Appendix B

GOODWIN CONSULTING GROUP

THE SANCTUARY
CITY OF STOCKTON

PUBLIC FACILITIES
FINANCING PLAN

Final Draft

AUGUST 13, 2008

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The Sanctuary
City of Stockton
Public Facilities Financing Plan

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PUBLIC FACILITIES FINANCING PLAN TABLES

EXECUTIVE SUMMARY

REPORT OBJECTIVES AND CONCLUSIONS

This public facilities financing plan (PFFP) has been prepared to evaluate the ability of land uses proposed in the Sanctuary Master Development Plan (Project or Sanctuary) to fund required public facilities. The entire Project will be developed by The Grupe Company (Grupe). The Project has been divided into four distinct development phases, each with its own absorption schedules and infrastructure requirements.

The PFFP is a long-term look at the burdens that will be associated with providing infrastructure to all four phases. This financing plan will serve as a blueprint to guide individual development applications and will ensure that future development conforms to the strategy outlined in this plan. In addition to quantifying the Project's infrastructure burdens, this analysis provides developers and landowners with figures that can be factored into an estimate of residual land values and potential returns from their development proposals.

It must be recognized that the PFFP is only a *test* of overall financial feasibility. As development progresses, the timing and mix of costs and funding sources may change. Furthermore, the assumptions and results presented in this report are estimates, and actual results may vary. However, regardless of the extent to which proposed financing mechanisms are used or other financing mechanisms are introduced later as the Project develops, the feasibility of the overall burden has been evaluated in this PFFP.

Two scenarios are evaluated in this report. The first scenario, presented as *Expected Values*, reflects the developer's estimates of sales prices. A second scenario, incorporating lower values and aptly named *Lower Values*, is also included to provide a sense of how changes in this key variable affect the results of the analysis.

The second scenario's impact on the PFFP is limited solely to the one-time and annual burden feasibility tests; cost allocations as well as other quantitative analyses are unaffected by changes in the value assumptions. For this reason, much of the following text does not distinguish between the two scenarios. When no such distinction is made, the analysis and corresponding explanation applies to both scenarios equally.

The PFFP indicates that the Project will be financially feasible under both scenarios; furthermore, all residential and non-residential land uses appear to be feasible. However, as noted above, numerous assumptions are incorporated into the PFFP, some of which are relatively uncertain at this time. For example, many factors combine to form the framework of the local real estate market, that market will ultimately determine home prices, and those prices will to a large extent dictate when development in Sanctuary actually occurs.

REPORT CONTENTS

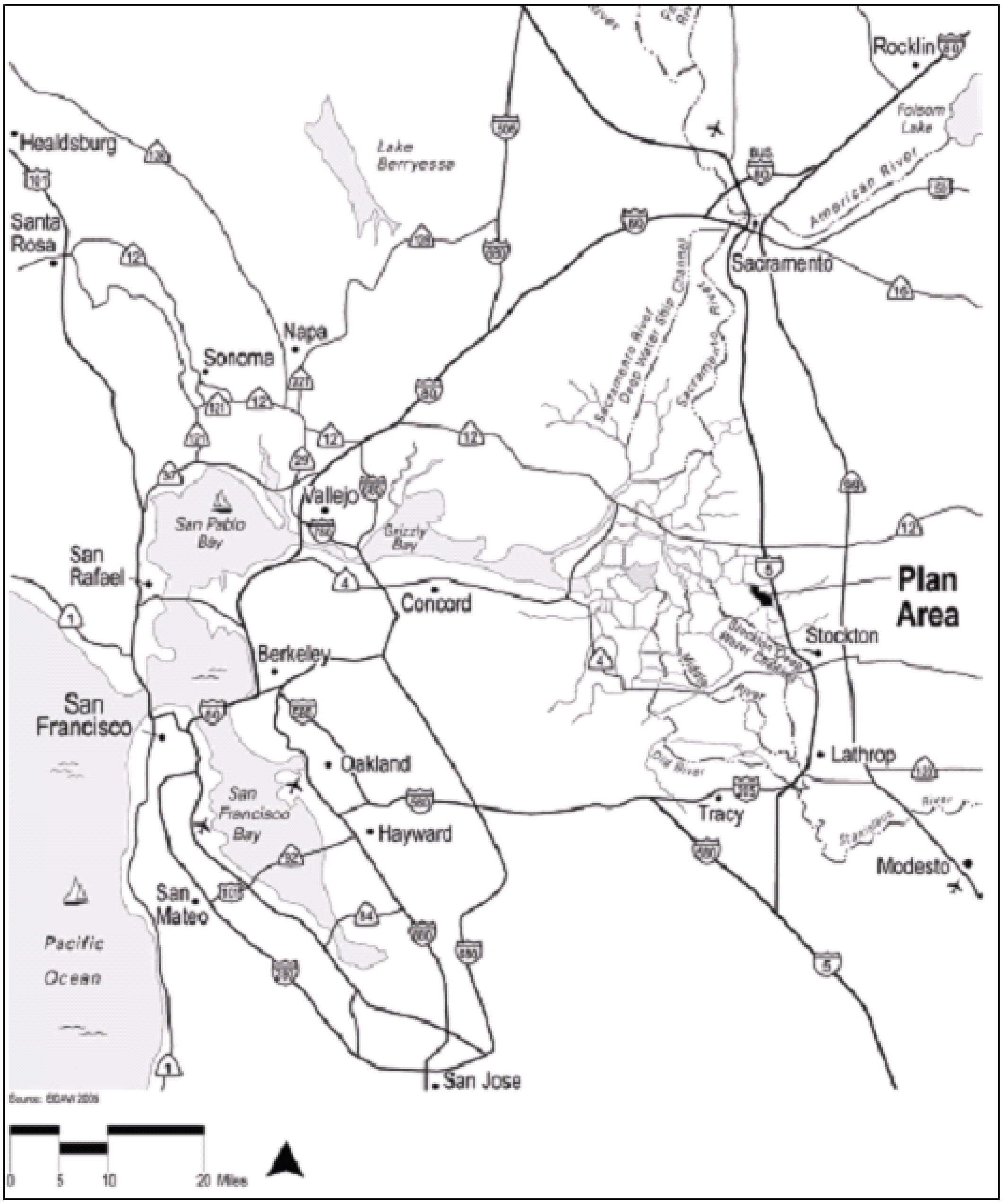
In summary, the PFFP does the following:

- Describes the proposed land uses, demographic assumptions, and estimated values
- Outlines the phasing plan submitted by the Project applicant
- Summarizes the public facilities required to serve future development in the Project
- Presents cost estimates for the various categories of public facilities
- Allocates the costs of required public facilities to the proposed land uses
- Determines Mello-Roos bonding capacity based on acceptable annual burdens
- Identifies the total one-time burdens (development impact fees) and the Mello-Roos annual special tax rates that would be borne by landowners, builders, and homeowners
- Assesses the annual and one-time financial feasibility of the Project by comparing the total burdens to the estimated values for each land use in the Project
- Identifies the cash flow associated with each phase, including reimbursements that may be due to compensate for capital facility oversizing

PROJECT DESCRIPTION

Sanctuary is located in an unincorporated area of central San Joaquin County, adjacent to the northwestern edge of the City of Stockton (City) city limits; it is situated within the City's Sphere of Influence and is expected to be annexed into the City prior to development. Four separate phases are proposed for development, each with a mix of residential and non-residential land uses. Almost 7,100 residential units are anticipated as well as over 830,000 square feet of retail, office, and hotel uses. Sanctuary is expected to be home to approximately 21,152 residents and is expected to create 1,913 new jobs within the City (2,187 jobs including school and religious land uses). A vicinity map and preliminary land use plan are shown below.

Vicinity Map



Source: www.sanctuarybygrupe.com

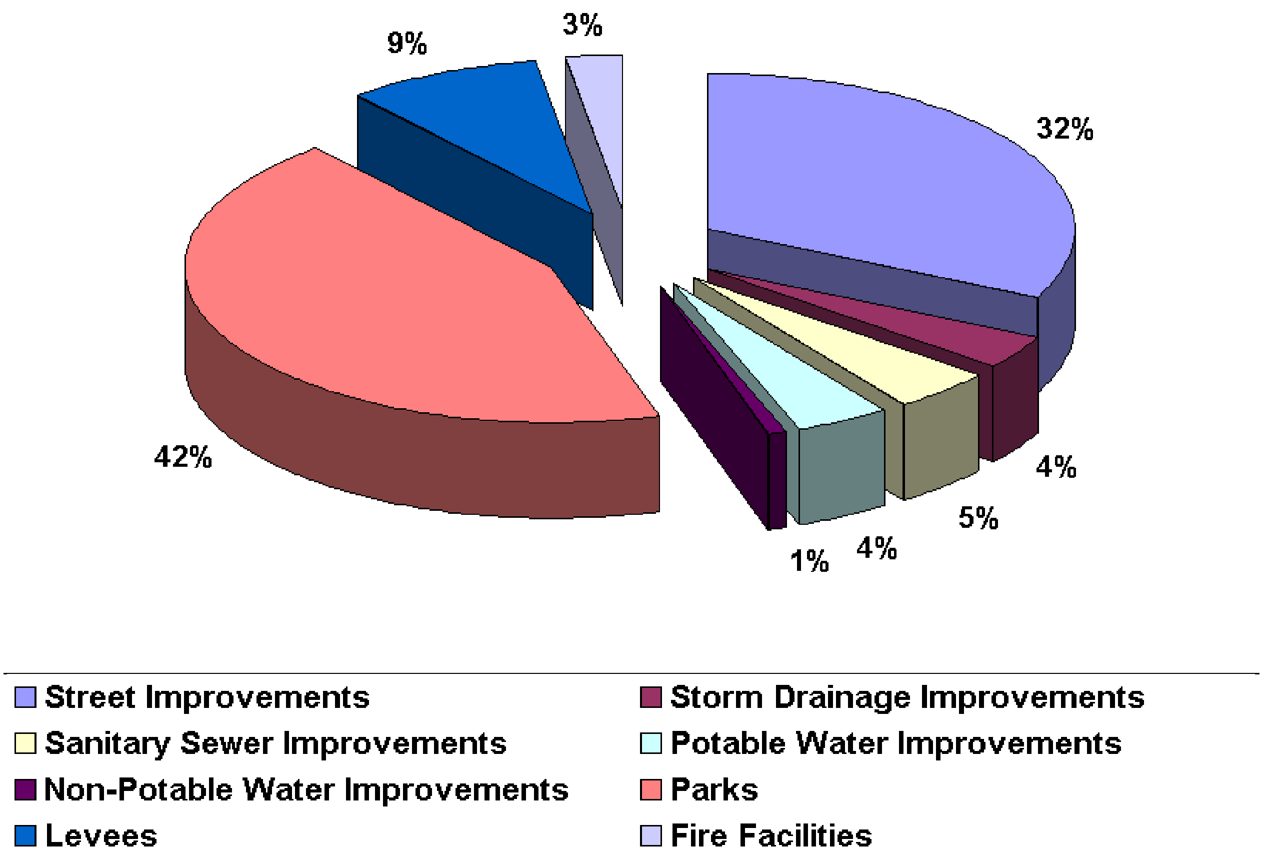
Land Use Map

Source: Permitted Land Use Plan from the Master Development Plan, dated July 2007.

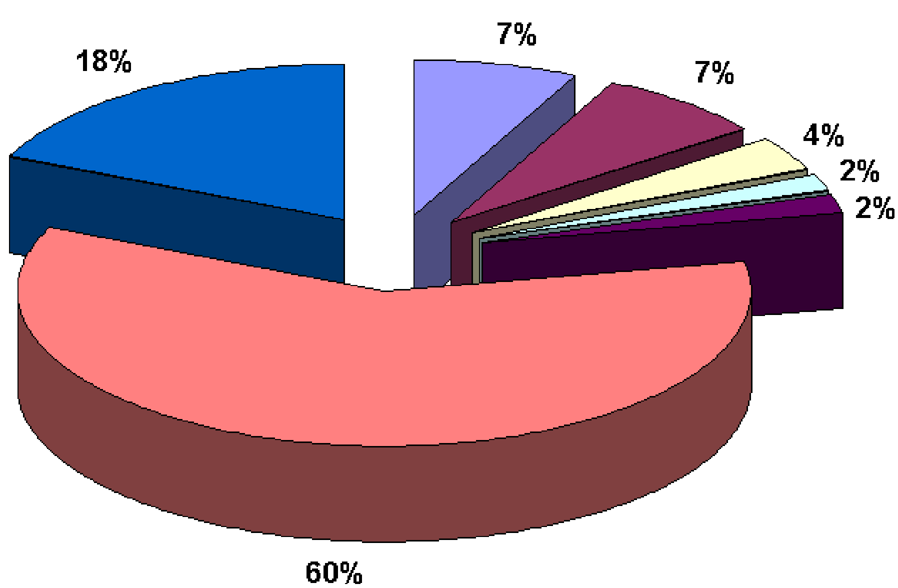
ONE-TIME BURDENS

The Project requires significant amounts of public infrastructure to serve it. Backbone infrastructure (e.g., streets, sewer, drainage, water) is estimated to cost over $123 million, with community facilities making up the rest of the total $228 million cost. However, the Project will receive fee credits for street, sewer, water, park, and fire improvements and will only be responsible for a portion of the fire facilities costs, thus reducing the total net project-specific cost to $108 million. The charts below summarize the gross and net project-specific cost estimates by capital facility category.

Total Gross Project-Specific Costs = $228 Million



Total Net Project-Specific Costs = $108 Million



The table below presents the one-time burdens that result after the costs of project-specific facilities are allocated to the proposed land uses. Based on selected benefit criteria, a fair share cost is identified for each type of land use, assuming no debt financing. In addition to this project-specific one-time burden, an adjusted project-specific one-time burden is presented. This adjusted burden is the result of shifting all the costs of the project-specific facilities to the residential land uses, leaving the non-residential land uses with none of the project-specific infrastructure burdens. Two factors influenced this re-allocation: (i) the desire to facilitate the development of the non-residential land uses; and (ii) the realization that the residential burdens could increase without jeopardizing the financial feasibility of the residential land uses.

The Project will also be subject to certain one-time City of Stockton and other agency fees throughout the course of the development process. These amounts are added to the adjusted project-specific burdens to determine the total gross one-time burdens on each land use (presented in the far right column).

Gross Project-Specific, Adjusted Project-Specific, and Total Burdens

Land Use	Project-Specific One-Time Burdens	Adjusted Project-Specific One-Time Burdens	Total Gross One-Time Burdens
Residential			
Residential Estates	$16,800 per unit	$17,200 per unit	$100,200 per unit
Low Density Residential	$15,800 per unit	$16,200 per unit	$83,900 per unit
Medium Density Residential	$14,200 per unit	$14,600 per unit	$77,600 per unit
Multi-Family	$11,800 per unit	$12,100 per unit	$45,200 per unit
Active Adult (Age-Restricted)	$10,100 per unit	$10,400 per unit	$65,500 per unit
Non-Residential			
Retail	$34,000 per acre	$0 per acre	$381,000 per acre
Office	$43,000 per acre	$0 per acre	$324,000 per acre
Hotel	$46,000 per acre	$0 per acre	$514,000 per acre

FINANCING STRATEGY

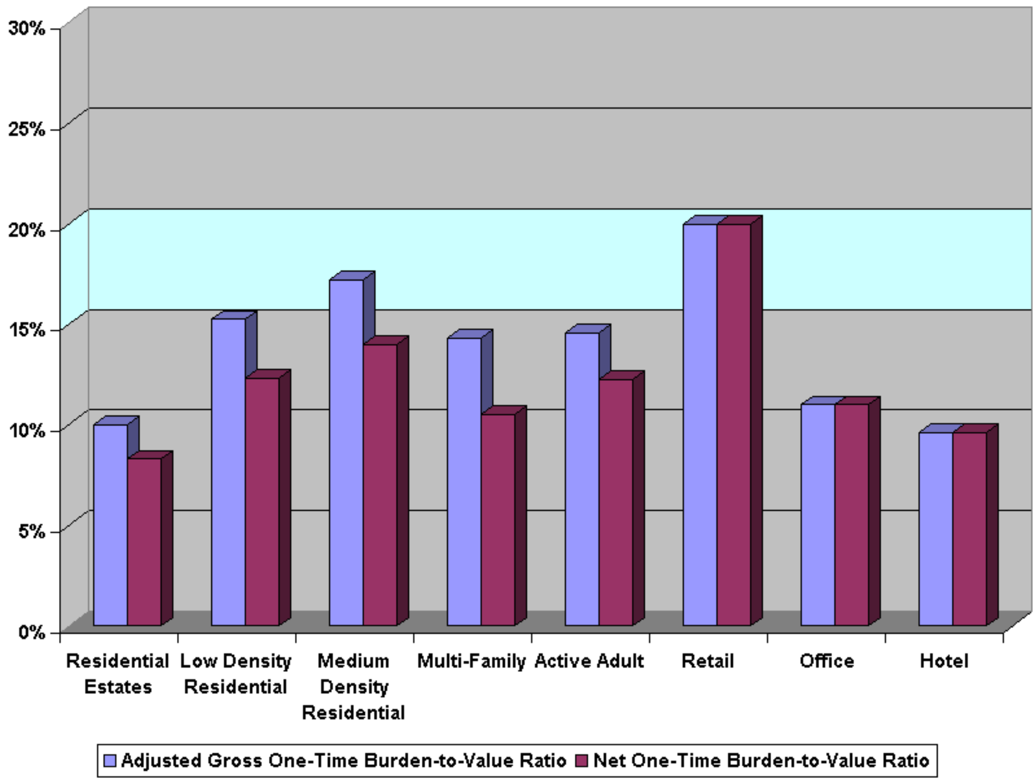
At the center of the recommended financing strategy is a consideration of the financial feasibility of the proposed land uses. Financial feasibility is defined here in terms of the estimated one-time and annual burdens, both as a percentage of developed value, for each of the proposed land use categories. While there are no values in this test that guarantee project success, a one-time burden-to-value ratio that is less than 15% to 20% is typically considered feasible in this area of the Central Valley.

To ensure that funding keeps pace with infrastructure requirements, the formation of a Mello-Roos Community Facilities District (CFD) is recommended. The use of a CFD will limit the initial, one-time burden incurred by the various land uses and will reduce the amount of upfront developer equity required.

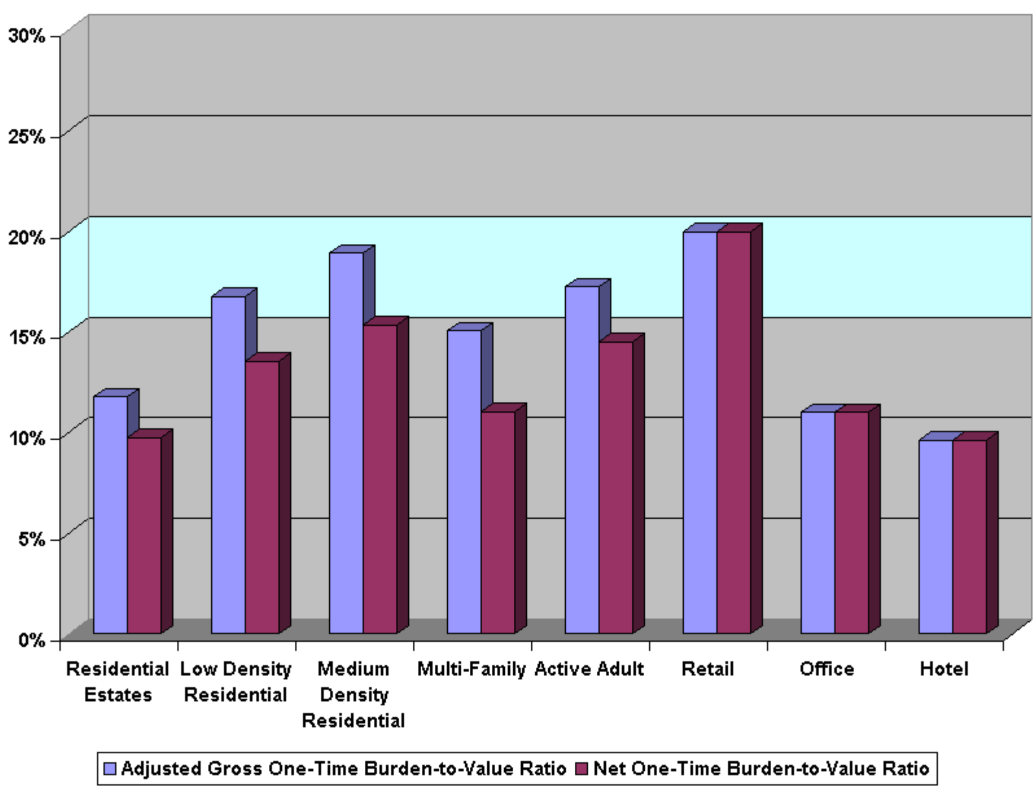
In order to estimate the annual special taxes that could reasonably be levied on properties in the proposed CFD, an annual burden analysis is conducted. The total annual burden includes all *ad valorem* taxes (the basic 1% property tax mandated by Proposition 13 plus overrides from voter-approved bonded indebtedness associated with school district bonds, etc.) as well as existing and proposed special taxes and assessments. The total annual burden is also expressed as a percentage of the value of a developed residential unit. Staying below the City's guideline of a total annual burden of 1.8%, a yearly amount that could be applied to an infrastructure CFD is derived for residential estates, low density, medium density, high density, and age-restricted residential land uses. Only residential land uses are assumed to be included in the CFD, again to minimize obstacles to non-residential development.

The annual special taxes earmarked for project-specific infrastructure financing are limited by not only the City's guideline but also the total net project-specific costs. In both scenarios, a sufficient amount of "annual burden capacity" exists to fully fund the total net project-specific costs and to maintain the total annual burdens below 1.8% of value. At these rates, estimates for Phase 1 capacity produce net bond proceeds available to fund infrastructure equal to $22.7 million. Phases 2, 3, and 4, meanwhile, are expected to be able to generate $19.5 million, $28.4 million, and $36.9 million, respectively. The adjusted gross and net one-time burden-to-value ratios are presented for Sanctuary in the charts below. The net ratios reflect the application of CFD bond proceeds against the adjusted gross one-time burdens.

One-Time Burdens (Expected Values)



One-Time Burdens (Lower Values)



The estimated burdens presented in this analysis are subject to change as assumptions continue to be refined, public agencies make policy decisions that affect the proposed development, the PFFP evolves, and actual infrastructure improvements are installed. For both scenarios, all the residential land uses appear to be feasible under the general guidelines defined above, (i.e., one-time burdens less than or approximately equal to 15% to 20% of estimated value).

As displayed in the table above showing the adjusted gross project-specific burdens, project-specific infrastructure burdens have been shifted from non-residential land uses to the residential land use designations in Sanctuary. Despite this re-allocation, the feasibility of the residential land uses is not materially impacted. The effect of this methodology is substantial, as the reallocation of project-specific infrastructure costs away from non-residential land uses provides these land uses with cost relief.

Finally, with the Project expected to develop in four distinct phases, the relationship between the timing of infrastructure improvements and absorption of land uses becomes a critical cash flow issue. Often, initial phases must support a disproportionate amount of the overall infrastructure requirements as certain large scale, and expensive, capital facility items must be built before development can proceed. The table below presents the total net costs by phase for each of the capital facility categories studied in this report.

Net Project-Specific Costs by Phase

Improvement	Phase 1	Phase 2	Phase 3	Phase 4
Streets	$5,639,000	--	$917,000	$1,229,000
Storm Drainage	$4,422,000	--	$3,102,000	$507,000
Sanitary Sewer	$2,770,000	--	$503,000	$650,000
Potable Water	$1,274,000	--	$211,000	$272,000
Non-Potable Water	$1,696,000	--	$164,000	$212,000
Parks	$12,358,000	$13,506,000	$37,484,000	$950,000
Levees	$19,689,000	--	--	--
Fire Protection	--	--	--	--
Total	$47,848,000	$13,506,000	$42,381,000	$3,820,000

Although Sanctuary's residential land uses are expected to generate enough CFD bond proceeds to fully fund all project-specific infrastructure, the front-loaded nature of the public facilities results in cash flow requirements in the early phases. As the table below demonstrates, a net amount of $33 million in developer equity will be required in the first three phases to cover the temporary deficits. When the final phase develops, public facility costs are minimal, allowing the developer to completely recoup the initial expenses with the final phase's CFD bond proceeds.

Project-Specific Cash Flow

	Phase 1	Phase 2	Phase 3	Phase 4	Total
Phased Costs	**$47,848,000**	**$13,506,000**	**$42,381,000**	**$3,819,000**	**$107,555,000**
Revenues					
CFD Bond Proceeds	$22,713,000	$19,524,000	$28,368,000	$36,950,000	**$107,555,000**
Total	$22,713,000	$19,524,000	$28,368,000	$36,950,000	**$107,555,000**
Developer Equity	$25,135,000	$0	$14,013,000	$0	**$39,148,000**
Developer Reimbursement	$0	($6,108,000)	$0	($33,131,000)	**($39,148,000)**
Total Revenues	**$47,848,000**	**$13,506,000**	**$42,381,000**	**$3,819,000**	**$107,555,000**

Chapter 1

INTRODUCTION

PURPOSE OF REPORT

This report quantifies and analyzes the public facilities burden to be carried by the land uses proposed in The Sanctuary Master Development Plan (Sanctuary or Project). The Master Development Plan is a public policy document that sets guidelines for the long-term use of land within the plan area. Similarly, the Public Facilities Financing Plan (PFFP or Finance Plan) provides a long-term look at the burdens that will be associated with providing infrastructure to the Project at build-out. This report has been prepared pursuant to Sections 16-540.050. D and F of the City of Stockton Municipal Code and is part of the Sanctuary Master Development Plan.

The Finance Plan has been prepared to evaluate the ability of the Project to support required public facilities and represents the culmination of a cooperative process that involved public and private participants with interests in the Project. The Finance Plan will serve as a blueprint to guide individual development applications and will ensure that future development conforms to the proposed financing strategy.

It must be recognized that the Finance Plan is only a *test* of overall financial feasibility. As development progresses, the timing and mix of costs and funding sources may change. Furthermore, the assumptions and results presented in this report are estimates, and actual results may vary. However, regardless of the extent to which proposed financing mechanisms are used or other financing mechanisms are introduced later as the Project develops, the feasibility of the overall burden has been evaluated in this PFFP.

Two scenarios are evaluated in this report. The first scenario, presented as *Expected Values*, reflects the developer's estimates of sales prices. A second scenario, referred to as *Lower Values*, is also included to provide a sense of how changes in this key variable affect the results of the analysis.

The second scenario's impact on the PFFP is limited solely to the one-time and annual burden feasibility tests; cost allocations as well as other quantitative analyses are unaffected by changes in the value assumptions. For this reason, much of the following text does not distinguish between the two scenarios. When no such distinction is made, the analysis and corresponding explanation applies to both scenarios equally. (For instance, the appendices include a Table 1A-2 for Scenario 1 and a Table 2A-2 for Scenario 2; where the tables are identical regardless of the scenario being analyzed, the text will refer, as an example, simply to "Table A-2.")

In summary, this report does the following:

- Describes the proposed land uses, demographic assumptions, and estimated values
- Outlines the phasing plan submitted by the Project applicant

- Summarizes the public facilities required to serve future development in the Project
- Presents cost estimates for the various categories of public facilities
- Allocates the costs of required public facilities to the proposed land uses
- Determines Mello-Roos bonding capacity based on acceptable annual burdens
- Identifies the total one-time burdens (development impact fees) and the Mello-Roos annual special tax rates that would be borne by landowners, builders, and homeowners
- Assesses the annual and one-time financial feasibility of the Project by comparing the total burdens to the estimated values for each land use in the Project
- Identifies the cash flow associated with each phase, including reimbursements that may be due to compensate for capital facility oversizing

ORGANIZATION OF REPORT

This report has been organized into the following eleven chapters:

1. **Introduction**
   Chapter 1 discusses the scope of the report and outlines its organizational structure.

2. **Financing Principles and Objectives**
   Chapter 2 outlines the City of Stockton's (City) standardized financing principles and objectives, which shaped the development of this PFFP.

3. **Project Description**
   Chapter 3 presents the significant land use assumptions and summarizes the Project's phasing plan.

4. **Project-Specific Facilities and Cost Estimates**
   Chapter 4 identifies and estimates the costs of the project-specific facilities intended to be funded through the PFFP.

5. **Project-Specific Cost Allocation**
   Chapter 5 discusses the allocation of the project-specific cost estimates identified in Chapter 4 to the various land uses presented in Chapter 3.

6. **Additional Impact Fee Obligations**
   Chapter 6 considers the additional fees applicable to the Project. Specifically, City fees and other public agency fees are approximated.

7. **Public Financing Strategy**
   Chapter 7 describes the recommended financing strategy and includes both one-time and annual feasibility tests.

8. **Conclusions**
   Chapter 8 discusses the overall feasibility of the Project, the matching of public facilities to financing sources, and the analysis of project cash flow.

9. **Services Financing**
   Chapter 9 presents the public agency expected to provide, and the funding source for, each of the major public facilities and/or services required to support the Project.

10. **Description of Proposed Financing Mechanisms**
    Chapter 10 provides a detailed discussion of the Mello-Roos Community Facilities Act of 1982, which plays a pivotal role in the financing strategy outlined in Chapter 7.

11. **Implementation Plan**
    Chapter 11 presents the implementation plan, which discusses how to keep the Finance Plan current and what steps must be taken to execute the strategy outlined in the PFFP.

TEMPLATES AND GUIDELINES

The analysis presented herein adheres to a set of templates and guidelines that have been approved by the City. The templates identify the contents and structure that should be incorporated into fiscal and financial studies, while the guidelines provide specific assumptions and methodologies to use in the fiscal and financial analyses. Together, the templates and guidelines were established to direct the preparation of all fiscal impact and public financing analyses in the City, promote consistency in the analyses across development projects, and facilitate the peer review process. They are the result of an exhaustive process involving City staff, Goodwin Consulting Group, and financial consultants for each of the major development projects proposed in the City.

City staff completed a series of extensive analyses to support a variety of the assumptions and approaches contained in the guidelines. While the templates and guidelines are still evolving and subject to change, the analysis presented herein is based on the set of guidelines in effect at the time this report was prepared. Note that the templates and guidelines are not meant to be a strict prescription for completing the studies; rather, they serve together as a "manual," and the manual's directions can be adjusted as project circumstances warrant and deviations from the manual can be justified.

PEER REVIEW

The City of Stockton, in requiring developers to produce fiscal and financial analyses for their projects, also requires that those studies be reviewed by a City consultant. This peer review process ensures that two public finance consultants are involved in the preparation of the documents, creating a system of checks and balances that is intended to result in quality products that bridge sometimes opposing private and public sector viewpoints, consider all crucial analytical elements, and protect the City's interests going forward.

Goodwin Consulting Group (GCG) was retained by the Project developer to prepare this PFFP, and Economic & Planning Systems (EPS) was retained by the City to perform the fiscal and financial peer review for Sanctuary. EPS has conducted a thorough review of the PFFP and its related assumptions, and concurs with the conclusions and supporting analysis presented herein. As part of the peer review process, EPS and GCG collectively decided that the PFFP, and consequently project feasibility, should be evaluated under two scenarios related to home values. EPS and GCG established more conservative value assumptions for the additional scenario. Details related to both scenarios are presented in the subsequent chapters of this report.

During the peer review process, EPS worked closely with GCG to review and collectively address all aspects of the PFFP, including its assumptions, methodology, analysis, and statements. EPS and GCG also engaged City staff during this process to ensure that the resulting document is consistent with City policies and objectives.

Chapter 2

FINANCING PRINCIPLES AND OBJECTIVES

The following principles and City objectives shall guide the implementation efforts associated with financing infrastructure and public facilities for the Project.

1. The Public Facilities Financing Plan shall be consistent with, and serve to reinforce, the Land Use Plan and subsequent development of the Project.

Objective 1.1: Apply land use regulations and financing mechanisms that encourage development of the Project at the proposed density ranges and in appropriate phases. Financing mechanisms shall assure that variances from the density ranges and development phases do not negatively affect infrastructure funding capacity.

Objective 1.2: Landowners, developers, and builders within the Project shall have the right to develop the Project at such time, rate, sequence, and order as they deem appropriate within the exercise of their subjective business judgment.

Objective 1.3: A detailed financial analysis reflecting how infrastructure costs will be allocated and funded shall be prepared to support specification and adoption of selected financing mechanisms. The financial analysis should be updated during the development process to account for changing project-specific circumstances, shifting market conditions, and more refined facility and cost data that will become available over time.

Objective 1.4: The original financial analysis for a project, and any subsequent updates, shall be based on and adhere to the template and guidelines for conducting a PFFP or PFA, as applicable, as promulgated by the City and in effect at the time.

2. Future development within the Project shall pay the full costs of infrastructure needed to serve the Project area, except where other funding sources are appropriate and available.

Objective 2.1: Landowners, developers, and builders within the Project shall bear primary responsibility for funding all infrastructure and facilities needed to serve the Project area.

Objective 2.2: The level of public facilities and infrastructure provided to the Project shall be at least equal to, and in some cases superior to, the level of public facilities and infrastructure provided within the existing City.

Objective 2.3: The City shall require dedication of land for road improvements and construction of public improvements consistent with Citywide policies, the Stockton Municipal Code, and subsequent subdivision maps.

Objective 2.4: Existing landowners and residents shall not be burdened with assessments or taxes to pay for Project infrastructure or facilities if no benefit is received.

Objective 2.5: Properties outside the boundaries of the Project that benefit from infrastructure provided by the Project-triggered improvements, such as major roadway improvements or school facilities, shall contribute funding to these improvements through an agreed-upon mechanism.

3. **Future development within the Project shall pay the costs of mitigating impacts on existing facilities and infrastructure in the City.**

Objective 3.1: Development will pay existing City development impact fees and additional off-site mitigation as specified by the Project EIR.

Objective 3.2: Infrastructure and public facilities triggered and paid for by development within the Project that provide benefit to the entire City shall qualify for funding through existing development impact fee ordinances and receive either direct fee credits, credits against future development impact fee obligations, reimbursement from future development impact fee revenues, or a combination of these as required.

4. **Infrastructure costs shall be proportionately allocated among Project properties based on the principle of benefit received.**

Objective 4.1: Basic infrastructure program costs shall be allocated to individual neighborhoods and ownerships within the Project based upon the appropriate cost allocation (nexus) logic for each infrastructure improvement type.

Objective 4.2: A mechanism(s) for equalizing the differential burdens of public land requirements upon individual ownerships shall be included in financing mechanisms established for the Project.

Objective 4.3: A mechanism(s) for securing financial obligation for an equitable share of infrastructure costs on non-participating property owners shall be included in financing mechanisms established for the Project.

Objective 4.4: Fair share cost allocations for on-site and off-site facilities will be based on net costs after accounting for regional, State, and federal funding, as determined appropriate by the City.

5. **The City shall facilitate the establishment of necessary financing entities and arrangements for Project area infrastructure financing.**

Objective 5.1: The City shall establish, pursuant to related statutory authority and procedures, Project area financing mechanisms (e.g., Community Facilities District, Assessment District).

Objective 5.2: A project Area of Benefit, pursuant to the provisions of the Stockton Municipal Code, shall be established by the City. This project area of benefit fee (i.e., Project Fee) should incorporate a proportionate-share cost allocation of required backbone infrastructure to be borne by all benefiting Project development.

Objective 5.3: All costs associated with forming and administering any financing mechanism shall be borne by the Project.

Objective 5.4: To ensure that funding of infrastructure development is timely and that other public benefits are achieved, the City shall offer development agreements to specific plan developers or builders, consistent with existing City policy and ordinances.

Objective 5.5: The City shall participate in discussions with school districts regarding school facility requirements and planning, and seek outcomes that facilitate timely school construction consistent with the phased development of the Project.

6. **Developers shall be encouraged to privately construct infrastructure items to assure timely and cost-effective installation of required infrastructure and facilities.**

Objective 6.1: Infrastructure costs for oversized facilities that are determined to benefit properties outside the Project shall be reimbursed in accordance with provisions of the Stockton Municipal Code.

Objective 6.2: The City shall establish a mechanism within the Project Fee program(and other fee programs) that offers credits against subsequent fee obligations if a developer privately builds infrastructure items that are included in the proposed Project Fee program (or other impact fee programs).

Objective 6.3: The City shall establish a mechanism within the Project Fee program that reimburses developers who privately construct basic infrastructure items that exceed their proportional cost allocation or who dedicate excess land.

7. **An ongoing monitoring and reporting system shall be established to ensure that appropriate adjustments are made so that implementing mechanisms can respond, as necessary, to changing circumstances.**

Objective 7.1: At the time a debt financing vehicle is employed, the developer will execute an agreement with the City guaranteeing that, if infrastructure planned to be financed with that financing tool cannot be fully funded due to an unforeseen funding shortfall, private equity or other sources of funding will be provided when needed.

Objective 7.2: The monitoring and reporting process shall consist of true-up and audit steps that involve rerunning the financial analysis, comparing the results of the current financial update to those of the prior update or original study, submitting the analysis to the City and its peer review consultant, meeting with the City and its peer review consultant to review and revise the analysis as applicable, and adjusting implementing mechanisms for the remaining undeveloped portion of the Project as necessary.

Objective 7.3: The developer shall be responsible for conducting the monitoring and reporting, which will occur prior to when the following project thresholds are triggered:

a. recordation of the first final subdivision map for the Project;
b. recordation of the first final subdivision map for each planned major phase of development after the first phase, as documented in the Project's specific plan, financing plan, fiscal analysis, or otherwise determined in conjunction with the City;
c. issuance of a building permit for a residential dwelling unit that constitutes the first of the remaining 20% of the units planned for the Project; and
d. at any other time at the City's reasonable request based on changes to the Project, fluctuations in external market conditions, adjustments to infrastructure requirements or standards, or other significant events, realized or envisioned.

Objective 7.4: The developer shall be responsible for covering all costs associated with the monitoring and reporting system, including the City's costs and peer review costs.

Chapter 3
PROJECT DESCRIPTION

LOCATION, LAND USES, AND RELATED ASSUMPTIONS

The City of Stockton lies in the center of San Joaquin County (County) and is situated approximately 83 miles to the east of San Francisco and 45 miles south of Sacramento. The Project is located in an unincorporated area of the County, adjacent to the northwestern edge of the City's city limits. Because the proposed project is located within the City's Sphere of Influence, it is expected to be annexed into the City prior to development. Located along Interstate 5, Sanctuary is situated on the Shima Tract and is generally bounded by a series of sloughs: Pixley Slough to the north, Fourteenmile Slough to the west, and Fivemile Slough to the south. A vicinity map is shown on page 10.

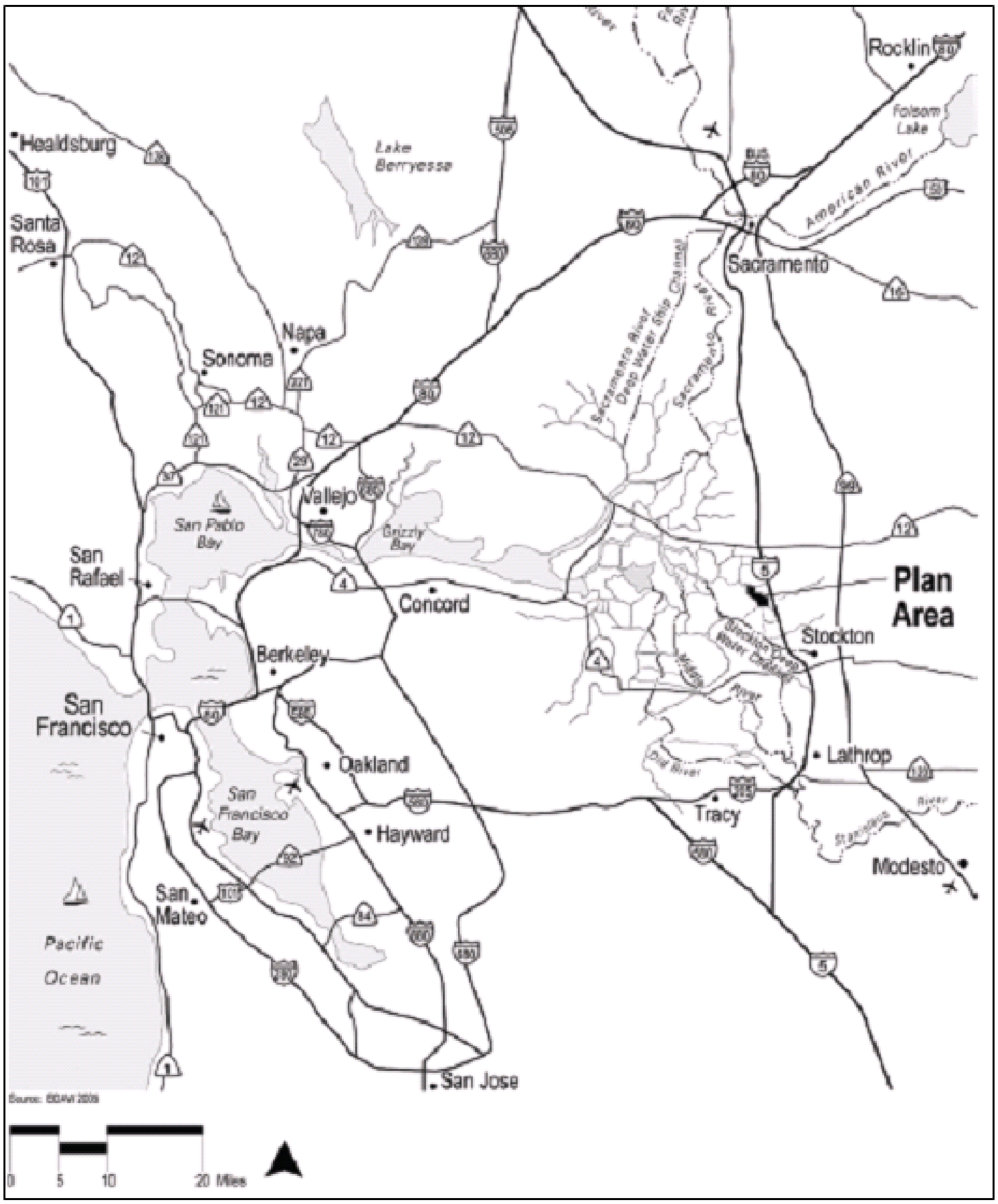
Sanctuary consists of a mix of residential and non-residential land uses. A total of 7,070 dwelling units is proposed and includes a variety of housing types and densities. Sanctuary's residential component is anticipated to include single-family residential homes, active adult residential homes, as well as townhomes and condominiums. The Project is expected to be home to approximately 21,152 residents. With over 830,000 square feet of retail, office, and hotel uses, Sanctuary is also expected to produce approximately 1,913 new jobs from these land uses. Accounting for jobs generated by the new schools (242) and by development of land uses earmarked for religious purposes (32), a total of 2,187 jobs is expected. More detailed information regarding project land uses, demographics, and other project assumptions is provided in Table 1A-1 in Appendix 1A and Table 2A-1 in Appendix 2A. Also, a preliminary land use map can be found on page 11.

Estimated values in Scenario 1 are based on projected sales prices for residential units in Sanctuary, as provided by the project proponent, The Grupe Company (Grupe). The residential values assumed in this financing plan range from $1,000,000 to $315,000, while the market values for non-residential land uses are assumed to be $175 per building square foot for retail, $225 per building square foot for office, and $250 per building square foot for the hotel property. In contrast, the chart below illustrates the reduced residential values applicable to Scenario 2. Overall, the impact is a reduction in total value of approximately 9%.

	Expected Value	Reduced Value	% Change
Residential Estates	$1,000,000	$850,000	(15%)
Low Density Residential	$550,000	$500,000	(9%)
Medium Density Residential	$450,000	$410,000	(9%)
High Density Residential	$315,000	$300,000	(5%)
Active Adult (Age-Restricted)	$450,000	$380,000	(16%)

Note that these assumptions are of utmost importance, as they form the basis for the feasibility analyses that follow. Market value changes can fundamentally impact the ability of certain land uses to manage the assigned one-time and annual burdens. The expected sales price assumptions are based on proprietary in-house research conducted by Grupe. In Grupe's researched opinion, data from existing projects within Stockton and in surrounding communities support the value assumptions presented herein, particularly when the Project's location in the upper westside of the City, water features and other quality amenities, and master planned character are considered. Nonetheless, it is important to note that many key variables, such as sales prices, are estimates and are relatively uncertain at this time. For instance, many factors influence the local real estate market, that market will ultimately determine home prices, and those prices will to a large extent dictate when development in Sanctuary actually occurs.

Vicinity Map



Source: www.sanctuarybygrupe.com

Land Use Map

Source: Permitted Land Use Plan from the Master Development Plan, dated July 2007.

PROJECT ABSORPTION/PHASING

Development in Sanctuary is anticipated to span a 15-year period according to Grupe estimates. During this period, it is expected that development will occur in four distinct phases. Residential land uses will be developed through each of the phases, but all retail, office, and hotel uses are expected to be developed at the end of the first phase.

Table A-2 in Appendix A summarizes the residential and non-residential phasing assumptions. The table below presents the presumed residential absorption schedule, with the number of residential units apportioned into each of the four phases.

Land Use	Phase 1	Phase 2	Phase 3	Phase 4	Total
Residential Estates	0	125	80	8	213
Low Density	966	735	1,322	1,557	4,580
Medium Density	230	148	171	541	1,090
Multi-Family	309	103	206	309	927
Active Adult	0	200	60	0	260
Total	**1,505**	**1,311**	**1,839**	**2,415**	**7,070**

The Master Development Plan describes four Villages within Sanctuary: the Village Center, the Marina Village, the Great Park Village, and the Lake Village. Each phase of development is planned to occur within one or more of these Villages. This report evaluates the financing mechanisms needed for each phase of the Project and the associated burdens placed on the development within each phase. The four phases for the Project are as follows:

Phase 1

The first phase is anticipated to comprise the area closest to Interstate 5 and covers approximately 468 acres. Expected to occur between 2011 and 2013, Phase 1 will cover the majority of the Village Center and a portion of the Marina Village. Street, drainage, sewer, water, park, and levee improvements required to serve the first phase are quantified in Table A-3.1 in Appendix A.

Phase 2

The second phase is expected to encompass the remaining areas within the Village Center and Marina Village. Phase 2 will cover a total of approximately 463 acres and will likely begin in 2014 and end in 2016. The public infrastructure specific to Phase 2 includes the fire facilities. These improvements, as well as all other publicly-funded improvements required to serve the second phase, are also quantified in Table A-3.1 in Appendix A.

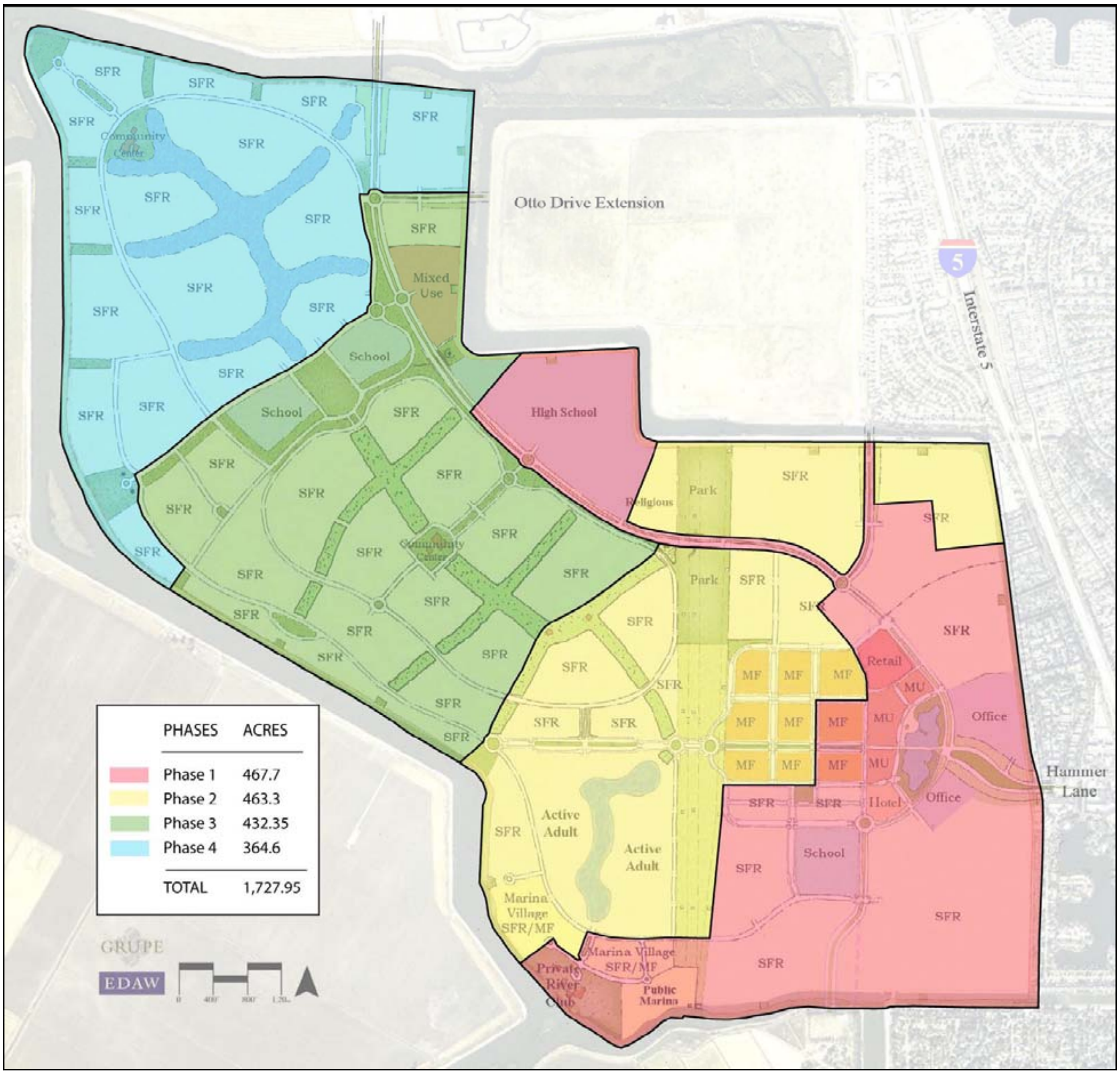
Phase 3

The third phase encompasses approximately 432 acres and covers the majority of the Great Park Village, which is located in the center of the Project area. The Great Park Village is organized around the "Great Park," a 75-acre community park. Phase 3 will commence in 2017 and end in 2020. Again, the public improvements required to serve this phase are identified and quantified in Table A-3.1 in Appendix A.

Phase 4
The fourth and final phase corresponds to the northern portion of Sanctuary, the Lake Village, and the remaining portion of the Great Park Village. Phase 4 will begin in 2021 and end in 2025. This phase will span an area of approximately 365 acres and will include a 35-acre lake. The Lake Village is envisioned as a residential area containing parks, a private clubhouse, and two elementary schools. All of the relevant public infrastructure requirements for this phase are outlined in Appendix A in Table A-3.1.

The phasing plan is illustrated in the conceptual plan presented in the July 2007 draft of the Master Development Plan and is shown below.

Phasing Map



Chapter 4

PROJECT-SPECIFIC FACILITIES AND COST ESTIMATES

There are numerous types of costs incurred in the development of any large-scale project. This PFFP focuses *only* on the costs of backbone infrastructure and community facilities, which are outlined below. While other improvements will be required for the Project area, such as in-tract infrastructure that benefits just a particular subdivision or area, only publicly-funded backbone improvements and community facilities are analyzed in this Finance Plan. Unless stated otherwise, all costs referred to in this report will relate solely to publicly-funded infrastructure improvements.

BACKBONE INFRASTRUCTURE

Backbone improvements are project-wide public facilities that are essential for development. Backbone infrastructure and community facilities costs are expected to be publicly-funded costs, and were provided for Sanctuary by Grupe and its engineers.

The total gross cost of infrastructure required to serve the Project is approximately $228 million. These costs include a mark-up of 29% to cover engineering and design, construction management and inspection, and cost contingencies. Net of other contributions (i.e., fee credits and costs shared with other developments), the total cost is reduced to $108 million. Table A-3.1 in Appendix A provides the detail of this $120 million difference and delineates by facility category and phase the total gross and net project-specific infrastructure costs applicable to Sanctuary. Detailed estimates related to the infrastructure costs and the other contributions are included in Appendix 3 and have been provided by Grupe. A summary of the gross and net costs is provided in Table A-3.2 of Appendix A and in the table below.

Infrastructure Cost Estimates

Improvement	Gross Total Cost	Net Total Cost
Street	$73,502,360	$7,784,461
Storm Drainage	$8,030,346	$8,030,346
Sanitary Sewer	$10,372,914	$3,922,914
Potable Water	$9,536,424	$1,757,424
Non-Potable Water	$2,072,901	$2,072,901
Parks	$99,045,000	$64,297,956
Levees	$19,689,052	$19,689,052
Fire Protection	5,906,000	$0
Total (rounded)	**$228,155,000**	**$107,555,000**

Each of the eight infrastructure categories are described below.

Street Improvements

The Project's roadway system consists of streets maintained by both the City and a Homeowner's Association (HOA). Public streets in Sanctuary are limited to portions of the four and six lane arterial roads; they include the Hammer Lane extension, Otto Drive extension, Aksland Drive extension, and the north-south Parkway. These publicly-funded roadway facilities provide primary access to the Project and total approximately 3.4 street miles.

The Interstate 5 Hammer Lane Interchange is a critical element of the Project's transportation network. According to Fehr and Peers, approximately 3,000 residential units can be constructed before the new interchange is needed. Based on the residential absorption for Sanctuary, which is outlined in Table A-2 of Appendix A, construction of the interchange would commence in Phase 2, starting in 2014 in order to be completed in 2016.

The total gross cost for the publicly-funded street improvements is estimated to be approximately $73.5 million. It is anticipated that the Project will be eligible to receive credits against the City street improvement impact fee (included in the City Public Facilities Fee) for project-specific roads already included in the City fee program, thereby reducing the project-specific street improvement cost for Sanctuary to $7.8 million.

Storm Drainage Improvements

The proposed storm drainage system for the Project includes three planned lakes and an integrated system of detention and discharge facilities. The storm water collection systems will consist of two gravity networks and two storm water pump stations. Both the total gross and net cost for storm water improvements is estimated to be approximately $8.0 million.

Sanitary Sewer Improvements

The City of Stockton Municipal Utilities Department (City MUD) sewage collection system and Regional Wastewater Control Facility will provide sanitary sewer services for Sanctuary. The sanitary sewer costs, qualifying as publicly-funded costs, are projected to be incurred in each of the four phases, with the majority of the total cost expected to take place in the second phase. The improvements include sewer pipes, a 36" force main, and a pump station upgrade.

The total gross cost for sanitary sewer improvements is estimated to be approximately $10.4 million. It is anticipated that the project-specific sanitary sewer improvements will be eligible for credits against the City MUD impact fees. Accounting for this fee credit, the total net cost is approximately $3.9 million.

Potable Water Improvements

The City MUD's water system will provide potable water services to the Project. Publicly-funded costs are projected to be incurred in all four phases, with the majority of the total cost expected to occur in the second phase (due to the storage and booster pump). Other planned potable water improvements include extensions and connections to the City's water system at four locations throughout the Project area.

Approximately $9.5 million is included in the gross cost estimates for potable water facilities. Anticipating that the project-specific potable water improvements will be eligible for a fee credit against the City MUD's impact fee program, the total net cost for potable water improvements is reduced to $1.8 million.

Non-Potable Water Improvements

As required by the City, irrigation water demand from public facilities such as parks and open space areas within the Project will be supplied with non-potable water from adjacent waterways and the Project's lakes. The non-potable water system, which may consist of filtering, pumping, and distribution systems (or a single global system) will serve the entire Project area. The majority of the total $2.1 million non-potable water improvements cost will take place in Phase 1, with the remaining costs occurring in Phases 3 and 4. As was the case for project-specific storm drainage improvements, no fee credits or other offsets are expected. Consequently, the gross and net costs are equivalent.

Levee Improvements

Grupe is responsible for constructing additional reinforcements to the levees serving the Project. The total cost for levee improvements is approximately $19.7 million and will be incurred beginning in 2009, which corresponds to Phase 1.

OTHER PUBLIC FACILITIES

Park Improvements

A mixture of active/passive park and open space will be provided within the Project. All but 27.5 acres of community park land and 10.0 acres of neighborhood park land are proposed to be owned and operated by an HOA. The maintenance of the remaining 37.5 acres will likely be funded through a proposed special tax dedicated to park maintenance.

Approximately $99.0 million is included in the gross cost estimate for park improvements. This analysis assumes that the Project will receive full credit against the City parkland fee, thereby reducing the net cost for park improvements to $64.3 million.

Fire Facilities

To provide adequate levels of fire protection in the northwest section of the City, the City of Stockton Fire Department has indicated that a new station is required to serve the Project area and other new development expected near Sanctuary. The fire station is predicted to house one engine company. The total cost of the new fire station and associated equipment is estimated at $5.9 million, and Sanctuary's fair share of this amount is 84.1%. The remaining 15.9% of the cost of the new fire station and equipment will be attributed to The Preserve, another proposed development within the City adjacent to Sanctuary.

In addition to Sanctuary funding only its fair share of the fire station, this analysis assumes the Project will be eligible to receive credits against the City fire station fee, thereby netting out the entire project-specific fire facilities cost. It has yet to be determined whether the City or Grupe will construct the fire station; the required funding, however, is included in the costs spread over the Sanctuary property.

FACILITY TIMING/PHASING

The phasing of the public infrastructure required to support Sanctuary is a crucial element of the Finance Plan. In total, 83% of the gross and 96% of the net infrastructure costs are expended within the first three phases, with the highest net cost occurring in the first phase.

The timing for the fire facilities was provided by the City of Stockton Fire Department, which estimated when a new fire station would be needed to provide adequate fire protection services as development occurs within Sanctuary. Phasing for the Interstate 5 interchange was provided by Fehr and Peers. All other phasing of the public facilities was provided by Grupe. When funding for shared facilities (e.g., the fire station) is limited by delays in contributing projects, Grupe may be required to advance fund such facilities in order to allow development to proceed. In such cases, Objective 6.1 in Chapter 2, which speaks to reimbursements related to oversizing, shall apply.

LAND DEDICATION/RIGHT-OF-WAY COSTS

Land dedication and other land related costs are included within each public facility infrastructure cost. More specifically, 4 acres are included for water improvements in Phase 2 while 177.5 total acres are included for park improvements. The estimates provided by Grupe assume an average land cost of $300,000 per acre.

Chapter 5

PROJECT-SPECIFIC COST ALLOCATION

METHODOLOGY

To conduct this portion of the analysis, a benefit rationale was developed for each of the eight project-specific capital facility categories. In all eight cases, a benefit unit, or equivalent dwelling unit (EDU) factor, was selected and demand variables were assigned to the land uses proposed for new development. Table B-1 in Appendix B summarizes the following benefit unit assumptions for the Project:

- Streets — Allocated based on trip generation (EDU trips per day)
- Storm Drainage — Allocated based on storm water runoff (runoff coefficient)
- Sanitary Sewer — Allocated based on water consumption (gallons per day)
- Potable Water — Allocated based on water consumption (gallons per day)
- Non-Potable Water — Allocated based on water consumption (gallons per day)
- Parks — Allocated based on residents served
- Levees — Allocated based on persons served
- Fire Facilities — Allocated based on persons served

A benefit unit is a measure of demand for a given class of infrastructure by a specific land use designation. Although the type of benefit unit varies, the same approach for allocating costs is applied to each of the infrastructure categories. Based on the applicable demand variables, one-time burdens for each land use designation are established for the eight project-specific capital facility categories. Tables B-2.1 through B-2.8 of Appendix B present the detailed cost allocations. Fees by category and by land use are presented and then summed in Table A-4 of Appendix A.

ONE-TIME BURDENS

Street Improvements

Street improvement costs are allocated to the Project site based on a variety of EDU and square footage factors. Street improvement one-time burdens vary from $719 for multi-family units to $985 for all other residential units in Sanctuary. The one-time burdens for non-residential land use designations are $14,271, $15,838, and $28,082 per acre for retail, office, and hotel land uses, respectively.

Storm Drainage

Storm drainage costs are allocated based on each land use designation’s runoff coefficient. Within Sanctuary, the one-time burdens for residential property are $1,861 per multi-family unit and $1,002 per unit for all other residential unit types. Since all non-residential burdens are calculated based on the same per acre benefit unit, all three designations are assigned a cost per acre of $2,148.

Sanitary Sewer

Assumed to be tied to water usage, each land use is allocated its fair share of the $3.9 million net cost of sanitary sewer improvements. Sanitary sewer one-time burdens range from $473 per multi-family unit to $526 for all other residential units. For non-residential land use designations, the one-time sanitary sewer burden ranges from $3,504 per acre for retail and hotel uses to $4,205 per acre for office uses.

Potable Water

With a net project-specific cost totaling $1.8 million, potable water one-time burdens vary from $212 per unit for the multi-family residential designation to $235 per unit for all other residential units. Non-residential land use designations are assigned a cost per acre of $1,570 for retail and hotel uses and $1,884 for office uses.

Non-Potable Water

Based on the assigned demand factors, stated in terms of gallons per day, each land use is allocated its fair share of the $2.1 million of non-potable water improvements. The one-time burdens vary from $250 per unit for the multi-family residential designation to $278 per unit for all other residential units. Non-residential land use designations are assigned a cost per acre of $1,852 for retail and hotel uses and $2,222 for office uses.

Park Improvements

Because of the nature and extent of the parks being developed in the Project, Sanctuary is anticipating a full credit against the City parkland fee, which offsets the gross cost for park improvements by $34.7 million. The total net park improvement cost the Project is responsible for is $64.3 million and is allocated on a per resident basis. Since no residents are generated from non-residential land uses, all costs are allocated to the residential units. Costs per residential unit run from $5,472 to $10,639 per unit.

Levees

The $19.7 million cost of levee improvements is allocated on a "persons served" basis, which is founded on the assumption that both residents and employees benefit from increased flood protection. For purposes of this report, persons served is defined as 100% of residents and 50% of employees; that is, one employee is assumed to have one-half the impact of one resident. This assumption is a commonly accepted standard in development impact fee studies as well as annual fiscal impact analyses.

At build-out, the Project is anticipated to add over 22,100 persons served. The one-time burdens vary from $1,603 per unit for the active adult residential land use designation to $3,117 per unit for residential estates. Non-residential land use designations are assigned a cost per acre of $10,776, $16,626 and $9,175 for retail, office, and hotel land uses, respectively.

Fire Facilities

The costs of fire protection facilities are allocated on a persons served basis. However, since the net cost of fire facilities is zero, there will be no project-specific one-time burdens related to fire facilities.

Summary of Gross Project-Specific Burdens

The preceding cost allocations produce the one-time burdens that are presented in Table A-5 in Appendix A. These burdens are *gross* project-specific burdens, denoted per unit in the case of residential land use designations and per acre for non-residential land uses. At this juncture, debt financing is excluded from the calculation. The *gross* project-specific burdens are summarized below.

Gross Project-Specific Burdens
(net of Fee Credits and Other Offsets)

Land Use	Total Gross Project-Specific One-Time Burdens	Adjusted Gross Project-Specific One-Time Burdens
Residential		
Residential Estates	$16,800 per unit	$17,200 per unit
Low Density Residential	$15,800 per unit	$16,200 per unit
Medium Density Residential	$14,200 per unit	$14,600 per unit
Multi-Family	$11,800 per unit	$12,100 per unit
Active Adult (Age-Restricted)	$10,100 per unit	$10,400 per unit
Non-Residential		
Retail	$34,000 per acre	$0 per acre
Office	$43,000 per acre	$0 per acre
Hotel	$46,000 per acre	$0 per acre

To lessen the overall burdens on the non-residential land uses in the hope of encouraging such development, all of the project-specific infrastructure costs were shifted to the five residential land uses. In the far right column of the above table, the effect of this shift can be seen on each of the individual land uses. As expected, the non-residential land use burdens equal zero, but it is also important to note that the residential land use burdens are only minimally impacted.

Chapter 6

ADDITIONAL IMPACT FEE OBLIGATIONS

CITY PUBLIC FACILITIES FEE

Lands in the Project will be subject to the City's Public Facilities Fee (City PFF), which includes City impact fees as well as other fees the City collects on behalf of the County, San Joaquin Council of Governments, and California Air Quality Control District. City fees have been estimated for each of the residential and non-residential land use categories. The applicable fees are delineated below:

- Air Quality
- City Office Space
- Community Recreation Center
- Fire Stations
- Libraries
- Parkland
- Police Station Expansion
- Street Improvement
- Surface Water
- Habitat/Open Space
- Agricultural Land Mitigation
- County Facilities
- Regional Transportation

Table A-6 in Appendix A presents the City PFF applied to residential and non-residential land uses. In addition to the thirteen fees listed above, the City also charges 2.5% for costs related to administration of the City PFF. The administration component applies to all of the individual fees with the exception of the regional transportation fee.

As discussed in detail in Chapters 4 and 5, adjustments were made to the project-specific infrastructure costs to account for "fee credits and other offsets." Because the recognition of future fee credits occurs at the project-specific infrastructure level, the full amount of the PFF is presented in Table A-6 in Appendix A.

Residential fees are imposed on a per unit basis. The total City PFF estimated for residential land uses ranges from $25,860 per multi-family unit to $63,319 per residential estate unit. The City PFF for non-residential land uses is levied on a per square foot, acre, and hotel room basis. Where fees are not defined per acre, the fees are translated to this basis using the land use assumptions presented in Table 1A-1 of Appendix 1A and Table 2A-1 of Appendix 2A. In total, the City PFF is projected to be $368,439 per acre of retail, $286,536 per acre of office, and $457,664 per acre of hotel use.

These fees are *estimates*, and should only be interpreted as such. Actual fees imposed during the construction and permitting process are subject to the specific circumstances of the development, generally at the time building permits are issued.

OTHER AGENCY FEES

In addition to the City PFF, development in Sanctuary is also responsible for sewer and water connection fee programs administered by the City of Stockton Municipal Utilities Department and for school impact fees. These other agency fees are identified and quantified in Table A-7 of Appendix A.

City MUD Sewer Connection Fee

The City MUD Sewer Connection Fee is collected at the time of the original connection to the sewer system. The Project lies within the North of Calaveras fee area, and is subject to the applicable connection fees. The current fee is $3,634 per unit for new single-family residential units and $2,544 per unit for new multi-family residential units. For purposes of this fee, the active adult units are categorized as single-family units. Rates for non-residential land uses vary considerably depending on the size and intensity of use; however, assumptions from Table 1A-1 in Appendix 1A and Table 2A-1 of Appendix 2A were used to determine a typical cost per acre (assumes a 1” connection for each acre of retail/office and a 2” connection for each acre of hotel). In addition to the stated sewer connection fees, an additional 3.5% administration charge will be collected.

City MUD Water Connection Fee

The City MUD Water Connection Fee is $1,417 per unit for multi-family residential units, and $1,754 per unit for all other residential categories. For retail and office uses, the water connection fee is $3,306 per acre, while the fee for hotel land uses is $10,565 per acre. Similar to the sewer connection fee, a 3.5% administration charge is applied to the water connection fee.

Lodi Unified School District Fee

The Project lies within two school districts, the Lodi Unified School District (Lodi USD) and the Lincoln Unified School District (Lincoln USD). The majority of the Project is located in the Lodi USD, and this PFFP assumes that the approximately 110 acres that currently exist within the Lincoln USD boundary will be annexed into the Lodi USD.

New residential and commercial development will be subject to payment of Lodi USD fees. Sanctuary’s payments of the district’s impact fees are anticipated to meet its school facilities obligations. The fees collected will then be spent by the Lodi USD to serve the additional educational demands of the Project. The fee calculation ranges from $2.63 per square foot of multi-family residential land uses to $3.54 per square foot for all other residential land uses. However, because active adult units are age-restricted, the commercial fee of $0.47 per square foot would apply to these units. Based on expected average residential unit square footages provided by Grupe, the Lodi USD fees are estimated to be $14,160, $9,735, $6,726, $3,156, and $846 for residential estates, low density, medium density, multi-family, and active adult units, respectively. For retail, office, and hotel land uses, the school fee is translated into per acre amounts of $5,118, $6,142 and $10,071, respectively.

Chapter 7

PUBLIC FINANCING STRATEGY

Two of the principal purposes of any financing plan are to identify how infrastructure will be funded and to make a preliminary assessment of the financial feasibility of a proposed project. Financial feasibility is defined here in terms of the estimated annual and one-time burdens, both as a percentage of developed value, for each of the proposed land use categories.

Development projects of this nature and extent typically make use of a land-secured debt financing technique to fund infrastructure improvements required before development can begin. By accessing capital to meet the substantial and front-loaded cash outflows, and spreading costs over the repayment term of the debt, the Project can increase its potential for successful implementation. Funding mechanisms, besides fees, are typically needed to close funding gaps that occur because fee revenues do not accrue in a manner sufficient to finance large pieces of infrastructure. To ensure that funding keeps pace with infrastructure needs, formation of a Mello-Roos district or the use of a number of other financing vehicles may be necessary.

The main component of this financing plan is debt issued through the Mello-Roos Community Facilities Act (Act). Assuming a Community Facilities District (CFD) is formed, special taxes will be collected annually to repay the bonds issued by the CFD. The annual feasibility and one-time feasibility analyses that follow account for the impacts the recommended use of the Act would have on the subject properties.

TOTAL COSTS AND FEES

The total costs for Sanctuary consist of the project-specific infrastructure costs, the City public facilities fees, and other agency fees.

Phased Cash Flow

With the Project expected to develop in four distinct phases, the relationship between the timing of infrastructure improvements and absorption of land uses becomes a critical issue. Often, initial phases must support a disproportionate amount of the overall infrastructure requirements as certain large scale, and expensive, capital facility items must be built before development can proceed. Table B-3 estimates the facility oversizing (required in the first and third phases) and subsequent reimbursements (required to compensate for the oversizing in the first and third phases) that would result from the phasing of infrastructure and absorption of land uses in a project-specific fee program. Since most of the infrastructure costs will need to be incurred at the onset of each phase, implementation of a CFD is recommended and is described in detail below.

Buildout

At buildout of Sanctuary, the total project-specific infrastructure cost is $107.6 million. Combining total City PFF costs of $369.5 million and total other agency fees of $97.6 million, the Project's total infrastructure and fee burden is estimated to be $574.7 million. The first part of Table 1A-8 in Appendix 1A and Table 2A-8 in Appendix 2A delineates these costs.

ONE-TIME BURDEN ANALYSIS AND FEASIBILITY TEST

Gross one-time burdens are calculated for each land use category within Sanctuary to assess the financial feasibility of the Project. The gross one-time burden comprises all burdens to which the Sanctuary development will be subject, including the project-specific burdens, the City public facilities fee, and other agency fees.

In addition to analyzing the gross burdens, net one-time burdens are also reviewed. The net one-time burden is determined by offsetting the gross one-time burden by the amount of infrastructure funded through the proposed CFD. In order to calculate the CFD Financing numbers presented in Table 1A-8 of Appendix 1A and Table 2A-8 of Appendix 2A, the net CFD bond proceeds expected to be generated by the Project and available to fund infrastructure are assigned to each of the residential land use categories based on the respective special tax rates. Although fixed liens do not apply in the case of CFD financing, this methodology approximates the debt financing contribution related to each land use. Simply dividing this allocation by the number of units within each land use category yields the numbers shown.

The total gross burdens, the amount of infrastructure supported by the proposed CFD, and the total net burdens are shown in the second part of Table 1A-8 of Appendix 1A and Table 2A-8 of Appendix 2A. The next table shows both the gross and net one-time burdens for each land use.

Gross and Net One-Time Burdens

Land Use	Gross One-Time Burden	Net One-Time Burden
Residential		
Residential Estates	$100,000	$83,000
Low Density Residential	$84,000	$68,000
Medium Density Residential	$78,000	$63,000
Multi-Family	$45,000	$33,000
Active Adult (Age-Restricted)	$66,000	$55,000
Non-Residential		
Retail	$381,000	$381,000
Office	$324,000	$324,000
Hotel	$514,000	$514,000

Both the total gross and total net burdens lie at the heart of the one-time feasibility analysis. When divided by the applicable estimated value, the total costs are translated into a burden percentage; it is this percentage that presents a meaningful and easily studied comparison. Typically, one-time burden to value ratios that do not exceed approximately 15% to 20% are considered feasible. The tables below display the gross and net one-time burden-to-value ratios for all of the land use categories in the Project under both scenarios:

Gross and Net One-Time Burden-to-Value Ratios (Expected Values)

Land Use	Gross One-Time Burden as a % of Estimated Value	Net One-Time Burden as a % of Estimated Value
Residential		
Residential Estates	10%	8%
Low Density Residential	15%	12%
Medium Density Residential	17%	14%
Multi-Family	14%	11%
Active Adult (Age-Restricted)	15%	12%
Non-Residential		
Retail	20%	20%
Office	11%	11%
Hotel	10%	10%

Gross and Net One-Time Burden-to-Value Ratios (Lower Values)

Land Use	Gross One-Time Burden as a % of Estimated Value	Net One-Time Burden as a % of Estimated Value
Residential		
Residential Estates	12%	10%
Low Density Residential	17%	14%
Medium Density Residential	19%	15%
Multi-Family	15%	11%
Active Adult (Age-Restricted)	17%	15%
Non-Residential		
Retail	20%	20%
Office	11%	11%
Hotel	10%	10%

The total gross one-time burdens range from 10% to 19% across both scenarios for the residential land use designations in the Project. Comparatively, non-residential gross one-time burdens are similar: 10% for hotel, 11% for office, and 20% for retail land uses.

After applying the CFD-funded infrastructure as an offset to the total gross one-time burdens, the residential land use designations in Sanctuary show net one-time burdens ranging from 8% to 15% across both scenarios. The lower burdens highlight and quantify the effect that the financing strategy recommended in this financing plan has on the overall feasibility of the Project. Since only residential land uses are included in the CFD, the gross burdens and the net burdens remain the same for the three non-residential land use categories.

While the gross one-time burden represents a sort of *all-in* cost, the net one-time burden accounts for the impacts that various financing mechanisms have on each land use. Implementation of CFDs or other debt financing options effectively reduces the upfront infrastructure burden from the developer's perspective, increasing the feasibility of a project.

The gross one-time burdens evaluated in this report are provided for context, presented as a way to gauge the feasibility denoted by the net one-time burdens. In a real estate market that was artificially growing more due to speculation than to sound market fundamentals, home prices were largely unaffected by whether a debt financing mechanism was used to fund infrastructure. Put another way, future homeowners did not appropriately discount the amount they were willing to pay for a house to reflect the added annual burden associated with funding tools like CFDs. Gross one-time burdens under those market conditions were a more appropriate indicator of a project's feasibility.

The first half of this decade saw many prospective homeowners take little stock of the funding tools used to pay for the public infrastructure serving their development and the impact that would have on their annual cash flow. The changing market conditions, however, have affected not only future homeowners' attitudes toward base prices but also their awareness of the impact that certain public financing mechanisms have on their budgets. This realization has influenced price elasticity with respect to annual special taxes and assessments. Because future homeowners are now taking these costs into account more seriously when determining what they are willing to pay for a given home, and because the prices presented in this report assume that future homeowners are rationally making this determination, it is more appropriate to focus on the net one-time burden in the feasibility test.

The estimated burdens presented in this analysis are subject to change as assumptions continue to be refined, public agencies make policy decisions that affect the proposed development, the Finance Plan evolves, and actual infrastructure improvements are installed. At this point, however, each of the land uses, under both of the scenarios, appears to be feasible under the general guidelines defined above, (i.e., net one-time burdens not exceeding approximately 15% to 20% of estimated value). As mentioned earlier, several critical assumptions are included in the PFFP that have the potential to deviate significantly from the estimates in this report. Home prices, for example, are affected by the local real estate market, and changes in these prices could accelerate or delay development in Sanctuary.

ANNUAL BURDEN ANALYSIS AND FEASIBILITY TEST

While there are no values in financial feasibility tests that guarantee project success, the City is limiting the residential annual burden to 1.8% of developed value as a guideline. Applying this ceiling to the residential land uses in the Project, Table 1A-9 in Appendix 1A and Table 2A-9 in Appendix 2 A ensure that the amounts proposed for land-secured financing to fund Project infrastructure do not cause the guideline to be exceeded. As highlighted earlier and discussed in more detail throughout the remainder of this chapter, land-secured financing plays a major role in the recommended financing strategy.

The developed value assumptions shown at the top of Table 1A-9 and Table 2A-9 for each of the five categories of residential land uses are based on the values shown in Table 1A-1 of Appendix 1A and Table 2A-1 of Appendix 2A, respectively. *Ad valorem* taxes were determined based on tax bills for the properties within the Project. Existing special taxes and assessments were determined based on tax bills as well as supporting documentation provided by the entities responsible for the assessments. These existing special taxes and assessments were deemed immaterial for purposes of the annual burden analysis as their aggregate amounts would not noticeably affect the total annual burden on the land uses in the Project.

Special taxes required to fund critical city-wide improvements are also included in the total annual burden for each residential land use category to ensure the amounts available for project-specific infrastructure costs do not push the entire annual burden beyond the 1.8% guideline described above. Special taxes related to regional infrastructure priorities are estimated to be $500 per residential unit. In addition, as discussed earlier, a special tax to fund the maintenance of 37.5 acres of publicly-funded parks is included in the analysis.

Although the residential annual burden is limited to 1.8% of value, this results in more than enough capacity to fully fund the project-specific infrastructure costs for the Project. It is not necessary to assume the maximum special tax rates, as doing so would generate more CFD net bond proceeds than the total project-specific infrastructure costs.

Therefore, the proposed special tax rates are set to fund the exact amount of project-specific infrastructure allocated to each residential land use designation. As shown in Table 1A-9 of Appendix 1A and Table 2A-9 of Appendix 2A, the proposed special tax rates are $1,714 per residential estate unit, $1,615 per low density residential unit, $1,456 per medium density residential unit, $1,205 per multi-family unit, and $1,040 per active adult residential unit. Based on these special tax rates, the total annual burden as a percentage of developed value for the residential land uses ranges from 1.3% to 1.7% (spanning both scenarios), which all adhere to the 1.8% guideline advocated by the City.

<u>CFD Cash Flow Analysis</u>

As described above, infrastructure special tax rates are set to ensure that the City's annual burden guideline is adhered to and that project-specific infrastructure costs are fully funded. Table 1A-9 in Appendix 1A and Table 2A-9 in Appendix 2A both present the infrastructure special tax rates along with the total annual burden, both in dollars and as a percentage of estimated value. Based on the financing assumptions listed in Table C-1 of Appendix C, these special tax rates are translated into net bond proceeds used to fund project-specific infrastructure, in total and on a per dwelling unit basis. Table 1A-8 in Appendix 1A and Table 2A-8 in Appendix 2A also show the amount of project-specific infrastructure funded by each residential unit under the column labeled "CFD Financing," which is equal to the adjusted gross project-specific burden.

In total, $107.6 million in CFD net bond proceeds could be generated by the residential land uses in Sanctuary based on the infrastructure special tax rates determined above. To meet the capital demands associated with each of the four phases, bonds are assumed to be issued to coincide with the start of construction of each phase. As a result, bonds would be issued in 2011, 2014, 2017, and 2021. The detailed CFD debt-financing analysis for each phase is presented in Tables C-2.1 through C-2.4 of Appendix C, which are summarized in Table C-3.

Because infrastructure costs are provided in current dollars, net proceeds are also in current dollars. One year of capitalized interest is included in each bond issuance to reduce the exposure of undeveloped land to special taxes. Each bond issue is also assumed to include a reserve fund, cover its costs of issuance, have a term of 30 years, and be issued at an average interest rate of 7%. Debt service on the bonds is assumed to escalate at a rate of 2% per year, which coincides with the annual escalator applied to the special tax rates. The tax rates are set to provide sufficient coverage and fund annual district administration costs.

A quick test of the value-to-lien ratio at the time the first series of bonds are issued reveals that an undeveloped land value of less than $190,000 per acre in Phase 1 would be sufficient to achieve the minimum 3:1 ratio. Consequently, the likelihood of a value-to-lien constraint appears to be minimal.

Chapter 8
CONCLUSIONS

PROJECT FEASIBILITY

Based on the funding strategy proposed in this PFFP, the development in Sanctuary appears to be financially feasible. Financial feasibility is defined in terms of the estimated one-time burden and the annual burden, both as a percentage of developed value, for each of the proposed land use categories. Tables 1A-8 and 1A-9 in Appendix 1A and Tables 2A-8 and 2A-9 in Appendix 2A present the results of the financial feasibility analyses.

As discussed in this report, while there are no values that guarantee project success, a net one-time burden-to-value ratio less than 15% to 20% is typically considered feasible in this area of the Central Valley based on general industry guidelines and Goodwin Consulting Group's experience. Since Sanctuary is one of the first of many projects expected within the City's Sphere of Influence to prepare a PFFP, comparing its burdens to the other planned projects is not possible at this time. Nonetheless, as time passes, a relevant database will develop and may provide a second form of confirmation that Sanctuary's burdens appear to be feasible.

As shown in Table 1A-8 and Table 2A-8, all residential, retail, office, and hotel land uses fall within the feasible range (i.e., net one-time burden is less than 15% to 20% of developed value). Although somewhat higher, even the gross one-time burden-to-value ratios fall within an acceptable range and appear to be feasible. However, the *Lower Value* scenario produces a higher concentration of land uses in the upper end of the feasibility range, which tends to diminish, but not preclude, the overall feasibility of the project.

Also of importance, it is anticipated that all Sanctuary land development efforts through the installation of infrastructure will be handled solely by Grupe. With only one master developer for the Project, burdens between land uses can easily be shifted as there will be no project-specific fee program, nor reimbursements or credits between multiple land developers.

Similar to the initial one-time burden-to-value test to determine project feasibility, a second feasibility test involves an analysis of total annual taxes and assessments, including CFD special taxes, as a percentage of the estimated developed value for a residential unit or a non-residential acre. While there are no ratios in financial feasibility tests that ensure project success, the City wants to consistently limit the residential annual burden to 1.8% of developed value. Applying this same guideline to the residential land uses in the Project, Table 1A-9 in Appendix 1A and Table 2A-9 in Appendix 2A show that the total annual burden for each residential category does not exceed the 1.8% guideline. The results of this analysis imply that the Project's annual burdens are manageable, given the projected values under both scenarios.

The analyses contained herein comply with the City's Financing Principles and Objectives outlined in Chapter 2 as well as with the more detailed Templates and Guidelines referenced in Chapter 1. The conclusions and recommendations presented herein also support the Financing Principles and Objectives.

PUBLIC FACILITIES AND FINANCING MATRIX

The total gross cost of project-specific public infrastructure required to serve Sanctuary is over $228 million. Funding from fee credits and other offsets due to cost sharing with neighboring development projects totals approximately $121 million, thus reducing the gross cost to the total net cost of $108 million. This net cost for public improvements can be fully funded through CFD bonds, which will be the only public financing source for project-specific costs in Sanctuary. As a CFD will be able to cover all project-specific public infrastructure costs, no project-specific fee program will be necessary. A public facility costs and financing matrix is presented in Table A-10 in Appendix A.

SUMMARY LEVEL PUBLIC FACILITIES AND FINANCING CASH FLOW

Table A-11 in Appendix A shows how the project-specific infrastructure improvements required for each phase would be funded under the current financing strategy. As mentioned throughout, the only public financing source recommended in this Finance Plan is the formation of a CFD, which could generate enough bond proceeds to fully fund the project-specific public infrastructure costs. The amount of CFD special taxes generated in any phase is dependent upon the number of residential units in such phase, since taxes will only be levied on residential development within the Project. Given this constraint, and the varying costs for public infrastructure required for each phase, funding shortfalls and surpluses are expected for the Project on a phase-by-phase basis.

The first phase has the highest amount of net costs at approximately $47.8 million, with most of this amount going toward park and levee improvements. CFD bond proceeds are applied to the total net costs, leaving over $25.1 million in developer equity requirements. Total net costs in the second phase amount to $13.5 million. Residential absorption in this phase could support enough CFD bonds to generate a surplus of $6.0 million, which will be applied to reimburse the developer for a portion of the first phase upfront equity. The third phase has the second highest total net cost, mostly due to park improvements. Again, a substantial portion of the infrastructure requirements are funded with the CFD bond proceeds expected to be available. To complete the funding obligations of the third phase, $14.0 million of developer equity is required. As Table A-11 in Appendix A demonstrates, a total of $39.1 million in developer equity will be required to finance the funding gaps during the first and third phases. Combined with the $6.0 million equity reimbursement in Phase 2, cumulative developer equity outstanding through the first three phases is projected to reach $33.1 million.

Development of the last phase of Sanctuary will require the lowest total net cost at just $3.8 million, and residential absorption could support enough CFD bonds to generate a surplus. This surplus will be sufficient to fund a reimbursement to the developer for the cumulative equity needed through the first three phases. As a result, net developer equity at build out equals zero and total net infrastructure costs equate to total funding. This simplified cash flow implicitly suggests that the developer would be reimbursed partly through the second bond issue and fully at the last bond issue. Realistically, the developer would be reimbursed for its Phase 1 equity contribution with Phase 2 CFD bonds, and for its Phase 2 equity contribution with Phase 3 CFD bonds, etc., so that the timing of reimbursements does not stretch out beyond the legal limitations applied to the use of CFD bond proceeds.

QUALITATIVE DISCUSSION OF ABSORPTION

In the accompanying Fiscal Impact Analysis (FIA) for the Project, the sensitivity test involves lower values *and* slower absorption. Because the financing plan analyzes the public infrastructure requirements and funding needs on a phased basis, the effect of a longer absorption schedule is not addressed directly. Nonetheless, a qualitative examination of the likely impact on the project reveals that the relevant financing principles and objectives outlined in Chapter 2 are not materially compromised. Consistent with both the second and third principles, future development would still be expected to pay the full costs of infrastructure needed to serve the project area. The longer absorption, while affecting the timing of proceeds generated through the recommended financing mechanisms, also suggests that the infrastructure needs would be stretched out over additional years. Similarly, a quicker absorption would necessitate the need for infrastructure sooner than planned, but this would be compensated by access to financing mechanism proceeds earlier than originally planned and modeled.

The fourth principle seeks to ensure that infrastructure costs are proportionately allocated among the properties based on benefit received and would be unaffected by a shortening or lengthening of the development timeline. Likewise, a slower absorption would not affect the City's objective to facilitate the establishment of necessary financing entities, pursuant to the fifth principle. In fact, it may help spread the required work over a longer timeframe, lessening the burden on staff to meet certain deadlines. The penultimate principle, designed to encourage developers to privately construct infrastructure to assure the timely and cost-effective provision of required capital facilities, is again unlikely to be impacted by the development timeline. This objective will apply whether the projected absorption is five, ten, or twenty years.

Notwithstanding the above, it should be expressly stated that absorption may turn out to be slower than anticipated. If it does takes 50% longer to fully develop the project, the financing plan should be able to adjust to meet the changing infrastructure demands. The mechanisms considered and recommended are both flexible and comprehensive enough to adequately respond to different market conditions. This is one of the reasons why a Community Facilities District is chosen as a primary component of the financing plan. In practice, changes in the timing of facilities requirements should coincide with changes in absorption (i.e., faster absorption results in an earlier need for facilities); fortunately, the response to such variations is simplified due to the ease in which public financing amounts (i.e., bond issues) can be increased or decreased to reflect the pace of expected development. However, if a CFD is formed and bonds are sold to fund infrastructure, it may be necessary to levy an annual special tax on undeveloped land to pay a portion of the debt service on the bonds. A slower than expected absorption schedule after bonds are issued would likely result in a higher amount of special tax revenue collected from vacant land. This is a risk the developer must be sober about and consider carefully with respect to the project's cash flow and profit potential.

Chapter 9

SERVICES FINANCING

In addition to the one-time, upfront infrastructure requirements, the Project will create annual operating and maintenance demands associated with the provision of services to the Project area. A list of the various public facilities and/or services follows, along with the dedicated service provider(s) and existing and proposed key annual funding sources.

As mentioned above, the Project will likely fund certain park costs through a proposed park maintenance CFD. This annual funding source would combine with any available General Fund contributions to cover the Project's annual park costs.

SERVICES FINANCING MATRIX

Public Facility/Service	Service Provider	Key Annual Funding Source(s)
Sanitary Sewer	Municipal Utilities Department	User Charges
Storm Drainage	Municipal Utilities Department	User Charges
Potable Water	Municipal Utilities Department	User Charges
Streets	Public Works Department/ Caltrans	GF / Caltrans
Police	Police Department	GF / Measure W
Fire	Fire Department	GF / Measure W
Parks and Recreation	Parks and Recreation Department	GF / CFD / LLD / User Charges
Transit	SJ Regional Transit District	Property Taxes / User Charges
Flood Control	SJ Area Flood Control Agency	Property Taxes / AD
Schools	Lodi Unified School District	Property Taxes
Library	Stockton-SJ County Public Library	Property Taxes / GF / User Charges
Landscaping and Lighting	Public Works Department	GF / CFD / LLD

AD = Assessment District
CFD = Community Facilities District
GF = City of Stockton General Fund
LLD = Landscaping and Lighting District
SJ = San Joaquin

Chapter 10
DESCRIPTION OF PROPOSED FINANCING MECHANISMS

MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

A Mello-Roos Community Facilities District may provide for the purchase, construction, expansion, or rehabilitation of any real or other tangible property with an estimated useful life of at least five years. A CFD may also finance the costs of planning, design, engineering, and consultants involved in the construction of improvements or formation of the CFD. The facilities financed by the CFD do not have to be physically located within the CFD. The facilities that can be financed by a CFD include, but are not limited to, the following:

- Roads, water and sewer lines, flood control channels
- Local park, recreation parkway, and open-space facilities
- School sites, structures, furnishings, and equipment
- Libraries
- Child care facilities
- Utility improvements (limited to five percent of bond proceeds if improvements are to be taken over by a non-publicly owned utility agency)
- Any other governmental facilities which the legislative body creating the CFD is authorized by law to contribute revenue to, construct, own, or operate

A CFD may also pay for public services, including the following:

- Road maintenance
- Police protection
- Fire protection
- Recreation program services
- Library services
- Park and open space maintenance
- Flood and storm protection services
- Removal or cleanup of hazardous substances
- Sandstorm protection
- Seismic retrofitting
- School facilities maintenance

A CFD may only finance the services mentioned above to the extent that they are in addition to those provided in the area before the CFD was created and may not supplant services already available within that area.

There are two limitations on the amount of bond financing available from a CFD. The first is the value-to-lien ratio. “Value” is considered to be the appraised value of the property, including entitlements and improvements in place on the date the CFD bonds are to be sold. The value of improvements to be constructed with bond proceeds is included in the value calculation. “Lien” refers to the proposed Mello-Roos bond issue, as well as any other public financing debt secured by the property. Senate Bill 1464, which became effective January 1993, requires a minimum value-to-lien ratio of 3-to-1, and the City has adopted this ratio in its guidelines.

The second restriction on the amount of financing available from a CFD is the total effective tax rate (ETR) paid by a homeowner or property owner in the CFD. The ETR consists of the basic one percent *ad valorem* property tax levy mandated by Proposition 13, plus overrides from voter-approved bonded indebtedness and non-ad valorem taxes, assessments, and parcel charges (expressed as a percentage of market value). Market value can be determined based on input from local developers, a market consultant, local realtors, or an appraiser.

There is no legal limit, but a maximum ETR of 2.00% of market value has developed as a standard for residential development in many areas throughout the State, although it tends to be closer to 1.80% (approximately 0.20% lower) in northern California. It is thought that ETRs higher than these amounts may lead to market resistance by prospective homebuyers, or potential "taxpayer revolts" by overburdened homeowners. The maximum supportable ETR for a given project should also consider the maximum tax rates paid by homes in competing projects in the area and, based on the strength of the real estate market, the demand for homes in general. Commercial/industrial projects are even more sensitive to the annual burdens of competitive projects in the regional marketplace. However, a property owner is able to spread the tax burden among many tenants and, therefore, has different issues to consider than a homeowner.

Mello-Roos bonds can be short- or long-term obligations. Typically, long-term bonds have either a twenty-five or thirty-year maturity and fixed interest rates. Short-term notes or bonds can be issued to provide interim funding using variable or adjustable rates; these obligations are then retired when another source of revenue becomes available or long-term Mello-Roos bonds can be issued.

Chapter 11
IMPLEMENTATION PLAN

The Master Development Plan and the PFFP are founded on assumptions of land uses, facility demands, facility standards and design, and cost estimates, some more preliminary than others. Since the Master Development Plan is subject to change in future years, the PFFP must be revised to reflect such changes. The results and conclusions contained herein are sensitive to the assumptions built into this analysis; material changes to any of these assumptions could have substantial impacts on the recommended financing strategy.

The ongoing implementation of the PFFP will be parallel to the continued monitoring of the Master Development Plan itself, requiring the same degree of time and effort to remain current and useful. This financing plan will guide the preparation of subsequent plans and the overall funding of community infrastructure required to serve the Project. Following is a summary of many of the tasks associated with implementation of the PFFP.

UPDATES AND REVISIONS

The PFFP should be updated each time there is a significant change in the land use plans, facility plans, or cost estimates. If, and when, these items are revised, there will be a corresponding change in the fair share cost to each land use in the Project. More specifically, land use and facility changes will result in revisions to the benefit analysis and corresponding cost allocations. Revisions, however, will apply only to future development, as some properties will have already been developed and paid their fair share, as defined at the time. If the updated burdens are higher than estimated in the PFFP, the City may need to implement impact fees and/or call on the developer to fund the extra expenses related to bond financing through the provisions of an acquisition agreement. The PFFP may also need to be adjusted to reflect actual costs, based on construction bids received for public facilities and actual completed infrastructure. If actual costs are higher than expected, again, the City may have to institute a project-specific fee program and/or rely on the terms of an acquisition agreement to avoid future financing deficits.

ADOPTION OF FEE PROGRAMS

As currently envisioned, there will be no project-specific fee program required for Sanctuary. Grupe, as the lone developer, has indicated that the need for such a program is unnecessary because costs will be shifted between various land uses as called for by economic and market realities. Moreover, all project-specific public infrastructure is proposed to be financed through a CFD. However, Grupe and the City may want to establish a “shell” fee program upfront with no fee amounts so that fees can simply be increased in the future should land use, facility cost, or other changes require it as described above.

If such a program is implemented, it would work exactly like a more typical fee program. Prior to commencement of development, the City would need to adopt a fee ordinance or resolution implementing a fee program for each of the capital facility categories outlined in this report. The ordinance or resolution must be adopted prior to approval of a final subdivision map and will adhere to the provisions of the Stockton Municipal Code, and the corresponding fees should incorporate a proportionate-share cost allocation of required backbone infrastructure to be borne by all benefiting Project development. Fees will be adjusted annually or on a more frequent basis to reflect actual costs and current cost estimates.

Pursuant to section 66006 of the Government Code, the City will establish a separate Project account and a unique fund for each type of capital facility for which fess are collected. Establishment of this account will prevent commingling of the fees with other City revenues and funds. Interest income earned by fee revenues in this account will be deposited in the account and applied to facility construction costs.

In order to maximize the efficiency of the capital improvements program and to minimize debt issuance costs, the City may borrow money from one fund within the Project's account to pay for facilities financed by another fund within the account. This borrowing will occur when one type of facility is needed immediately, while another type is not needed for a number of years. The City will monitor such borrowing on an ongoing basis and will repay funds from which fee revenues were borrowed in a timely manner and in an amount equal to the original amount borrowed plus the interest that would have accrued had the money not been borrowed from the fund.

FEE CREDITS AND REIMBURSEMENTS

As Grupe is expected to be the only developer for Sanctuary, there will be no fee credit or reimbursements between developers within the Project. However, the Project's cash flow results in the developer providing equity during the first three phases, being partially reimbursed along the way, and being fully reimbursed in the fourth and final phase through CFD bond proceeds.

Often, developers are expected to advance fund or construct certain backbone infrastructure and community facilities required to serve the Project. The improvements that are advance funded may be improvements anticipated to be funded through the existing City PFF and other agency fee programs, the "shell" fee program (if established), or CFD bond proceeds.

If developers are required to advance fund or provide shortfall funding for improvements constructed initially, the developer may be entitled to fee credits or reimbursements from future development. Fee credit and/or reimbursement programs for existing and proposed fee programs will require agreement among the developers, the City, and any other applicable agencies who will administer the fee programs. The policies and procedures for providing fee credits and reimbursements will be established in the implementing documents for the proposed "shell" fee program (if established) and should be consistent with the development agreement between the City and Grupe. As indicated in Chapter 2 of this report, the City will establish a mechanism within the Project Fee program (if established) and other fee programs that offers credits against subsequent fee obligations and reimbursements from future fee revenues if a developer privately builds infrastructure items that are included in the proposed “shell” fee program (if established) or other impact fee programs.

FORMATION OF FINANCING DISTRICTS

Because of its capability to fund public improvements and the flexibility inherent in its special tax allocation rules, a Mello-Roos CFD is the recommended land-secured public financing option for the Project at this time.

If the developer requests formation of a CFD as suggested herein, and the City concurs with that request, the City should look to form a financing team made up of experts in the various fields associated with implementation of such districts, including bond counsel, bond underwriter, and special tax consultant. The City and the designated financing team will be responsible for forming the district, issuing bonds to pay for facilities, and levying special taxes to ensure timely repayment of bonds, all consistent with the City’s land-secured goals and policies.

APPENDIX 1A

PUBLIC FACILITIES FINANCING PLAN TABLES
FINANCING PLAN

Table 1A-1
The Sanctuary
Public Facilities Financing Plan
Land Use, Demographics, and Value Assumptions

	Acres	Density (Units per Acre)	Dwelling Units	Population per Household	Total Population	Estimated Value per Unit	Total Value
Residential							
Residential Estates (RE)	105.6	2.0	213	3.50	746	$1,000,000	$213,000,000
Low Density Residential (LDR)	776.6	5.9	4,580	3.25	14,885	$550,000	$2,519,000,000
Medium Density Residential (MDR)	128.7	8.5	1,090	2.85	3,107	$450,000	$490,500,000
Multi-Family (HDR) /1	67.4	13.8	927	2.10	1,947	$315,000	$292,005,000
Active Adult (Age-Restricted) (AA)	15.0	17.3	260	1.80	468	$450,000	$117,000,000
Subtotal	1,093.3		7,070		21,152		$3,631,505,000

	Acres	Building Intensity (Avg FAR)	Building Square Feet (Bldg. SF)	Bldg. SF per Employee	Total Jobs	Estimated Value per Bldg. SF	Total Value
Non-Residential							
Retail	46.3	0.25	504,207	450	1,120	$175	$88,236,225
Office	19.3	0.30	252,212	350	721	$225	$56,747,790
Hotel /2	3.5	0.49	75,000	1,040	72	$250	$18,750,000
Subtotal	69.1		831,419		1,913		$163,734,015
Other Land Uses							
Schools	96.8						
Religious	10.5						
Parks	179.2						
Lakes	96.2						
Private River Club/Pub Marina	20.2						
Parkway	49.7						
Greenways to Levee	7.7						
Streetscape Buffer Areas and Main Forested Entries	63.6						
Roads, Levee Setbacks and Other Common Areas	24.0						
25' Setback Off Build to Line	17.7						
Levee Walk	111.1						
Submerged Non-Developable Acres	128.2						
Subtotal	804.8						
Total	**1,967.2**						**$3,795,239,015**

/1 Includes only for-sale and for-rent townhomes and condominiums.

/2 Assumes a 100-room hotel.

Source: City of Stockton; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-2
The Sanctuary
Public Facilities Financing Plan
Land Use Summary By Phase

Land Use	Phase 1	Phase 2	Phase 3	Phase 4	Total
Residential					
	Units				
Residential Estates	--	125	80	8	**213**
Low Density Residential	966	735	1,322	1,557	**4,580**
Medium Density Residential	230	148	171	541	**1,090**
Multi-Family	309	103	206	309	**927**
Active Adult	--	200	60	--	**260**
Total	**1,505**	**1,311**	**1,839**	**2,415**	**7,070**
Non-Residential					
	Acres				
Retail	46.3	--	--	--	**46.3**
Office	19.3	--	--	--	**19.3**
Hotel	3.5	--	--	--	**3.5**
Total	**69.1**	**--**	**--**	**--**	**69.1**

Source: The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-3.1
The Sanctuary
Public Facilities Financing Plan
Project-Specific Infrastructure Costs (Gross and Net)

Gross Cost

Improvement	Phase 1	Phase 2	Phase 3	Phase 4	Total
Street Improvements	$17,288,343	$19,635,000	$12,243,702	$24,335,315	$73,502,360
Storm Drainage Improvements	$4,422,107	$0	$3,101,561	$506,678	$8,030,346
Sanitary Sewer Improvements	$2,770,180	$6,450,000	$503,224	$649,510	$10,372,914
Potable Water Improvements	$1,274,069	$7,779,000	$211,008	$272,347	$9,536,424
Non-Potable Water Improvements	$1,696,280	$0	$164,413	$212,208	$2,072,901
Parks	$19,530,000	$20,088,000	$46,593,000	$12,834,000	$99,045,000
Levees	$19,689,052	$0	$0	$0	$19,689,052
Fire Facilities	$0	$5,906,000	$0	$0	$5,906,000
Total	$66,670,031	$59,858,000	$62,816,908	$38,810,058	$228,154,997

Fee Credits and Other Offsets

Improvement	Phase 1	Phase 2	Phase 3	Phase 4	Total
Street Improvements /1	$11,649,195	$19,635,000	$11,327,083	$23,106,621	$65,717,899
Storm Drainage Improvements	$0	$0	$0	$0	$0
Sanitary Sewer Improvements /1	$0	$6,450,000	$0	$0	$6,450,000
Potable Water Improvements /1	$0	$7,779,000	$0	$0	$7,779,000
Non-Potable Water Improvements	$0	$0	$0	$0	$0
Parks /1	$7,172,418	$6,581,534	$9,108,694	$11,884,398	$34,747,044
Levees	$0	$0	$0	$0	$0
Fire Facilities /2	$0	$5,906,000	$0	$0	$5,906,000
Total	$18,821,613	$46,351,534	$20,435,777	$34,991,019	$120,599,943

Net Cost

Improvement	Phase 1	Phase 2	Phase 3	Phase 4	Total
Street Improvements	$5,639,148	$0	$916,619	$1,228,694	$7,784,461
Storm Drainage Improvements	$4,422,107	$0	$3,101,561	$506,678	$8,030,346
Sanitary Sewer Improvements	$2,770,180	$0	$503,224	$649,510	$3,922,914
Potable Water Improvements	$1,274,069	$0	$211,008	$272,347	$1,757,424
Non-Potable Water Improvements	$1,696,280	$0	$164,413	$212,208	$2,072,901
Parks	$12,357,582	$13,506,466	$37,484,306	$949,602	$64,297,956
Levees	$19,689,052	$0	$0	$0	$19,689,052
Fire Facilities	$0	$0	$0	$0	$0
Total	$47,848,418	$13,506,466	$42,381,131	$3,819,039	$107,555,054

/1 Street and park improvements are eligible for fee credits against the City Public Facilities Fees. Sanitary sewer and potable water improvements are eligible for City of Stockton Municipal Utilities Department fee credits.

/2 Sanctuary's fair share cost is 84.1% of the total fire facilities cost. The fire station is eligible for a fee credit against the City Public Facilities Fee.

Source: City of Stockton Fire Department; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-3.2
The Sanctuary
Public Facilities Financing Plan
Project-Specific Infrastructure Cost Summary

Improvement	**Total Cost**	**Fee Credits and Other Offsets /1**	**Sanctuary Costs Requiring Other Financing Sources**
Street Improvements	$73,502,360	($65,717,899)	$7,784,461
Storm Drainage Improvements	$8,030,346	--	$8,030,346
Sanitary Sewer Improvements	$10,372,914	($6,450,000)	$3,922,914
Potable Water Improvements	$9,536,424	($7,779,000)	$1,757,424
Non-Potable Water Improvements	$2,072,901	--	$2,072,901
Parks	$99,045,000	($34,747,044)	$64,297,956
Levees	$19,689,052	--	$19,689,052
Fire Facilities	$5,906,000	($5,906,000)	--
Total	**$228,154,997**	**($120,599,943)**	**$107,555,054**

/1 Refer to Table A-3.1 for details related to fee credits and other offsets.

Source: City of Stockton Fire Department; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-4
The Sanctuary
Public Facilities Financing Plan
Project-Specific Cost Allocation Summary /1

Facilities:	Streets	Storm Drainage	Sanitary Sewer	Potable Water	Non-Potable Water	Parks	Levees	Fire Facilities	Total Cost Allocation	Facility Costs
Benefit Units:	**EDUs**	**Runoff Coefficient**	**Gallons per Day**	**Gallons per Day**	**Gallons per Day**	**Residents Served**	**Persons Served**	**Persons Served**		
Capital Costs:	$7,784,461	$8,030,346	$3,922,914	$1,757,424	$2,072,901	$64,297,956	$19,689,052	n/a		$107,555,054
Residential	***Cost per Unit***								***per Unit***	
Residential Estates	$985	$1,002	$526	$235	$278	$10,639	$3,117	n/a	$16,783	$3,574,740
Low Density Residential	$985	$1,002	$526	$235	$278	$9,880	$2,894	n/a	$15,800	$72,364,971
Medium Density Residential	$985	$1,002	$526	$235	$278	$8,664	$2,538	n/a	$14,228	$15,508,567
Multi-Family	$719	$1,861	$473	$212	$250	$6,384	$1,870	n/a	$11,769	$10,910,181
Active Adult	$985	$1,002	$526	$235	$278	$5,472	$1,603	n/a	$10,101	$2,626,286
										$104,984,746
Non-Residential	***Cost per Acre***								***per Acre***	
Retail	$14,271	$2,148	$3,504	$1,570	$1,852	n/a	$10,776	n/a	$34,120	$1,579,765
Office	$15,838	$2,148	$4,205	$1,884	$2,222	n/a	$16,626	n/a	$42,922	$828,388
Hotel	$28,082	$2,148	$3,504	$1,570	$1,852	n/a	$9,175	n/a	$46,330	$162,155
										$2,570,308
Total										**$107,555,054**

/1 Refer to Appendix B for cost allocation tables.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-5
The Sanctuary
Public Facilities Financing Plan
Project-Specific One-Time Burden Analysis

Land Use	**Gross Project-Specific Burden**	**Facility Costs**	**Adjusted Gross Project-Specific Burden /1**	**Adjusted Facility Costs**
Residential	*per Unit*		*per Unit*	
Residential Estates	$16,783	$3,574,740	$17,171	$3,657,465
Low Density Residential	$15,800	$72,364,971	$16,179	$74,097,624
Medium Density Residential	$14,228	$15,508,567	$14,590	$15,903,363
Multi-Family	$11,769	$10,910,181	$12,068	$11,187,140
Active Adult	$10,101	$2,626,286	$10,421	$2,709,462
Subtotal		$104,984,746		$107,555,054
Non-Residential	*per Acre*		*per Acre*	
Retail	$34,120	$1,579,765	n/a	n/a
Office	$42,922	$828,388	n/a	n/a
Hotel	$46,330	$162,155	n/a	n/a
Subtotal		$2,570,308		n/a
Total		**$107,555,054**		**$107,555,054**

/1 To encourage the development of the non-residential land uses, the gross project-specific burden allocated to the non-residential land uses was shifted to the residential land uses.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-6
The Sanctuary
Public Facilities Financing Plan
Public Facilities Fee Components

	Air Quality	City Office Space	Community Recreation Center	Fire Stations	Libraries	Parkland	Police Station Expansion	Street Improvement	Surface Water	Habitat/ Open Space	Agricultural Land Mitigation /1	County Facilities	Regional Trans-portation	Admin-istration /2	Total PFF
Residential								*per Unit*							
Residential Estates	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$9,066	$7,059	$1,537	$2,764	$1,477	**$63,319**
Low Density Residential	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$3,073	$2,393	$1,537	$2,764	$1,210	**$52,394**
Medium Density Residential	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$2,133	$1,661	$1,537	$2,764	$1,169	**$50,680**
Multi-Family	$117	$362	$375	$609	$704	$3,170	$460	$13,441	$965	$1,176	$915	$1,317	$1,659	$590	**$25,860**
Active Adult	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$1,048	$816	$1,537	$2,764	$1,120	**$48,702**
Non-Residential								*per Acre*							
Retail	$6,948	$452	$404	$1,220	$978	n/a	$1,088	$299,257	$7,187	$14,854	$11,566	$3,812	$11,979	$8,694	**$368,439**
Office	$3,986	$1,056	$954	$2,875	$2,287	n/a	$2,548	$208,833	$8,625	$15,035	$11,707	$3,920	$18,165	$6,546	**$286,536**
Hotel	$3,143	$2,594	n/a	$2,354	$4,829	n/a	$5,257	$342,439	$21,543	$16,222	$12,632	$6,429	$29,786	$10,436	**$457,664**

/1 Assumes costs to acquire an easement on suitable farmland and to monitor the easement by governmental authorities equal the current Agricultural Land Mitigation fee.

/2 The City charges a 2.5% fee for costs related to administration of the Public Facilities Fees. This fee applies to all PFF components except the regional transportation component.

Source: City of Stockton; The Grupe Company; Goodwin Consulting Group, Inc.

08/13/2008

Table 1A-7
The Sanctuary
Public Facilities Financing Plan
Other Fees

Land Use	Municipal Utilities District Sewer Connection /1	Municipal Utilities District Water Connection /2	Municipal Utilities District Admin-istration /3	School Fees /4	Total Other Fees
Residential			*per Unit*		
Residential Estates	$3,634	$1,754	$189	$14,160	**$19,737**
Low Density Residential	$3,634	$1,754	$189	$9,735	**$15,312**
Medium Density Residential	$3,634	$1,754	$189	$6,726	**$12,303**
Multi-Family	$2,544	$1,417	$139	$3,156	**$7,255**
Active Adult	$3,634	$1,754	$189	$846	**$6,423**
Non-Residential			*per Acre*		
Retail	$3,957	$3,306	$254	$5,118	**$12,636**
Office	$26,910	$3,306	$1,058	$6,142	**$37,416**
Hotel	$34,610	$10,565	$1,581	$10,071	**$56,827**

/1 Based on the current fees for the North of Calaveras fee area and the following Non-Residential usage factors:

Non-Residential Land Use		
Retail	0.03	Gallons/SF
Office	0.17	Gallons/SF
Hotel	100	Gallons/Room

/2 Assumes a 1" water connection will be required for each acre of Retail and Office land, and a 2" water connection for each acre of Hotel land.

/3 The Municipal Utilities Department charges a 3.5% fee for costs related to administration.

/4 Based on the current fees for Lodi Unified School District. Assumes the approximately 110 acres of land within the Lincoln Unified School District will annex into the Lodi Unified School District. Assumes RE, LDR, MDR, HDR and AA residential unit average sizes of 4,000, 2,750, 1,900, 1,200, and 1,800 square feet, respectively.

Source: City of Stockton; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-8
The Sanctuary
Public Facilities Financing Plan
Total One-Time Burden Analysis

Land Use	Adjusted Gross Project-Specific Burden	Public Facilities Fees	Other Fees	Total Gross Burden	Total Costs and Fees	Gross One-Time Burden as a % of Estimated Value	CFD Financing	Total Net Burden /1	Net One-Time Burden as a % of Estimated Value
Residential	*per Unit*			*per Unit*		*per Unit*			
Residential Estates	$17,171	$63,319	$19,737	$100,226	$21,348,237	10.02%	($17,171)	$83,055	8.31%
Low Density Residential	$16,179	$52,394	$15,312	$83,884	$384,187,603	15.25%	($16,179)	$67,705	12.31%
Medium Density Residential	$14,590	$50,680	$12,303	$77,573	$84,554,294	17.24%	($14,590)	$62,983	14.00%
Multi-Family	$12,068	$25,860	$7,255	$45,183	$41,884,855	14.34%	($12,068)	$33,115	10.51%
Active Adult	$10,421	$48,702	$6,423	$65,545	$17,041,796	14.57%	($10,421)	$55,124	12.25%
Subtotal					$549,016,785				
Non-Residential	*per Acre*			*per Acre*		*per Acre*			
Retail	n/a	$368,439	$12,636	$381,074	$17,643,748	20.00%	n/a	$381,074	20.00%
Office	n/a	$286,536	$37,416	$323,952	$6,252,281	11.02%	n/a	$323,952	11.02%
Hotel	n/a	$457,664	$56,827	$514,491	$1,800,717	9.60%	n/a	$514,491	9.60%
Subtotal					$25,696,746				
Total /2	**$107,555,054**	**$369,516,016**	**$97,642,461**		**$574,713,531**		**($107,555,054)**	**$467,158,477**	

/1 Excludes burden for facilities to be funded through CFD bonds. Refer to Appendix C for the CFD analysis.
/2 Totals under per-unit and per-acre columns equal amounts in column multiplied by land use quantities.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-9
The Sanctuary
Public Facilities Financing Plan
Annual Burden Analysis

	% of Total Developed Value	Residential Estates	Low Density Residential	Medium Density Residential	Multi-Family	Active Adult	Retail	Office	Hotel
		Residential					**Non-Residential**		
		per Unit					*per Acre*		
Developed Value		$1,000,000	$550,000	$450,000	$315,000	$450,000	$1,905,750	$2,940,300	$5,357,143
Ad Valorem									
General Tax	1.0000%	$10,000	$5,500	$4,500	$3,150	$4,500	$19,058	$29,403	$53,571
SJ Delta College DS #1	0.0131%	$131	$72	$59	$41	$59	$250	$385	$702
School District DS /1	0.0921%	$921	$507	$414	$290	$414	$1,755	$2,708	$4,934
Subtotal Ad Valorem Taxes	1.1052%	$11,052	$6,079	$4,973	$3,481	$4,973	$21,062	$32,496	$59,207
Special Taxes and Assessments /2									
Estimated City Infrastructure CFD Special Tax /3		$500	$500	$500	$500	$500	$0	$0	$0
Proposed Park Maintenance CFD Special Tax		$133	$78	$64	$47	$59	$0	$0	$0
Proposed Project-Specific Infrastructure CFD Special Tax /4		$1,714	$1,615	$1,456	$1,205	$1,040	$0	$0	$0
Subtotal Special Taxes		$2,347	$2,193	$2,020	$1,751	$1,600	$0	$0	$0
Total Annual Burden		**$13,399**	**$8,272**	**$6,994**	**$5,233**	**$6,573**	**$21,062**	**$32,496**	**$59,207**
Total Annual Burden as % of Value		**1.3%**	**1.5%**	**1.6%**	**1.7%**	**1.5%**	**1.1%**	**1.1%**	**1.1%**

/1 Sum of additional tax overrides related to the Lodi Unified School District
/2 Other existing assessments are considered immaterial and are not included in this annual burden analysis. The total estimated amount of these assessments for a low densit residential unit is less than $15.00, which equals less than 0.003% of value
/3 Estimated amount to fund critical city-wide improvements, including regional roadways
/4 Amount needed from each residential unit to fully fund the related project-specific infrastructure costs.

Source: San Joaquin County Assessor's Office; San Joaquin County Treasurer-Tax Collector's Office; City of Stockton; Goodwin Consulting Group, Inc *08/13/2008*

Table 1A-10
The Sanctuary
Public Facilities Financing Plan
Project-Specific Infrastructure Financing Matrix

		Other Funding Contributions	Primary Financing Sources		
Improvement	**Total Gross Cost**	**Fee Credits and Other Offsets**	**CFD Bonds**	**Project-Specific Fees**	**Subtotal Sanctuary Cost**
Street Improvements	$73,502,360	$65,717,899	$7,784,461	$0	$7,784,461
Storm Drainage Improvements	$8,030,346	$0	$8,030,346	$0	$8,030,346
Sanitary Sewer Improvements	$10,372,914	$6,450,000	$3,922,914	$0	$3,922,914
Potable Water Improvements	$9,536,424	$7,779,000	$1,757,424	$0	$1,757,424
Non-Potable Water Improvements	$2,072,901	$0	$2,072,901	$0	$2,072,901
Parks	$99,045,000	$34,747,044	$64,297,956	$0	$64,297,956
Levees	$19,689,052	$0	$19,689,052	$0	$19,689,052
Fire Facilities	$5,906,000	$5,906,000	$0	$0	$0
Total	**$228,154,997**	**$120,599,943**	**$107,555,054**	**$0**	**$107,555,054**

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1A-11
The Sanctuary
Public Facilities Financing Plan
Cash Flow By Phase /1

	Phase 1	Phase 2	Phase 3	Phase 4	Total
Phased Costs	**$47,848,000**	**$13,506,000**	**$42,381,000**	**$3,819,000**	**$107,555,000**
Revenues					
CFD Bond Proceeds	$22,713,000	$19,524,000	$28,368,000	$36,950,000	**$107,555,000**
Total	$22,713,000	$19,524,000	$28,368,000	$36,950,000	**$107,555,000**
Developer Equity	$25,135,000	$0	$14,013,000	$0	**$39,148,000**
Developer Reimbursement	$0	($6,018,000)	$0	($33,131,000)	**($39,148,000)**
Total Revenues	**$47,848,000**	**$13,506,000**	**$42,381,000**	**$3,819,000**	**$107,555,000**

/1 Represents one potential scenario of the Cash Flow by Phase, using CFD bond proceeds to fund infrastructure costs.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

APPENDIX 1B

PUBLIC FACILITIES FINANCING PLAN TABLES
COST ALLOCATION ANALYSIS

Table 1B-1
The Sanctuary
Public Facilities Financing Plan
Capital Facility Benefit Units

Capital Facility:	Streets	Storm Drainage	Sanitary Sewer	Potable Water	Non-Potable Water	Parks	Levees	Fire Facilities
Land Use / Benefit Unit:	**EDUs**	**Runoff Coefficient**	**Gallons per Day**	**Gallons per Day**	**Gallons per Day**	**Residents Served**	**Persons Served /1**	**Persons Served /1**
Residential								
Residential Estates	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	3.50 per unit	3.50 per unit	3.50 per unit
Low Density Residential	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	3.25 per unit	3.25 per unit	3.25 per unit
Medium Density Residential	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	2.85 per unit	2.85 per unit	2.85 per unit
Multi-Family	0.73 per unit	0.65 per unit	270 per unit	270 per unit	270 per unit	2.10 per unit	2.10 per unit	2.10 per unit
Active Adult	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	1.80 per unit	1.80 per unit	1.80 per unit
Non-Residential								
Retail	1.33 per KSF	0.75 per acre	2,000 per acre	2,000 per acre	2,000 per acre	N/A	12.10 per acre	12.10 per acre
Office	1.23 per KSF	0.75 per acre	2,400 per acre	2,400 per acre	2,400 per acre	N/A	18.67 per acre	18.67 per acre
Hotel	1.33 per KSF	0.75 per acre	2,000 per acre	2,000 per acre	2,000 per acre	N/A	10.30 per acre	10.30 per acre

/1 Assumes persons served is the number of residents and half of the employees.

Source: The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 1B-2.1
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Street Improvements

Land Use		Total Dwelling Units	Total Acres	EDUs	Total EDUs	Percent Allocation	Total Cost	Cost per Unit or Acre
Total Cost	**$7,784,461**							
Residential								
				per Unit				*per Unit*
Residential Estates		213	105.6	1.00	213	2.70%	$209,877	$985
Low Density Residential		4,580	776.6	1.00	4,580	57.97%	$4,512,859	$985
Medium Density Residential		1,090	128.7	1.00	1,090	13.80%	$1,074,021	$985
Multi-Family		927	67.4	0.73	677	8.57%	$666,790	$719
Active Adult		260	15.0	1.00	260	3.29%	$256,188	$985
Subtotal		7,070	1,093.3		6,820	86.32%	$6,719,735	
Non-Residential								
				per Acre				*per Acre*
Retail		n/a	46.3	14.48	671	8.49%	$660,765	$14,271
Office		n/a	19.3	16.07	310	3.93%	$305,674	$15,838
Hotel		n/a	3.5	28.50	100	1.26%	$98,288	$28,082
Subtotal			69.1		1,081	13.68%	$1,064,726	
Total			1,162.4		**7,900**	**100.00%**	**$7,784,461**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1B-2.2
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Storm Drainage Improvements

Land Use	Total Dwelling Units	Total Acres	Runoff Coefficient	Total Runoff Coefficients	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$8,030,346**							
Residential							
			per Unit/Acre				*per Unit*
Residential Estates	213	105.6	0.35	75	2.66%	$213,471	$1,002
Low Density Residential	4,580	776.6	0.35	1,603	57.16%	$4,590,119	$1,002
Medium Density Residential	1,090	128.7	0.35	382	13.60%	$1,092,408	$1,002
Multi-Family	927	67.4	0.65	603	21.49%	$1,725,375	$1,861
Active Adult	260	15.0	0.35	91	3.24%	$260,574	$1,002
Subtotal	7,070	1,093.3		2,753	98.15%	$7,881,947	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	0.75	35	1.24%	$99,433	$2,148
Office	n/a	19.3	0.75	14	0.52%	$41,449	$2,148
Hotel	n/a	3.5	0.75	3	0.09%	$7,517	$2,148
Subtotal		69.1		52	1.85%	$148,399	
Total		**1,162.4**		**2,804**	**100.00%**	**$8,030,346**	

Source: Goodwin Consulting Group, Inc.

08/13/2008

Table 1B-2.3
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Sanitary Sewer Improvements

Land Use		Total Dwelling Units	Total Acres	Gallons per day	Total Gallons per day	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost	**$3,922,914**							
Residential								
				per Unit				*per Unit*
Residential Estates		213	105.6	300	63,900	2.85%	$111,953	$526
Low Density Residential		4,580	776.6	300	1,374,000	61.36%	$2,407,244	$526
Medium Density Residential		1,090	128.7	300	327,000	14.60%	$572,903	$526
Multi-Family		927	67.4	270	250,290	11.18%	$438,507	$473
Active Adult		260	15.0	300	78,000	3.48%	$136,656	$526
Subtotal		7,070	1,093.3		2,093,190	93.48%	$3,667,263	
Non-Residential								
				per Acre				*per Acre*
Retail		n/a	46.3	2,000	92,600	4.14%	$162,235	$3,504
Office		n/a	19.3	2,400	46,320	2.07%	$81,153	$4,205
Hotel		n/a	3.5	2,000	7,000	0.31%	$12,264	$3,504
Subtotal			69.1		145,920	6.52%	$255,651	
Total			**1,162.4**		**2,239,110**	**100.00%**	**$3,922,914**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1B-2.4
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Potable Water Improvements

Land Use	Total Dwelling Units	Total Acres	Gallons per Day	Total Gallons per Day	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$1,757,424**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	300	63,900	2.85%	$50,154	$235
Low Density Residential	4,580	776.6	300	1,374,000	61.36%	$1,078,420	$235
Medium Density Residential	1,090	128.7	300	327,000	14.60%	$256,654	$235
Multi-Family	927	67.4	270	250,290	11.18%	$196,447	$212
Active Adult	260	15.0	300	78,000	3.48%	$61,220	$235
Subtotal	7,070	1,093.3		2,093,190	93.48%	$1,642,895	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	2,000	92,600	4.14%	$72,680	$1,570
Office	n/a	19.3	2,400	46,320	2.07%	$36,355	$1,884
Hotel	n/a	3.5	2,000	7,000	0.31%	$5,494	$1,570
Subtotal		69.1		145,920	6.52%	$114,529	
Total		**1,162.4**		**2,239,110**	**100.00%**	**$1,757,424**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1B-2.5
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Non-Potable Water Improvements

Land Use	Total Dwelling Units	Total Acres	Gallons per Day	Total Gallons per Day	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$2,072,901**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	300	63,900	2.85%	$59,157	$278
Low Density Residential	4,580	776.6	300	1,374,000	61.36%	$1,272,008	$278
Medium Density Residential	1,090	128.7	300	327,000	14.60%	$302,727	$278
Multi-Family	927	67.4	270	250,290	11.18%	$231,711	$250
Active Adult	260	15.0	300	78,000	3.48%	$72,210	$278
Subtotal	7,070	1,093.3		2,093,190	93.48%	$1,937,813	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	2,000	92,600	4.14%	$85,726	$1,852
Office	n/a	19.3	2,400	46,320	2.07%	$42,882	$2,222
Hotel	n/a	3.5	2,000	7,000	0.31%	$6,480	$1,852
Subtotal		69.1		145,920	6.52%	$135,088	
Total		**1,162.4**		**2,239,110**	**100.00%**	**$2,072,901**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1B-2.6
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Park Improvements

Land Use	Total Dwelling Units	Total Acres	Residents Served	Total Residents Served	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$64,297,956**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	3.50	746	3.52%	$2,266,207	$10,639
Low Density Residential	4,580	776.6	3.25	14,885	70.37%	$45,248,140	$9,880
Medium Density Residential	1,090	128.7	2.85	3,107	14.69%	$9,443,288	$8,664
Multi-Family	927	67.4	2.10	1,947	9.20%	$5,917,672	$6,384
Active Adult	260	15.0	1.80	468	2.21%	$1,422,649	$5,472
Subtotal	7,070	1,093.3		21,152	100.00%	$64,297,956	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	--	--	0.00%	--	n/a
Office	n/a	19.3	--	--	0.00%	--	n/a
Hotel	n/a	3.5	--	--	0.00%	--	n/a
Subtotal		69.1		--	0.00%	--	
Total		**1,162.4**		**21,152**	**100.00%**	**$64,297,956**	

Source: Goodwin Consulting Group, Inc.

08/13/2008

Table 1B-2.7
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Levees

Land Use	Total Dwelling Units	Total Acres	Persons Served	Total Persons Served	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$19,689,052**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	3.50	746	3.37%	$663,922	$3,117
Low Density Residential	4,580	776.6	3.25	14,885	67.33%	$13,256,182	$2,894
Medium Density Residential	1,090	128.7	2.85	3,107	14.05%	$2,766,566	$2,538
Multi-Family	927	67.4	2.10	1,947	8.81%	$1,733,679	$1,870
Active Adult	260	15.0	1.80	468	2.12%	$416,788	$1,603
Subtotal	7,070	1,093.3		21,152	95.67%	$18,837,138	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	12.10	560	2.53%	$498,926	$10,776
Office	n/a	19.3	18.67	360	1.63%	$320,877	$16,626
Hotel	n/a	3.5	10.30	36	0.16%	$32,112	$9,175
Subtotal		69.1		957	4.33%	$851,914	
Total		**1,162.4**		**22,108**	**100.00%**	**$19,689,052**	

Source: Goodwin Consulting Group, Inc.

08/13/2008

Table 1B-2.8
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Fire Facilities

Land Use	Total Dwelling Units	Total Acres	Persons Served	Total Persons Served	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost	**$0**						
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	3.50	746	3.37%	--	n/a
Low Density Residential	4,580	776.6	3.25	14,885	67.33%	--	n/a
Medium Density Residential	1,090	128.7	2.85	3,107	14.05%	--	n/a
Multi-Family	927	67.4	2.10	1,947	8.81%	--	n/a
Active Adult	260	15.0	1.80	468	2.12%	--	n/a
Subtotal	7,070	1,093.3		21,152	95.67%	--	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	12.10	560	2.53%	--	n/a
Office	n/a	19.3	18.67	360	1.63%	--	n/a
Hotel	n/a	3.5	10.30	36	0.16%	--	n/a
Subtotal		69.1		957	4.33%	--	
Total		**1,162.4**		**22,108**	**100.00%**	**--**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1B-3
The Sanctuary
Public Facilities Financing Plan
Cost Comparison By Phase /1

	Phase 1	Phase 2	Phase 3	Phase 4	Total
Street Improvements					
Fair-share Costs	$2,465,456	$1,264,379	$1,757,236	$2,297,390	**$7,784,461**
Phased Costs	($5,639,148)	$0	($916,619)	($1,228,694)	**($7,784,461)**
Net	($3,173,692)	$1,264,379	$840,617	$1,068,696	**$0**
Storm Drainage Improvements					
Fair-share Costs	$1,922,166	$1,402,377	$2,020,025	$2,685,778	**$8,030,346**
Phased Costs	($4,422,107)	$0	($3,101,561)	($506,678)	**($8,030,346)**
Net	($2,499,941)	$1,402,377	($1,081,536)	$2,179,100	**$0**
Sanitary Sewer Improvements					
Fair-share Costs	$1,030,437	$683,647	$955,749	$1,253,081	**$3,922,914**
Phased Costs	($2,770,180)	$0	($503,224)	($649,510)	**($3,922,914)**
Net	($1,739,743)	$683,647	$452,525	$603,571	**$0**
Potable Water Improvements					
Fair-share Costs	$461,625	$306,267	$428,166	$561,367	**$1,757,424**
Phased Costs	($1,274,069)	$0	($211,008)	($272,347)	**($1,757,424)**
Net	($812,444)	$306,267	$217,158	$289,020	**$0**
Non-Potable Water Improvements					
Fair-share Costs	$544,492	$361,245	$505,026	$662,139	**$2,072,901**
Phased Costs	($1,696,280)	$0	($164,413)	($212,208)	**($2,072,901)**
Net	($1,151,788)	$361,245	$340,613	$449,931	**$0**
Parks					
Fair-share Costs	$13,508,781	$11,625,443	$17,036,677	$22,127,055	**$64,297,956**
Phased Costs	($12,357,582)	($13,506,466)	($37,484,306)	($949,602)	**($64,297,956)**
Net	$1,151,199	($1,881,023)	($20,447,629)	$21,177,453	**$0**
Levees					
Fair-share Costs	$4,809,533	$3,405,864	$4,991,173	$6,482,482	**$19,689,052**
Phased Costs	($19,689,052)	$0	$0	$0	**($19,689,052)**
Net	($14,879,519)	$3,405,864	$4,991,173	$6,482,482	**$0**
Fire Facilities					
Fair-share Costs	$0	$0	$0	$0	**$0**
Phased Costs	$0	$0	$0	$0	**$0**
Net	$0	$0	$0	$0	**$0**
TOTAL					
Fair-share Costs	$24,742,490	$19,049,221	$27,694,052	$36,069,291	**$107,555,054**
Phased Costs	($47,848,418)	($13,506,466)	($42,381,131)	($3,819,039)	**($107,555,054)**
Net	($23,105,928)	$5,542,755	($14,687,079)	$32,250,252	**$0**
Cumulative Net	($23,105,928)	($17,563,173)	($32,250,252)	$0	

/1 Shortfalls in each phase will be financed through a combination of developer advances and a CFD. The Developer will be reimbursed in subsequent phases by future CFD bond proceeds.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

APPENDIX 1C

PUBLIC FACILITIES FINANCING PLAN TABLES
MELLO-ROOS ANALYSIS

Table 1C-1
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Project Buildout

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		213	4,580	1,090	927	260	**7,070**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$365,031	$7,396,095	$1,587,424	$1,116,572	$270,455	**$10,735,578**
Less Debt Service Coverage	9.1%	$33,200	$672,400	$144,300	$101,500	$24,600	**$976,000**
Less Annual Administration	1.0%	$3,600	$73,900	$15,900	$11,100	$2,700	**$107,200**
Remaining for Debt Service		$328,231	$6,649,795	$1,427,224	$1,003,972	$243,155	**$9,652,378**
CFD Financing							
Total Bond Size /1		$4,700,000	$95,005,000	$20,395,000	$14,355,000	$3,480,000	**$137,935,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$243,435	$4,756,376	$1,024,437	$727,360	$178,838	**$6,930,446**
Less Bond Reserve Fund	10.0%	$470,000	$9,500,500	$2,039,500	$1,435,500	$348,000	**$13,793,500**
Less Capitalized Interest for 12 Months /2	7.0%	$329,100	$6,650,500	$1,427,700	$1,005,000	$243,700	**$9,656,000**
Construction Proceeds		$3,657,465	$74,097,624	$15,903,363	$11,187,140	$2,709,462	**$107,555,054**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$10,421**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1C-2.1
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 1

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		0	966	230	309	0	**1,505**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$0	$1,559,962	$334,961	$372,191	$0	**$2,267,114**
Less Debt Service Coverage	9.1%	$0	$141,800	$30,500	$33,800	$0	**$206,100**
Less Annual Administration	1.0%	$0	$15,600	$3,300	$3,700	$0	**$22,600**
Remaining for Debt Service		$0	$1,402,562	$301,161	$334,691	$0	**$2,038,414**
CFD Financing							
Total Bond Size /1		$0	$20,040,000	$4,305,000	$4,785,000	$0	**$29,130,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$0	$1,004,749	$217,344	$242,453	$0	**$1,464,547**
Less Bond Reserve Fund	10.0%	$0	$2,004,000	$430,500	$478,500	$0	**$2,913,000**
Less Capitalized Interest for 12 Months /2	7.0%	$0	$1,402,800	$301,400	$335,000	$0	**$2,039,200**
Construction Proceeds		$0	$15,628,451	$3,355,756	$3,729,047	$0	**$22,713,253**
Construction Proceeds per Unit		**$0**	**$16,179**	**$14,590**	**$12,068**	**$0**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1C-2.2
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 2

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		125	735	148	103	200	**1,311**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$214,220	$1,186,928	$215,540	$124,064	$208,042	**$1,948,794**
Less Debt Service Coverage	9.1%	$19,500	$107,900	$19,600	$11,300	$18,900	**$177,200**
Less Annual Administration	1.0%	$2,100	$11,900	$2,200	$1,200	$2,100	**$19,500**
Remaining for Debt Service		$192,620	$1,067,128	$193,740	$111,564	$187,042	**$1,752,094**
CFD Financing							
Total Bond Size /1		$2,755,000	$15,245,000	$2,770,000	$1,595,000	$2,675,000	**$25,040,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$140,201	$762,087	$139,744	$80,784	$135,998	**$1,258,815**
Less Bond Reserve Fund	10.0%	$275,500	$1,524,500	$277,000	$159,500	$267,500	**$2,504,000**
Less Capitalized Interest for 12 Months /2	7.0%	$192,900	$1,067,200	$193,900	$111,700	$187,300	**$1,753,000**
Construction Proceeds		$2,146,399	$11,891,213	$2,159,356	$1,243,016	$2,084,202	**$19,524,185**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$10,421**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1C-2.3
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 3

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		80	1,322	171	206	60	**1,839**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$137,101	$2,134,856	$249,036	$248,127	$62,413	**$2,831,532**
Less Debt Service Coverage	9.1%	$12,500	$194,100	$22,600	$22,600	$5,700	**$257,500**
Less Annual Administration	1.0%	$1,400	$21,300	$2,500	$2,500	$600	**$28,300**
Remaining for Debt Service		$123,201	$1,919,456	$223,936	$223,027	$56,113	**$2,545,732**
CFD Financing							
Total Bond Size /1		$1,765,000	$27,425,000	$3,200,000	$3,190,000	$805,000	**$36,385,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$91,204	$1,374,696	$161,069	$161,669	$42,839	**$1,831,477**
Less Bond Reserve Fund	10.0%	$176,500	$2,742,500	$320,000	$319,000	$80,500	**$3,638,500**
Less Capitalized Interest for 12 Months /2	7.0%	$123,600	$1,919,800	$224,000	$223,300	$56,400	**$2,547,100**
Construction Proceeds		$1,373,696	$21,388,004	$2,494,931	$2,486,031	$625,261	**$28,367,923**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$10,421**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1C-2.4
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 4

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		8	1,557	541	309	0	**2,415**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$13,710	$2,514,349	$787,886	$372,191	$0	**$3,688,137**
Less Debt Service Coverage	9.1%	$1,200	$228,600	$71,600	$33,800	$0	**$335,200**
Less Annual Administration	1.0%	$100	$25,100	$7,900	$3,700	$0	**$36,800**
Remaining for Debt Service		$12,410	$2,260,649	$708,386	$334,691	$0	**$3,316,137**
CFD Financing							
Total Bond Size /1		$180,000	$32,295,000	$10,120,000	$4,785,000	$0	**$47,380,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$12,030	$1,614,843	$506,279	$242,453	$0	**$2,375,607**
Less Bond Reserve Fund	10.0%	$18,000	$3,229,500	$1,012,000	$478,500	$0	**$4,738,000**
Less Capitalized Interest for 12 Months /2	7.0%	$12,600	$2,260,700	$708,400	$335,000	$0	**$3,316,700**
Construction Proceeds		$137,370	$25,189,957	$7,893,321	$3,729,047	$0	**$36,949,693**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$0**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 1C-3
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Summary By Phase

Land Uses	**Maximum Annual Special Tax per Unit**
Residential Estates	$1,714
Low Density Residential	$1,615
Medium Density Residential	$1,456
Multi-Family	$1,205
Active Adult	$1,040

Bonding Capacity		**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Total**
Special Tax Revenue						
Annual Special Tax Revenue		$2,267,114	$1,948,794	$2,831,532	$3,688,137	**$10,735,578**
Less Debt Service Coverage	9.1%	$206,100	$177,200	$257,500	$335,200	**$976,000**
Less Annual Administration	1.0%	$22,600	$19,500	$28,300	$36,800	**$107,200**
Remaining for Debt Service		$2,038,414	$1,752,094	$2,545,732	$3,316,137	**$9,652,378**
CFD Financing						
Total Bond Size /1		$29,130,000	$25,040,000	$36,385,000	$47,380,000	**$137,935,000**
Term (Years)	30					
Less Estimated Issuance Costs	5.0%	$1,464,547	$1,258,815	$1,831,477	$2,375,607	**$6,930,446**
Less Bond Reserve Fund	10.0%	$2,913,000	$2,504,000	$3,638,500	$4,738,000	**$13,793,500**
Less Capitalized Interest for 12 Months	7.0%	$2,039,200	$1,753,000	$2,547,100	$3,316,700	**$9,656,000**
Construction Proceeds		$22,713,253	$19,524,185	$28,367,923	$36,949,693	**$107,555,054**
Cumulative Construction Proceeds		**$22,713,253**	**$42,237,438**	**$70,605,361**	**$107,555,054**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

APPENDIX 2A

PUBLIC FACILITIES FINANCING PLAN TABLES
FINANCING PLAN

Table 2A-1
The Sanctuary
Public Facilities Financing Plan
Land Use, Demographics, and Value Assumptions

	Acres	Density (Units per Acre)	Dwelling Units	Population per Household	Total Population	Estimated Value per Unit	Total Value
Residential							
Residential Estates (RE)	105.6	2.0	213	3.50	746	$850,000	$181,050,000
Low Density Residential (LDR)	776.6	5.9	4,580	3.25	14,885	$500,000	$2,290,000,000
Medium Density Residential (MDR)	128.7	8.5	1,090	2.85	3,107	$410,000	$446,900,000
Multi-Family (HDR) /1	67.4	13.8	927	2.10	1,947	$300,000	$278,100,000
Active Adult (Age-Restricted) (AA)	15.0	17.3	260	1.80	468	$380,000	$98,800,000
Subtotal	1,093.3		7,070		21,152		$3,294,850,000

	Acres	Building Intensity (Avg FAR)	Building Square Feet (Bldg. SF)	Bldg. SF per Employee	Total Jobs	Estimated Value per Bldg. SF	Total Value
Non-Residential							
Retail	46.3	0.25	504,207	450	1,120	$175	$88,236,225
Office	19.3	0.30	252,212	350	721	$225	$56,747,790
Hotel /2	3.5	0.49	75,000	1,040	72	$250	$18,750,000
Subtotal	69.1		831,419		1,913		$163,734,015
Other Land Uses							
Schools	96.8						
Religious	10.5						
Parks	179.2						
Lakes	96.2						
Private River Club/Pub Marina	20.2						
Parkway	49.7						
Greenways to Levee	7.7						
Streetscape Buffer Areas and Main Forested Entries	63.6						
Roads, Levee Setbacks and Other Common Areas	24.0						
25' Setback Off Build to Line	17.7						
Levee Walk	111.1						
Submerged Non-Developable Acres	128.2						
Subtotal	804.8						
Total	**1,967.2**						**$3,458,584,015**

/1 Includes only for-sale and for-rent townhomes and condominiums.

/2 Assumes a 100-room hotel.

Source: City of Stockton; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-2
The Sanctuary
Public Facilities Financing Plan
Land Use Summary By Phase

Land Use	Phase 1	Phase 2	Phase 3	Phase 4	Total
Residential					
	Units				
Residential Estates	--	125	80	8	**213**
Low Density Residential	966	735	1,322	1,557	**4,580**
Medium Density Residential	230	148	171	541	**1,090**
Multi-Family	309	103	206	309	**927**
Active Adult	--	200	60	--	**260**
Total	**1,505**	**1,311**	**1,839**	**2,415**	**7,070**
Non-Residential					
	Acres				
Retail	46.3	--	--	--	**46.3**
Office	19.3	--	--	--	**19.3**
Hotel	3.5	--	--	--	**3.5**
Total	**69.1**	**--**	**--**	**--**	**69.1**

Source: The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-3.1
The Sanctuary
Public Facilities Financing Plan
Project-Specific Infrastructure Costs (Gross and Net)

Gross Cost

Improvement	**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Total**
Street Improvements	$17,288,343	$19,635,000	$12,243,702	$24,335,315	$73,502,360
Storm Drainage Improvements	$4,422,107	$0	$3,101,561	$506,678	$8,030,346
Sanitary Sewer Improvements	$2,770,180	$6,450,000	$503,224	$649,510	$10,372,914
Potable Water Improvements	$1,274,069	$7,779,000	$211,008	$272,347	$9,536,424
Non-Potable Water Improvements	$1,696,280	$0	$164,413	$212,208	$2,072,901
Parks	$19,530,000	$20,088,000	$46,593,000	$12,834,000	$99,045,000
Levees	$19,689,052	$0	$0	$0	$19,689,052
Fire Facilities	$0	$5,906,000	$0	$0	$5,906,000
Total	$66,670,031	$59,858,000	$62,816,908	$38,810,058	$228,154,997

Fee Credits and Other Offsets

Improvement	**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Total**
Street Improvements /1	$11,649,195	$19,635,000	$11,327,083	$23,106,621	$65,717,899
Storm Drainage Improvements	$0	$0	$0	$0	$0
Sanitary Sewer Improvements /1	$0	$6,450,000	$0	$0	$6,450,000
Potable Water Improvements /1	$0	$7,779,000	$0	$0	$7,779,000
Non-Potable Water Improvements	$0	$0	$0	$0	$0
Parks /1	$7,172,418	$6,581,534	$9,108,694	$11,884,398	$34,747,044
Levees	$0	$0	$0	$0	$0
Fire Facilities /2	$0	$5,906,000	$0	$0	$5,906,000
Total	$18,821,613	$46,351,534	$20,435,777	$34,991,019	$120,599,943

Net Cost

Improvement	**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Total**
Street Improvements	$5,639,148	$0	$916,619	$1,228,694	$7,784,461
Storm Drainage Improvements	$4,422,107	$0	$3,101,561	$506,678	$8,030,346
Sanitary Sewer Improvements	$2,770,180	$0	$503,224	$649,510	$3,922,914
Potable Water Improvements	$1,274,069	$0	$211,008	$272,347	$1,757,424
Non-Potable Water Improvements	$1,696,280	$0	$164,413	$212,208	$2,072,901
Parks	$12,357,582	$13,506,466	$37,484,306	$949,602	$64,297,956
Levees	$19,689,052	$0	$0	$0	$19,689,052
Fire Facilities	$0	$0	$0	$0	$0
Total	$47,848,418	$13,506,466	$42,381,131	$3,819,039	$107,555,054

/1 Street and park improvements are eligible for fee credits against the City Public Facilities Fees. Sanitary sewer and potable water improvements are eligible for City of Stockton Municipal Utilities Department fee credits.

/2 Sanctuary's fair share cost is 84.1% of the total fire facilities cost. The fire station is eligible for a fee credit against the City Public Facilities Fee.

Source: City of Stockton Fire Department; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-3.2
The Sanctuary
Public Facilities Financing Plan
Project-Specific Infrastructure Cost Summary

Improvement	**Total Cost**	**Fee Credits and Other Offsets /1**	**Sanctuary Costs Requiring Other Financing Sources**
Street Improvements	$73,502,360	($65,717,899)	$7,784,461
Storm Drainage Improvements	$8,030,346	--	$8,030,346
Sanitary Sewer Improvements	$10,372,914	($6,450,000)	$3,922,914
Potable Water Improvements	$9,536,424	($7,779,000)	$1,757,424
Non-Potable Water Improvements	$2,072,901	--	$2,072,901
Parks	$99,045,000	($34,747,044)	$64,297,956
Levees	$19,689,052	--	$19,689,052
Fire Facilities	$5,906,000	($5,906,000)	--
Total	**$228,154,997**	**($120,599,943)**	**$107,555,054**

/1 Refer to Table A-3.1 for details related to fee credits and other offsets.

Source: City of Stockton Fire Department; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-4
The Sanctuary
Public Facilities Financing Plan
Project-Specific Cost Allocation Summary /1

Facilities:	**Streets**	**Storm Drainage**	**Sanitary Sewer**	**Potable Water**	**Non-Potable Water**	**Parks**	**Levees**	**Fire Facilities**	**Total Cost Allocation**	**Facility Costs**
Benefit Units:	**EDUs**	**Runoff Coefficient**	**Gallons per Day**	**Gallons per Day**	**Gallons per Day**	**Residents Served**	**Persons Served**	**Persons Served**		
Capital Costs:	$7,784,461	$8,030,346	$3,922,914	$1,757,424	$2,072,901	$64,297,956	$19,689,052	n/a		$107,555,054
Residential	***Cost per Unit***								***per Unit***	
Residential Estates	$985	$1,002	$526	$235	$278	$10,639	$3,117	n/a	$16,783	$3,574,740
Low Density Residential	$985	$1,002	$526	$235	$278	$9,880	$2,894	n/a	$15,800	$72,364,971
Medium Density Residential	$985	$1,002	$526	$235	$278	$8,664	$2,538	n/a	$14,228	$15,508,567
Multi-Family	$719	$1,861	$473	$212	$250	$6,384	$1,870	n/a	$11,769	$10,910,181
Active Adult	$985	$1,002	$526	$235	$278	$5,472	$1,603	n/a	$10,101	$2,626,286
										$104,984,746
Non-Residential	***Cost per Acre***								***per Acre***	
Retail	$14,271	$2,148	$3,504	$1,570	$1,852	n/a	$10,776	n/a	$34,120	$1,579,765
Office	$15,838	$2,148	$4,205	$1,884	$2,222	n/a	$16,626	n/a	$42,922	$828,388
Hotel	$28,082	$2,148	$3,504	$1,570	$1,852	n/a	$9,175	n/a	$46,330	$162,155
										$2,570,308
Total										**$107,555,054**

/1 Refer to Appendix B for cost allocation tables.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-5
The Sanctuary
Public Facilities Financing Plan
Project-Specific One-Time Burden Analysis

Land Use	**Gross Project-Specific Burden**	**Facility Costs**	**Adjusted Gross Project-Specific Burden /1**	**Adjusted Facility Costs**
Residential	*per Unit*		*per Unit*	
Residential Estates	$16,783	$3,574,740	$17,171	$3,657,465
Low Density Residential	$15,800	$72,364,971	$16,179	$74,097,624
Medium Density Residential	$14,228	$15,508,567	$14,590	$15,903,363
Multi-Family	$11,769	$10,910,181	$12,068	$11,187,140
Active Adult	$10,101	$2,626,286	$10,421	$2,709,462
Subtotal		$104,984,746		$107,555,054
Non-Residential	*per Acre*		*per Acre*	
Retail	$34,120	$1,579,765	n/a	n/a
Office	$42,922	$828,388	n/a	n/a
Hotel	$46,330	$162,155	n/a	n/a
Subtotal		$2,570,308		n/a
Total		**$107,555,054**		**$107,555,054**

/1 To encourage the development of the non-residential land uses, the gross project-specific burden allocated to the non-residential land uses was shifted to the residential land uses.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-6
The Sanctuary
Public Facilities Financing Plan
Public Facilities Fee Components

	Air Quality	City Office Space	Community Recreation Center	Fire Stations	Libraries	Parkland	Police Station Expansion	Street Improvement	Surface Water	Habitat/ Open Space	Agricultural Land Mitigation /1	County Facilities	Regional Trans- portation	Admin- istration /2	Total PFF
Residential								***per Unit***							
Residential Estates	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$9,066	$7,059	$1,537	$2,764	$1,477	**$63,319**
Low Density Residential	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$3,073	$2,393	$1,537	$2,764	$1,210	**$52,394**
Medium Density Residential	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$2,133	$1,661	$1,537	$2,764	$1,169	**$50,680**
Multi-Family	$117	$362	$375	$609	$704	$3,170	$460	$13,441	$965	$1,176	$915	$1,317	$1,659	$590	**$25,860**
Active Adult	$173	$432	$445	$723	$835	$5,178	$547	$29,870	$3,213	$1,048	$816	$1,537	$2,764	$1,120	**$48,702**
Non-Residential								***per Acre***							
Retail	$6,948	$452	$404	$1,220	$978	n/a	$1,088	$299,257	$7,187	$14,854	$11,566	$3,812	$11,979	$8,694	**$368,439**
Office	$3,986	$1,056	$954	$2,875	$2,287	n/a	$2,548	$208,833	$8,625	$15,035	$11,707	$3,920	$18,165	$6,546	**$286,536**
Hotel	$3,143	$2,594	n/a	$2,354	$4,829	n/a	$5,257	$342,439	$21,543	$16,222	$12,632	$6,429	$29,786	$10,436	**$457,664**

/1 Assumes costs to acquire an easement on suitable farmland and to monitor the easement by governmental authorities equal the current Agricultural Land Mitigation fee.

/2 The City charges a 2.5% fee for costs related to administration of the Public Facilities Fees. This fee applies to all PFF components except the regional transportation component.

Source: City of Stockton; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-7
The Sanctuary
Public Facilities Financing Plan
Other Fees

Land Use	Municipal Utilities District Sewer Connection /1	 Water Connection /2	 Admin-istration /3	School Fees /4	Total Other Fees
Residential	*per Unit*				
Residential Estates	$3,634	$1,754	$189	$14,160	**$19,737**
Low Density Residential	$3,634	$1,754	$189	$9,735	**$15,312**
Medium Density Residential	$3,634	$1,754	$189	$6,726	**$12,303**
Multi-Family	$2,544	$1,417	$139	$3,156	**$7,255**
Active Adult	$3,634	$1,754	$189	$846	**$6,423**
Non-Residential	*per Acre*				
Retail	$3,957	$3,306	$254	$5,118	**$12,636**
Office	$26,910	$3,306	$1,058	$6,142	**$37,416**
Hotel	$34,610	$10,565	$1,581	$10,071	**$56,827**

/1 Based on the current fees for the North of Calaveras fee area and the following Non-Residential usage factors:

Non-Residential Land Use		
Retail	0.03	Gallons/SF
Office	0.17	Gallons/SF
Hotel	100	Gallons/Room

/2 Assumes a 1" water connection will be required for each acre of Retail and Office land, and a 2" water connection for each acre of Hotel land.

/3 The Municipal Utilities Department charges a 3.5% fee for costs related to administration.

/4 Based on the current fees for Lodi Unified School District. Assumes the approximately 110 acres of land within the Lincoln Unified School District will annex into the Lodi Unified School District. Assumes RE, LDR, MDR, HDR and AA residential unit average sizes of 4,000, 2,750, 1,900, 1,200, and 1,800 square feet, respectively.

Source: City of Stockton; The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-8
The Sanctuary
Public Facilities Financing Plan
Total One-Time Burden Analysis

Land Use	Adjusted Gross Project-Specific Burden	Public Facilities Fees	Other Fees	Total Gross Burden	Total Costs and Fees	Gross One-Time Burden as a % of Estimated Value	CFD Financing	Total Net Burden /1	Net One-Time Burden as a % of Estimated Value
Residential	*per Unit*			*per Unit*		*per Unit*			
Residential Estates	$17,171	$63,319	$19,737	$100,226	$21,348,237	11.79%	($17,171)	$83,055	9.77%
Low Density Residential	$16,179	$52,394	$15,312	$83,884	$384,187,603	16.78%	($16,179)	$67,705	13.54%
Medium Density Residential	$14,590	$50,680	$12,303	$77,573	$84,554,294	18.92%	($14,590)	$62,983	15.36%
Multi-Family	$12,068	$25,860	$7,255	$45,183	$41,884,855	15.06%	($12,068)	$33,115	11.04%
Active Adult	$10,421	$48,702	$6,423	$65,545	$17,041,796	17.25%	($10,421)	$55,124	14.51%
Subtotal					$549,016,785				
Non-Residential	*per Acre*			*per Acre*		*per Acre*			
Retail	n/a	$368,439	$12,636	$381,074	$17,643,748	20.00%	n/a	$381,074	20.00%
Office	n/a	$286,536	$37,416	$323,952	$6,252,281	11.02%	n/a	$323,952	11.02%
Hotel	n/a	$457,664	$56,827	$514,491	$1,800,717	9.60%	n/a	$514,491	9.60%
Subtotal					$25,696,746				
Total /2	**$107,555,054**	**$369,516,016**	**$97,642,461**		**$574,713,531**		**($107,555,054)**	**$467,158,477**	

/1 Excludes burden for facilities to be funded through CFD bonds. Refer to Appendix C for the CFD analysis.
/2 Totals under per-unit and per-acre columns equal amounts in column multiplied by land use quantities.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-9
The Sanctuary
Public Facilities Financing Plan
Annual Burden Analysis

	% of Total Developed Value	Residential: Residential Estates	Residential: Low Density Residential	Residential: Medium Density Residential	Residential: Multi-Family	Residential: Active Adult	Non-Residential: Retail	Non-Residential: Office	Non-Residential: Hotel
		per Unit					*per Acre*		
Developed Value		$850,000	$500,000	$410,000	$300,000	$380,000	$1,905,750	$2,940,300	$5,357,143
Ad Valorem									
General Tax	1.0000%	$8,500	$5,000	$4,100	$3,000	$3,800	$19,058	$29,403	$53,571
SJ Delta College DS #1	0.0131%	$111	$66	$54	$39	$50	$250	$385	$702
School District DS /1	0.0921%	$783	$461	$378	$276	$350	$1,755	$2,708	$4,934
Subtotal Ad Valorem Taxes	1.1052%	$9,394	$5,526	$4,531	$3,316	$4,200	$21,062	$32,496	$59,207
Special Taxes and Assessments /2									
Estimated City Infrastructure CFD Special Tax /3		$500	$500	$500	$500	$500	$0	$0	$0
Proposed Park Maintenance CFD Special Tax		$133	$78	$64	$47	$59	$0	$0	$0
Proposed Project-Specific Infrastructure CFD Special Tax /4		$1,714	$1,615	$1,456	$1,205	$1,040	$0	$0	$0
Subtotal Special Taxes		$2,347	$2,193	$2,020	$1,751	$1,600	$0	$0	$0
Total Annual Burden		**$11,741**	**$7,719**	**$6,552**	**$5,067**	**$5,799**	**$21,062**	**$32,496**	**$59,207**
Total Annual Burden as % of Value		**1.4%**	**1.5%**	**1.6%**	**1.7%**	**1.5%**	**1.1%**	**1.1%**	**1.1%**

/1 Sum of additional tax overrides related to the Lodi Unified School District
/2 Other existing assessments are considered immaterial and are not included in this annual burden analysis. The total estimated amount of these assessments for a low densit residential unit is less than $15.00, which equals less than 0.003% of value
/3 Estimated amount to fund critical city-wide improvements, including regional roadways
/4 Amount needed from each residential unit to fully fund the related project-specific infrastructure costs.

Source: San Joaquin County Assessor's Office; San Joaquin County Treasurer-Tax Collector's Office; City of Stockton; Goodwin Consulting Group, Inc *08/13/2008*

Table 2A-10
The Sanctuary
Public Facilities Financing Plan
Project-Specific Infrastructure Financing Matrix

		Other Funding Contributions	Primary Financing Sources		
Improvement	**Total Gross Cost**	**Fee Credits and Other Offsets**	**CFD Bonds**	**Project-Specific Fees**	**Subtotal Sanctuary Cost**
Street Improvements	$73,502,360	$65,717,899	$7,784,461	$0	$7,784,461
Storm Drainage Improvements	$8,030,346	$0	$8,030,346	$0	$8,030,346
Sanitary Sewer Improvements	$10,372,914	$6,450,000	$3,922,914	$0	$3,922,914
Potable Water Improvements	$9,536,424	$7,779,000	$1,757,424	$0	$1,757,424
Non-Potable Water Improvements	$2,072,901	$0	$2,072,901	$0	$2,072,901
Parks	$99,045,000	$34,747,044	$64,297,956	$0	$64,297,956
Levees	$19,689,052	$0	$19,689,052	$0	$19,689,052
Fire Facilities	$5,906,000	$5,906,000	$0	$0	$0
Total	**$228,154,997**	**$120,599,943**	**$107,555,054**	**$0**	**$107,555,054**

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2A-11
The Sanctuary
Public Facilities Financing Plan
Cash Flow By Phase /1

	Phase 1	Phase 2	Phase 3	Phase 4	Total
Phased Costs	**$47,848,000**	**$13,506,000**	**$42,381,000**	**$3,819,000**	**$107,555,000**
Revenues					
CFD Bond Proceeds	$22,713,000	$19,524,000	$28,368,000	$36,950,000	**$107,555,000**
Total	$22,713,000	$19,524,000	$28,368,000	$36,950,000	**$107,555,000**
Developer Equity	$25,135,000	$0	$14,013,000	$0	**$39,148,000**
Developer Reimbursement	$0	($6,018,000)	$0	($33,131,000)	**($39,148,000)**
Total Revenues	**$47,848,000**	**$13,506,000**	**$42,381,000**	**$3,819,000**	**$107,555,000**

/1 Represents one potential scenario of the Cash Flow by Phase, using CFD bond proceeds to fund infrastructure costs.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

APPENDIX 2B

PUBLIC FACILITIES FINANCING PLAN TABLES
COST ALLOCATION ANALYSIS

Table 2B-1
The Sanctuary
Public Facilities Financing Plan
Capital Facility Benefit Units

Capital Facility:	Streets	Storm Drainage	Sanitary Sewer	Potable Water	Non-Potable Water	Parks	Levees	Fire Facilities
Land Use / **Benefit Unit:**	**EDUs**	**Runoff Coefficient**	**Gallons per Day**	**Gallons per Day**	**Gallons per Day**	**Residents Served**	**Persons Served /1**	**Persons Served /1**
Residential								
Residential Estates	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	3.50 per unit	3.50 per unit	3.50 per unit
Low Density Residential	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	3.25 per unit	3.25 per unit	3.25 per unit
Medium Density Residential	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	2.85 per unit	2.85 per unit	2.85 per unit
Multi-Family	0.73 per unit	0.65 per unit	270 per unit	270 per unit	270 per unit	2.10 per unit	2.10 per unit	2.10 per unit
Active Adult	1.00 per unit	0.35 per unit	300 per unit	300 per unit	300 per unit	1.80 per unit	1.80 per unit	1.80 per unit
Non-Residential								
Retail	1.33 per KSF	0.75 per acre	2,000 per acre	2,000 per acre	2,000 per acre	N/A	12.10 per acre	12.10 per acre
Office	1.23 per KSF	0.75 per acre	2,400 per acre	2,400 per acre	2,400 per acre	N/A	18.67 per acre	18.67 per acre
Hotel	1.33 per KSF	0.75 per acre	2,000 per acre	2,000 per acre	2,000 per acre	N/A	10.30 per acre	10.30 per acre

/1 Assumes persons served is the number of residents and half of the employees.

Source: The Grupe Company; Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-2.1
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Street Improvements

Land Use		Total Dwelling Units	Total Acres	EDUs	Total EDUs	Percent Allocation	Total Cost	Cost per Unit or Acre
Total Cost	**$7,784,461**							
Residential								
				per Unit				*per Unit*
Residential Estates		213	105.6	1.00	213	2.70%	$209,877	$985
Low Density Residential		4,580	776.6	1.00	4,580	57.97%	$4,512,859	$985
Medium Density Residential		1,090	128.7	1.00	1,090	13.80%	$1,074,021	$985
Multi-Family		927	67.4	0.73	677	8.57%	$666,790	$719
Active Adult		260	15.0	1.00	260	3.29%	$256,188	$985
Subtotal		7,070	1,093.3		6,820	86.32%	$6,719,735	
Non-Residential								
				per Acre				*per Acre*
Retail		n/a	46.3	14.48	671	8.49%	$660,765	$14,271
Office		n/a	19.3	16.07	310	3.93%	$305,674	$15,838
Hotel		n/a	3.5	28.50	100	1.26%	$98,288	$28,082
Subtotal			69.1		1,081	13.68%	$1,064,726	
Total			1,162.4		**7,900**	**100.00%**	**$7,784,461**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-2.2
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Storm Drainage Improvements

Land Use	Total Dwelling Units	Total Acres	Runoff Coefficient	Total Runoff Coefficients	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$8,030,346**							
Residential							
			per Unit/Acre				*per Unit*
Residential Estates	213	105.6	0.35	75	2.66%	$213,471	$1,002
Low Density Residential	4,580	776.6	0.35	1,603	57.16%	$4,590,119	$1,002
Medium Density Residential	1,090	128.7	0.35	382	13.60%	$1,092,408	$1,002
Multi-Family	927	67.4	0.65	603	21.49%	$1,725,375	$1,861
Active Adult	260	15.0	0.35	91	3.24%	$260,574	$1,002
Subtotal	7,070	1,093.3		2,753	98.15%	$7,881,947	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	0.75	35	1.24%	$99,433	$2,148
Office	n/a	19.3	0.75	14	0.52%	$41,449	$2,148
Hotel	n/a	3.5	0.75	3	0.09%	$7,517	$2,148
Subtotal		69.1		52	1.85%	$148,399	
Total		**1,162.4**		**2,804**	**100.00%**	**$8,030,346**	

Source: Goodwin Consulting Group, Inc.

08/13/2008

Table 2B-2.3
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Sanitary Sewer Improvements

Land Use	Total Dwelling Units	Total Acres	Gallons per day	Total Gallons per day	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$3,922,914**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	300	63,900	2.85%	$111,953	$526
Low Density Residential	4,580	776.6	300	1,374,000	61.36%	$2,407,244	$526
Medium Density Residential	1,090	128.7	300	327,000	14.60%	$572,903	$526
Multi-Family	927	67.4	270	250,290	11.18%	$438,507	$473
Active Adult	260	15.0	300	78,000	3.48%	$136,656	$526
Subtotal	7,070	1,093.3		2,093,190	93.48%	$3,667,263	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	2,000	92,600	4.14%	$162,235	$3,504
Office	n/a	19.3	2,400	46,320	2.07%	$81,153	$4,205
Hotel	n/a	3.5	2,000	7,000	0.31%	$12,264	$3,504
Subtotal		69.1		145,920	6.52%	$255,651	
Total		**1,162.4**		**2,239,110**	**100.00%**	**$3,922,914**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-2.4
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Potable Water Improvements

Land Use	Total Dwelling Units	Total Acres	Gallons per Day	Total Gallons per Day	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$1,757,424**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	300	63,900	2.85%	$50,154	$235
Low Density Residential	4,580	776.6	300	1,374,000	61.36%	$1,078,420	$235
Medium Density Residential	1,090	128.7	300	327,000	14.60%	$256,654	$235
Multi-Family	927	67.4	270	250,290	11.18%	$196,447	$212
Active Adult	260	15.0	300	78,000	3.48%	$61,220	$235
Subtotal	7,070	1,093.3		2,093,190	93.48%	$1,642,895	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	2,000	92,600	4.14%	$72,680	$1,570
Office	n/a	19.3	2,400	46,320	2.07%	$36,355	$1,884
Hotel	n/a	3.5	2,000	7,000	0.31%	$5,494	$1,570
Subtotal		69.1		145,920	6.52%	$114,529	
Total		**1,162.4**		**2,239,110**	**100.00%**	**$1,757,424**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-2.5
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Non-Potable Water Improvements

Land Use		**Total Dwelling Units**	**Total Acres**	**Gallons per Day**	**Total Gallons per Day**	**Percent Allocation**	**Total Costs**	**Cost per Unit or Acre**
Total Cost	**$2,072,901**							
Residential								
				per Unit				*per Unit*
Residential Estates		213	105.6	300	63,900	2.85%	$59,157	$278
Low Density Residential		4,580	776.6	300	1,374,000	61.36%	$1,272,008	$278
Medium Density Residential		1,090	128.7	300	327,000	14.60%	$302,727	$278
Multi-Family		927	67.4	270	250,290	11.18%	$231,711	$250
Active Adult		260	15.0	300	78,000	3.48%	$72,210	$278
Subtotal		7,070	1,093.3		2,093,190	93.48%	$1,937,813	
Non-Residential								
				per Acre				*per Acre*
Retail		n/a	46.3	2,000	92,600	4.14%	$85,726	$1,852
Office		n/a	19.3	2,400	46,320	2.07%	$42,882	$2,222
Hotel		n/a	3.5	2,000	7,000	0.31%	$6,480	$1,852
Subtotal			69.1		145,920	6.52%	$135,088	
Total			**1,162.4**		**2,239,110**	**100.00%**	**$2,072,901**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-2.6
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Park Improvements

Land Use	Total Dwelling Units	Total Acres	Residents Served	Total Residents Served	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$64,297,956**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	3.50	746	3.52%	$2,266,207	$10,639
Low Density Residential	4,580	776.6	3.25	14,885	70.37%	$45,248,140	$9,880
Medium Density Residential	1,090	128.7	2.85	3,107	14.69%	$9,443,288	$8,664
Multi-Family	927	67.4	2.10	1,947	9.20%	$5,917,672	$6,384
Active Adult	260	15.0	1.80	468	2.21%	$1,422,649	$5,472
Subtotal	7,070	1,093.3		21,152	100.00%	$64,297,956	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	--	--	0.00%	--	n/a
Office	n/a	19.3	--	--	0.00%	--	n/a
Hotel	n/a	3.5	--	--	0.00%	--	n/a
Subtotal		69.1		--	0.00%	--	
Total		**1,162.4**		**21,152**	**100.00%**	**$64,297,956**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-2.7
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Levees

Land Use	Total Dwelling Units	Total Acres	Persons Served	Total Persons Served	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$19,689,052**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	3.50	746	3.37%	$663,922	$3,117
Low Density Residential	4,580	776.6	3.25	14,885	67.33%	$13,256,182	$2,894
Medium Density Residential	1,090	128.7	2.85	3,107	14.05%	$2,766,566	$2,538
Multi-Family	927	67.4	2.10	1,947	8.81%	$1,733,679	$1,870
Active Adult	260	15.0	1.80	468	2.12%	$416,788	$1,603
Subtotal	7,070	1,093.3		21,152	95.67%	$18,837,138	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	12.10	560	2.53%	$498,926	$10,776
Office	n/a	19.3	18.67	360	1.63%	$320,877	$16,626
Hotel	n/a	3.5	10.30	36	0.16%	$32,112	$9,175
Subtotal		69.1		957	4.33%	$851,914	
Total		**1,162.4**		**22,108**	**100.00%**	**$19,689,052**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-2.8
The Sanctuary
Public Facilities Financing Plan
Cost Allocation
Fire Facilities

Land Use	Total Dwelling Units	Total Acres	Persons Served	Total Persons Served	Percent Allocation	Total Costs	Cost per Unit or Acre
Total Cost **$0**							
Residential							
			per Unit				*per Unit*
Residential Estates	213	105.6	3.50	746	3.37%	--	n/a
Low Density Residential	4,580	776.6	3.25	14,885	67.33%	--	n/a
Medium Density Residential	1,090	128.7	2.85	3,107	14.05%	--	n/a
Multi-Family	927	67.4	2.10	1,947	8.81%	--	n/a
Active Adult	260	15.0	1.80	468	2.12%	--	n/a
Subtotal	7,070	1,093.3		21,152	95.67%	--	
Non-Residential							
			per Acre				*per Acre*
Retail	n/a	46.3	12.10	560	2.53%	--	n/a
Office	n/a	19.3	18.67	360	1.63%	--	n/a
Hotel	n/a	3.5	10.30	36	0.16%	--	n/a
Subtotal		69.1		957	4.33%	--	
Total		**1,162.4**		**22,108**	**100.00%**	**--**	

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2B-3
The Sanctuary
Public Facilities Financing Plan
Cost Comparison By Phase /1

	Phase 1	Phase 2	Phase 3	Phase 4	Total
Street Improvements					
Fair-share Costs	$2,465,456	$1,264,379	$1,757,236	$2,297,390	**$7,784,461**
Phased Costs	($5,639,148)	$0	($916,619)	($1,228,694)	**($7,784,461)**
Net	($3,173,692)	$1,264,379	$840,617	$1,068,696	**$0**
Storm Drainage Improvements					
Fair-share Costs	$1,922,166	$1,402,377	$2,020,025	$2,685,778	**$8,030,346**
Phased Costs	($4,422,107)	$0	($3,101,561)	($506,678)	**($8,030,346)**
Net	($2,499,941)	$1,402,377	($1,081,536)	$2,179,100	**$0**
Sanitary Sewer Improvements					
Fair-share Costs	$1,030,437	$683,647	$955,749	$1,253,081	**$3,922,914**
Phased Costs	($2,770,180)	$0	($503,224)	($649,510)	**($3,922,914)**
Net	($1,739,743)	$683,647	$452,525	$603,571	**$0**
Potable Water Improvements					
Fair-share Costs	$461,625	$306,267	$428,166	$561,367	**$1,757,424**
Phased Costs	($1,274,069)	$0	($211,008)	($272,347)	**($1,757,424)**
Net	($812,444)	$306,267	$217,158	$289,020	**$0**
Non-Potable Water Improvements					
Fair-share Costs	$544,492	$361,245	$505,026	$662,139	**$2,072,901**
Phased Costs	($1,696,280)	$0	($164,413)	($212,208)	**($2,072,901)**
Net	($1,151,788)	$361,245	$340,613	$449,931	**$0**
Parks					
Fair-share Costs	$13,508,781	$11,625,443	$17,036,677	$22,127,055	**$64,297,956**
Phased Costs	($12,357,582)	($13,506,466)	($37,484,306)	($949,602)	**($64,297,956)**
Net	$1,151,199	($1,881,023)	($20,447,629)	$21,177,453	**$0**
Levees					
Fair-share Costs	$4,809,533	$3,405,864	$4,991,173	$6,482,482	**$19,689,052**
Phased Costs	($19,689,052)	$0	$0	$0	**($19,689,052)**
Net	($14,879,519)	$3,405,864	$4,991,173	$6,482,482	**$0**
Fire Facilities					
Fair-share Costs	$0	$0	$0	$0	**$0**
Phased Costs	$0	$0	$0	$0	**$0**
Net	$0	$0	$0	$0	**$0**
TOTAL					
Fair-share Costs	$24,742,490	$19,049,221	$27,694,052	$36,069,291	**$107,555,054**
Phased Costs	($47,848,418)	($13,506,466)	($42,381,131)	($3,819,039)	**($107,555,054)**
Net	($23,105,928)	$5,542,755	($14,687,079)	$32,250,252	**$0**
Cumulative Net	($23,105,928)	($17,563,173)	($32,250,252)	$0	

/1 Shortfalls in each phase will be financed through a combination of developer advances and a CFD. The Developer will be reimbursed in subsequent phases by future CFD bond proceeds.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

APPENDIX 2C

PUBLIC FACILITIES FINANCING PLAN TABLES
MELLO-ROOS ANALYSIS

Table 2C-1
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Project Buildout

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		213	4,580	1,090	927	260	**7,070**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$365,031	$7,396,095	$1,587,424	$1,116,572	$270,455	**$10,735,578**
Less Debt Service Coverage	9.1%	$33,200	$672,400	$144,300	$101,500	$24,600	**$976,000**
Less Annual Administration	1.0%	$3,600	$73,900	$15,900	$11,100	$2,700	**$107,200**
Remaining for Debt Service		$328,231	$6,649,795	$1,427,224	$1,003,972	$243,155	**$9,652,378**
CFD Financing							
Total Bond Size /1		$4,700,000	$95,005,000	$20,395,000	$14,355,000	$3,480,000	**$137,935,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$243,435	$4,756,376	$1,024,437	$727,360	$178,838	**$6,930,446**
Less Bond Reserve Fund	10.0%	$470,000	$9,500,500	$2,039,500	$1,435,500	$348,000	**$13,793,500**
Less Capitalized Interest for 12 Months /2	7.0%	$329,100	$6,650,500	$1,427,700	$1,005,000	$243,700	**$9,656,000**
Construction Proceeds		$3,657,465	$74,097,624	$15,903,363	$11,187,140	$2,709,462	**$107,555,054**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$10,421**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2C-2.1
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 1

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		0	966	230	309	0	**1,505**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$0	$1,559,962	$334,961	$372,191	$0	**$2,267,114**
Less Debt Service Coverage	9.1%	$0	$141,800	$30,500	$33,800	$0	**$206,100**
Less Annual Administration	1.0%	$0	$15,600	$3,300	$3,700	$0	**$22,600**
Remaining for Debt Service		$0	$1,402,562	$301,161	$334,691	$0	**$2,038,414**
CFD Financing							
Total Bond Size /1		$0	$20,040,000	$4,305,000	$4,785,000	$0	**$29,130,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$0	$1,004,749	$217,344	$242,453	$0	**$1,464,547**
Less Bond Reserve Fund	10.0%	$0	$2,004,000	$430,500	$478,500	$0	**$2,913,000**
Less Capitalized Interest for 12 Months /2	7.0%	$0	$1,402,800	$301,400	$335,000	$0	**$2,039,200**
Construction Proceeds		$0	$15,628,451	$3,355,756	$3,729,047	$0	**$22,713,253**
Construction Proceeds per Unit		**$0**	**$16,179**	**$14,590**	**$12,068**	**$0**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2C-2.2
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 2

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		125	735	148	103	200	**1,311**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$214,220	$1,186,928	$215,540	$124,064	$208,042	**$1,948,794**
Less Debt Service Coverage	9.1%	$19,500	$107,900	$19,600	$11,300	$18,900	**$177,200**
Less Annual Administration	1.0%	$2,100	$11,900	$2,200	$1,200	$2,100	**$19,500**
Remaining for Debt Service		$192,620	$1,067,128	$193,740	$111,564	$187,042	**$1,752,094**
CFD Financing							
Total Bond Size /1		$2,755,000	$15,245,000	$2,770,000	$1,595,000	$2,675,000	**$25,040,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$140,201	$762,087	$139,744	$80,784	$135,998	**$1,258,815**
Less Bond Reserve Fund	10.0%	$275,500	$1,524,500	$277,000	$159,500	$267,500	**$2,504,000**
Less Capitalized Interest for 12 Months /2	7.0%	$192,900	$1,067,200	$193,900	$111,700	$187,300	**$1,753,000**
Construction Proceeds		$2,146,399	$11,891,213	$2,159,356	$1,243,016	$2,084,202	**$19,524,185**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$10,421**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2C-2.3
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 3

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		80	1,322	171	206	60	**1,839**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$137,101	$2,134,856	$249,036	$248,127	$62,413	**$2,831,532**
Less Debt Service Coverage	9.1%	$12,500	$194,100	$22,600	$22,600	$5,700	**$257,500**
Less Annual Administration	1.0%	$1,400	$21,300	$2,500	$2,500	$600	**$28,300**
Remaining for Debt Service		$123,201	$1,919,456	$223,936	$223,027	$56,113	**$2,545,732**
CFD Financing							
Total Bond Size /1		$1,765,000	$27,425,000	$3,200,000	$3,190,000	$805,000	**$36,385,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$91,204	$1,374,696	$161,069	$161,669	$42,839	**$1,831,477**
Less Bond Reserve Fund	10.0%	$176,500	$2,742,500	$320,000	$319,000	$80,500	**$3,638,500**
Less Capitalized Interest for 12 Months /2	7.0%	$123,600	$1,919,800	$224,000	$223,300	$56,400	**$2,547,100**
Construction Proceeds		$1,373,696	$21,388,004	$2,494,931	$2,486,031	$625,261	**$28,367,923**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$10,421**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2C-2.4
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Phase 4

Bonding Capacity		**Residential Estates**	**Low Density Residential**	**Medium Density Residential**	**Multi-Family**	**Active Adult**	**Total**
Special Tax Revenue							
Total Units		8	1,557	541	309	0	**2,415**
Maximum Annual Special Tax per Unit		$1,714	$1,615	$1,456	$1,205	$1,040	
Annual Special Tax Revenue		$13,710	$2,514,349	$787,886	$372,191	$0	**$3,688,137**
Less Debt Service Coverage	9.1%	$1,200	$228,600	$71,600	$33,800	$0	**$335,200**
Less Annual Administration	1.0%	$100	$25,100	$7,900	$3,700	$0	**$36,800**
Remaining for Debt Service		$12,410	$2,260,649	$708,386	$334,691	$0	**$3,316,137**
CFD Financing							
Total Bond Size /1		$180,000	$32,295,000	$10,120,000	$4,785,000	$0	**$47,380,000**
Term (Years)	30						
Less Estimated Issuance Costs	5.0%	$12,030	$1,614,843	$506,279	$242,453	$0	**$2,375,607**
Less Bond Reserve Fund	10.0%	$18,000	$3,229,500	$1,012,000	$478,500	$0	**$4,738,000**
Less Capitalized Interest for 12 Months /2	7.0%	$12,600	$2,260,700	$708,400	$335,000	$0	**$3,316,700**
Construction Proceeds		$137,370	$25,189,957	$7,893,321	$3,729,047	$0	**$36,949,693**
Construction Proceeds per Unit		**$17,171**	**$16,179**	**$14,590**	**$12,068**	**$0**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.
/2 Equals the bond interest rate.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

Table 2C-3
The Sanctuary
Public Facilities Financing Plan
CFD Debt Financing Analysis
Summary By Phase

Land Uses	**Maximum Annual Special Tax per Unit**
Residential Estates	$1,714
Low Density Residential	$1,615
Medium Density Residential	$1,456
Multi-Family	$1,205
Active Adult	$1,040

Bonding Capacity		**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Total**
Special Tax Revenue						
Annual Special Tax Revenue		$2,267,114	$1,948,794	$2,831,532	$3,688,137	**$10,735,578**
Less Debt Service Coverage	9.1%	$206,100	$177,200	$257,500	$335,200	**$976,000**
Less Annual Administration	1.0%	$22,600	$19,500	$28,300	$36,800	**$107,200**
Remaining for Debt Service		$2,038,414	$1,752,094	$2,545,732	$3,316,137	**$9,652,378**
CFD Financing						
Total Bond Size /1		$29,130,000	$25,040,000	$36,385,000	$47,380,000	**$137,935,000**
Term (Years)	30					
Less Estimated Issuance Costs	5.0%	$1,464,547	$1,258,815	$1,831,477	$2,375,607	**$6,930,446**
Less Bond Reserve Fund	10.0%	$2,913,000	$2,504,000	$3,638,500	$4,738,000	**$13,793,500**
Less Capitalized Interest for 12 Months	7.0%	$2,039,200	$1,753,000	$2,547,100	$3,316,700	**$9,656,000**
Construction Proceeds		$22,713,253	$19,524,185	$28,367,923	$36,949,693	**$107,555,054**
Cumulative Construction Proceeds		**$22,713,253**	**$42,237,438**	**$70,605,361**	**$107,555,054**	

/1 Assumes a 2% annual escalation rate is applied to special taxes and debt service.

Source: Goodwin Consulting Group, Inc. *08/13/2008*

APPENDIX 3

SANCTUARY PUBLIC INFRASTRUCTURE COSTS
(PROVIDED BY THE GRUPE COMPANY)

Public Infrastructure Costs

Sewer

	Pipe	Pump Station Upgrade (14 Mile Slough)	Contingency (10% of hard cost)	Soft Cost (19%)	Land Dedication ($300K per acre)	**Total**	Reimbursement
Phase 1	$ 2,147,426	$ -	$ 214,743	$ 408,011	$ -	**$ 2,770,180**	$ -
Phase 2	$ -	$ 5,000,000	$ 500,000	$ 950,000	$ -	**$ 6,450,000**	$ (6,450,000)
Phase 3	$ 390,096	$ -	$ 39,010	$ 74,118	$ -	**$ 503,224**	$ -
Phase 4	$ 503,496	$ -	$ 50,350	$ 95,664	$ -	**$ 649,510**	$ -
Total	**$ 3,041,018**	**$ 5,000,000**	**$ 804,102**	**$ 1,527,793**	**$ -**	**$ 10,372,914**	$ (6,450,000)

Water

	Pipe	Storage & Booster Pump	Contingency (10% of only hard cost)	Soft Cost (19%)	Land Dedication ($300K per acre)	**Total**	Reimbursement
Phase 1	$ 987,651	$ -	$ 98,765	$ 187,654	$ -	**$ 1,274,069**	$ -
Phase 2	$ -	$ 5,100,000	$ 510,000	$ 969,000	$ 1,200,000	**$ 7,779,000**	$ (7,779,000)
Phase 3	$ 163,572	$ -	$ 16,357	$ 31,079	$ -	**$ 211,008**	$ -
Phase 4	$ 211,122	$ -	$ 21,112	$ 40,113	$ -	**$ 272,347**	$ -
Total	**$ 1,362,345**	**$ 5,100,000**	**$ 646,234**	**$ 1,227,845**	**$ 1,200,000**	**$ 9,536,425**	$ (7,779,000)

Storm

	Pipe	Pump Station	Contingency (10% of only hard cost)	Soft Cost (19%)	Land Dedication ($300K per acre)	**Total**	Reimbursement
Phase 1	$ 1,327,990	$ 2,100,000	$ 342,799	$ 651,318	$ -	**$ 4,422,107**	$ -
Phase 2	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -
Phase 3	$ 304,311	$ 2,100,000	$ 240,431	$ 456,819	$ -	**$ 3,101,561**	$ -
Phase 4	$ 392,774	$ -	$ 39,277	$ 74,627	$ -	**$ 506,678**	$ -
Total	**$ 2,025,074**	**$ 4,200,000**	**$ 622,507**	**$ 1,182,764**	**$ -**	**$ 8,030,346**	$ -

Non Potable

	Pipe	Pump Station / Filter Box	Contingency (10% of only hard cost)	Soft Cost (19%)	Land Dedication ($300K per acre)	**Total**	Reimbursement
Phase 1	$ 584,945	$ 730,000	$ 131,495	$ 249,840	$ -	**$ 1,696,280**	$ -
Phase 2	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -
Phase 3	$ 127,452	$ -	$ 12,745	$ 24,216	$ -	**$ 164,413**	$ -
Phase 4	$ 164,502	$ -	$ 16,450	$ 31,255	$ -	**$ 212,208**	$ -
Total	**$ 876,899**	**$ 730,000**	**$ 160,690**	**$ 305,311**	**$ -**	**$ 2,072,900**	$ -

Levees

	Levees	Contingency (10% of only hard cost)	Soft Cost (19%)	Land Dedication ($300K per acre)	**Total**	Reimbursement
Phase 1	$ 15,262,831	$ 1,526,283	$ 2,899,938	$ -	**$ 19,689,052**	$ -
Phase 2	$ -	$ -	$ -	$ -	$ -	$ -
Phase 3	$ -	$ -	$ -	$ -	$ -	$ -
Phase 4	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 15,262,831**	**$ 1,526,283**	**$ 2,899,938**	**$ -**	**$ 19,689,052**	**$ -**

Streets

	Roads	Traffic Signals	Bridges	Interchanges	Contingency (10% of only hard cost)	Soft Cost (19%)	**Total**	Reimbursement
Phase 1	$ 7,387,291	$ 900,000	$ 4,920,000	$ -	$ 1,320,729	$ 2,760,324	**$ 17,288,343**	$ (11,649,195)
Phase 2	$ -	$ -	$ -	$ 15,000,000	$ 1,500,000	$ 3,135,000	**$ 19,635,000**	$ (19,635,000)
Phase 3	$ 1,263,478	$ 300,000	$ 7,790,000	$ -	$ 935,348	$ 1,954,877	**$ 12,243,702**	$ (11,327,083)
Phase 4	$ 1,630,768	$ 300,000	$ 16,660,000	$ -	$ 1,859,077	$ 3,885,470	**$ 24,335,315**	$ (23,106,621)
Total	$ 10,281,536	$ 1,500,000	$ 29,370,000	$ 15,000,000	$ 6,615,154	$ 13,825,671	**$ 73,502,360**	$ (65,717,900)

Phase 1	$ 4,030,815.48	$ 5,820,000	$ 7,618,380	$ 11,649,195
Phase 3	$ 737,273.31	$ 8,090,000	$ 10,589,810	$ 11,327,083
Phase 4	$ 905,981.15	$ 16,960,000	$ 22,200,640	$ 23,106,621

Parks

	Acreage	Improvement Cost ($200K per acre)	Contingency (10% of only hard cost)	Soft Cost (19%)	Land cost ($300K per acre)	**Total**	Reimbursement
Phase 1	35	$ 7,000,000	$ 700,000	$ 1,330,000	$ 10,500,000	**$ 19,530,000**	$ -
Phase 2	36	$ 7,200,000	$ 720,000	$ 1,368,000	$ 10,800,000	**$ 20,088,000**	$ -
Phase 3	83.5	$ 16,700,000	$ 1,670,000	$ 3,173,000	$ 25,050,000	**$ 46,593,000**	$ -
Phase 4	23	$ 4,600,000	$ 460,000	$ 874,000	$ 6,900,000	**$ 12,834,000**	$ -
Total	**177.5**	**$ 35,500,000**	**$ 3,550,000**	**$ 6,745,000**	**$ 53,250,000**	**$ 99,045,000**	$ -