of the project deliverables noted above.

## Real Estate Market Demand and Sports Facility Demand

Market demand analysis for the Site included a full market study covering demographic and economic trends and standard real estate uses, along with a supplemental sports facility market assessment, based largely on available data provided by the City.

The key real estate demand findings are presented below, followed by the key sports facility demand findings. The real estate market demand report is located in **Attachment B**. The sports facility demand assessment memorandum is located in **Attachment C**.

### *Real Estate Market Demand*

- **Residential demand remains strong in the Market Area, as it does throughout the region.** Sufficient demand exists to absorb reasonably priced and executed market-rate residential development that can be accommodated on the Site.
- **Below-market-rate residential units are in critically short supply throughout the City.** In general, any constructed below-market-rate units will readily be absorbed on the Site.
- **The Site is not well-positioned to accommodate a full-size grocery store although may support a small amount of retail space under a development scenario that is dense or compelling enough to generate its own drawing power.** While the area near the Site appears to be underserved by conventional grocery stores at this time, and demand for grocery retail is projected to increase substantially as units come online nearby, the Site is not well-positioned for a full-size grocery store. Under a high-density residential-focused scenario, combined with elements to generate additional on-site drawing power, a small amount of retail, including a small convenience market, along with some eating and drinking establishments, may be supportable.

- **Office market conditions and Site characteristics preclude support for standard office space, although demand may support neighborhood-serving medical office space.** The state of the overall office market, along with a low level of office-centered employment in the Market Area, limit the ability of the Site to support standard office space. Demand appears to exist for neighborhood-/community-serving medical/dental office space, particularly as nearby residential units come online.
- **The Site's location 1 mile from the I-5/Cosumnes River Boulevard interchange and without major thoroughfare frontage appears unlikely to attract development interest from hotel operators/developers or provide a sufficiently low level of risk to obtain financing.** Nearly all hotel development in the Sacramento area over the last several decades, outside of Downtown Sacramento or the Airport area, has occurred adjacent to freeways, providing both visibility and access. While an on-site sports complex will generate demand for rooms, the number of room nights is not estimated to be sufficient to support a hotel at the Site. Preliminary plans for undeveloped portions of Delta Shores indicate a potential hotel near the I-5/Cosumnes River Boulevard interchange, which would be a significantly more viable location for a hotel that could also serve families attending a proposed sports complex.

### *Sports Facility Demand*

#### Flat Fields

- There does not appear to be a significant need for additional flat fields for use by local residents in District 8, according to YPCE staff. However, few existing facilities in the region provide lighting, all-weather turf, or amenities such as locker rooms, restrooms, and concessions space.
- The Huddle Up report recommends Sacramento develop a tournament-level flat field complex.
- While the Huddle Up report and backup data do not provide an estimate for the number of tournaments Sacramento would likely be able to capture, the backup data provide the basis for estimating an optimistic base case and testing more conservative scenarios, resulting in estimates ranging from 173,000 to 303,000 visitors and 35,000 to 65,000 room nights for the City of Sacramento.

- The potential City tax revenues from the visitation and room nights noted above range from about $200,000 to $400,000 in sales tax and about $600,000 to $1 million in City Transient Occupancy Tax annually.[2] [3]
- The estimated number of room nights captured within the City of Sacramento would support between 120 and 220 hotel rooms. However, these hotel rooms would be spread across several hotel properties around the City that are supported by a variety of demand sources throughout the year.

### Indoor Facilities

- The specific type of usage associated with an indoor facility has not yet been identified. Further, the Huddle Up study did not provide sufficient data to extrapolate demand for indoor uses. However, EPS has conducted a high-level assessment of potential indoor facility uses as part of this study.
- Tournament data for hardwood facilities was unavailable for this assessment; however, VSSC is currently in discussion with Huddle Up regarding an analysis of hardwood facilities.
- Hardwood facilities, with a wide range of uses and diverse appeal, are the indoor facility type with the greatest demand from local residents, according to City YPCE staff.
- Municipally owned hardwood facilities are generally municipally operated.
- Ice facilities tend to be very popular, particularly for team-affiliated operations in areas with a strong hockey team following. It is unclear if the same level of support can be generated in areas without a strong team fan base.
- While ice facilities require significant capital expenditure and higher operating costs, they can generate positive net operating revenue.
- Management of municipally owned ice facilities is typically contracted, with many of the most successful facilities contracted to team-affiliated operators.
- An indoor aquatics facility would compete with the recently constructed outdoor aquatics center in North Natomas, as well as the existing aquatics center in Elk Grove. In addition, Sacramento weather generally does not necessitate indoor aquatics (with the exception of smoke emergency days).
- Neither the Huddle Up study nor YCPE staff identified a need for a dedicated indoor racquet facility.

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[2] Reflects a 2.0 percent sales tax rate consisting of the local Bradley Burns 1.0 percent rate and the City's Measure U 1.0 percent rate which accrue to the City's General Fund, applied to taxable visitor spending captured in the City.

[3] City 12.0 percent TOT only.

## CEQA Opportunity and Constraints Assessment

Raney has prepared a California Environmental Quality Act (CEQA) Opportunity and Constraints Memorandum for the 102-acre Site that builds on their previous professional knowledge of the Site and incorporates the findings of the Madrone ecological assessment. Raney determined that all scenarios would require a project-level Environmental Impact Report (EIR).

Raney has identified the key issue areas to be addressed under CEQA in each of the alternatives and the likely environmental review documentation to be required, as well as potential mitigation measures. The detailed discussion of issues to be addressed and the potential mitigation measures are located in the Raney Opportunity and Constraints Memorandum located in **Attachment D**.

In addition, pursuant to passage of AB 52, and the associated amendments to Public Resources Code (PRC) 21080.3.1, lead agencies are required to consult with Native American tribes early in the CEQA process. Raney understands that the City of Sacramento has received letters from tribes requesting notice pursuant to AB 52/PRC 21080.3.1, and the City will need to notify the tribes in writing of the proposed project within 14 days from the start of the CEQA process.

## Environmental Resource Constraints Assessment

Madrone completed an assessment of biological resources on the Site. Their complete report is appended to the Raney CEQA Opportunities and Constraints Memorandum, located in **Attachment D**. The key findings from the Madrone report are summarized below.

### *Biological Resources in the Study Area*

Madrone reviewed publicly available information about the Study Area and nearby areas and used its professional experience in the area to identify biological resources that could most likely be affected by Site development:

- Aquatic resources (seasonal wetlands, ditch, and pond).
- Special-status plants.
- Special-status invertebrates (vernal pool fairy shrimp [*Branchinecta lynchi*, federal threatened] and vernal pool tadpole shrimp [*Lepidurus packardi*, federal endangered]).
- Western spadefoot (*Spea hammondii*, state species of concern) breeding habitat (seasonal wetlands) and upland habitat (annual grassland).
- Swainson's hawk (*Buteo swainsoni*, state threatened) foraging habitat (annual grassland) and nesting habitat (mature eucalyptus trees).
- Burrowing owl (*Athene cunicularia*, state species of concern) nesting/wintering and foraging habitat (annual grassland).

- Tricolored blackbird (*Agelaius tricolor*, state threatened) foraging and nesting habitat (annual grassland).
- Other protected raptor species and migratory bird nesting habitat.
- Roosting bats (some species are state species of concern).
- City trees (blue gum eucalyptus > 24 inches in diameter).

### *Potential Impacts and Mitigation Requirements*

Implementation of both full development and development with wetland preserve scenarios would result in impacts to aquatic resources that will require mitigation and regulatory permitting. **Table 1** provides a summary of the acreage impacts associated with each scenario.

**Table 1. Aquatic Resource Impacts Associated with the Meadowview 102 Acre Development Scenarios**

| | Full Development | | Development with Wetland Preserve | |
|---|---|---|---|---|
| Resource Type | Permanent Impact (acres) | Preserved (acres) | Permanent Impact (acres) | Preserved (acres) |
| Seasonal Wetland | 6.92 | 0.00 | 2.77 | 4.15 |
| Ditch | 0.24 (409 LF) | 0.00 | 0.24 (409 LF) | 0.00 |
| Pond | 3.31 | 0.00 | 3.31 | 0.00 |
| **Total** | **10.47** | **0.00** | **6.32** | **4.15** |

LF = Linear Feet

Mitigation for fill of aquatic resources will be required by either the U.S. Army Corps of Engineers (USACE), or more likely the State of California via the Central Valley Regional Water Quality Control Board. We recommend purchase of mitigation credits or payment into the ILF Program or a combination of the two. It is possible that the City could enter into an agreement with a wetland mitigation firm to create project specific mitigation (that is, permittee-responsible mitigation) for a lower cost, but exploring that option and would be the subject of a separate effort. Because the Project could affect vernal pool fairy shrimp (VPFS) and/or vernal pool tadpole shrimp (VPTS), we recommend purchase of wetland mitigation credits from a bank that is both USACE and approved for VPFS/VPTS credits. Mitigation for impacts to the ditch and pond, if necessary, could be accomplished though payment into the in-lieu fee program. Given the current per-acre rates for Section 404 and VPFS/VPTS credits and current rates for the in-lieu

fee program, we estimate that Section 404 compensatory mitigation would range as shown in **Table 2**. If the USACE ultimately does not have jurisdiction over the Site's aquatic resources, then the fees in **Table 3**, later in this memorandum, would apply.

**Table 2. Comparison of Estimated Costs Associated with the Meadowview 102 Acre Full Development and Development with Wetland Preserve Options, by Jurisdiction**

| | Full Development | | Development with Wetland Preserve | |
|---|---|---|---|---|
| Associated Fee | Federal and State Jurisdictional | State Jurisdictional Only | Federal and State Jurisdictional | State Jurisdictional Only |
| Seasonal Wetland Mitigation | $5.88 million | $5.88 million | $2.36 million | $2.36 million |
| Ditch and Pond Mitigation | $1.51 million | $858,175 | $1.51 million | $858,175 |
| VPFS/VPTS Mitigation | $4.15 million | $4.15 million | $4.15 million | $4.15 million |
| Regional Board Fee | $237,190 | $237,190 | $153,993 | $153,993 |
| Swainson's Hawk Foraging Habitat | $1.02 to $1.22 million | $1.02 to $1.22 million | $870,000 to $1.04 million | $870,000 to $1.04 million |
| **Total Estimate** | **$12.80 to $13.0 million** | **$12.15 to 12.35 million** | **$9.04 to $9.21 million** | **$8.39 to 8.56 million** |

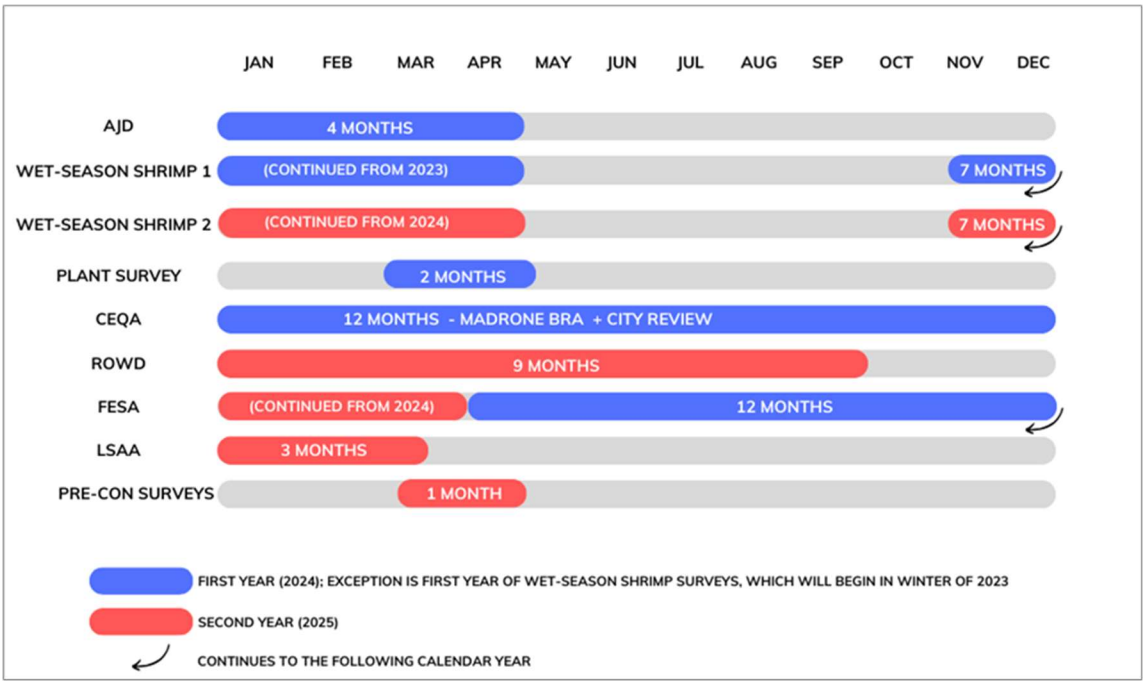
### *Potential Species Mitigation Requirements*

**Table 2** shows projected mitigation costs for vernal pool fairy shrimp, vernal pool tadpole shrimp, and Swainson's hawk under each development scenario as they are the species for which defined mitigation is most typically required.

### *Regulatory Permitting Schedule and Cost*

**Figure 6** shows a projected permitting schedule that anticipates involvement from all the natural resource agencies. This scenario assumes there are no significant changes to the Site plan once the permit applications are submitted, that additional information requested by the regulatory agencies is provided in a timely manner, and that the agency responses/processes occur within projected timeframes for authorizations that have a specified timeframe. The estimated cost to process the permits ranges from $120,000-$150,000.

**Figure 6 Sample Regulatory Permitting Schedule**




## Environmental Risk Matrix

As part of the analysis, Wood Rodgers prepared the Environmental Risk Matrix, shown in **Table 3** and in **Attachment E**, along with an accompanying memorandum.

**Table 3 Environmental Risk Matrix**

| ID | Risk/Opportunity | Description of Issue | Affected Project Component | Probability of Risk Occurring | Risk Cost Estimate | Risk to Schedule |
|---|---|---|---|---|---|---|
| **Risk 1** | Impacts to Jurisdictional Waters | The project would result in the filling of seasonal wetland habitat and other water features, which have been identified as Waters of the State. Additional guidance and coordination with the Army Corps of Engineers is needed to determine if these features are also Waters of the US. | Environmental Document | High | Substantial mitigation costs are anticipated regardless of if the waters are under jurisdiction of just the State or also the Army Corps. Mitigation cost estimates for the different alternatives are as follows:<br><br>**Alternative 1, 2B, and 3 (Full Development): $7M-$8M**<br>**Alternative 2A (dedicated wetland preserve): $3.5M-$4M**<br><br>Mitigate credit costs are known to escalate year over year by 5-10%. Final Mitigation ratios will be determined by the various regulatory and permitting agencies. | Moderate Risk. While numerous mitigation bank options are currently available in the central valley region, there is always a possibility that banks will run out of credits or costs will go up. If suitable mitigation credits are not available to cover this project, a site-specific off-site habitat restoration/creation effort would be required to provide compensation for the loss of wetland habitat on-site. Locating a suitable location and gaining regulatory agency approval could increase both costs and schedule to complete the necessary mitigation effort. |
| **Risk 2** | Impacts to Special Status Invertebrates (vernal pool wildlife) | Vernal Pool Fairy Shrimp and Vernal Pool Tadpole Shrimp have been recorded within three miles of the project area and they may be present in seasonal wetlands on-site. A "complete survey" including both dry and wet season sampling would be required to confirm presence or absence of the species. | Environmental Document | Undetermined | If protocol surveys detect the presence of federally listed invertebrates, or if the City elects to assume presence and consult with USFWS through Section 7 or Section 10 of the Endangered Species Act, mitigation for the loss of suitable habitat would be required.<br><br>***Total estimated Cost Risk: $4.2M***<br><br>Mitigate credit costs are known to escalate year over year by 5-10%. Final Mitigation ratios will be determined by the various regulatory and permitting agencies. | High risk. Protocol Surveys require both wet and dry sampling. If conditions are good, surveys can be completed in less than 12 months; however, in drought conditions, the site may not retain enough water to allow for wet season samples to be collected resulting in a full year delay just to determine presence or absence.<br><br>If special status invertebrates are present, or assumed present, consultation with USFWS is estimated to take up to 12 months; however, it is not unusual for the consultation process to take substantially longer for projects like these, especially when consulting under Section 10 of the federal Endangered Species Act. |
| **Risk 3** | Loss of habitat for Swainson's Hawk, Burrowing Owl, and other Nesting Migratory Birds | Depending on the alternative selected, the project would result in the loss of between 87 and 102 acres of nesting and foraging habitat for a variety of special status birds including the State Listed Swainson's Hawk. | Environmental Document | High | Mitigation credits for the loss of foraging habitat for Swainson's Hawk can be purchased at a price of between $10k-12k per acre. Mitigation is expected to be at a 1:1 ratio resulting in:<br><br>***Total estimated Cost Risk: $870k - $1.22M*** | Low risk. Impacts and mitigation for special status avian species can be completed through the normal course of the environmental document and mitigation credits obtained prior to the start of construction. |
| **Risk 4** | Regulatory Permits | Regulatory permits from the Regional Water Quality Control Board and California Department of Fish and Wildlife are anticipated. A Clean Water Act 404 Fill Permit will be required from Army Corps if the water features are determined to be under federal jurisdiction. | Environmental Document, Design, Construction | High | Permitting costs are divided between application and processing costs (fees and consultant costs) and mitigation costs for impacts to jurisdictional waters. Mitigation costs are identified in Risks 1-3. Application and processing costs are estimated to be between ***$150k-250k*** for this project. | High risk. Regulatory permitting for Waters of the State is estimated to take 9-12 months given the scope of the project and the scope of habitat loss. If the water features on-site are determined to be Waters of the U.S. this timeframe may extend to 18 months or more as it would require an Individual Permit from the Army Corps 404 division, as well as an Environmental Assessment or Environmental Impact Statement covering National Environmental Policy Act documentation requirements. If an EIS is required, it likely would introduce additional risk to both project costs and schedule. |

**Table 3 Environmental Risk Matrix (Continued)**

| ID | Risk/Opportunity | Description of Issue | Affected Project Component | Probability of Risk Occurring | Risk Cost Estimate | Risk to Schedule |
|---|---|---|---|---|---|---|
| **Risk 5** | Subsurface Archaeology and Native American Consultation | The project area has some potential for subsurface archaeological resources that could be impacted during construction. A cultural analysis and tribal consultation will occur during the CEQA documentation process to identify the level of sensitivity of the project area and determine if subsurface testing or archaeological/tribal monitoring is needed during construction. | Environmental Document, Tribal Consultation, Design, and Construction | Low to moderate | Subsurface testing costs may be $30k-50k.<br><br>If construction monitoring of grading activities is required, estimate $2,500 per working day for one archaeological monitor and one tribal monitor.<br><br>***Total estimated Cost Risk: $175k*** | Low risk. CEQA process includes tribal consultation under AB52. Subsurface testing can be done during preparation of final design.<br><br>Construction monitoring will only result in delays to construction if substantive archaeological deposits or human remains are identified during earthwork. |
| **Risk 6** | Earthwork (import export) / Construction Air Quality Impacts | The proposed project is expected to be able to balance earthwork resulting in no import or export; however, if balanced grading is not feasible, it may result in added costs for acquisition or disposal earthen material. Trucking soil material may also be necessary if soils are identified to have hazardous concentrations of PCB (see Risk 3). Trucking soil material may also result in an increase in criteria pollutants including greenhouse gas emissions. | Environmental Document, Design, Construction | Low | To be determined. Preliminary design will inform the need for soil transport, distances from a borrow or disposal site, and associated costs. | Low risk. It is assumed if soil import or export is needed, an appropriate borrow or disposal site will be located nearby that can be used without substantial schedule delays. |
| **Risk 7** | Contaminated Soil (PCB) Remediation | The City's Phase 1 Hazardous Waste Initial Site Assessment identified SMUD PCB Substation Site #15 which had a reported spill with recorded PCB contamination at 7,800 ppm in soil. Cleanup should occur at 50 ppm and the record states no clean-up was done. PCBs attach readily to and move with soils, so if soil particles are moved by water flow, the soil and PCBs will move together. Because this site is upgradient from the Subject Property, and if the PCBs were not remediated, soil erosion could have moved PCB-contaminated soil to the Subject Property over time through drainage/irrigation ditches. Additional testing on-site is needed to confirm if surface soils have been contaminated with PCBs. | Environmental Document, Construction | Moderate | To be determined. Phase 2 soil testing is needed to better understand the extent and concentration of PCB contamination on the property. Disposal may be accomplished by burying lower concentration contaminated soils on-site under clean fill, or if concentrations are higher, may require trucking the contaminated soils to a hazardous waste disposal facility (e.g. landfill in Kettleman City). Current estimate for disposal costs of higher concentrations are between $500-1000 per cubic yard of material, plus the cost to transport the material. | Low risk. Remediation efforts can be completed prior to construction, or they can be included in the bid package specifications as a requirement for the construction contractor to completed. |
| **Risk 8** | Site Drainage Requirements | Site conditions indicate low permeability on-site due to the presence of seasonal wetlands throughout the site. Additional geotechnical/soil investigations are needed to determine how to effectively drain the project site. Low permeability may result in higher cost drainage facilities or some on-site detention facility which could affect the planned development alternative the City selects. | Preliminary Design, Final Design, Construction | Moderate | To be determined. Design and construction costs of the necessary drainage facilities will be determined during through a Drainage Report and during Preliminary Design. | No Risk. This is part of the typical design process. |
| **Risk 9** | Public Controversy (Tiny Home Development) | Recent history indicates that any proposal for developing tiny homes or other facilities for unhoused individuals has resulted in general opposition from local residents and leads to controversy over the project. This should be an expected result for this project since all three alternatives include a temporary tiny home development. | Environmental Document, Public Outreach, Design | High | Minimal cost risk anticipated. Changes in design due to public controversy could increase consultant costs. | High risk. Controversy will require additional public outreach and coordination efforts, will be expected to generate substantial comments on the CEQA Document, and could even result in a lawsuit challenging the City's decision to advance a particular alternative. These could result in substantial delays to project development and advancing the project to construction. |

## Infrastructure Needs and Costs

Wood Rodgers identified the off-site and on-site infrastructure needs associated with each of the concept plans, including roadway, sanitary sewer, storm drainage, and water system needs. Descriptions of the required infrastructure for each concept are provided in the Infrastructure Needs Assessment Technical Memorandum located in **Attachment F**.

An Infrastructure Preliminary Opinion of Cost Technical Memorandum, by Wood Rodgers, can be found in **Attachment G**. **Figure 7** provides a high-level summary of the infrastructure costs associated with each concept. **Table 4** provides summary of each major cost element identified in the Preliminary Opinion of Cost.

**Figure 7 Infrastructure Preliminary Cost Summary**

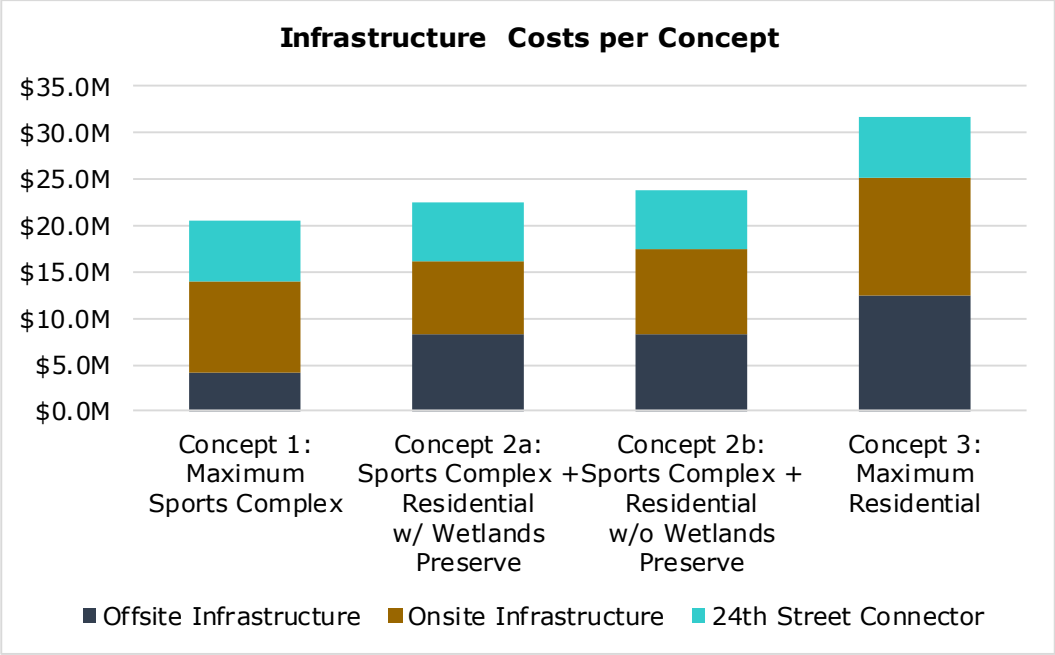


**Table 4 Infrastructure Preliminary Opinion of Cost**

| Category | Development Scenarios<br>Concept 1: Maximum Sports Complex | Concept 2a: Sports Complex + Residential w/ Wetlands Preserve | Concept 2b: Sports Complex + Residential w/o Wetlands Preserve | Concept 3: Maximum Residential |
|---|---|---|---|---|
| **Offsite** | | | | |
| Sanitary Sewer | $8,754,688 | $8,754,688 | $8,754,688 | $8,754,688 |
| Storm Drainage | $361,000 | $361,000 | $361,000 | $361,000 |
| Water System | $1,984,000 | $1,984,000 | $1,984,000 | $1,984,000 |
| Contingency | $3,329,906 | $3,329,906 | $3,329,906 | $3,329,906 |
| Soft Costs | $2,219,938 | $2,219,938 | $2,219,938 | $2,219,938 |
| **Total Offsite** | **$16,650,000** | **$16,650,000** | **$16,650,000** | **$16,650,000** |
| **Onsite** | | | | |
| Grading | $1,376,200 | $1,391,800 | $1,429,800 | $1,557,000 |
| Roadway | $3,669,200 | $2,376,500 | $2,752,200 | $3,419,400 |
| Sanitary Sewer | $213,750 | $186,750 | $165,000 | $983,500 |
| Storm Drainage | $740,250 | $825,250 | $1,156,750 | $1,751,000 |
| Water System | $532,000 | $382,500 | $561,000 | $697,000 |
| Contingency | $1,959,420 | $1,548,840 | $1,819,425 | $2,522,370 |
| Soft Costs | $1,306,280 | $1,032,560 | $1,212,950 | $1,681,580 |
| **Total Onsite** | **$9,797,000** | **$7,744,000** | **$9,097,000** | **$12,612,000** |
| **24th Street Connector** | **$6,494,000** | **$6,494,000** | **$6,494,000** | **$6,494,000** |
| **Onsite Plus 24th Street Connector** | **$16,291,000** | **$14,238,000** | **$15,591,000** | **$19,106,000** |

Source: Wood Rodgers; EPS.

## Storm Drainage

Wood Rodgers completed a Preliminary Storm Drainage Assessment for the Site, using Concept 2A as a proxy for the development concepts. According to the Preliminary Storm Drainage Assessment Technical Memorandum, located in **Attachment H**, the proposed Meadowview Project as shown in Land Use Concept 2A can meet all required storm drainage requirements with some modifications. A larger area designated for the water quality basin will need to be allocated to comply with LID. Questions remain regarding the SUMP 89 Pump Station capacity and the tributary area and intended function of the on-site pond but it is believed that necessary mitigation can be accomplished. It is anticipated that a full drainage study will further define off-site flow entering the Site and conveyance to SUMP 89 pump station.

## Traffic

Wood Rodgers completed a Traffic Analysis of the alternative concepts, both with and without a 24th Street connection to the Site. The detailed findings are located in the Traffic Feasibility Analysis Memorandum, in **Attachment I**.

The analysis found that in the absence of the proposed 24th Street connection, the likelihood of which is unknown at this time, the planned roadways for Stone Beetland could accommodate the traffic from all of the alternative concepts but likely result in queuing and safety concerns south of the Site.

In addition, because of a cumulative effect of the Site and neighboring developments, Cosumnes River Boulevard would drop below the currently acceptable Level Of Service (from LOS D to LOS E), east of C Street, a new street in the planned Stone Beetland project located south of the Site.

## Financial Analysis

This section summarizes the key findings of the financial analysis. The detailed tables are included with the Financial Analysis Technical Memorandum, located in **Attachment J**.

### *Key Financial Findings*

The key findings of the Analysis are summarized in **Table 5**.

**Table 5 Total Net Cost or Revenue of Alternative Concepts**

| Revenue / Expense Item | Scenario<br>**Concept 1:** Full Site Sports Complex | **Concepts 2a & 2b:** Partial Site Sports Complex + Residential | **Concept 3:** Residential |
|---|---|---|---|
| **Development Costs** | | | |
| Onsite Development Costs [1] | ($123.3 M) | ($90.3 M) - ($91.1 M) | ($39.7 M) |
| *Potential Offsite Infrastructure Share* | *at 25%* | *at 50%* | *at 75%* |
| Potential Offsite Infrastructure Cost | ($4.2 M) | ($8.3 M) | ($12.5 M) |
| **Total Development Costs** | **($127.4 M)** | **($98.7 M) - ($99.5 M)** | **($52.2 M)** |
| **Residential Development Land Sale** [2] | **-** | **$22.9 M - $37.8 M** | **$85.9 M** |
| **Present Value of Sports Complex Net Revenue (30 years)** [3] | **$7.8 M** | **$2.6 M** | **-** |
| **Total Net Revenue / (Cost)** | **($119.6 M)** | **($73.2 M) - ($59.1 M)** | **$33.7 M** |

Source: EPS.

[1] Includes onsite infrastructure, 24th Street connection, environmental mitigation costs, and development of sports complex or neighborhood park.
[2] Land sale value may vary depending on affordable unit strategy.
[3] Includes Transient Occupancy Tax (12%) and sales tax (2%) from tournament visitors, plus nominal revenue from facility usage/rental fees, net of annual operating expenditures, as managed by the City. The discount rate used to calculate present value of the net operating revenue is 7%.

Key notes regarding **Table 5**:

- The on-site development costs include environmental mitigation, on-site infrastructure, the 24th Street connector (technically off-site but included with on-site costs since it will primarily serve the Site), and development of a flat field (soccer) complex and 100,000-square-foot indoor facility. These are upfront costs.
- The off-site infrastructure (total of $20 million, excluding 24th Street connector) includes costs that will be shared between the Site, Stone Beetland, and Delta Shores. The City's cost share assumed in this Analysis (ranging from 25 percent to 75 percent) is a rough order-of-magnitude estimate that would be determined in future analysis. (Concept 1, with no residential units would likely pay the lowest share, while Concept 3, with the most residential units, would likely pay the highest share.) These are upfront costs.
- Residential land sale values vary considerably depending on affordable unit strategy. The numbers shown assume the required 25 percent affordable units

(assumed affordable at 70 percent of Area Median Income [AMI]) can be accommodated in multifamily rental units (consolidated approach). These are upfront revenues.

- The present value of the sports complex net revenues, which account for the City's annual operating expenses, discounts a 30-year stream of net revenue to the City to its value today for comparison with the upfront costs/revenues noted above. The ongoing annual revenue stream includes sports complex operating revenue, sports complex operating expenses (assuming the facility is City-operated), and Transient Occupancy Tax (TOT) and City sales tax revenues from tournament attendees. Potential advertising or other revenues have not been estimated in this Analysis.

As expected, the maximum residential concept, with most of the Site sold for residential development, generates the most revenue for the City. None of the scenarios result in a positive net present value (NPV), except the full residential concept. Cost drivers impacting negative NPV include the cost to construct the sports complex, both off-site and on-site infrastructure needs, and environmental mitigation costs. Wetland preservation appears to have a marginal effect on overall feasibility. Alternative affordable housing strategies strongly affect feasibility.

### *Land Use Concepts*

The 4 land use concepts developed by Wood Rodgers are summarized in **Table 6**, which lists the acreage assigned to each land use.

**Table 6 Scenario Land Use Summary**

| Land Use [1] | Acres per Use by Development Scenario | | | |
|---|---|---|---|---|
| | **Concept 1:** Maximum Sports Complex | **Concept 2a:** Sports Complex + Residential w/ Wetlands Preserve | **Concept 2b:** Sports Complex + Residential w/o Wetlands Preserve | **Concept 3:** Maximum Residential |
| Sports Park - Flat Fields [2] | 99.15 | 57.75 | 53.75 | - |
| Sports Park - Indoor | 2.75 | 2.75 | 2.75 | - |
| Neighborhood Park | - | - | - | 10.00 |
| MDR | - | 13.60 | 22.20 | 43.40 |
| MHDR | - | - | - | 14.40 |
| HDR | - | 5.50 | 10.00 | 23.00 |
| Wetland Preserve | - | 15.30 | - | - |
| Storm Drainage [2] | - | 4.10 | 5.50 | 7.80 |
| **Total for Concept [3]** | **101.90** | **99.00** | **94.20** | **98.60** |

Source: Wood Rodgers; EPS.

[1] Land area devoted to the interim used is included with the assumed replacement use.
[2] Flat field acreage includes drainage in Concept 1.
[3] Total acreage does not include acreage for circulation, resulting in varying totals.

### *Initial Concept Development Costs and Offsetting Revenues*

Each of the 4 concepts entails some significant upfront costs to develop: environmental mitigation costs, on-site and off-site infrastructure costs, and development of the sports complex or neighborhood park. A 24th Street connector has been assumed as part of the Site development cost. The 3 scenarios that include residential development also include upfront revenues from the sale of land for residential development.

**Figure 8** and **Table 7** summarize each of the major upfront costs and initial land sale revenues estimated for each concept.

**Figure 8 Estimated Scenario Development Cost/(Revenue) (2023$)**

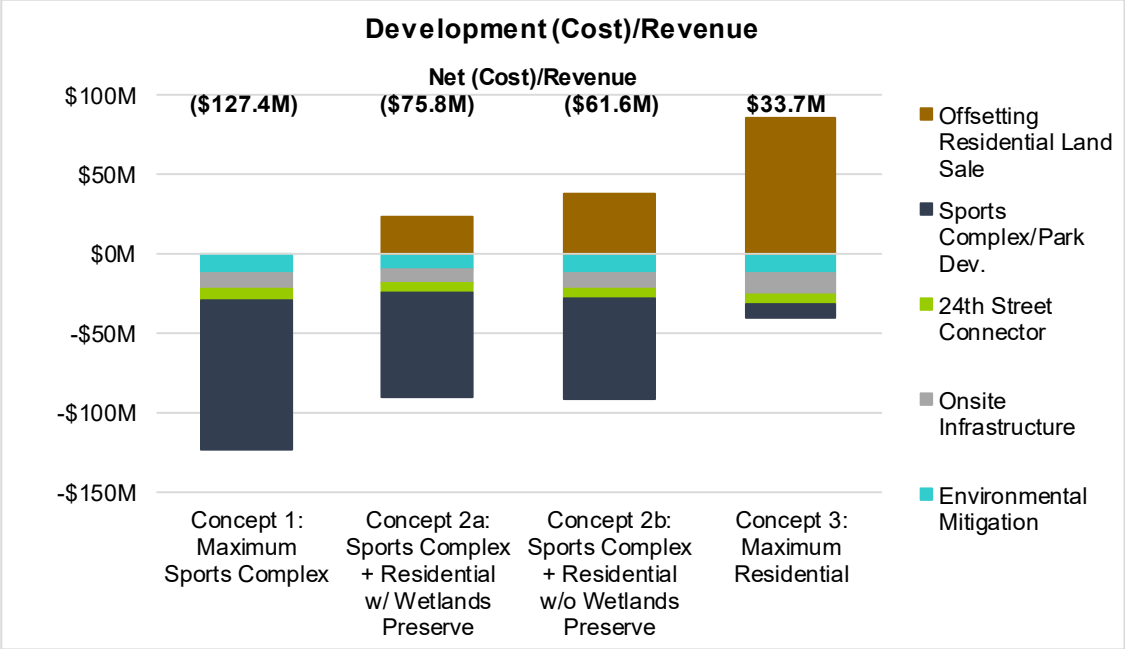


**Table 7 Estimated Scenario Development Costs (2023$)**

| Cost & Offsetting Revenue Category [1] | Development Scenario<br>**Concept 1:** Maximum Sports Complex | **Concept 2a:** Sports Complex + Residential w/ Wetlands Preserve | **Concept 2b:** Sports Complex + Residential w/o Wetlands Preserve | **Concept 3:** Maximum Residential |
|---|---|---|---|---|
| ***Estimated Initial Costs*** | | | | |
| Environmental Mitigation [2] | ($12,571,000) | ($10,333,000) | ($12,571,000) | ($12,571,000) |
| Onsite Infrastructure | ($9,797,000) | ($7,744,000) | ($9,097,000) | ($12,612,000) |
| 24th Street Connector | ($6,494,000) | ($6,494,000) | ($6,494,000) | ($6,494,000) |
| Sports Complex/Park Development | ($94,400,000) | ($65,770,000) | ($62,970,000) | ($8,000,000) |
| **Total Onsite + 24th Street Connector** | **($123,262,000)** | **($90,341,000)** | **($91,132,000)** | **($39,677,000)** |
| *Potential Offsite Infrastructure Share* | *at 25%* | *at 50%* | *at 50%* | *at 75%* |
| Potential Offsite Infrastructure Cost | ($4,162,500) | ($8,325,000) | ($8,325,000) | ($12,487,500) |
| **Total Estimated Cost** | **($127,424,500)** | **($98,666,000)** | **($99,457,000)** | **($52,164,500)** |
| ***Estimated Initial Revenues*** | | | | |
| Residential Development Land Sale [3] | - | $22,887,000 | $37,839,000 | $85,907,000 |
| **Total Estimated Revenues** | **-** | **$22,887,000** | **$37,839,000** | **$85,907,000** |
| **Total Net Development Cost** | **($127,424,500)** | **($75,779,000)** | **($61,618,000)** | **$33,742,500** |

Source: EPS

[1] The costs and offsetting revenues shown are from the perspective of the City of Sacramento. Actual financing options or joint venture agreements may affect eventual responsibility for various costs, with resulting reductions to supportable land sale values.
[2] Average of US waters and State waters designation costs. Includes rough estimate for cost of wetland perserve development under Scenario 2a.
[3] Land sale values assume below market rate units consolidated into HDR development. See Table 3 for revenue estimates under alternative affordable unit scenarios.

The potential residential land sale revenues included in **Table 3** reflect an affordable unit approach that allows the provision of the Site's total required number of affordable units within the multifamily product category. This approach is fairly common for larger developments with a mix of housing types and represents one potential approach to providing affordable units on the Site. For example, it is not certain at this time whether the requirements of the Surplus Land Act will require affordable units to be spread proportionally across all unit types. Distributing affordable units across all unit types would have a significant negative impact on development feasibility, reducing the land sale price the City would be able to realize from sale to a residential developer.

The most advantageous strategy for on-site affordable units from a development feasibility (and residual land value) perspective would be providing a portion of the Site (large enough to accommodate the necessary number of affordable units)

free to a nonprofit Below Market-Rate (BMR) developer that can take advantage of various grants and low-interest financing mechanisms. This land gift strategy would result in a higher residual land value for a potential developer and therefore a higher land sale price the City could command.

**Table 8** provides a comparison of the estimated land sale value the City could realize from selling land for residential development for each of the 3 concepts with a residential component, under each of the 3 alternative affordable unit scenarios, each of which assumes 25 percent of the total units are affordable to households earning 70 percent of AMI. A more detailed version of the table is available in **Attachment J**.

Under the "Distributed Affordable Units" scenario, the Medium Density Residential (MDR) and Medium-High Density Residential (MHDR), which would normally drive much of the project value, have significantly reduced land values. Under the "Consolidated Affordable Units" scenario, the MDR and MHDR values reflect their market value, but the HDR value is decreased significantly because it is carrying the cost burden of the affordable units. However, because MDR and MHDR drive much of the value of the overall concept, the total residual land value is higher. Under the "Land Gift" scenario, the value of the MDR/MHDR units and the HDR units that are not on the gifted portion of the property are maximized.

**Table 8 Estimated Residential Land Sale Values (2023$)**

| | Development Scenario | | | |
|---|---|---|---|---|
| **Affordable Scenario** | **Concept 1:** Maximum Sports Complex | **Concept 2a:** Sports Complex + Residential w/ Wetlands Preserve | **Concept 2b:** Sports Complex + Residential w/o Wetlands Preserve | **Concept 3:** Maximum Residential |
| Affordable Units Distributed Across All Residential Products | - | $18.1M | $30.1M | $65.3M |
| Afffordable Units Consolidated into HDR Product | - | $22.9M | $37.8M | $85.9M |
| Land Gift to Non-Profit BMR Developer | - | $37.3M | $62.8M | $154.7M |

Source: EPS

The strategy with affordable units distributed proportionally across each product type results in significantly lower residual land value because of the significant

differential between the cost to build the for-sale MDR units and the estimated BMR sales prices for those units.

Conversely, the strategy providing land to a nonprofit BMR developer produces the smallest reduction in residual land value because all HDR units not on the gifted parcel will achieve market-rate rents.

### *Ongoing Operating Revenues and Expenses*

**Table 9** summarizes the ongoing annual operating costs and revenues associated with the sports complex in Concept 1, Concept 2a, and Concept 2b. A more detailed version of the table is available in **Attachment J**.

The larger sports complex in Concept 1, on about 60 acres with an assumed 20 flat fields, is estimated to generate more direct operating revenue and visitor-generated tax revenues than the sports complex in either Concept 2a or Concept 2b, which are assumed to include 13 to 16 flat fields. The neighborhood park in Concept 3 is assumed to generate no revenue.

Netting out the estimated cost of ongoing annual operating expenses results in the estimated annual net operating revenue to the City at stabilization (shown in 2023 dollars).

**Table 9 Estimated Ongoing/Operating Revenue and Expense Comparison (2023$)**

| Revenue and Expense Items | Full-site Sports Complex | Partial-site Sports Complex |
|---|---|---|
| **Ongoing Revenues** | | |
| Sports Complex Operating Revenues | $1,126,000 | $1,054,000 |
| Tournament-derived City TOT | $1,058,000 | $749,000 |
| Tournament-derived City Sales Tax | $412,000 | $282,000 |
| **Total Revenues** | **$2,596,000** | **$2,085,000** |
| **Sports Complex Operating Expenses** | ($1,900,000) | ($1,820,000) |
| **Net Operating Revenue** | **$696,000** | **$265,000** |

Source: EPS.

## Timeline

**Figure 9** illustrates the estimated timeline for developing the site. Planning and entitlement are estimated to take 2 years and can overlap with completion of the EIR. After completion of the EIR, the environmental permitting process can begin, with an estimated timeframe between 18 and 24 months. Once the environmental permitting process is complete, construction can begin.

**Figure 9 Estimated Site Development Schedule**