****** AMENDED AGENDA ******
**CITY OF CITRUS HEIGHTS**
**CITY COUNCIL**
**Special and Regular Meeting of Wednesday, March 11, 2026**
**City Hall Council Chambers 6360 Fountain Square Drive, Citrus Heights, CA 95621**
**Teleconference Location - 6412 Oakcreek Way, Citrus Heights, CA 95621**
**5:45 PM SPECIAL MEETING**
**6:00 PM REGULAR MEETING**

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953, Teleconferencing. Any member of the public may attend this meeting either at the Council Chambers or at the teleconference location.

**HOW TO PARTICIPATE:**
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March 11, 2026 City Council AMENDED Agenda Packet

Documents:

03 -11 -26 SPECIAL AND REGULAR COUNCIL AMENDED AGENDA PACKET.PDF

CALL SPECIAL MEETING TO ORDER
1. Roll Call: Council Members: Karpinski -Costa, Nelson, Schaefer, Middleton, Lopez - Taff

PUBLIC COMMENT

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
Number of potential cases: 1

REPORT OUT OF CLOSED SESSION

ADJOURNMENT

CALL REGULAR MEETING TO ORDER
1. Flag Salute

2. Roll Call: Council Members: Karpinski- Costa, Nelson, Schaefer, Middleton, Lopez -Taff

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Proclamation Of The City Of Citrus Heights Proclaiming March 2026 As Women's History Month

5. Proclamation Of The City Of Citrus Heights Honoring Honey Donuts As The Inaugural Citrus Heights Business Of Distinction - Legacy Business

PUBLIC COMMENT
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COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR

**It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.**

6. SUBJECT: Approval Of The Program Year 2025 Draft Consolidated Annual Performance And Evaluation Report (CAPER)

STAFF REPORT: C. Kempenaar / N. Piva
RECOMMENDATION: Adopt Resolution No. 2026 - ___, A Resolution of the City Council of the City of Citrus Heights, California, Approving the Consolidated Annual Performance and Evaluation Report for Program Year 2025 and Directing Staff to Submit, with Minor Modifications as Necessary, the CAPER Report to the U.S. Department of Housing and Urban Development

7. SUBJECT: 2025 General Plan Annual Progress Report

STAFF REPORT: C. Kempenaar / A. Bermudez / S. Lui
RECOMMENDATION: Adopt Resolution No. 2026 - ___, A Resolution of the City Council of the City of Citrus Heights, California, Accepting the 2025 General Plan Annual Progress Report

8. SUBJECT: Roseville Road/Butternut Drive And Systemic Signalized Intersection Improvements Project - HSIPSL-5475(050)

STAFF REPORT: R. Cave / L. Blomquist / D. Kehrer
RECOMMENDATION: Staff recommends the following:
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REGULAR CALENDAR

9. SUBJECT: Economic Development And Participation Agreement - Sunrise Tomorrow - Sunrise Sports Center

STAFF REPORT: A. Feeney / C. Kempenaar / M. Huber
RECOMMENDATION: Adopt Resolution No. 2026 -___, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Enter Into an Economic Development and Participation Agreement (EDPA) with The Mettle Shop to Support the Redevelopment of a Catalyst Project for a Portion of the Sunrise Tomorrow Site and Finding the Agreement is Exempt from CEQA per CEQA Guidelines 15004 (b)(4)

10. SUBJECT: Fiscal Year 2025-26 Mid-Year Budget Adjustment And Financial Forecast Update

STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Adopt Resolution No. 2026 -___, A Resolution of the City Council of the City of Citrus Heights, California, Approving Amendments to the Fiscal Year 2025 -26 Budget

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

11. SUBJECT: Discussion And Direction On The Renaming Of Sayonara Drive

STAFF REPORT: C. Kempenaar / R. Cave / A. Bermudez

ADJOURNMENT

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CITRUS HEIGHTS
CALIFORNIA
Solid roots. New growth.

**MariJane Lopez-Taff**, *Mayor*
**Porsche Middleton**, *Vice Mayor*
**Dr. Jayna Karpinski-Costa,** *Council Member*
**Kelsey Nelson**, *Council Member*
**Tim Schaefer**, *Council Member*

# **** AMENDED AGENDA ****

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March 6, 2026

Amy Van, City Clerk

## SPECIAL CITY COUNCIL MEETING
## 5:45 PM

### CALL SPECIAL MEETING TO ORDER

1. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

### PUBLIC COMMENT

### CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
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### REPORT OUT OF CLOSED SESSION

### ADJOURNMENT

## REGULAR CITY COUNCIL MEETING
## 6:00 PM

### CALL REGULAR MEETING TO ORDER

1. Flag Salute

2. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

3. Video Statement

### APPROVAL OF AGENDA

### PRESENTATIONS

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### COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

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**RECOMMENDATION:** Adopt Resolution No. 2026- ___**,** A Resolution of the City Council of the City of Citrus Heights, California, Approving the Consolidated Annual Performance and Evaluation Report for Program Year 2025 and Directing Staff to Submit, with Minor Modifications as Necessary, the CAPER Report to the U.S. Department of Housing and Urban Development

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# CITY OF CITRUS HEIGHTS

## CITY COUNCIL STAFF REPORT MEMORANDUM

**DATE:** March 11, 2026

**TO:** Mayor and City Council Members
Ashley J. Feeney, City Manager

**FROM:** Casey Kempenaar, Community Development Director
Nicole Piva, Housing and Human Services Program Coordinator

**SUBJECT:** **Approval of the Program Year 2025 Draft Consolidated Annual Performance and Evaluation Report (CAPER)**

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**Recommendation**

As a condition of receiving Community Development Block Grant (CDBG) funding, the U.S. Department of Housing and Urban Development (HUD) requires the City to prepare and submit a Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER serves as an annual assessment of the City's accomplishments and progress in implementing programs and activities funded through the CDBG program.

The CAPER also evaluates the City's progress toward meeting the goals and priorities established in the 2025–2029 Consolidated Plan, adopted on October 23, 2024. Preparation and submission of the CAPER allows the City to remain in compliance with federal reporting requirements and maintains eligibility for continued CDBG funding.

Staff recommends the following:

a.) Adopt Resolution No. 2026 - ____ A Resolution of the City Council of the City of Citrus Heights, California, Approving the Consolidated Annual Performance and Evaluation Report for Program Year 2025 and Directing Staff to Submit, with Minor Modifications as Necessary, the CAPER Report to the U.S. Department of Housing and Urban Development.

**Strategic Plan Alignment**

This item is in alignment with the following City Council priority:

**Goal:** Enhance Community Vibrancy and Engagement

## Fiscal Impact

There is no direct fiscal impact associated with this action. Preparation and submission of the Consolidated Annual Performance and Evaluation Report (CAPER) is a required administrative activity for jurisdictions that receive Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). This action does not require the commitment of additional local funds and is necessary to maintain compliance with federal reporting requirements and continued eligibility for CDBG funding.

## Background and Analysis

During Program Year 2025, the City received a total of $633,964 in Community Development Block Grant (CDBG) entitlement funds, as well as $91,822.08 in program income generated from loan repayments. In addition to CDBG resources, the City receives funding from other state and federal housing programs that support a range of housing and community development activities.

These funding sources allow the City to implement programs and services that address local housing and community development needs, with a primary focus on benefiting low- and moderate-income households. Through these investments, the City supports activities such as housing rehabilitation, public services, and infrastructure improvements that help maintain safe and stable communities.

As part of the annual reporting requirements for the Draft CAPER, a public review process is required. CDBG regulations require the City to publish a public notice at least 14 days in advance of a 15-day public review and comment period prior to approval by the City Council.

A public notice announcing the availability of the Draft CAPER was published in The Citrus Heights Messenger on February 10, 2026. The public review and comment period is scheduled from February 10 through March 11, 2026. Copies of the Draft CAPER were made available for public review at designated locations and on the City's website. All written comments and questions received during the review period will be addressed by staff and incorporated into the final CAPER submitted to HUD.

In addition, the Draft CAPER is included as part of the City Council consent agenda. Members of the public will have the opportunity to provide comments on the Draft CAPER during the general public comment portion of the meeting.

During Program Year 2025, the City worked collaboratively with the City's General Services Department and a variety of nonprofit service providers to address identified community needs.

Key accomplishments and highlights from the CAPER include:

- This reporting period marks the first year under the City's 2025–2029 Consolidated Plan, adopted by the City Council on October 23, 2024. The Plan outlines the needs of low and moderate-income residents and provides the strategic framework for allocating CDBG and

other federal funds toward housing, public services, and infrastructure improvements over the next five years.

- The City partnered with several nonprofit organizations to deliver key programs, including senior meal delivery, an emergency food closet, and an after-school program supporting youth and families. These efforts helped address food insecurity and strengthen community engagement.

- The City provided housing assistance through its telephone and internet-based "Renters Helpline." This service helped residents navigate housing crises, resolve disputes, and access counseling and fair housing services. These efforts were targeted at reducing housing discrimination, raising awareness of fair housing laws, and offering support to individuals with disabilities facing housing challenges.

- The Dewey-Van Maren Enhancement Project has been completed. Initiated by the City in August 2024, the project improved pedestrian safety and walkability through the installation of ADA-compliant sidewalk and accessible curb ramps in neighborhoods and high-traffic intersections. These accessibility improvements enhance mobility and safety for residents, particularly individuals with disabilities. A total of $390,296.40 in Community Development Block Grant (CDBG) funds was expended on this project.

- As part of the City's 2025 Accessibility and Drainage Project, a total of 70 accessible curb ramps were constructed or reconstructed using $794,031.25 in CDBG funds to improve pedestrian accessibility and prepare infrastructure for future pavement restoration projects. The project included repairs and accessibility upgrades to existing infrastructure, such as replacement of damaged curb, gutter, and sidewalk sections; reconstruction and relocation of drainage inlets; removal and replacement of deteriorated storm drainpipe; and restoration or relocation of traffic striping, legends, and pavement markers. These improvements enhance ADA compliance, pedestrian safety, and overall infrastructure resilience.

- The City successfully completed 8 critical home repairs for mobile homes in partnership with Rebuilding Together Sacramento, utilizing $200,645 in CDBG funds. These repairs addressed essential health and safety needs, helping to ensure that residents live in safe, functional, habitable homes. This initiative reflects the City's commitment to supporting low- and moderate-income households and preserving affordable housing in the community.

## Environmental Review

The proposed Council action is not a "project" under CEQA.

The CAPER is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2), as the action will not result in a direct or reasonably foreseeable indirect physical change in the environment.

## Attachments

1. Resolution No. 2026 - ____ A Resolution of the City Council of the City of Citrus Heights, California, Approving the Consolidated Annual Performance and Evaluation Report for Program Year 2025 and Direct Staff to Submit, with Minor Modifications as Necessary, the CAPER Report to the U.S. Department of Housing and Urban Development.

2. Draft 2025 Consolidated Annual Performance and Evaluation Report

**RESOLUTION NO. 2026 -___**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING THE CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR PROGRAM YEAR 2025 AND DIRECTING STAFF TO SUBMIT, WITH MINOR MODIFICATIONS AS NECESSARY, THE CAPER REPORT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**WHEREAS**, the City of Citrus Heights is an entitlement jurisdiction under Title I of the Housing and Community Development Act of 1974 and has applied for and received Community Development Block Grant (CDBG) funds from the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, HUD is the federal agency responsible for administering and overseeing the CDBG program; and

**WHEREAS**, HUD requires entitlement jurisdictions to prepare an annual evaluation of their CDBG-funded activities in a report known as the Consolidated Annual Performance and Evaluation Report (CAPER); and

**WHEREAS**, a public notice was published on February 10, 2026, in the *Citrus Heights Messenger*, providing advance notice of a 15-day public review and comment period for the draft CAPER; and

**WHEREAS**, an opportunity for public comment on the draft CAPER will be provided during the City Council meeting on March 11, 2026; and

**WHEREAS,** the draft CAPER is included on the City Council consent agenda, and members of the public may comment on the draft during the general public comment portion of the meeting; and

**WHEREAS**, pproval of the CAPER is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2), as the action will not result in a direct or reasonably foreseeable indirect physical change in the environment.

**NOW THEREFORE BE IT RESOLVED AND ORDERED** that the City of Citrus Heights does hereby:

1. Approve the 2025 Consolidated Annual Performance and Evaluation Report; and
2. Authorize the City Manager or their designee, to submit the CAPER to the U.S. Department of Housing and Urban Development, and
3. Authorize City staff to make any minor technical modifications and/or necessary corrections to the CAPER as may be required by HUD.

**PASSED AND ADOPTED** by the City Council of the City of Citrus Heights, California, this 11th day of March 2026.

**AYES:** **Council Members:**
**NOES:** **Council Members:**
**ABSTAIN:** **Council Members:**
**ABSENT:** **Council Members:**

**MariJane Lopez-Taff, Mayor**

**ATTEST:**

**Amy Van, City Clerk**

**Attachment**

1. Draft 2025 Consolidated Annual Performance and Evaluation Report

# CITY OF CITRUS HEIGHTS
# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

## DRAFT

## 2025 Consolidated Annual Performance and Evaluation Report

**Public Review Period:**

February 10 – March 11, 2026

**City Council Action:**

The City Council will consider and approve this document during the City Council meeting on March 11, 2026



OMB Control No: 2506-0117 (exp. 09/30/2021)

## CR-05 - Goals and Outcomes

**Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)**
This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

In 2025, the city made significant progress in implementing its Action Plan by advancing key initiatives that improved services and infrastructure for low- to moderate-income residents. The following highlights summarize major accomplishments from the program year:

- This reporting period marks the first year under the City's 2025–2029 Consolidated Plan, adopted by the City Council on October 23, 2024. The Plan outlines the needs of low- and moderate-income residents and provides the strategic framework for allocating CDBG and other federal funds toward housing, public services, and infrastructure improvements over the next five years.

- The city partnered with several nonprofit organizations to deliver key programs, including senior meal delivery, an emergency food closet, and an after-school program supporting youth and families. These efforts helped address food insecurity and strengthen community engagement.

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**Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)**

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

| Goal | Category | CDBG Funding for PY 2025 | Unit of Measure Assisted | Expected 2025-29 | Actual 2025-29 | % Completed | Expected PY 2025 | Actual PY 2025 | % Completed |
|---|---|---|---|---|---|---|---|---|---|
| Foster Affordable Housing *(Critical Home Repair Grant Program)* | Affordable Housing | $200,645 | Households | 15 | 8 | 53% | 10 | 8 | 80% |
| Provide a Variety of Public Services *(Campus Life, Meals on Wheels, and Sunrise Christian Food Ministry Programs)* | Non-Homeless, Homeless, Special Needs | $95,094.60 | Households | 13,950 | 2,766 | 20% | 2,790 | 2,766 | 99% |
| Improve Accessibility *(2025 Accessibility & Drainage Project & Dewey Van Maren Enhancement Project)* | Non-Housing Community Development | $1,184,327.65 | Households | 5,000 | 7,227 | 145% | 1,000 | 7,227 | 145% |
| Construction or Upgrade Public Facilities | Non-Housing Community Development | $0 | Units or Households | 500 | 0 | 0% | 0 | 0 | 0% |
| Affirmatively Further Fair Housing (*Renters Helpline Program)* | Affordable Housing | $24,272 | Households | 2,125 | 634 | 149% | 425 | 634 | 149% |

**Table 1 - Accomplishments – Program Year & Strategic Plan to Date**

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OMB Control No: 2506-0117 (exp. 09/30/2021)

**Narrative**

*Table Note: These figures are subject to change prior to submission on March 31, 2026, as this document is a draft.*

Goal Description:

- Foster Affordable Housing, home repair program that assists low-income households with health and safety repairs to their home.
- Provide a Variety of Public Services, nonprofits providing public services to low-income households.
- Improve Accessibility, streetlights, ADA sidewalk improvements, traffic signals, crosswalks, ADA ramps to public right-of-way and public facilities, sewer/water/utility improvements.
- Construction or Upgrade Public Facilities, senior center, youth center, neighborhood center, or community center options.
- Affirmatively Further Fair Housing, providing services to affirmatively further fair housing.

**Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

As part of the Consolidated Plan effort, the city selected three key priorities:

- Build Healthy Communities.
- Preserve and Expand Housing Opportunities.
- Provide Public Services Responsive to Current Needs.

These priorities align closely with the City Council's Strategic Objectives: "maintain and enhance fiscal stability while supporting operational excellence", maintain public infrastructure and enhance all modes of transportation", diversity for a vibrant economy", preserve and enhance

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public safety", and enhance community vibrancy and engagement".

Within these priorities, the City identified five goals to guide the allocation of federal block grant funds over the five-year consolidated period.

- Foster affordable housing.
- Provide a variety of public services.
- Improve accessibility.
- Construct or upgrade public facilities.
- Affirmatively Furthering Fair Housing

Affirmatively further fair housing. To address these goals over the five-year planning period, the City plans to continue to support the affordable housing project on Sayonara Drive, provide a home repair program to homeowners needing health and safety repairs, support nonprofits that provide public services responsive to current needs, and assist with accessibility and public facilities. Other projects may be considered as needed throughout the Consolidated Plan timeframe.

DRAFT

## CR-10 - Racial and Ethnic composition of families assisted

### Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a)

| | CDBG |
|---|---|
| White | 2,659 |
| Black or African American | 295 |
| Asian | 70 |
| American Indian or American Native | 38 |
| Native Hawaiian or Other Pacific Islander | 19 |
| **Total** | **3,081** |
| Hispanic | 492 |
| Not Hispanic | 2,908 |

**Table 2 – Table of assistance to racial and ethnic populations by source of funds**

### Narrative

*Table Note: These figures are subject to change prior to submission on March 31, 2026, as this document is a draft.*

*Table Note: This table does not display all race categories available in the Integrated Disbursement and Information System (IDIS). As a result, the totals shown may be lower than the actual figures reported in IDIS.*

The race and ethnicity of persons assisted through CDBG funded activities generally reflect the diversity of Citrus Heights residents. All subrecipients of CDBG funding are required to collect demographic information for each client and/or household served. The City strives to ensure that all CDBG funded programs are accessible to eligible low- and moderate-income persons and households.

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# CR-15 - Resources and Investments 91.520(a)

## Identify the resources made available

| Source of Funds | Source | Resources Made Available | Amount Expended During Program Year |
|---|---|---|---|
| CDBG | public - federal | 1,390,539 | 1,034,321 |

**Table 3 - Resources Made Available**

### Narrative

The following resources are available for the 2025 Community Development Block Grant (CDBG) program:

- **Unexpended Funds:** $664,753 from prior program years.
- **CDBG 2025 Entitlement Funds**: $633,964.
- **Program Income:** $91,822 generated as loan payments during the year 2025 program.
- **Expended Funds:** $1,034,321 during 2025 program year. This amount will increase as additional drawdowns are made.

## Identify the geographic distribution and location of investments

| Target Area | Planned Percentage of Allocation | Actual Percentage of Allocation | Narrative Description |
|---|---|---|---|
| CDBG Target Area | 0 | 0 | The City did not designate target areas; funds are available to qualified projects citywide. |
| City-wide | 100 | 100 | Funds are available to qualifying projects citywide. |

**Table 4 – Identify the geographic distribution and location of investments**

## Narrative

The city's CDBG-funded projects took place at various locations throughout the city. Programs offered were made available citywide.

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## Leveraging

**Explain how federal funds leveraged additional resources (private, state, and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

The CDBG program does not require a funding match. Nonprofits applying for CDBG funds must identify additional resources that will be leveraged during the program year to operate and implement CDBG-supported activities. This requirement helps ensure sufficient non-federal and private funding is available and reduces reliance on federal funds.

In addition to CDBG assistance, the City provides local support through the Nonprofit Community Support Fund (NCSF), which offers small grants to nonprofit organizations serving Citrus Heights residents. The City allocates $150,000 annually from the General Fund for this program. In FY 25/26, Campus Life Connection received $25,000 in NCSF support to operate an after-school youth program on Sayonara Drive, in addition to CDBG funding.

Publicly owned land and property can also be leveraged to address community needs by reducing project costs or serving as a base for new or expanded services when federal funds are used. However, the City did not utilize any publicly owned property in 2025 to address needs identified in the Consolidated Plan.

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## CR-20 - Affordable Housing 91.520(b)

**Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, and the number of extremely low-income, low-income, moderate-income, and middle-income persons served.**

| | One-Year Goal | Actual |
|---|---|---|
| Number of Homeless households to be provided affordable housing units | 0 | 0 |
| Number of Non-Homeless households to be provided affordable housing units | 0 | 0 |
| Number of Special-Needs households to be provided affordable housing units | 0 | 0 |
| **Total** | | |

**Table 5 – Number of Households**

| | One-Year Goal | Actual |
|---|---|---|
| Number of households supported through Rental Assistance | 0 | 0 |
| Number of households supported through The Production of New Units | 0 | 0 |
| Number of households supported through Rehab of Existing Units | 10 | 8 |
| Number of households supported through Acquisition of Existing Units | 0 | 0 |
| **Total** | | |

**Table 6 – Number of Households Supported**

**Discuss the difference between goals and outcomes and problems encountered in meeting these goals.**

The distinction between goals and outcomes is essential when considering the challenges that a city faces in achieving its development and housing objectives. Goals are the broader, long-term aspirations that guide city planning and policies, while outcomes are the measurable results or achievements that arise from efforts toward those goals. Understanding these distinctions is crucial in evaluating how a city can progress, especially when faced with constraints like limited land availability, lack of development fees, and revenue limitations.

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Some problems encountered in meeting housing goals include:

- Land availability. With the city being 98% built out, there is limited vacant land available for new development.

- Lack of Development Fees. Development fees help fund infrastructure improvements and housing projects, which are not substantial in the city. This makes it difficult to finance housing development, particularly affordable housing, as developers may struggle to cover the costs of building and maintaining these projects without additional financial incentives.

- Revenue Neutrality. The city's agreement with Sacramento County prevented the city from receiving property tax revenue for 25 years, severely limiting the city's financial resources. While property taxes are a significant source of local government revenue for funding housing and infrastructure projects, the city was only able to begin receiving property tax revenue in January 2023. This delayed revenue inflow creates a funding gap for necessary housing initiatives.

- Elimination of Redevelopment Funding. The loss of state-level redevelopment funding has further compounded the city's challenges in financing affordable housing development. Historically, redevelopment funds were used to support the construction of affordable housing in underdeveloped areas. With these funds no longer available, the city faces increased difficulty in stimulating private investment or securing public funds to meet housing needs.

**Discuss how these outcomes will impact future annual action plans.**

These outcomes will guide future Annual Action Plans by helping the city ensure that housing and community development initiatives remain equitable, inclusive, and responsive to the needs of low-income households, underserved population, and those affected by ongoing housing shortages.

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

| Number of Households Served | CDBG Funds |
|---|---|
| Extremely Low-income | 385 |
| Low-income | 301 |
| Moderate-income | 2,612 |
| **Total** | **3,298** |

**Table 7 – Number of Households Served**

*Table Note: These figures are subject to change prior to submission on March 31, 2026, as this document is a draft.*

**Narrative**

This table summarizes the number of households served by activities funded through the CDBG program, categorized by income level. Households income eligibility is determined based on income by family size, in accordance with the U.S. Department of Housing and Urban Development income limits and program requirements.

The table identifies the number of extremely low-income, low-income, and moderate-income households that benefit from CDBG-funded activities. These categories ensure that assistance is targeted to households most in need and that program funds are used to meet the national objective and benefit low- and moderate-income persons.

This date demonstrates the program's focus on serving vulnerable populations while maintaining compliance with federal income eligibility standards.

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## CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The city is dedicated to compassionately supporting unsheltered individuals and families while upholding our commitment to the health and safety of the entire community.

The city has developed a range of programs and resources to assist and connect unhoused residents in need. Community feedback has been instrumental in shaping strategies and programs, ensuring they evolve to meet the needs of both housed and unhoused residents. Our approach is comprehensive: we offer supportive programming while enforcing laws to maintain public safety. This includes enforcing the law for those who engage in illegal activities, such as illegal camping, dumping, and nuisance ordinance offenses. This approach, which combines supportive programming with accountability tools, demonstrates our unwavering commitment to balancing compassion for individuals experiencing homelessness with the need to uphold public safety to support the overall quality of life for all residents and businesses.

The Citrus Heights Police Department's Problem-Oriented Policing (POP) Unit plays a critical role in addressing homelessness-related concerns in our community. This dedicated team enforces local ordinances, partners with service providers, and works directly with residents to improve quality of life. By combining enforcement with outreach, the POP team ensures a balanced approach that prioritizes both public safety and compassionate solutions.

The city works closely with community partners to support a safe and healthy environment for all residents. As part of these efforts, in October 2023 the City entered into a Memorandum of Understanding with the Sacramento County Department of Homeless Services and Housing (DHSH) to provide a Street Outreach Program for unhoused individuals in Citrus Heights. The program is operated by Community HealthWorks, a nonprofit that addresses complex barriers to health and stability and provides the City with a full-time Community Health Worker dedicated to outreach and case management. Community HealthWorks provides the city with a Community Health Worker (CHW) who connects unhoused individuals to supportive services, emergency shelter, interim and permanent housing, supplies, and other services to help the individual achieve the next steps to becoming housed.

The supportive services Community Health Worker (CHW) provides may include but are not limited to:

- CalAIM, which connects Medi-Cal enrollees experiencing homelessness—especially those with complex health needs—to an Enhanced Care Manager for coordinated physical and behavioral health services.
- CalFresh, offers monthly food benefits to eligible individuals.
- CalWORKs, provides financial assistance and supportive services to qualifying households.

- General assistance, helping individuals take steps toward becoming housed.

Sunrise Pointe Apartments, a 46-unit permanent supportive housing project completed in 2023 for individuals experiencing homelessness, mental health challenges, or other needs.

Underground Clothing Connection, supported through a city Community Projects Grant, offering clothing donations to at risk youth through Citrus Heights HART.

Sunrise Christian Food Ministry, supported through multiple grants, providing food assistance to residents facing food insecurity. The food bank operates Monday through Friday from 11 AM to 2 PM at 5901 San Juan Avenue, Citrus Heights.

**Addressing the emergency shelter and transitional housing needs of homeless persons.**

The city addresses emergency shelter and transitional housing needs of people experiencing homelessness through partnerships with regional services providers, nonprofit organizations, and Sacramento County. The city supports access to emergency shelter, warming and cooling centers, case management, and referrals to transitional and permanent housing programs by the Community Health Worker.

In addition, the city is home to Sunrise Pointe Apartments, which provides transitional housing for individuals and families who are homeless or at risk of homelessness. This resource helps residents with stability, access to supportive services, and work toward long-term housing.

During the coldest months of the year HART (Homeless Assistance Resource Team) offers a Winter Sanctuary program, which provides overnight shelter in a safe, warm indoor space. Winter Sanctuary programs are designed to prevent cold-related illness, offer basic amenities, and connections to services for people experiencing homelessness.

Through these coordinated efforts, Citrus Heights helps ensure that vulnerable residents have access to safe shelter, support services, and pathways to housing stability.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care, and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

City staff participate in the Homeless Assistance Resource Team (HART), a group of agencies, nonprofits, faith-based organizations, members of the business community, and interested individuals dedicated to addressing the city's homeless issue. HART aims to provide homeless individuals with resources so they may have better access to housing options. In addition, HART operates an annual Winter Sanctuary

Program that provides a dry, safe place to sleep, hot meals, to-go breakfast, and services to help pave a path out of homelessness. The Winter Sanctuary operates during the coldest months, typically from December through February.

As mentioned, the city contracts with the County of Sacramento DHSH to deliver the Street Outreach Program. The program provides homeless and outreach services to unsheltered individuals in the city. DHSH expanded services with Community HealthWorks, a nonprofit addressing some of the most complicated issues that impact one's health including access to health and behavioral health care, food and nutrition services, and street outreach and case management services. Through the collaboration, Community HealthWorks provides the city with one full-time Community Health Worker to provide street outreach and case management services to individuals experiencing homelessness.

Also, the city participates in regional efforts to address the needs of people experiencing homelessness. The city continues to work with the Sacramento Continuum of Care (CoC), a 30+ member Board that includes representatives from organizations serving individuals experiencing homelessness or formerly homeless and other interested, relevant organizations within Sacramento County.

The city's Housing and Human Services Program Coordinator is a CoC Board Member attending regular monthly meetings.

The Sacramento CoC Board is responsible for managing community planning, coordination, and evaluation to ensure homeless assistance resources are used effectively and efficiently to rapidly and permanently end people's homelessness.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

City staff actively participate in the Homeless Assistance Resource Team (HART), a collaborative group of agencies, nonprofits, faith-based organizations, business representatives, and community members dedicated to addressing homelessness in Citrus Heights. HART works to connect individuals and families to essential resources and housing options. In addition, HART operates an annual Winter Sanctuary program, which provides a safe, dray place to sleep, hot meals, to-go breakfasts, and access to supportive services during the coldest months of the year, typically from December to February. This program helps stabilize unsheltered individuals and servs as an entry point to longer-term housing and

As mentioned, the City contracts with the County of Sacramento Department of Homeless Services and Housing (DHSH) to deliver the Street Outreach Program. The program provides homeless and outreach services to unsheltered individuals in the city. DHSH expanded services with Community HealthWorks, a

nonprofit addressing some of the most complicated issues that impact one's health including access to health and behavioral health care, food and nutrition services, and street outreach and case management services. Through the collaboration, Community HealthWorks provides the city with one full-time Community Health Worker to conduct street outreach and provide individualized case management to unsheltered individuals within the city.

Together, these efforts help connect vulnerable populations to housing opportunities, supportive services, and long-term stability while working to prevent individuals with families who were recently homeless from returning to homelessness.

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## CR-30 - Public Housing 91.220(h); 91.320(j)

### Actions taken to address the needs of public housing

Public housing refers to residential buildings or complexes owned and managed by government agencies and is available to low-income individuals or families at affordable rents. Public housing programs vary by County, but the goal is to provide secure, affordable housing for those in need, such as elderly people, people with disabilities, or those facing economic hardships.

The Sacramento Housing and Redevelopment Agency (SHRA) is a regional housing authority serving Sacramento County including, the City of Citrus Heights. SHRA is independent of the City of Citrus Heights, and the city retains no control over the funding or implementation of programs. However, the city coordinates with SHRA when possible.

Sacramento Housing Redevelopment Agency is committed to providing a broad range of services and programs for residents living in Sacramento County. To learn more about how SHRA addresses public housing needs and its Annual Action Plan: https://www.shra.org/financial-performance-and-strategic-planning-documents/.

### Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

SHRA offers a variety of programs and resources to help eligible low-income buyers realize the dream of homeownership. In addition, SHRA encourages public housing residents to participate in policy, procedure, and program implementation of development through its Sacramento Resident Advisory Board.

Sacramento Resident Advisory Board (SRAB) is a federally mandated not-for-profit organization formed to work with SHRA. The SRAB represents and is a liaison between the public housing residents and SHRA. The Board distributes a bi-monthly newsletter titled 'Tenant Focus' to all SHRA-managed tenants containing relevant news, information on training and employment opportunities, and other community resources available to public housing residents.

### Actions taken to assist troubled PHAs

No action is necessary.

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## CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)**

A continued supply of housing for households at all income levels is essential to meeting the needs of the residents. Because the City is largely built out, opportunities for new development are limited, making the preservation of existing affordable housing just as important as the production of new units. Both governmental and non-governmental factors such as land use controls, entitlement processes, fees, and building codes can constrain the availability of affordable housing.

To address the negative effects of public policies that create barriers to affordable housing, below are strategies to reduce those barriers.

- Review zoning ordinances to ensure they are not overly restrictive and do not unnecessarily limit opportunities for affordable housing development.
- Streamline zoning and permitting processes to fast-track affordable housing projects, reducing delays and lowering development costs associated with lengthy approvals.
- Evaluate building codes to identify opportunities to reduce unnecessary costs while maintaining safety and quality standards. The city may also consider waving or reducing certain development fees such as building permit fees, inspection fees, or impact fees for qualified affordable housing projects.
- Offer financial incentives, including fee reductions or waivers, to developers who produce affordable units. These incentives can improve project feasibility and encourage additional affordable housing development.

By addressing governmental constraints, including land use controls, zoning ordinances, building codes, and development fees, the city aims to expand access to affordable housing for residents at all income levels and support the availability of safe, stable, and affordable homes.

**Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)**

Although the City continues to work toward meeting the needs of low-income households, several obstacles limit the ability to fully address underserved needs. Two primary challenges include:

- Insufficient funding to meet community demands. Available resources are not adequate to address the full range of community needs. While CDBG funds support public service agencies the City also allocated local general funds monies for FY 25/26 to encourage nonprofit partners to pursue additional public and private funding sources to supplement these limited resources.

- Limited access to regional service providers. Many of the region's major service providers are in Sacramento. Although Citrus Heights hosts several important local services such as food bank, youth programs, and senior meal providers, residents often need to travel outside the community for more specialized assistance. Public transportation to Sacramento is available but some residents may be reluctant or unable to travel, creating an additional barrier to accessing needed services.

**Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

The City addresses lead-based paint hazards through its Housing Rehabilitation Program, which provides lead-abatement assistance for eligible residential units. The program's guidelines include detailed policies for testing, evaluation, and abatement to ensure compliance with federal requirements.

The City contracts with a third-party firm to administer the Housing Rehabilitation Program. This firm, in turn, works with qualified lead-abatement contractors to conduct lead-based paint identification, risk assessments, and clearance examinations to ensure hazards are properly addressed.

When lead-based paint is present or presumed to be present, all work must follow lead-safe practices. Program procedures include notifying property owners, evaluating and identifying potential hazards, and implementing required repair, hazard reduction, or abatement measures. Clearance testing is conducted to verify that lead hazards have been effectively eliminated.

All activities under the program comply with the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X) and subsequent regulatory updates issued in September 1999.

**Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

The City's anti-poverty strategy focuses on expanding access to employment opportunities, strengthening supportive services, and preserving and increasing the supply of affordable housing. These efforts are designed to help low-income households achieve greater economic stability and long-term self-sufficiently. Key activities include:

- Meals on Wheels by ACC-Home Delivered Meals. Homebound seniors who meet eligibility requirements receive either a weekly delivery of five frozen meals, or a hot meal delivered Monday through Friday, helping reduce food insecurity among vulnerable older adults.
- Meals on Wheels by ACC-All Seasons Café. The All Seasons Café provides a community gathering place for mobile seniors to enjoy a nutritious meal and social connection. Meals are served at the Crosswoods Community Center on Tuesdays, Thursdays, and Fridays between 9:00 AM and 1:30 PM.
- Sacramento County Department of Homeless Services and Housing (DHSH)-Street Outreach Program. Although not funded with CDBG the County's Street Outreach Program provides unhoused individuals with resources and support to help them take steps toward stability and self-sufficiency.
- Sunrise Christian Food Ministry-Emergency Food Closet. The organization operates an emergency food closet serving low-income households, helping to meet basic nutritional needs for families

experiencing hardship.

- Campus Life Connection-Youth After School Services. Campus Life Connection provides after-school programming for youth living on or near Sayonara Drive, a low-income neighborhood, offering positive activities and supportive services.
- City Code Enforcement and Rental Housing Inspection Program. Although not CDBG-funded, the City's code enforcement and rental inspection efforts help ensure that lower-income households have access to safe, decent, and stable housing, essential foundation for economic security.
- PRIDE Industries-Workforce Readiness Program (CDBG-CV). Through CDBG-CV funding, PRIDE Industries provides a workforce readiness program that includes case management, individualized planning employment preparation, job placement assistance, and on the job support to help residents secure and maintain employment.

**Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

To strengthen institutional capacity and reduce gaps in service delivery, the city remains actively engaged with neighboring jurisdictions and regional agencies. The city collaborates with Sacramento Housing and Redevelopment Agency (SHRA) to address affordable housing needs, particularly those related to public housing and HOME funded activities. Most recently the city partnered with SHRA to allocate its HOME funds to the Sunrise Pointe Apartment project which was completed in December 2023.

In addition, the city continues to coordinate with entitlement jurisdictions in Sacramento County including City of Sacramento, Elk Grove, and Rancho Cordova to identify opportunities for shared initiatives, improve service delivery, and enhance resources available to residents across the region.

**Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)**

The city continues to strengthen coordination among public agencies, private housing partners, and social service providers to improve service delivery for low-income and special-needs residents. The City collaborates with neighboring jurisdictions including the City of Rancho Cordova, the City of Elk Grove, the City of Folsom, the County and City of Sacramento, and the Sacramento Housing and Redevelopment Agency (SHRA) to address regional issues affecting vulnerable populations. These partnerships support joint efforts related to affordable housing, special-needs programs, shared subrecipient monitoring, and regional initiatives such as implementation of the Affirmatively Furthering Fair Housing (AFFH) final rule.

In addition, the city maintains strong working relationships with local nonprofit organizations that provide a wide range of services to low-income households. Through ongoing communication and collaboration, the city helps ensure that resources are aligned, gaps are minimized, and residents can more easily access the support they need.

**Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)**

HUD requires entitlement grantees to certify that they will affirmatively further fair housing by promoting fair housing choice and ensuring compliance with the Fair Housing Act. This obligation is met, in part, by analyzing impediments to fair housing choice and taking actions to address identified barriers.

The city worked with SHRA, Sacramento County, Elk Grove, Rancho Cordova, and other local partners to complete a regional Analysis of Impediments to Fair Housing Choice. In 2020, the Sacramento Valley Fair Housing Collaborative Analysis of Impediments to Fair Housing Choice (AI) was completed, and adopted by the Citrus Heights City Council.

Below are the goals identified in the AI that address housing barriers:

- Goal 1 – Incentivize and increase opportunities for development and continued availability of affordable homeownership products.
- Goal 2 – Expand and preserve affordable rental opportunities.
- Goal 3 – Expand equity in access to economic opportunity.

The city's efforts to advance its goals in Program Year 2025 through CDBG funding focused on the following activities:

- Regional Fair Housing Coordination. City staff participate in meetings with regional jurisdictions to discuss strategies for addressing fair housing issues and strengthening compliance with fair housing laws.
- Renters Helpline Program (2025). The city continued its partnership with local jurisdictions to support the Renters Helpline Program. Through a Regional Cost Sharing Agreement, where each jurisdiction contributes based on its share of rental units. The city collaborated with Project Sentinel and Community Link Capital Region (211 Sacramento) to provide telephone and online assistance, counseling, dispute resolution, and fair housing services. The program supports residents experiencing housing crises or disputes, reduces housing discrimination, increases public awareness of fair housing rights, and assists individuals with disabilities.
- Street Outreach Program. The City contracts with the Sacramento County Department of Homeless Services and Housing (DHSH) to operate the Street Outreach Program, which provides outreach and support services to unsheltered individuals in Citrus Heights. DHSH expanded its services through a partnership with Community HealthWorks, a nonprofit organization addressing complex health-related needs such as access to medical and behavioral health care, nutrition services, and case management. Through this collaboration, Community HealthWorks provides one full-time Community Health Worker dedicated to street outreach and case management for individuals experiencing homelessness in the city.

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## CR-40 - Monitoring 91.220 and 91.230

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The City has established a comprehensive monitoring system to ensure that all activities funded through the Community Development Block Grant (CDBG) program comply with applicable laws, regulations, policies, and sound management practices. This system aims to promote transparency, accountability, and long-term program success, with a particular focus on ensuring that minority business outreach and comprehensive planning requirements are met.

City's monitoring efforts:

- The City ensures that CDBG subrecipients meet their responsibilities on time and in accordance with their subrecipient agreements.
- Staff monitor each activity to confirm it is carried out as described and in compliance with all federal, state, and local requirements, including CDBG-specific rules related to minority business outreach, anti-discrimination, and demographic data collection.
- The City's monitoring strategy focuses on reducing the risk of fraud, waste, and mismanagement through regular reviews, financial oversight, and ongoing communication with subrecipients to support strong fiscal practices.

City's procedure for monitoring and compliance:

- Subrecipient Agreement and Orientation. In January 2025, the city provided each CDBG subrecipient with a fully executed subrecipient agreement outlining the scope of work, budget, and performance expectations for the funded activity. To support subrecipients in understanding their responsibilities, City staff held an orientation workshop on July 30, 2024, via Microsoft Teams. During the workshop, staff reviewed federal CDBG requirements, explained key terms of the subrecipient agreement, introduced required reporting forms, and responded to questions.
- Ongoing Training and Technical Assistance. The city emphasizes continuous education and provides subrecipients with guidance on essential program requirements, including the collection of income, household composition, race, and ethnicity data. Staff also encourage subrecipients to review HUD's *Playing by the Rules* guide to deepen their understanding of CDBG compliance and administrative expectations.
- Monthly Performance Reviews. City staff conduct monthly reviews of each subrecipient's progress toward meeting performance goals. These reviews include assessing the accuracy and completeness of beneficiary data, verifying that reports reflect current activity, and ensuring that all invoices are supported by up-to-date and accurate documentation.
- Non-Compliance Procedures. Subrecipient agreements include provisions for corrective action when

performance issues arise. These may include requiring corrective measures, reducing funding, or terminating the agreement if a subrecipient fails to meet performance goals or resolve past deficiencies. These measures help ensure accountability and promote continuous improvement.

- Annual Desk Assessments and Onsite Monitoring. The city conducts annual desk assessments to evaluate subrecipient performance and compliance with CDBG requirements. Based on these assessments, staff schedule onsite monitoring visits as needed to verify compliance, confirm data integrity, and assess the overall effectiveness of funded activities.

## Citizen Participation Plan 91.105(d); 91.115(d)

**Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports**.

The City of Citrus Heights Housing Division, within the Community Development Department, serves as the lead agency for administering CDBG funds. Questions regarding this report may be directed to:

City of Citrus Heights
6360 Fountain Square Drive Citrus Heights, CA 95621
Attn: Housing and Human Services Program Coordinator
(916) 727-4752 | nicolep@citrusheights.net

The public review and comment period will run from February 10 through March 11, 2026. Comments may be provided at the City Council Meeting on March 11, 2026, or submitted by mail to Nicole Piva, Housing & Human Services Program Coordinator, or by phone or email. All comments received will be considered and incorporated into the 2025 CAPER.

A public notice announcing the availability to review the draft CAPER was published in the Citrus Heights Messenger on February 10, 2025, and made available for public review at the following locations:

- Citrus Heights, City Hall, 6360 Fountain Square Drive
- Sylvan Oaks Library, 6700 Auburn Boulevard, Citrus Heights
- Citrus Heights webpage, https://www.citrusheights.net/380/Community-Development-Block-Grant.

The draft 2025 CAPER will go before Citrus Heights City Council for adoption on March 11, 2026.

If you need the document in an alternate format or need special assistance to participate in this meeting, please contact the ADA Coordinator at 916-725-2448. Notification 48 hours before the meeting will enable the city to make reasonable arrangements to ensure accessibility to this meeting. TTY/TDD users with questions or comments can call the California Relay Service by dialing 7-1-1. Translators will also be provided for people with limited English-speaking proficiency when requests are made at least five working days before a hearing.

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## CR-45 - CDBG 91.520(c)

**Specify the nature of and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

At this point, the city does not anticipate any changes to the program.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No, the city does not have any open Brownfields Economic Development grants.

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## CR-58 – Section 3

### Identify the number of individuals assisted and the types of assistance provided

| Total Labor Hours | CDBG |
|---|---|
| Total Number of Activities | 2 |
| Total Labor Hours | 0 |
| Total Section 3 Worker Hours | 0 |
| Total Targeted Section 3 Worker Hours | 0 |

**Table 8 – Total Labor Hours**

| Qualitative Efforts - Number of Activities by Program | CDBG |
|---|---|
| Outreach efforts to generate job applicants who are Public Housing Targeted Workers | - |
| Outreach efforts to generate job applicants who are Other Funding Targeted Workers. | - |
| Direct, on-the job training (including apprenticeships). | - |
| Indirect training such as arranging for, contracting for, or paying tuition for, off-site training. | - |
| Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching). | - |
| Outreach efforts to identify and secure bids from Section 3 business concerns. | - |
| Technical assistance to help Section 3 business concerns understand and bid on contracts. | - |
| Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns. | - |
| Provided or connected residents with assistance in seeking employment including: drafting resumes,preparing for interviews, finding job opportunities, connecting residents to job placement services. | - |
| Held one or more job fairs. | - |
| Provided or connected residents with supportive services that can provide direct services or referrals. | - |
| Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation. | - |
| Assisted residents with finding child care. | - |
| Assisted residents to apply for, or attend community college or a four year educational institution. | - |
| Assisted residents to apply for, or attend vocational/technical training. | - |
| Assisted residents to obtain financial literacy training and/or coaching. | - |
| Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns. | - |
| Provided or connected residents with training on computer use or online technologies. | - |
| Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses. | - |
| Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act. | - |
| Other. | - |

**Table 9 – Qualitative Efforts - Number of Activities by Program**

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**Narrative**

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992, ensures that employment and economic opportunities generated by HUD-funded housing and community development projects are directed, to the greatest extent feasible, to low- and very low-income persons, especially those receiving housing assistance.

Section 3 applies to housing rehabilitation, housing construction, and other public construction projects that receive more than $200,000 in HUD financial assistance, including projects that combine HUD funds with state, local, or private resources.

Effective November 30, 2020, HUD's updated Section 3 rule (24 CFR Part 75) strengthened the focus on economic outcomes while reducing administrative burden. Key improvements include:

- Emphasizing outcome-based metrics, such as sustained employment for targeted workers
- Recognizing retention of low- and very low-income employees in reporting
- Aligning reporting with standard business and payroll practices
- Allowing tailored benchmarks based on geography or project type
- Integrating Section 3 into routine program operations
- Launching a portal to connect low-income job seekers with Section 3 employment opportunities

DRAFT

# CITY OF CITRUS HEIGHTS

## CITY COUNCIL STAFF REPORT MEMORANDUM

**DATE:** March 11, 2026

**TO:** Mayor and City Council Member
Ashley J. Feeney, City Manager

**FROM:** Casey Kempenaar, Community Development Director
Alison Bermudez, Senior Planner
Steffane Lui, Associate Planner

**SUBJECT:** **2025 General Plan Annual Progress Report**

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**Recommendation**

Staff recommends the City Council adopt Resolution 2026-___ , A Resolution Accepting the 2025 General Plan Annual Progress Report and directing staff to forward the report to the appropriate State agencies in accordance with Government Code Section 65400.

**Fiscal Impact**

There is no fiscal impact associated with this action. The timely submission of the General Plan Annual Report is a requirement for many state grant opportunities. Submittal to the Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR) by April 1, 2026, is required to adhere to this requirement.

**Background and Analysis**

State law requires all cities and counties submit to their legislative bodies an Annual Progress Report on the status of the General Plan and progress in its implementation. The City's General Plan contains 66 goals to guide overall city development. As a basis for local government decision-making, and to maintain the City's commitment to transparency and accountability, these goals and policies are analyzed and serve as the guiding action to achieve the overall vision for the community.

State law requires each jurisdiction submit a report to the OPR to ensure the goals, policies, and action items of the General Plan are being implemented. Furthermore, a report on the progress made to implement the Housing Element of the General Plan must be provided to the HCD. Staff has combined the reporting elements of OPR and HCD into a single Annual Progress Report (Attachment 1a). This report provides an analysis of those General Plan policies and action items that have made notable progress during calendar year 2025, including the annual Housing Element progress report for all action items.

Following the City Council's review and acceptance of the General Plan Annual Progress Report, staff will forward the report to OPR and HCD as required by law.

## Planning Commission Review

On February 24, 2026, the Planning Commission reviewed the General Plan Annual Progress Report. The Planning Commission recommended forwarding the report to the City Council for review and adoption of a Resolution accepting the 2025 General Plan Annual Progress Report.

## Attachments

1. Resolution of the City Council of the City of Citrus Heights, California, Accepting the 2025 General Plan Annual Progress Report
    a. 2025 General Plan Annual Progress Report

**RESOLUTION NO. 2026-___**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ACCEPTING THE 2025 GENERAL PLAN ANNUAL PROGRESS REPORT**

**WHEREAS**, Government Code Section 65400 mandates the City submit an annual report on the status of the General Plan's implementation to the Governor's Office of Planning and Research; and

**WHEREAS,** the report contains the Housing Element reporting requirements in accordance with State Housing Law and Housing and Community Development's Housing Element guidelines; and

**WHEREAS**, the guidelines require the annual report be presented to the City Council for its review and acceptance; and

**WHEREAS**, on February 24, 2026, the Planning Commission received the General Plan Annual Progress Report as presented by staff; and

**WHEREAS**, the Planning Commission acted to forward the General Plan Annual Progress Report to the City Council; and

**WHEREAS,** on March 11, 2026, the City Council reviewed and accepted the General Plan Annual Progress Report.

**NOW, THEREFORE, BE IT RESOLVED** the Citrus Heights City Council hereby accepts the General Plan Annual Progress Report and forwards the report to the appropriate State Agencies.

**PASSED AND ADOPTED** by the City Council of the City of Citrus Heights this 11th day of March, 2026 by the following vote, to wit:

**AYES:** **Council Members:**
**NOES:** **Council Members:**
**ABSENT:** **Council Members:**
**ABSTAIN:** **Council Members:**

_____
**MariJane Lopez-Taff, Mayor**

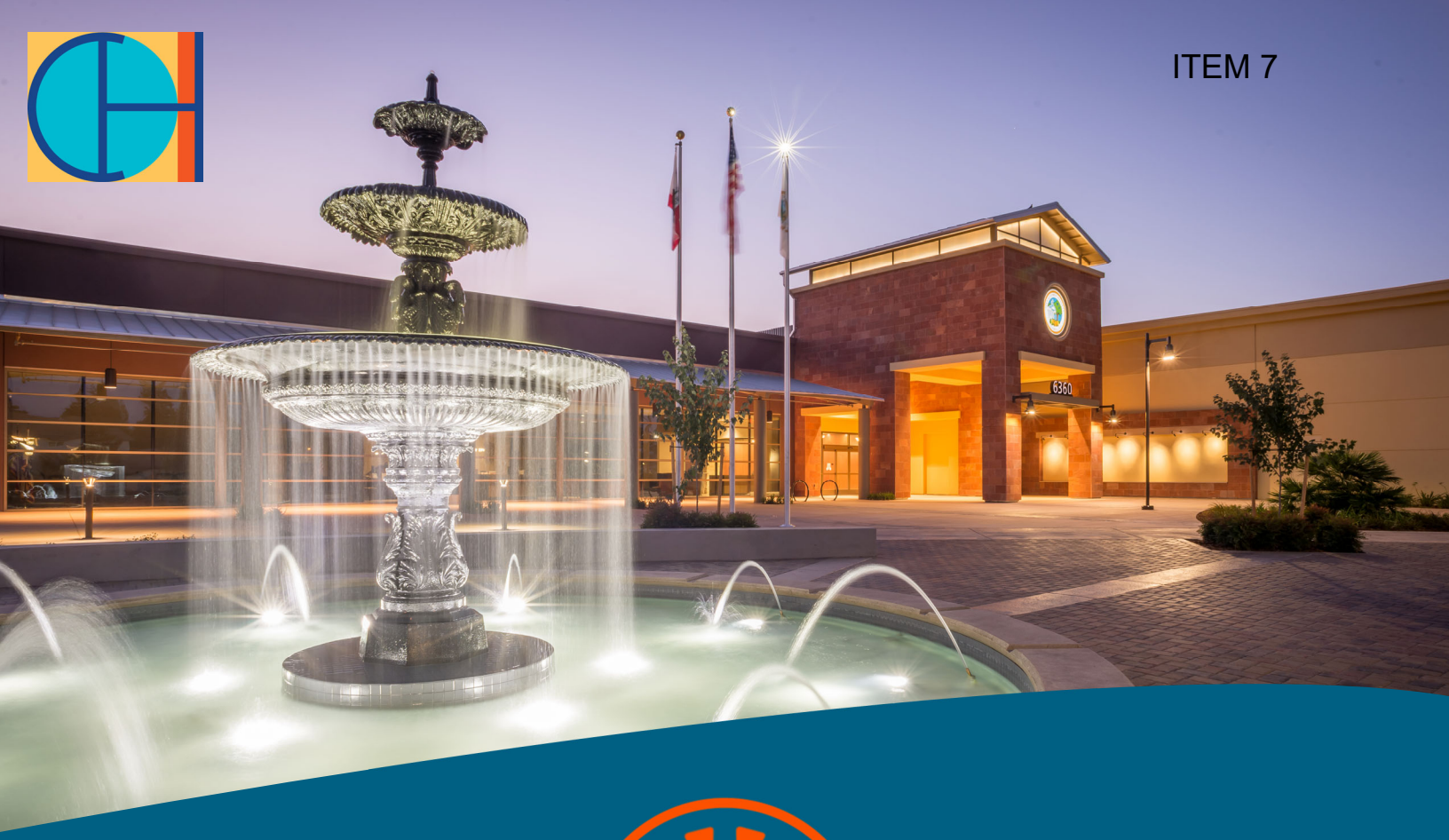
**ATTEST:**

_____
**Amy Van, City Clerk**

**Exhibit**

A. 2025 General Plan Annual Progress Report

ITEM 7




# City of Citrus Heights General Plan Annual Progress Report 2025

CITY OF CITRUS HEIGHTS
COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION
6360 FOUNTAIN SQUARE DRIVE
CITRUS HEIGHTS, CA 95621
(916) 727-4740

## Purpose of this Document

Section 65400(b) of the State of California Government Code requires planning agencies to provide an annual report to their legislative body, the Governor's Office of Planning and Research (OPR), and the State Department of Housing and Community Development (HCD) on the status of the General Plan and progress in its implementation. The four basic purposes of the annual report are as follows:

- To provide information to assess progress on implementation of the General Plan in accordance with the stated goals, policies and implementation measures.
- Provide information to identify necessary course adjustments or modifications to the General Plan as a means to improve implementation.
- To provide a clear correlation between land use decisions made during the reporting period, and the goals, policies and implementation measures in the General Plan.
- To provide information regarding local agency progress in meeting its share of regional housing needs and local efforts to remove governmental constraints to the development of housing.

State law requires that the General Plan Annual Progress Report (APR) be completed and submitted to the state each year for the previous calendar year. This APR looks at the City of Citrus Heights's progress toward implementing its General Plan during the 2025 planning year.

## General Plan Background

Upon incorporation in January 1997, the City adopted the Sacramento County General Plan. Soon thereafter, the City embarked on an intensive process of crafting the first General Plan. The resulting plan was adopted on November 15, 2000. Citizen participation played an important role in preparing the City's General Plan. Because a General Plan needs to reflect community goals and aspirations, citizens were involved with issue identification and goal formulation. The public as well as various civic and professional organizations were consulted during the General Plan preparation stage whenever possible. Numerous public meetings were held to discuss the General Plan. In 2011, a *focused* update to the General Plan was completed that addressed the areas of mobility/complete streets, water quality, climate change/sustainability. The Housing Element of the General Plan was updated in 2013 and again in 2021 to reflect the planning periods 2013-2021 and 2021-2029.

The General Plan addresses State General Plan requirements. California law requires that every city and county adopt a long-term General Plan that addresses seven specific topics or "elements," organized in any format or structure preferred by the community. The General Plan may also address other topics the community feels are relevant. Regardless of the format or issues addressed, the Plan must be internally consistent. The City's Plan is organized into three elements that meet the State requirements, as shown in Table 1: General Plan Content.

**Table 1**
**General Plan Content**

| Citrus Heights Plan Elements | Required Plan Topics | Issues Covered |
|---|---|---|
| Community Development | Land Use<br>Circulation<br>Housing | Community character, neighborhoods, corridors, economic development, gateways, public spaces, housing, transportation and mobility, regional coordination |
| Resource Conservation | Conservation<br>Open Space | Biological resources, open space, energy conservation, cultural resources |
| Community Health | Noise<br>Safety | Flooding, seismic activity, hazardous materials, noise, air quality, climate change, services, parks and recreation, education, utilities |

## City's Responsibility

The effectiveness of the General Plan ultimately depends on how it is implemented and maintained over time. State law requires that most actions of local governments affecting the physical environment be consistent with the General Plan. The implementation of the Plan is the responsibility of numerous departments and divisions including:

- City Manager's Office (Includes City Clerk and Risk Management)
- Economic Development and Community Engagement Department
- City Attorney
- Community Development Department (Includes Planning, Building and Housing Divisions)
- Police Department (Includes Code Enforcement, Animal Control, and Rental Housing Inspection Divisions)
- General Services Department (Includes Public Works and Engineering, Community Services, Facilities, and Fleet Divisions)
- Administrative Services Department (Includes Finance, Information Technology, and Human Resources Divisions)

Additionally, several other governmental agencies provide services within the City's boundary. While these agencies are neither part of the City's operational structure nor directly responsible for implementation of the General Plan, the City does coordinate its activities with these other agencies and relies upon their assistance for full implementation of the General Plan. These agencies include, but are not limited to the following:

- Water Districts (3)
- Sacramento Metropolitan Fire District
- San Juan Unified School District
- Sunrise Recreation and Park District
- Sacramento Area Sewer District

## Amendments to the General Plan

State law allows the City to amend its General Plan no more than four times per year. Amendments may be proposed and acted upon at any time during the year and one action may include multiple amendments. Any changes to the General Plan require public hearing by the City Council and evaluation of the environmental impacts as require by the California Environmental Quality Act.

In 2025, the City did not make any changes to the adopted General Plan.

## Major Project Developments

Construction was approved, initiated or completed within Citrus Heights for the following major projects during the 2025 planning year:

**7501 Sunrise Blvd – Auburn Oaks Project**: Major rehabilitation work began at Auburn Oaks, a former assisted living facility that is being transformed into an affordable housing complex providing 88 permanent housing units for older adults at risk of homelessness. The property, located along Sunrise Boulevard in Citrus Heights, previously operated as an assisted living facility but had fallen into disrepair over time. During the COVID-19 pandemic, the site was repurposed to serve as temporary shelter for unhoused residents as part of the County's Project Roomkey program. The current rehabilitation project represents a significant investment in preserving and revitalizing existing housing resources, while expanding permanent supportive housing opportunities for vulnerable members of the community.

## Other Major Milestones and Projects that Support the Goals of the General Plan

**Creek Corridor Trail Project** –The City's General Plan includes Goal 38, which seeks to create a connected system of creekside trails, passive open spaces, and parks for public use. In 2024, the first segment of the Creek Corridor Trail Project was completed with the 2.9-mile Arcade-Cripple Creek Trail (ACCT). This trail provides new connections for several neighborhoods to eight parks, multiple schools, and the Sunrise MarketPlace shopping area, offering residents enhanced opportunities for walking, biking, and outdoor recreation.

In 2025, design work began on three trail extensions aimed at expanding access to currently underserved areas. The Sylvan to Stock Ranch and Mariposa extensions will open new sections of the trail network, making areas previously inaccessible to the public available for recreation and active transportation. At the same time, the Gateway Activation Project entered the design and environmental review phase. This project will connect the ACCT with trails in the City of Roseville and includes infrastructure improvements along Old Auburn Road/Wachtel Way and Old Auburn Road/Oakwood Hills Circle, providing safe pedestrian crossings and improving overall trail accessibility.

Together, these projects advance the City's vision for a continuous and accessible trail system, promoting community health, connectivity, and enjoyment of the City's open spaces. Residents can look forward to a more connected trail network that links neighborhoods, schools, parks, and commercial areas while providing safe, inviting spaces for outdoor recreation.

**Auburn Boulevard Complete Streets Phase 2** – In 2024, Phase 2 of the Auburn Boulevard Complete Streets Project began. Phase 2 extends the vision of a safer, updated roadway with enhanced amenities for all users (pedestrians, bicyclists, and motorists) north to Orlando Avenue in Roseville. In 2025, significant progress on the road improvements were completed including the undergrounding of

overhead utility lines, installation of new streetlights, new curbs, gutter and sidewalks. The project is expected to be completed in fall of 2026.

**Citrus Heights Cares** – The City continued its Citrus Heights Care program which created a comprehensive toolbox to achieve a new level of community cleanliness and pride through litter and weed abatement, illegal sign removal, minor graffiti removal, cleaning of debris along sidewalks and trails, among other things. This award winning pilot program is in its fourth year of success.

### Status of General Plan Implementation Actions

The table below analyzes selected General Plan policies and action items that made notable progress in 2025. The table is not a comprehensive list of all policies and action items in the General Plan; many policies/actions are under ongoing implementation and may not be listed here. A majority of the General Plan policies and related action items have been implemented through the adoption of ordinances or resolutions, incorporated into the regular governmental activities, or considered during the review of development proposals. The policy implementations below provide a streamlined review to highlight the annual progress efficiently. A comprehensive list of all General Plan policies and action items with status and/or implementation can be viewed in prior General Plan APRs.

A review of the Housing Element implementation status for all action items, and progress toward meeting the City's Regional Housing Needs Assessment, is provided in the subsequent section, beginning on page 9.

### Community Character and Identity

| **Goal 2: Preserve the unique character of Citrus Heights, and create a distinctive community identity** |
|---|
| **Policy 2.3:**<br>*Maintain a high level of services for all citizens, including high standards of public safety.* |
| **Status/Implementation:** The City continued its Citrus Heights Cares campaign throughout 2025. The Cares Campaign was part of the City Council's Focus Area Work Plan to meet city objectives for expeditious cleanup and response, active enforcement of encampments and nuisance situations that impede public right-of-ways and other public areas that are detrimental to public enjoyment and safety. |

### Housing

| **Goal 25: Provide adequate sites for a variety of housing opportunities to serve all residents** |
|---|
| **Policy 25.1:**<br>*Promote development of a variety of housing types in terms of location, cost, design, style, type, and tenure, while ensuring compatibility with adjacent uses of land.* |
| **Action 25.1A:** Support development of secondary dwelling units, cluster housing, work/live units, co-op housing, and other innovative housing types as allowed by the Zoning Code<br><br>**Status/Implementation:** In 2025, the City issued over 30 building permits for the construction of Accessory Dwelling Units (ADUs). Five of these permits were from the City's Permit-Ready Accessory Dwelling Unit Program (PRADU), providing 18 different ADU plans to prospective applicants free of charge. This is all part of the City's efforts to create more housing opportunities within single-family zoned neighborhoods. |
| **Policy 25.2:** |

| |
|---|
| *Strive to meet the City's fair share housing allocation based on the Regional Housing Needs Assessment.* |
| **Status/Implementation:** The City remains committed to achieving our RHNA goal by 2029, with just 57 units left to meet the target. |

| **Goal 26: Develop, conserve, and improve the housing stock to ensure decent accommodations for all segments of the community** |
|---|
| **Policy 26.1:**<br>*Encourage the conservation and improvement of existing housing.* |
| **Action 26.1A:** Promote the use of administrative remedies to remediate substandard rental units<br><br>**Status/Implementation:** The City's Rental Housing Inspection Program officially launched in 2019. Since then, the team has been in the field conducting inspections and working with rental property owners and property managers to resolve code violations that are negatively impacting the quality of the City's housing stock. In 2025, the RHIP team identified 57 individual housing units with violations and identified a total of 278 total violations, of which 264 violations were cleared. In most cases, each one of these violations has the potential to cause a hazard that could result in great bodily harm or death. These impressive results highlight and underscore the need and importance of having a program dedicated to improving the city's rental housing. |
| **Action 26.1F:** Continue and expand the City's Owner-Occupied Rehabilitation Program where feasible.<br><br>**Status/Implementation:** The City expanded its partnership with local organizations to provide health and safety repairs, accessibility improvements, and maintenance to several homeowners. A variety of funding sources have been used to fund Home Repair Programs: Community Development Block Grant (CDBG) funds, CalHome funds, loan repayment funds, and other funding sources. |

| **Goal 28: Ensure housing opportunities for all segments of the community** |
|---|
| **Policy 28.1:**<br>*Pursue necessary resources for the development, maintenance and preservation of emergency housing, transitional housing, and housing to accommodate other special needs.* |
| **Action 28.1A:** Enforce Code requirements to ensure that housing is accessible to the disabled<br><br>**Status/Implementation:** The City continues to seek funding on accessibility improvements for property owners as well as to public infrastructure, ADA-compliant sidewalks. The Building Division ensures compliance with ADA for all new construction and rehabilitation projects. |
| **Policy 28.2:**<br>*Endeavor to meet the housing needs of homeless persons* |
| **Action 28.2B:** Continue to work with the Sacramento County Department of Housing Assistance to provide emergency shelters and other support services.<br><br>**Status/Implementation:** The City continues to work with the Department of Homeless Services and Housing to provide unhoused individuals with supportive services and housing through the Community Health Works Program. |
| **Policy 28.3:**<br>*Support and cooperate with regional and community-based organizations in the delivery of special needs housing resources.* |
| **Action 28.3A:** Support SHRA efforts to provide housing assistance within the community. |

| |
|---|
| **Status/Implementation:** The City continues to have a great working relationship with our local housing authority, Sacramento Housing Redevelopment Agency (SHRA) and supports efforts to reduce the potential for displacement. |

### Resource Conservation

| **Goal 36: Preserve, protect and increase plantings of trees within the City** |
|---|
| **Policy 36.1:**<br>*Incorporate existing trees into development projects. Avoid adverse effects on health and longevity of native oaks or other significant trees through appropriate design measures and construction practices. When tree preservation is not possible, require appropriate tree replacement.* |
| **Action 36.1B:** Prepare a plan to systematically increase tree canopy in the City<br><br>**Status/Implementation:** For the eighth year in a row, the City of Citrus Heights has been named a Tree City USA by the Arbor Day Foundation, in honor of the City's ongoing commitment to effective urban forest management.<br><br>Citrus Heights achieved Tree City USA recognition by meeting four requirements set by the Arbor Day Foundation, including having a tree board or department, a tree care ordinance, an annual community forestry budget of at least $2 per capita, and an Arbor Day observance and proclamation |

### Open Space

| **Goal 38: Establish a system of creekside trails, passive open space and parks for public use** |
|---|
| **Policy 38.1:**<br>*Provide for recreational trail rights-of-way along local creek channels through development easements and agreements.* |
| **Action 38.1A:** Pursue development of recreational trails that respect privacy of adjoining properties, safety of users, and maintenance of natural areas.<br><br>**Status/Implementation:** In 2024, the first segment of the Creek Corridor Trail Project was completed with the 2.9-mile Arcade-Cripple Creek Trail (ACCT). This trail provides new connections for several neighborhoods to eight parks, multiple schools, and the Sunrise MarketPlace shopping area, offering residents enhanced opportunities for walking, biking, and outdoor recreation.<br><br>In 2025, design work began on three trail extensions aimed at expanding access to currently underserved areas. The Sylvan to Stock Ranch and Mariposa extensions will open new sections of the trail network, making areas previously inaccessible to the public available for recreation and active transportation. At the same time, the Gateway Activation Project entered the design and environmental review phase. This project will connect the ACCT with trails in the City of Roseville and includes infrastructure improvements along Old Auburn Road/Wachtel Way and Old Auburn Road/Oakwood Hills Circle, providing safe pedestrian crossings and improving overall trail accessibility. |

## Public Safety

| Goal 58: Ensure excellent public safety services and rapid and effective emergency response |
|---|
| **Policy 58.1:**<br>*Provide police staffing as necessary to meet community needs* |
| **Status/Implementation:** The IMPACT Unit and the Homeless Outreach Navigators proactively partnered with other City government departments and the City Attorney's Office to look for strategies and best practices to tackle issues concerning blight and chronic nuisances that have negatively affected the quality of life in Citrus Heights. This collaboration led to forming a Community Prosecutor position through the City Attorney's Office. A chronic nuisance offender (CNO) is any person who negatively affects the quality of life in our city through repeated violations of the City Municipal Codes and Ordinances and is a drain on City resources. This program aims to have an efficient way for the City of Citrus Heights and the Police Department to work with our Community Prosecutor to hold those accountable who are chronic nuisance offenders. |

## Housing Element Annual Progress Report

### Overview

Preserving and enhancing the range and affordability of housing in an important goal of the General Plan. A goal of the Plan is to continue to address the housing needs for all, including move-up homeowners, low-income renters, seniors, disabled persons, and other with special needs. The Plan includes a variety of goals, policies and actions primality directed toward the following objective:

- Increase the level of home ownership in the community
- Preserve the existing housing supply and assure its continuing quality.

This annual report includes a review of the Plan's goals as they relate to housing. Table D, included within this report, provides the status/progress of the programs within the housing element section of the General Plan.

### Regional Housing Needs Plan

In an effort to address statewide housing needs, the state of California requires regions to address housing issues and needs based on future growth projections for the area. Housing and Community Development (HCD) allocates regional housing needs to councils of government throughout the state. The Regional Housing Needs Plan (RHNP) then allocates to each city and unincorporated county their "fair share" of the region's projected housing needs by household income level. This distribution is commonly referred to as the Regional Housing Needs Allocation (RHNA).

The intent of the RHNP is to ensure that local jurisdictions address not only the needs of their immediate areas but also fill the housing needs for the entire region. Additionally, a major goal of the RHNP is to ensure that every community provides an opportunity for a mix of affordable housing to all economic segments of its population.

For the City, the RHNP is developed by the Sacramento Area Council of Governments (SACOG). State law requires the City to identify its progress in meeting its share of the RHNA as well as local efforts to remove governmental constraints to housing. The City's General Plan Housing Element includes

programs and actions to be taken to meet these objectives, and reflects the RHNP and RHNA for the Sacramento region.

SACOG, along with the City and the other jurisdictions in the region, prepared the Regional Housing Needs Plan (RHNP) and the Regional Housing Needs Assessment (RHNA) for the 2021–2029 planning period. The RHNP identified a total of 697 dwelling units as the City's fair share of the regional needs total. Table 2 identifies the breakdown of this number for each of the income categories covered by the RHNP for the City.

**Table 2**
**Regional Housing Needs Allocation (6th Cycle – May 15, 2021 to May 15, 2029)**

| Income Category | RHNA | Total Units Permitted^ | Units Counted Towards RHNA* | Total Remaining RHNA by Income Level |
|---|---|---|---|---|
| Very low Income | 132 | 104 | 104 | 28 |
| Low Income | 79 | 233 | 79 | 0 |
| Moderate Income | 144 | 14 | 14 | 130 |
| Above Moderate | 342 | 290 | 290 | 52 |
| **Total** | **697** | **641** | **487** | **210** |

**Numbers from Table B of the Annual Housing Element Report*
*^ Statute (GC § 65913.4(4)(B)) only permits extra very low-income units to count towards low-income RHNA progress, but does not permit extra low-income units permitted to count towards moderate-income RHNA progress*

## Summary of Units

The information below is a summary of housing unit activity of the City of Citrus Heights during 2025. This information is a summary of Tables A through K submitted to the State of California's Housing and Community Development Department.

## Housing Element Program Implementation

The City adopted its 2021–2029 Housing Element on May 27, 2021. It was subsequently certified by the State's Housing and Community Development Department (HCD).

| **Jurisdiction** | Citrus Heights | |
|---|---|---|
| **Reporting Year** | 2025 | (Jan. 1 - Dec. 31) |

| **Building Permits Issued by Affordability Summary** | | |
|---|---|---|
| **Income Level** | | **Current Year** |
| Very Low | Deed Restricted | 90 |
| | Non-Deed Restricted | |
| Low | Deed Restricted | 24 |
| | Non-Deed Restricted | 35 |
| Moderate | Deed Restricted | |
| | Non-Deed Restricted | 4 |
| Above Moderate | | 27 |
| Total Units | | **180** |

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

| Units by Structure Type | Number of Units Permits Issued | Completed 2025 |
|---|---|---|
| Single-family Dwellings | 26 | 4 |
| Multi-family | 119 | 2 |
| Accessory Dwelling Units | 31 | 19 |
| **Total** | **176** | **25** |

State law requires the City to complete a specific review of the implementation of the programs in the Housing Element. Table D lists each of the programs in the Housing Element and indicates the timeframe to complete the program and the City's efforts to date. As the table shows, the City is on track with implementation of its Housing Element.

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WWW.CITRUSHEIGHTS.NET

# CITY OF CITRUS HEIGHTS

## CITY COUNCIL STAFF REPORT MEMORANDUM

**DATE:** March 11, 2026

**TO:** Mayor and City Council Members
Ashley J. Feeney, City Manager

**FROM:** Regina Cave, General Services Director
Leslie Blomquist, City Engineer
Daniel Kehrer, Principal Civil Engineer

**SUBJECT:** **Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project – HSIPSL-5475(050)**

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**Recommendation**

The Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project (Project) will construct safety improvements including:

- 584 retroreflective backplates at 34 signalized intersections
- Intersection safety improvements at Roseville Road/Butternut Drive & Butternut Drive/Villaview Dr:
  - 4 corner bulb-outs
  - 6 ADA compliant curb ramps
  - Southbound left-turn pocket on Roseville Road
  - High-visibility pedestrian crossings
  - Enhanced pavement markings
  - Roadway resurfacing

The environmental review was completed in December 2024. Final engineering design is complete, grant funds have been allocated, and the Project is ready for construction.

Staff recommends the following:

a.) Adopt Resolution No. 2026-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with McGuire Hester for Construction of the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project and Finding the Project is Exempt from the California Environmental Quality Act (CEQA) under Sections 15301, 15302, and 15303.

b.) Adopt Resolution No. 2026-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Professional Services Agreement with Coastland Civil Engineering, LLP to Provide Construction Management, Inspection, and Materials Testing Services for the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project.

## Strategic Plan Alignment

This item is in alignment with the following City Council priority:

> **Goal**: Maintain Public Infrastructure and Enhance All Modes of Transportation
> **Objective**: Award Contracts for Construction and Construction Management for the Roseville Road/Butternut Drive and Safety Improvement Project.

## Fiscal Impact

There is no impact to the Fiscal Year (FY) 2025/2026 budget. The full funding for the project is summarized in the following tables, consistent with the current 5-Year Capital Improvement Program (CIP) and approved 2-Year budget for "Roseville Road-Butternut Drive Safety Improvements Project."

**Table No 1. – Estimated Project Costs**

| Project Component | Estimated Cost ($) |
|---|---|
| Recommended Contract Award | 937,463.00 |
| 15% Contingency | 140,619.45 |
| Construction Contract Sub Total | 1,078,082.45 |
| | |
| Construction Management Contract | 176,131.00 |
| | |
| Grand Total | 1,254,213.45 |

**Table No 2. – Project Funding**

| Source Fund | Fund No. | Amount ($) |
|---|---|---|
| State HSIP Grant (Construction Funds) | - | 970,274.20 |
| State HSIP Grant (Construction Engineering Funds) | - | 158,517.90 |
| Measure A - Bike/Ped | 311 | 125,421.35 |
| ***Totals** | | **1,254,213.45** |

## Background and Analysis

On July 22, 2021, the City Council approved the Citrus Heights Local Roadway Safety Plan (LRSP) which provided recommended roadway safety improvements/countermeasures and an implementation plan for identified projects, including grant funding opportunities. A copy of the approved plan is available for viewing on the City's website at http://www.citrusheights.net/DocumentCenter/View/16617/.

In September 2022, the City submitted a Highway Safety Improvement Program (HSIP) grant application for two of the identified countermeasures from the LRSP. The safety countermeasures included in the successful HSIP application and incorporated into the scope of this Project include:

- Installation of 584 retroreflective backplates at 34 signalized intersections
- Roseville Road/Butternut Drive & Roseville Road/Villaview Drive intersection safety improvements:
  - 4 corner bulb-outs

- 6 ADA compliant curb ramps
- Pavement widening to provide a southbound left-turn pocket from Roseville Road onto Butternut Drive
- Storm drain repairs
- New curb, gutter, and sidewalk
- High-visibility pedestrian crossings and enhanced pavement markings
- Roadway resurfacing
- Street light relocations on Roseville Rd

On September 14, 2023, the City Council approved a resolution awarding a Professional Engineering Services agreement to Kimley-Horn and Associates, Inc. to complete the preliminary engineering, environmental documentation, and final design of the Project.

On June 26, 2025, the City Engineer approved the Project plans and engineering documents for the Project and directed staff to procure the allocation of State HSIP funds for the Project's construction and construction engineering phases. Grant funds were allocated in August 2025.

*Construction Contract*

On November 19, 2025, the City released the Project construction documents for public bids. Twelve bids were opened on February 10, 2026 and after evaluating the bids, staff determined that McGuire Hester submitted the lowest responsive and responsible bid. The complete bid results are shown in the following table:

**Table No 3 – Project Bid Tabulation**

| Bidder | Bid Total |
|---|---|
| McGuire Hester | $937,463.00 |
| Doug Veerkamp General Engineering, Inc. | $959,879.00 |
| Consolidated Engineering, Inc. | $1,028,948.00 |
| FBD Vanguard Construction, Inc. | $1,094,528.50 |
| Martin General Engineering, Inc. | $1,118,160.75 |
| B&M Civil LLC. dba B&M Builders | $1,148,960.00 |
| Mountain Cascade, Inc. | $1,167,391.00 |
| Central Valley Engineering & Asphalt, Inc. | $1,212,438.75 |
| All Phase Construction, Inc. | $1,285,672.50 |
| All-American Construction, Inc. | $1,380,623.50 |
| Ghilotti Bros., Inc. | $1,452,976.00 |
| Martin Brothers Construction | $1,659,947.50 |

The engineer's estimate for the Project was $1,232,250. After reviewing the bids, staff recommends the City Council award the bid to McGuire Hester in the amount of $937,463.00.

*Construction Management Contract*

A professional services agreement is needed to provide Construction Management, Inspection and Materials Testing services necessary during the construction of the Project. On January 20, 2026, the City issued a Request for Proposals (RFP) and received six proposals on February 11, 2026.

The City's selection team utilized a process consistent with Caltrans Local Assistance Procedures Manual (LAPM), Chapter 10, which governs consultant selection. A two-part screening process was utilized to evaluate the proposals. All six proposals were first reviewed independently and ranked by each team member using the same written criteria that was set forth in the RFP. The top three firms were subsequently invited to in-person interviews, which were held on February 25, 2026.

Through this evaluation process, Coastland Civil Engineering, LLP was determined to be the most qualified consultant to provide the desired services for the Project. Staff opened the budget proposal and completed negotiations to agree upon the final scope of work and budget, which is incorporated into the agreement recommended for approval.

## Environmental Review

*California Environmental Quality Act (CEQA)*: The Project is Categorically Exempt from review under CEQA pursuant to Sections 15301, 15303, and 15304 as the repair, maintenance or modification of existing facilities involve no or negligible expansion of use beyond that which currently exists.

## Attachments

1. Resolution No. 2026-_____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with McGuire Hester for Construction of the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project and finding the project is exempt from the California Environmental Quality Act (CEQA) under Sections 15301, 15302, and 15303.

2. Resolution No. 2026-_____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Professional Services Agreement with Coastland Civil Engineering, LLP to Provide Construction Management, Inspection, and Materials Testing Services for the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project.

**RESOLUTION NO. 2026-___**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH MCGUIRE HESTER FOR CONSTRUCTION OF THE ROSEVILLE ROAD/BUTTERNUT DRIVE AND SYSTEMIC SIGNALIZED INTERSECTION IMPROVEMENTS PROJECT AND FINDING THE PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) UNDER SECTIONS 15301, 15302, AND 15303**

**WHEREAS**, the City Council of the City of Citrus Heights, California, desires to proceed with construction of the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project (Project); and

**WHEREAS**, the Project design is complete and includes upgrades to 34 signalized intersections within the City of Citrus Heights and street improvements on Roseville Road and Butternut Drive City of Citrus Heights and a portion of Sacramento County; and

**WHEREAS**, bids for the project were received, opened and read aloud on February 10, 2026, and McGuire Hester was determined to be the lowest responsive, responsible bidder for the Project;

**WHEREAS,** award of this construction contract is contingent on McGuire Hester providing a Payment Bond, Faithful Performance and Labor Bond, and all City-approved insurance policies, on the appropriate forms, as required within five working days of the date of this resolution; and

**WHEREAS**, State Highway Safety Improvement Program (HSIP) grant funds and Measure A Bike/Pedestrian Maintenance funds (Fund 311) have been budgeted for the Project.

**NOW THEREFORE BE IT RESOLVED AND ORDERED** that the City Council of the City of Citrus Heights does hereby as follows:

1. Finds the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project is Categorically Exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Sections 15301, 15302, and 15303; as the repair, maintenance or modification of existing facilities involve no or negligible expansion of use beyond that which currently exists.

2. Awards the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project to McGuire Hester, who is the lowest responsive and responsible bidder in the February 10, 2026 bid opening.

3. Authorize the City Manager to execute an agreement with McGuire Hester, in the amount of $937,463.00 for the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project and that a copy of the Agreement is available and on file in the City Clerk's office and is incorporated herein by reference and made a part of this Resolution.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Citrus Heights, California, this 11th day of March 2026 by the following vote, to wit:

**AYES:** **Council Members:**
**NOES:** **Council Members:**
**ABSTAIN:** **Council Members:**
**ABSENT:** **Council Members:**

**MariJane Lopez-Taff, Mayor**

**ATTEST:**

**Amy Van, City Clerk**

**RESOLUTION NO. 2026-___**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH COASTLAND CIVIL ENGINEERING, LLP TO PROVIDE CONSTRUCTION MANAGEMENT, INSPECTION, AND MATERIALS TESTING SERVICES FOR THE ROSEVILLE ROAD/BUTTERNUT DRIVE AND SYSTEMIC SIGNALIZED INTERSECTION IMPROVEMENTS PROJECT**

**WHEREAS**, the City Council of the City of Citrus Heights, California, desires to proceed with construction of the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project (Project); and

**WHEREAS**, the Project design is complete and includes upgrades to 34 signalized intersections within the City of Citrus Heights and street improvements on Roseville Road and Butternut Drive City of Citrus Heights and a portion of Sacramento County; and

**WHEREAS**, the City circulated a request for proposals for construction management, inspection, and materials testing services, and in accordance with Caltrans procedures for consultant selection Coastland Civil Engineering, LLP was found to be the most qualified to provide the required services; and

**WHEREAS,** the City now desires to enter into a Professional Services Contract with Coastland Civil Engineering, LLP in an amount not to exceed $176,131.00; and

**WHEREAS**, the proposed professional services will be paid for with State Highway Safety Improvement Program (HSIP) grant funds and Measure A Bike/Pedestrian Maintenance funds (Fund 311).

**NOW THEREFORE BE IT RESOLVED AND ORDERED** that the City Council of the City of Citrus Heights does hereby authorize the City Manager to execute an agreement with Coastland Civil Engineering, LLP in the amount of $176,131.00 for the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project and that a copy of the Agreement is available and on file in the City Clerk's office and is incorporated herein by reference and made a part of this Resolution.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Citrus Heights, California, this 11th day of March 2026 by the following vote, to wit:

**AYES: Council Members:**
**NOES: Council Members:**
**ABSTAIN: Council Members:**
**ABSENT: Council Members:**

_____
**MariJane Lopez-Taff, Mayor**

**ATTEST:**

_____

**Amy Van, City Clerk**

# CITY OF CITRUS HEIGHTS

## CITY COUNCIL STAFF REPORT MEMORANDUM

**DATE:** March 11, 2026

**TO:** Mayor and City Council Members

**FROM:** Ashley J. Feeney, City Manager
Casey Kempenaar, Community Development Director
Meghan Huber, Economic Development and Community Engagement Director

**SUBJECT:** Economic Development and Participation Agreement– Sunrise Tomorrow – Sunrise Sports Center

---

**Recommendation**

Staff recommends the City Council adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to enter into an Economic Development and Participation Agreement (EDPA) with The Mettle Shop to support the redevelopment of a catalyst project for a portion of the Sunrise Tomorrow site and finding the agreement is exempt from CEQA per CEQA Guidelines 15004 (b)(4).

**Strategic Plan Alignment**

This item is in alignment with the following City Council priority:

> **Goal:** Diversify for a Vibrant Economy
>
> **Objective:** Provide the City Council with a strategic plan detailing City-led actions to advance the implementation of the Sunrise Tomorrow Specific Plan. This should include infrastructure investments, policy incentives, funding mechanisms, legal considerations, and proactive stakeholder engagement strategies to catalyze development, address potential challenges, and ensure the plan's long-term success

**Background and Analysis**

The Sunrise Mall site represents one of the most significant economic development opportunities and challenges within the City of Citrus Heights. Once a regional retail destination, the property has experienced prolonged decline due to fundamental changes in the retail market, the emergence of online shopping, loss of anchor tenants, and aging site infrastructure. Despite its size, location, and strategic importance, the site has underperformed economically for an extended period.

Recognizing both the risks and opportunities associated with continued decline, the City adopted the Sunrise Tomorrow Specific Plan; a community driven plan to guide long-term revitalization of the site into a mixed-use activity center that supports economic vitality, employment generation, housing opportunities, and community-serving uses with one of the goals for the site to once again be a regional destination. Implementation of this vision requires substantial private investment, phased development, and coordinated public-private collaboration.

Since STSP adoption in November 2021, Citrus Heights' City Council and executive leadership have maintained steadfast focus on advancing and implementing the Sunrise Tomorrow Specific Plan as a long-term framework for reinvestment and economic vitality at the 100-acre Sunrise Mall site. In March 2025 City Council set a strategic objective for staff to provide the City Council with an action plan detailing City-led actions to advance the implementation of the Sunrise Tomorrow Specific Plan including infrastructure investments, policy incentives, funding mechanisms, legal considerations, and proactive stakeholder engagement strategies to catalyze development, address potential challenges, and ensure the plan's long-term success. The project outlined below is a direct outgrowth of that sustained commitment and proactive stakeholder engagement.

Discussions around this potential catalyst project were initiated by the City Manager who personally identified and sourced the lead with The Mettle Shop (TMS) through networking and leveraging established professional relationships. These discussions led to deeper substantive dialogue about a potential economic development replacement project, the site's competitive advantages, and ultimately to coordinated deal-making efforts led by the City Manager and supported by key members of the executive team. As alignment solidified in both the economic development opportunity and the City's demonstrated capacity to execute complex, high-impact initiatives, those efforts culminated in a strategically aligned and execution-ready partnership proposal. The City has been working with The Mettle Shop (TMS), a Sacramento based Sports and Entertainment Developer to develop the Sunrise Sports Center Project (SSCP), a multi-sport and entertainment complex on a portion of the Sunrise Tomorrow site. TMS has a history of successful sports and entertainment development including Sacramento River Cats and Sacramento Republic FC. TMS proposes the catalyst project in Citrus Heights as further described below.

Concurrent to discussions about economic development opportunities with Mettle Shop, Tallen Capital Partners, an experienced commercial developer with a track record of delivering shopping, dining and entertainment destination centers, reached out to inform the City they were in negotiations with Namdar to acquire Namdar's portion of Sunrise Mall. The City team connected Tallen Capital Partners to The Mettle Shop to discuss their synergistic project plans. This dialogue resulted in the two parties agreeing to terms that provide for the Sunrise Sports Center project to serve as a destination anchor that will facilitate Tallen Capital Partners vision for a mixed-use shopping, dining and entertainment destination consistent with the Sunrise Tomorrow Specific Plan.

The City is optimistic and confident that all parties will proceed as planned; however, if Tallen Capital Partners chooses not to move forward, the city is prepared to initiate negotiations for a Purchase and Sale Agreement or consider pursuing condemnation proceedings. This contingency

plan is outlined in the Economic Development and Participation Agreement as part of the key terms and conditions for TMS to proceed.

Project Proposal

The Sunrise Sports Center Project (SSCP) is a proposed year-round, multiuse sports and entertainment campus to be located on approximately 13.75 acres within the Sunrise Mall property. The project will support a broad range of recreational, competitive, and spectator-based programming and will serve as a major regional destination for ice sports, field sports, live entertainment, and community recreation. The following is a breakdown of anticipated development:

**Multi-Sport Arena (Approx. 160,000 sq. ft.)**

- Two National Hockey League sized ice sheets.
    - One sheet located within a fixed seating bowl and suites accommodating approximately 2,900 to 4,200 spectators.
- Designed for both ice and non-ice programming, including:
    - Ice hockey, figure skating, curling, ice dance.
    - Arena soccer, box lacrosse, futsal, volleyball, basketball, wrestling, tennis.
    - Ticketed sporting events and entertainment events.
- High operational flexibility allowing rapid conversion between uses.

The arena is intended to accommodate both ice-based and non-ice programming, including ticketed sporting and entertainment events.

**Primary Covered Turf Field (Approx. 126,000 sf)**

- Regulation FIFA soccer pitch.
- Seating for sporting events.
- Capacity for concerts and large-scale events.
- Configurable for football, rugby, lacrosse, youth baseball, flag football.

**Secondary Covered Turf Field (Approx. 30,000 sf)**

- Designed for youth-focused programming.
- Supports training, camps, clinics, leagues, and overflow demand.
- Configurable for small sided soccer, lacrosse, flag football, and other recreational uses.

**Sports Medicine & Performance Center (Approx. 17,000 sf)**

- Athletic training, injury prevention, rehabilitation, and performance services.
- Intended to serve both facility users and the broader community.

**Restaurant & Hospitality Space (Approx. 8,000 sf)**

- Overlooks both the arena and the primary field.

- Year-round food and beverage service.
- Functions as both an event support amenity and a standalone dining destination.

**Programming and Uses**

SSCP is designed for high utilization throughout the day, evenings, and weekends. Planned programming may include but not limited to:

- Minor league hockey (34 events annually projected)
- Live music and entertainment events.
- Youth and adult ice hockey leagues.
- Figure skating, curling, and ice dance.
- Indoor and outdoor soccer.
- Flag football, lacrosse, basketball, volleyball.
- Camps, clinics, and sports training academies.
- Mixed Martial Arts, boxing, and wrestling.
- E-sports events.
- Community recreation and special events.

Public Private Partnership Consideration

An Economic Development and Participation Agreement (EDPA) is proposed and recommended for City Council approval to facilitate development of the SSCP which will serve as a catalyst for redevelopment of the property in the STSP area while also increasing vitality for the Sunrise MarketPlace trade area and the balance of the City's commercial corridors. Economic Development Participation Agreements are strategic tools used by jurisdictions to clearly establish the roles, responsibilities, and performance expectations between a city and private partners, helping catalyze complex, transformative projects that advance long-term economic and community development goals. An EDPA is an agreement that outlines the key business terms, economic development incentives, and financial concepts agreed upon between the City and the developer necessary to execute a proposed project.

The proposed EDPA:

- Identifies the major deal components
- Formalizes a partnership between the City and Mettle Shop.
    - The EDPA acknowledges that additional deal points will be required to bring the project to fruition.
    - These terms would be incorporated into a Development Agreement which would be considered by the City Council as part of the entitlement review for the project.
- Does not "approve" a project. Project approval entitlements including review under the California Environmental Quality Act (CEQA) are required.

Need for an Economic Development and Participation Agreement

Redevelopment of the Sunrise Mall site presents challenges that differ materially from typical commercial or mixed-use projects. The scale of the site, the need for demolition and phased redevelopment, need to reconfigure existing onsite infrastructure, as well as current market conditions create significant financial and timing risks that limit the feasibility of redevelopment without public participation for the type of redevelopment project established in the adopted STSP that is desired by the community and City Council. This level of required investment and public-private partnership is consistent with the approach used in the successful redevelopment of aging and underperforming mall sites across the United States.

Absent an Economic Development and Participation Agreement (EDPA), redevelopment is likely to occur incrementally at a reduced intensity or over an extended timeframe, delaying realization of the Sunrise Tomorrow vision and prolonging the site's underperformance. Continued delay would result in lost economic opportunity, diminished fiscal returns, and the persistence of blight at one of the City's most visible locations. When a community-driven redevelopment vision stalls, it often creates pressure to accept lower-quality or short-term uses simply to generate activity. While these uses may provide temporary relief, they can lock in land use patterns that diminish the long-term potential of a transformational site, ultimately forfeiting a rare opportunity to strengthen the community's quality of life and economic future for generations to come.

One purpose of the EDPA is to clearly define the roles, responsibilities, and framework for project financing, including the use of bonding. TMS's ability to deliver this project is contingent on utilizing a portion of the City's bonding capacity. Public financing tools, including bonding, are commonly used to unlock and create viability for large, transformational catalyst projects that would not otherwise "pencil" under conventional private market conditions. In many cases factors like the scale of upfront infrastructure investment, site remediation, structured parking, or public realm improvements creates a feasibility gap that private capital alone cannot absorb. Strategic bonding allows a public agency to bridge that gap by financing eligible improvements over time, aligning costs with the long-term economic benefits generated by the project. When deployed thoughtfully, bonding is not a subsidy for private development, but rather a tool to advance broader public objectives, stimulating new economic activity, expanding the tax base, attracting complementary investment, and accelerating revitalization that might otherwise stall for years.

Citrus Heights is particularly well positioned, both as a jurisdiction and within the broader region, to responsibly deploy this type of financing tool. The City's longstanding commitment to fiscal prudence, conservative revenue forecasting, strong reserve policies, and disciplined long-term financial planning provides a stable foundation for evaluating and managing debt instruments. Coupled with clear strategic priorities adopted by the City Council and a demonstrated track record of transparent financial management, Citrus Heights has the institutional capacity to thoughtfully structure bonding in a way that protects taxpayers, mitigates risk, and ensures that investments are aligned with measurable community benefit and long-term economic sustainability.

The EDPA incorporates several layers of protection (legal, financial, operational, and procedural) to ensure the City maintains discretion, avoids premature commitments, recovers costs where appropriate, and maintains control over safety, entitlements, and fiscal exposure. The bonding structure is designed to mitigate public risk by securing a first-position interest in pledged assets used as collateral. This means the City retains a primary claim on the project property, ahead of other creditors. By establishing a first right to these secured interests the financing framework reduces exposure and strengthens the enforceability of repayment. This layered security approach ensures that public participation is protected by tangible value and contractual priority, aligning the risk profile with prudent fiscal management practices while still enabling catalytic investment. The EDPA includes specific protections for the use of the City's bonding capacity and stipulates that repayment will be made using TMS revenues associated with the proposed development.

To further mitigate financial risk, the EDPA structures up to $60 million in City debt financing which will be matched with TMS equity. The debt is secured by a first priority deed of trust on the TMS Site, granting the City a senior lien position and enabling reliance on the property as collateral should TMS fail to perform. As noted above, bond repayment will come from TMS-generated revenues, ensuring that the City's general funds or tax base are not used to service the debt under normal circumstances. In the unlikely event of a default, the City's General Fund would serve as a backstop to ensure debt obligations are met with the City retaining the ability to foreclose on the asset and recover its interest if necessary. The EDPA also defines the City's financial safeguards by retaining discretion over acceptable debt-coverage ratios, as well as all other financing terms. Additional terms will be negotiated and formalized in a future Development Agreement.

## Fiscal Impact

The Sunrise Sports Center Project (SSCP) is projected to generate meaningful and recurring fiscal benefits for the City of Citrus Heights through new tax revenues associated with visitor spending, facility operations, and related economic activity. According to the Demand and Impact Analysis (Attachment 3), SSCP is expected to attract approximately 1.29 million annual visits, of which about 75% (or 967,500 visits) are incremental visitors from outside the City. These visitors represent new spending that would not otherwise occur in Citrus Heights.

The project is expected to result in $17.8M in direct spending outside the project (in and around Citrus Heights) and $8.4M in indirect spending, resulting in $26.2M in total annual economic output. The project is expected to result in 130 construction jobs resulting in $7.9M one time output from construction, $6.2M in personal earnings for construction workers, and $103k fiscal benefit to the City directly from construction.

The report estimates that SSCP will produce substantial annual fiscal impacts, generating a conservative estimate of $788,000 in annual taxes for Citrus Heights. This includes revenues from:

- Sales tax generated by visitor spending on food, retail, entertainment, and services.
- Hotel tax (TOT) from overnight stays associated with tournaments, concerts, and multi-day events.

- Property related taxes associated with the entertainment complex and supporting development.
- Indirect fiscal and economic benefits resulting from increased employment and business activity.

The fiscal impacts are driven by both the scale of the facility and the high proportion of out-of-area visitors. As the report notes, the project will create substantial net new spending in the community, which in turn expands the City's tax base. The facility's ability to host large tournaments, concerts, and regional events further amplifies these benefits by increasing overnight stays at future onsite hotels and higher-value visitor spending. Introducing a venue of this magnitude fundamentally shifts the market dynamics, generating the demand drivers necessary to support a hotel use, full-service restaurants, entertainment concepts and more on the Sunrise Tomorrow site, desired uses that otherwise may not achieve feasibility under existing trade area conditions.

In addition to annual operating impacts, the construction of SSCP will also generate substantial onetime fiscal benefits through construction related spending, job creation, and taxable purchases of materials and services.

## Proposed Economic Development and Participation Agreement

As outlined in the Economic Development and Participation Agreement (Attachment 1a) both The Mettle Shop and the City have roles and deliverables briefly described below.

*The Mettle Shop Role*

The Mettle Shop will ultimately be responsible for building and operating the Sunrise Sports Center. Additional agreements and project entitlements are required beyond this EDPA. Key deliverables for Mettle Shop include:

**Site Acquisition & Development**:

- Acquire approximately 13.75 acres (northern portion of the Sunrise Mall primarily located on the Men's Macy's parcel) for a sports and entertainment complex, including an ice arena (2,900–4,200 seats).
- Responsible for demolition costs on the TMS Site.
- Construction of all facilities associated with SSCP.

**Financial Commitments**:

- Enter into a Purchase and Sale Agreement (PSA) with a third party or the City if ultimately required, including earnest money deposits and pro-rata share of condemnation costs (if required).
- Secure equity financing to complement City debt financing.

**Parking & Infrastructure**:

- Provide up to 2.5 acres for surface parking and negotiate reciprocal easements for additional spaces.
- Participate in discussions on potential future parking structure funding through fair-share contributions, if determined to be needed.

*City Role*

**Land Acquisition**:

- Continue consideration of condemnation process to acquire fee simple interest in portions of the Sunrise Mall Site unless a third-party acquisition occurs. There would be no obligation to proceed if The Mettle Shop abandons interest.

**Planning & Entitlements**:

- Cooperate with TMS on CEQA compliance, Specific Plan amendments, and municipal code modifications to accommodate the sports and entertainment complex.
- Process entitlements and facilitate administrative modifications as needed.

**Financial Support**:

- Provide up to $60 million in debt financing secured by a first-priority deed of trust on the Mettle Shop Site, subject to acceptable debt coverage ratios. The EDPA provides a mechanism for the Mettle Shop to have access to more favorable bond rates associated with Government Bonds to support project buildout. Importantly, City participation is structured to use the City's Government Bonding capability with all bond payments paid by the Mettle Shop based on project revenues.
- Consideration of additional public-private partnership elements and financing mechanisms Community Facilities District (CFD) or Enhanced Infrastructure Financing District (EIFD) for infrastructure improvements.

**Infrastructure & Services**:

- Waive certain City fees (administrative, plan check, inspection) and defer impact fees for five years post-entitlement approval.
- Provide municipal services (police, traffic control, emergency response) for events, with cost-sharing terms to be negotiated.

**Community Benefits**:

- Use of the complex for up to four community-oriented events annually, subject to operational cost reimbursement.
- Complimentary premium seating at regular season events reserved for City use to advance community and municipal purposes including but not limited to official City hosting, community partnership engagement, volunteer recognition, nonprofit support, economic development activities, and other direct City functions

<u>Future Actions</u>

Following are implementation steps once an EDPA is approved:

1. **Project Due Diligence**
   Mettle Shop will conduct due diligence and acquisition and prepare entitlement package for City review.
2. **Drafting of the Formal Development Agreement**
   Preparation of a Development Agreement reflecting negotiated terms and fiscal safeguards.
3. **Entitlement and Environmental Review**
   Review and consideration of Planning Entitlements including but not limited to Specific Plan Amendment, Use Permit, Design Review Permit, Subdivision map or lot line adjustment, and Development Agreement. Includes evaluation of any new environmental impacts and documentation of CEQA compliance prior to City Council consideration.
4. **Planning Commission Review and Recommendation**
   Presentation of the Entitlement Package and Development Agreement, for recommendation for City Council approval.
5. **City Council Consideration and Approval**
   Presentation of the Entitlement Package, Development Agreement, supporting fiscal analysis, and staff recommendation for City Council approval.

## Environmental Review

That this agreement is exempt from the California Environmental Quality Act under CEQA Guideline 15004 (b)(4) as a preliminary financial agreement. This action does not approve any entitlement or subsequent development. Any future development application would require California Environmental Quality Act ("CEQA") review.

## Conclusion

The Sunrise Tomorrow redevelopment is envisioned as a transformative mixed-use destination that will introduce a wide range of new amenities and experiences for the Citrus Heights community. The project is intended to function as a modern city center and destination, featuring a more urban development pattern, a central gathering place for community events, and a vibrant mix of entertainment, dining, housing, and visitor-serving uses. Collectively, these elements are designed to create an active, walkable district that serves residents, visitors, and the broader region.

Importantly, the proposed Sunrise Sports Center Project is anticipated to act as a catalyst for additional private investment both on-site and in the surrounding area. By establishing a critical mass of activity, foot traffic, and destination uses, the project is expected to create the market conditions necessary to support complementary redevelopment such as restaurants, hotels, and other visitor-serving and commercial uses. While these additional investments may occur over time, the proposed redevelopment represents the foundational step needed to make subsequent phases and related projects financially feasible.

By introducing venues capable of hosting larger events and performances, the Sunrise Tomorrow redevelopment would significantly expand cultural, recreational, and entertainment opportunities available to Citrus Heights residents and the surrounding region. Over time, this catalytic reinvestment is expected to attract visitors, support local businesses, generate new jobs, and strengthen the City's long-term tax base.

The proposed project directly advances the vision established through the Sunrise Tomorrow Specific Plan, which was developed through extensive community engagement and adopted by the City Council to guide the long-term revitalization of the Sunrise Mall site. Redevelopment of this scale represents a significant opportunity to transform a long-underperforming regional property into a vibrant community destination that supports economic vitality, enhances quality of life for residents, and positions Citrus Heights for sustained growth in the years ahead.

## Attachments

1. Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to enter into an Economic Development and Participation Agreement (EDPA) with The Mettle Shop to support the redevelopment of a catalyst project for a portion of the Sunrise Tomorrow site and finding the project is exempt from CEQA per CEQA Guidelines 15004 (b)(4).
    a. Economic Development and Participation Agreement
2. Conceptual Site Plan
3. Demand and Economic Impact Analysis of Sunrise Sports Project in Citrus Heights, CA

**RESOLUTION NO. 2026-___**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ECONOMIC DEVELOPMENT AND PARTICIPATION AGREEMENT (EDPA) WITH THE METTLE SHOP TO SUPPORT THE REDEVELOPMENT OF A CATALYST PROJECT FOR A PORTION OF THE SUNRISE TOMORROW SITE AND FINDING THE AGREEMENT IS EXEMPT FROM CEQA PER CEQA GUIDELINES 15004 (B)(4)**

**WHEREAS**, on July 11, 2019, the City Council adopted a General Plan Amendment requiring the development of a Specific Plan (Policy 12.3) to ensure the orderly and holistic planning of the Sunrise Mall Property located at 6041 Sunrise Boulevard; and

**WHEREAS,** the Sunrise Tomorrow Specific Plan has been prepared to provide a comprehensive guide for the redevelopment of the Sunrise Mall Property; and

**WHEREAS**, robust stakeholder engagement was incorporated into the plan development between 2019 and 2021 and the Specific Plan and Environmental Impact Report was adopted unanimously in November 2021;

**WHEREAS**, City has been working with The Mettle Shop to pursue a sports and entertainment destination within the Sunrise Tomorrow Specific Plan; and

**WHEREAS,** The Mettle Shop proposes development of a multi-sport arena, covered turf fields, sports medicine and performance center, restaurant and hospitality space and associated programming; and

**WHEREAS,** absent an Economic Development and Participation Agreement, redevelopment is likely to occur incrementally at a reduced intensity or over an extended timeframe, delaying realization of the Sunrise Tomorrow vision and prolonging the site's underperformance. Continued delay would result in lost economic opportunity, diminished fiscal returns, and continued blight at one of the City's most visible locations; and

**WHEREAS**, in 2025, the City Council adopted Strategic Planning Objectives including the following:

> Provide the City Council with a strategic plan detailing City-led actions to advance the implementation of the Sunrise Tomorrow Specific Plan. This should include infrastructure investments, policy incentives, funding mechanisms, legal considerations, and proactive stakeholder engagement strategies to catalyze development, address potential challenges, and ensure the plan's long-term success;

**WHEREAS**, this Agreement is for financing only and does not have a physical impact on the environment, it does it commit the City to subsequent approvals that could have a physical impact on the environment, and under CEQA Guideline 15004 (b)(4) it would be premature for the City to prepare an environmental document for the Project; and

**WHEREAS**, the City has determined that providing strategic bonding assistance as described in this Agreement, will advance the public interest, enhance long-term fiscal health, and serve as a catalyst for the redevelopment of the Sunrise Tomorrow Site. The project serves as an economic development opportunity for City leaders to partner with the Developer to begin the transformation of the Sunrise Mall into Sunrise Tomorrow.

**NOW THEREFORE BE IT RESOLVED AND ORDERED** that the City Council of the City of Citrus Heights does hereby authorize the City Manager, or a designee, to execute the Economic Development and Participation Agreement substantially consistent with (Attachment A) and adopts the CEQA Exemption 15004 (b)(4) and authorizes the Community Development Director to file a Notice of Exemption with the California State Clearinghouse.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Citrus Heights, California, this 11th day of March 2026 by the following vote, to wit:

**AYES:** **Council Members:**
**NOES:** **Council Members:**
**ABSTAIN:** **Council Members:**
**ABSENT:** **Council Members:**

**MariJane Lopez-Taff, Mayor**

**ATTEST:**

**Amy Van, City Clerk**

**Exhibit**

A. Economic Development and Participation Agreement

**ECONOMIC DEVELOPMENT AND PARTICIPATION AGREEMENT**

*(Sunrise Sports Center Project)*

This **ECONOMIC DEVELOPMENT AND PARTICIPATION AGREEMENT** ("**Agreement**") dated March 11, 2026, is entered into by and between the **CITY OF CITRUS HEIGHTS**, a California municipal corporation ("**City**") and **THE METTLE SHOP, LLC**, a Delaware limited liability company ("**TMS** "). City and TMS may each be referred to as a "**Party**" or collectively as the "**Parties.**"

**RECITALS**

A. WHEREAS, the City has established the Sunrise Tomorrow Specific Plan ("**STSP**"), a Specific Plan for certain real property within the City that includes the Sunrise Mall Site (as hereinafter defined), and the STSP is intended to encourage high-intensity, mixed-use, and entertainment-oriented development that enhances regional identity, promotes urban design, hospitality, and high quality of life;

B. WHEREAS, TMS seeks to acquire a portion of the Sunrise Mall Site consisting of an aggregate of approximately 13.75 acres (as more specifically identified in Section 4 of this Agreement) that, primarily, will abut Greenback Lane within the STSP Plan Area (the "**TMS Site**");

C. WHEREAS, TMS proposes to construct on the TMS Site a sports and entertainment focused development, which is planned to include an ice arena, an ice rink, and two outdoor covered turf fields (generally referenced herein as the "**Sunrise Sports Center Project**" or the "**Project**"), as generally depicted on Exhibit A. Subject to the contingencies stated in this Agreement, TMS intends to submit an application to the City for entitlements for the Project, which will include as may be necessary an amendment to the STSP, a parcel map or lot line adjustment(s) (if not processed by other parties), use permits, variances, and a development agreement;

D. WHEREAS, the City has determined that the Project will further the objectives of the STSP and also the City's Economic Development Work Plan, adopted on February 12, 2025 by Resolution No. 2025-008 stimulating private investment, creating jobs, enhancing the City's economic base, and generating long-term community benefits, based upon, without limitation: testimony, TMS's presentation, the agenda report and supporting documents provided at the March 11, 2026 City Council meeting regarding this Agreement;

E. WHEREAS, in 2025, the City Council adopted Strategic Planning Objectives, including the following:

> Provide the City Council with a strategic plan detailing City-led actions to advance the implementation of the Sunrise Tomorrow Specific Plan. This should include infrastructure investments, policy incentives, funding mechanisms, legal

considerations, and proactive stakeholder engagement strategies to catalyze development, address potential challenges, and ensure the plan's long-term success;

F. WHEREAS, the City has initiated steps to consider condemnation of land and improvements identified as approximately 50 acres of APNs 243-0192-012, 243-0192-015, and 243-0192-017 (a portion of what is generally known as Sunrise Mall and is defined for purposes of this Agreement as the "**Sunrise Mall Site**");

G. WHEREAS, TMS is actively engaged in independent negotiations to acquire the TMS Site, and, by this Agreement, the City intends to provide assurances to TMS regarding the availability to TMS of the TMS Site and elements of a public-private partnership for development of the Project should such independent negotiations fail; and

H. WHEREAS, this Agreement is for financing and terms for a potential future Purchase and Sale Agreement between TMS and City relative to the TMS Site and the Project, and it does not have a physical impact on the environment, it does not commit the City to subsequent approvals that could have a physical impact on the environment, and under CEQA Guideline 15004 it would be premature for the City to prepare an environmental document for the Project. The Agreement is therefore exempt from further CEQA review.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### SECTION 1 EFFECTIVE DATE AND TERM OF AGREEMENT

1.1. Effective Date. This Agreement shall become effective on March 12, 2026 ("**Effective Date**").

1.2 Term. The "**Term**" of this Agreement shall commence on the Effective Date and shall expire only upon the (1) approval of a Development Agreement between TMS and the City that includes in all material respects the terms of this Agreement or (2) the withdrawal by TMS of an application for approval of entitlements for the Sunrise Sports Center Project.

### SECTION 2 THE SUNRISE SPORTS CENTER PROJECT

2.1. Project Description. TMS intends to develop a high-profile sports and entertainment project on a portion of the Sunrise Mall Site, with the following **"Project Components"**:

A. Multi-Sport Arena (approximately 160,000 square feet ("**sf.**")), consisting of two National Hockey League sized ice sheets. One sheet located within a fixed seating bowl accommodating from 2,900 to 4,000 spectators. The Multi-Sport arena will be designed for both ice and non-ice programming, including, but not limited to:

1. Ice hockey, figure skating, curling, ice dance.
2. Arena soccer, box lacrosse, futsal, volleyball, basketball, tennis.
3. Ticketed sporting events and entertainment events.
4. High operational flexibility allowing rapid conversion between uses.

B. Primary Covered Turf Field (approximately 126,000 sf.), which will accommodate a regulation FIFA soccer pitch, seating for sporting events, capacity for up to 10,000 attendees for concerts and large-scale events, and which also can be reconfigured for activities including, but not limited to, football, rugby, lacrosse, youth baseball, and flag football.

C. Secondary Covered Turf Field (approximately 30,000 sf.), which is designed for youth-focused programming, including sports training, camps, clinics, leagues, and overflow demand. This turf field will be configurable for activities including, but not limited to, small-sided soccer, lacrosse, flag football, and other recreational uses.

D. Sports Medicine and Performance Center (approximately 17,000 sf.) (dependent upon a contracted user), for activities including, but not limited to, athletic training, injury prevention, rehabilitation, and performance services. This space is intended to serve both facility users and the broader community.

E. Restaurant and Hospitality Space (approximately 8,000 sf.). This space will overlook both the Arena and the Primary Covered Turf Field and will provide year-round food and beverage service. This area will function as both an event-support amenity and a standalone dining destination.

F. Sports Academy (dependent upon potential user) (estimated square footage to be determined).

2.2 Anticipated Programming and Uses. The Project is designed for high utilization throughout the day, evenings, and weekends. Planned programming includes, but is not limited to:

A. Youth and adult ice hockey leagues.
B. Figure skating, curling, and ice dance.
C. Indoor and outdoor soccer.
D. Flag football, lacrosse, basketball, volleyball.
E. Camps, clinics, and sports training academies.

F. E-sports events.
G. Live music and entertainment events.
H. Minor league hockey (approximately 34 events annually projected).
I. Medical uses.
J. Sports academy, including educational classrooms.
K. Community recreation and special events.

**SECTION 3 SITE ACQUISITION**

3.1 Acquisition from a Third Party. City and TMS acknowledge that parallel negotiations may occur for acquisition of the fee simple interest in all or a portion of the Sunrise Mall Site by one or more third parties (i.e., not City or TMS). As of the Effective Date, City and TMS understand that a third party has entered into a Purchase and Sale Agreement ("**PSA**") with the current owner of the fee simple interest in the Sunrise Mall Site (i.e., Sunrise Mall Realty LLC, Sunrise CH LLC, and Sunrise Nassim LLC). TMS may elect to, but shall have no obligation to, purchase or otherwise acquire any interest in all or any portion of the Sunrise Mall Site from any third party, unless otherwise agreed to between TMS and such third party.

3.2 Alternative Acquisition from City. If that third party fails to close escrow on such purchase, City shall exercise its best efforts to negotiate and enter into as soon as practicable a separate PSA with the current owner of the fee simple interest in the Sunrise Mall Site to purchase the portion of the Sunrise Mall Site consisting of the TMS Site to accommodate the Sunrise Sports Center Project.

3.2.1 City shall consider the condemnation process to acquire the fee simple interest in a portion of the Sunrise Mall Site (APNs 243-0192-012, 243-0192-015, and 243-0192-017), unless and until an alternative acquisition of such interest by a third party (i.e., not City or TMS occurs to the satisfaction of City).

3.2.2 Pending execution and delivery of such separate PSA, City shall consider a Resolution of Necessity no later than 90 (ninety) days after termination of the PSA between the current owner of the Sunrise Mall Site and the third party that is under contract for acquisition of the Sunrise Mall Site. City and TMS agree that the timing for City consideration of a Resolution of Necessity may be extended by mutual consent. City agrees to not unreasonably withhold a request by TMS to extend City consideration of a Resolution of Necessity.

3.2.3 City shall have no obligation to continue the condemnation process if TMS elects to abandon any interest in or effort to acquire an interest in a portion of the Sunrise Mall Site.

3.2.4 TMS agrees that City shall have no obligation to proceed with a condemnation action unless and until TMS has entered into a definitive written agreement

that assures City that TMS will have sufficient funds available to pay a pro rata portion of the acquisition price upon entry of a final judgment in condemnation. Said definitive written agreement assuring sufficient funds shall be provided to City no later than ninety (90) days after City Council approval of a Resolution of Necessity (subject to future consideration at their sole and exclusive discretion).

3.2.5 Subject to the application as liquidated damages of any earnest money deposit agreed to between City and TMS under a PSA, TMS reserves its right to terminate any contractual obligation between City and TMS that requires TMS to purchase any portion of the Sunrise Mall Site, up to the date which is ninety (90) days after City Council adoption of a Resolution of Necessity (subject to City Council future consideration at its sole and absolute discretion).

3.3 TMS Rights to Terminate Acquisition Efforts. TMS shall not be obligated to acquire any interest in all or any portion of the Sunrise Mall Site unless and until such time, if any, as TMS has entered into a definitive, written PSA for acquisition of the same following, or in connection with preparation for, acquisition (through transfer of acceptable legal and insurable title) of the fee simple interest in all or such portion of the Sunrise Mall Site occurs by either the City or a third party to the reasonable satisfaction of TMS. The PSA shall contain the principal terms (such as, by way of example, purchase price, earnest money deposit and disposition of the same, amount of acreage, and specific location of acreage) and conditions for the purchase by TMS of the applicable interest in all or the applicable portion of the Sunrise Mall Site, as well as such ancillary or supplemental terms as may be mutually agreed upon by TMS and the applicable seller(s) of such interest.

3.3.1 Effect of TMS Termination. Failure of TMS to acquire the TMS Site from a third party or for the City to fulfill its obligations to consider, or to adopt, a Resolution of Necessity shall entitle TMS to cancel this Agreement and a future PSA with the City with no liability to City (see Section9.6), but subject to the City's payment to TMS of the amount specified in Section9.6.

3.4 PSA Between City and TMS. If City acquires the fee simple interest in the Sunrise Mall Site through condemnation or otherwise, TMS shall not be obligated to close on its purchase of an interest in all or any portion of such site unless and until such time, if any, as the conditions precedent identified in the PSA (including those referenced in this Agreement) are satisfied to the commercially reasonable satisfaction of TMS. Such conditions precedent are identified in Section 9.1 of this Agreement. Certain of the CPTC may be satisfied by inclusion of the applicable subject matter in the Development Agreement referenced in Section 6.7, below.

**SECTION 4 SITE PARAMETERS AND PRICE PER ACRE**

4.1 TMS will acquire the TMS Site, regardless of whether from City or a third party. A general depiction of the applicable acreage is shown in Exhibit B, with the exact acreage subject to verification by survey and site planning.

4.2 The TMS Site is in the general location of the existing Macy's site, with direct access from Greenback Lane.

4.3 The price per acre to be paid by TMS for the TMS Site shall be based on a pro rata share of the value as determined through a negotiated price by City and/or City's legal counsel for condemnation; OR a negotiated price with an applicable third party. TMS has sole and exclusive discretion to determine whether to accept a price.

4.4 TMS shall not be required to make any deposit into escrow (whether through a condemnation process or otherwise) until execution and delivery of a definitive PSA by TMS and the City, or by TMS and a Third Party.

4.5 Any Deposit made by TMS shall become nonrefundable to TMS based on timelines and conditions precedent provided for in the PSA between City and TMS.

4.6 City shall not require acreage in addition to the TMS Site to be owned by TMS for uses such as, by way of example, parking. Additional parking required of TMS may be satisfied through licenses or reciprocal easement agreements to be negotiated on the Sunrise Mall Site and/or through off-site licenses negotiated with third parties. See additional terms regarding parking, below.

4.7 The TMS Site is intended to accommodate, among other things, an ice arena with 2,900 to 4,200 seats. TMS shall have no obligation to construct a 4,200-seat arena, and City acknowledges that the larger arena is intended only if TMS succeeds in acquiring or engaging a particular amateur or professional ice hockey team ("**Team**") to play its "home" games at the arena to be constructed on the TMS Site.

4.8 TMS shall have no responsibility (financial or otherwise) for existing liens on the Sunrise Mall Site unless otherwise negotiated as part of PSA between TMS and City. City acknowledges that fee simple title to the TMS Site must be conveyed to TMS free and clear of any liens, and City shall present evidence of all liens to the court having jurisdiction over the condemnation action with the objective of resolving existing liens through a condemnation action. If the City acquires the Sunrise Mall Site through negotiation, City shall ensure that all liens have been removed through that negotiated purchase.

4.9 If City acquires the Sunrise Mall Site through condemnation, City shall cooperate with TMS to process parcel map(s) and/or lot line adjustments to create the TMS

Site and shall waive any City processing fees that are to cover City services. TMS shall pay a pro rata portion (27%) of actual out-of-pocket costs incurred by the City for the creation of the parcel map and/or lot line adjustment for the TMS Site.

4.10 Subject to TMS's right to terminate the PSA as stated in Section 10, if City acquires the Sunrise Mall Site through condemnation, but TMS elects not to purchase the Site, TMS shall forfeit the earnest money deposit identified in the PSA, which is intended to cover the anticipated pro-rata share (27%) of the City's costs to pursue condemnation, including attorney's fees for specialized condemnation counsel. If the earnest money deposit does not cover the applicable costs, TMS shall contribute the difference to the City.

**SECTION 5 PLANNING AND ENTITLEMENTS**

5.1 The City shall cooperate with TMS in processing required CEQA documentation, which includes but is not limited to California Code of Regulations Title 14 Section 15004 (related to CEQA exemption applicable to the adoption of the EDPA), and land use entitlements for the Sunrise Sports Center Project, and reasonably work with TMS to recommend to the City Council, Specific Plan amendments, signage approvals, or municipal code modifications reasonably necessary for the Sunrise Sports Center Project, including modifications to noise regulations, signage programs, and similar measures required to allow full realization of TMS' contemplated uses.

5.2 Upon application to the City, City shall process Specific Plan amendments to the STSP to allow for (a) location of the Sunrise Sports Center Project at the northern end of the Sunrise Tomorrow Specific Plan area (i.e., in the general location of the existing Macy's) within the boundaries of the TMS Site; (b) transfer of developable square footage to the TMS Site, as may be required to meet the development standards of the STSP; and (c) relocation of parking and/or any contemplated parking structures to other locations within the STSP boundaries to accommodate the Sunrise Sports Center Project.

5.3 Subject to submittal of timely and complete information by TMS, City shall identify any required amendments to the STSP no later than thirty (30) days after execution of this Agreement.

5.4 If the fee simple interest in the Sunrise Mall Site is not acquired by a third party, any agreement between the City and TMS shall require TMS to be responsible for all demolition costs associated with the TMS Site and demolition necessary for execution of the Sunrise Sports Center Project. If grant funding is available for site demolition costs, City shall cooperate with TMS in applying for and using such grant funding towards demolition costs. City agrees to not unreasonably withhold approval of TMS's ability to complete demolition in phases and shall reasonably assist in the permitting process.

**SECTION 6 PARKING**

6.1 Parking for regular events: Based on acceptable parking allocation for sports facilities as proposed by TMS, City shall require use of no more than 1,000 parking spaces with operation of the TMS Site for a 2,900 seat arena or 1,400 parking spaces for a 4,200 seat arena, and also including the ice rink, outdoor covered turf fields, and the related uses described in Section 2 of this Agreement. All parking to be required of TMS (including any additional parking associated with an enlarged arena as referenced in Section 4.7 above) is to be satisfied through (1) acquisition by TMS of not more than 2.5 acres specifically designated for surface parking and (2) license arrangements or reciprocal easement agreements for the use of off-site parking areas located in, or in the general vicinity of, the boundaries established by the City for the STSP. TMS acknowledges that City will require confirmation of adequate parking for regular events as part of approval of entitlements.

6.2 Potential Future Parking Structure: City shall convene meetings prior to May 31, 2026, between the City, TMS, and the third party under contract to purchase the Sunrise Mall Site (as referenced herein) to explore the financial feasibility of, and to identify possible funding sources for, one (1) potential future parking structure on the Sunrise Mall Site. City acknowledges that such a parking structure may not be financially feasible, and that, in any event, a public-private partnership would likely be necessary to achieve such funding, with any required contribution by TMS to be negotiated as part of a Development Agreement with TMS, and through a Development Agreement or Conditions of Approval on entitlements with the third-party developer. If the City would be the owner/operator of the parking structure, TMS shall commit to contribute, at no cost to the City, the 2.5-acre surface parking area owned by TMS, provided that the parking structure is constructed on lands in close proximity to the project area. If the parking structure would be owned by a third party, the terms of TMS's contribution to financing of such parking structure would be subject to agreement between TMS and such third party. TMS shall not advance fund a parking structure, and imposition of any tax or fee on TMS or the TMS Site to contribute to funding for a parking structure would be subject to a fair share contribution, only. City acknowledges that determining the potential need for, and any associated financing of a parking structure is a due diligence consideration for TMS, including with respect to purchase of the TMS Site from a third party. If a mutually agreeable financing plan for a parking structure, if any, is not agreed to by May 31, 2026, then TSM shall have the right to object to or vote against any such fee or tax if and when it closes escrow on the TMS Site.

**SECTION 7 CITY FINANCIAL SUPPORT**

7.1 City shall issue debt financing of up to approximately $60 million, to be secured by TMS net revenues generated by development of the TMS Site and by the lien of a first priority deed of trust that provides additional security for the City's debt financing and encumbers the TMS Site and improvements thereon, but otherwise to be non-recourse to TMS. If TMS revenues from the TMS Site are insufficient to service the $60 million debt, other legally available revenues of the City would be used, to be reimbursed from net revenues

generated by development of the TMS Site if, when and to the extent such revenues become available, and/or foreclosure of the deed of trust. An approximately equal amount of equity ($60 million) will be provided by TMS, to provide the entire estimated $120 million required for construction of the Sunrise Sports Center Project.

Terms and conditions relative to debt financing shall be negotiated between TMS and City and within parameters reasonably acceptable to the City and bond investors, determined with the help of the City's bonding team. Upon satisfaction to TMS and the City of basic financing terms, the agreed-upon terms shall be included in the Project Development Agreement or other similar mechanism to provide sufficient assurances to TMS of known requirements for debt financing. Such terms shall include expected debt coverage requirements and projections of revenue expected to be generated by development of the TMS Site upon which coverage will be based, market interest rate variation from rated bonds for this type of financing as of May 2026 (with sufficient information for TMS to discern interest rate ranges),and certain other basic legal and underwriting requirements for effective marketability of the bonds, all with the understanding that bond underwriting requirements change from time to time and are affected by factors outside of the City's control. City shall convene a meeting with City-approved bond counsel, underwriter, and financial advisor (if applicable) prior to May 31, 2026, to review each of the aforementioned provisions.

7.2 City shall consider other means of financial support through public-private partnership elements (by way of example only, such elements may include but not be limited to costs reimbursement through fees attached to either event parking, admissions to sports complex ticketed events, or separate Tourism Improvement District to be formed with project approvals), acknowledging that TMS has made specific requests for the same. Any additional financial support from City to be memorialized in a Development Agreement to be considered with the entitlements. Implementation of such other financial support shall be at the City's sole discretion and subject to City Council approval.

7.3 City staff shall present to the City Council for consideration formation of community facilities district (CFD) and enhanced infrastructure financing district (EIFD) financing options for public infrastructure improvements required for STSP implementation. Any CFD special tax imposed on the TMS Site via a CFD limited to a fair share contribution of the cost of infrastructure financed, and/or City services provided. EIFD financing, in accordance with applicable law, would only leverage a share of the City's incremental property tax revenues and not impose any new special tax or assessment on any property.

7.4 City impact fees:

7.4.1 TMS' Covered turf fields to be treated as park land for impact fee purposes.

7.4.2 Collection of City impact fees to be deferred until fifth year of TMS operations at the TMS Site but calculated as of date of entitlement approval.

7.5 Other City fees: City shall waive any and all administrative, plan check, inspection, and/or application fees except to the extent that such fees are collected by the City and paid to outside agencies or collected by the City and paid to outside consultants to complete City services.

7.6 City shall approve Development Agreement or as mutually agreed to at time of entitlement approvals.

7.7 City shall consider debt financing on a schedule coincident with entitlement approvals with a goal of presenting action items to the City Council on a schedule that will provide for a final determination on debt financing no later than 10 days before any scheduled close of escrow. The closing of any debt financing by the City (i.e., the availability of debt proceeds) shall be coordinated with the availability of TMS equity proceeds such that investors in the City's debt financing are reasonably assured of completion of construction of the arena, as reasonably determined by the City's bond underwriter, which may include a requirement that the TMS equity be expended prior to or concurrently with the release of the bond proceeds.

7.8 If applicable, City shall cooperate with TMS, if and as requested by TMS, in negotiations with Parks and Recreation District for potential joint use opportunities at the TMS Site in exchange for waiver of park impact fees.

7.9 City shall also consider other means to support project success (for example, and not limited to, by means of expedited approval processes, exceptions to sign regulations permit (including but not limited to size of signs, electronic readerboard signs, directional signage within the City, and cooperation with efforts to obtain directional signage outside of the City limits), waiver of setback requirements, advertising collaboration, and City services support (not to include consultants or services paid for by the City to third parties)), to the extent legally allowable under state law, consideration of a "sidewalk vending ordinance" (i.e., no pop up sales of merchandise on property within proximity to the Sunrise Sports Center Project).

7.10 City shall not impose any new tax or user fee on tickets, events, or services that are applied solely to the Sunrise Sports Center Project without the consent of TMS, which TMS agrees shall not be unreasonably withheld.

**SECTION 8 COMMUNITY BENEFITS**

8.1 City shall have complimentary admission tickets to eight (8) premium contiguous seats to all regular season events at the Sunrise Sports Center Project that are produced by TMS, provided that such tickets are not resold or redistributed. City shall also

have complimentary use of a suite for a minimum of two (2) regular season events at the Sunrise Sports Center Project that are produced by TMS, subject to the same conditions set forth herein.

8.2 The City shall be permitted to use the Sunrise Sports Center Project to host up to 4 (four) non-profit, community--oriented events per year ("**City Events**"), not to exceed a total of four (4) hours per event exclusive of preparation time, and which do not conflict or compete with other previously scheduled or contemplated events or activities at the Sunrise Sports Center Project, including but not limited to Team events. Such use by the City shall be rent-free, though City shall be responsible for paying TMS' operational costs associated with such events (by way of example but not limited to, staffing, security and public safety, concessions, utilities, janitorial, maintenance and repair).

8.3 Guaranteed minimum number of years for Team to be in place (non-relocation agreement) to be included in terms of contract with Team owner.

8.4 TMS shall maintain its corporate headquarters within the City limits.

**SECTION 9 DUE DILIGENCE**

The following provisions are Conditions Precedent to Close and are applicable in the event a PSA is required between City and TMS as provided for in Section 3.4 of this Agreement:

9.1 Each of Sections 4.4, 4.6, 4.8, 4.9. 5.2, 5.3, 5.4, 6.1, 6.2, 7.1, 7.4.1., 7.4.2, 7.6, and 7.7 of this Agreement.

9.2 TMS shall have a minimum of 90 days following execution and delivery of a PSA between City and TMS to complete its due diligence (i.e., the Feasibility Period) on the proposed TMS Site. If TMS enters into a PSA with a third-party developer, the Feasibility Period, any extensions thereto, and any timelines or conditions precedent to any non-refundable deposit shall be governed by the provisions of that PSA.

9.3 To facilitate TMS' due diligence, City shall provide to TMS, at no cost to TMS, a copy of, among other things, all studies, plans, and reports (including the analysis of capacity for the proposed Sunrise Sports Center Project through technical analysis underway by Cunningham Engineering Corporation), rent rolls, leases or other occupancy agreements, inspection notices, appraisals, contracts, surveys, tax bills, and insurance policies within the City's possession or control relating to all or any portion of the TMS Site.

9.4 City shall facilitate a traffic analysis by Fehr and Peers in relation to TMS' contemplated uses of the TMS Site, through a deposit and reimbursement agreement. If the cost to TMS is estimated by Fehr and Peers to exceed $60,000.00, TMS may propose to the

City an alternative traffic engineer and City shall consider this substitution. TMS shall have an opportunity to review and consider any required traffic mitigation (on-site and off-site) attributable to the uses at the TMS Site identified in this traffic analysis, and to present to City alternative analyses if, in the opinion of TMS, the traffic impacts and required mitigation have been overstated.

9.5 City shall continue cooperation and collaboration with TMS on any required amendments to the STSP to accommodate the proposed Sunrise Sports Center Project. To the extent consistent with the STSP, City shall process administrative modifications to accommodate the proposed Sunrise Sports Center Project.

9.6 Subject to TMS satisfaction of the requirements of 3.2.4, the City shall reimburse TMS up to $250,000.00 in exchange for completed due diligence analysis/documentation in the event that the City Council fails to consider or adopt (or if adopted, thereafter votes to discontinue) the condemnation action at any time in the future after TMS has objected in writing. Any PSA between the City and TMS shall include specified contingencies that shall also require reimbursement to TMS of the amount specified in this paragraph, including by way of example only, if the City takes or fails to take specified actions that have the result of rendering the Sunrise Sports Center Project financially infeasible (with that phrase to be defined in the PSA).

**SECTION 10 TERMINATION AT THE DISCRETION OF TMS**

10.1 Failure of any of the CPTC identified in this Agreement or the PSA.

10.2 Until expiration of the Feasibility Period, determination by TMS, in its sole discretion, that the TMS Site is not suitable for construction of the Sunrise Sports Center Project.

10.3 Determination by TMS, in its sole discretion, that the TMS Site is not financially feasible for construction of the Sunrise Sports Center Project, if determined after expiration of the Feasibility Period, deposits would be forfeited and nonrefundable to TMS as outlined in a PSA.

10.4 Determination by TMS in consultation with City, that the time required for entitlement and any required environmental review cannot be completed by City no later than December 31, 2026, unless City and/or a third-party TMS (as applicable) extends a closing date beyond December 31, 2026.

10.5 Failure of the City to approve each of (a) this Agreement, (b) Entitlements and a Development Agreement, or (c) bond financing on terms that are commercially reasonable and acceptable to TMS. Further details on acceptable interest rates, debt coverage requirements, and other principal financing terms to be included in the project Development

Agreement or similar mechanism with a provision to ensure City cooperation in favorable financing.

10.6 Abandonment by the City of consideration of (or, if commenced, the litigation of) the condemnation action or other means of acquisition.

10.7 Evidence of a signed PSA between a third party and owner of the Sunrise Mall Site for all or any portion of that site that does not meet the satisfaction of TMS, determined in TMS' sole discretion.

10.8 Evidence of a signed PSA between City and owner of the Sunrise Mall Site for all or any portion of that site that does not meet the satisfaction of TMS determined in TMS' sole discretion.

10.9 Failure of the City to consider a Resolution of Necessity related to the Sunrise Mall Site within 90 days of termination of any currently existing PSA between the site owner and a third-party TMS. TMS and the City may mutually agree in writing to extend this term.

10.10 Failure of an acceptable third party to acquire clear fee simple title to the Sunrise Mall Site by the outside date of February 1, 2027, unless otherwise extended by mutual written agreement of the parties.

**SECTION 11 TERMINATION AT THE DISCRETION OF THE CITY**

11.1 City may terminate due to TMS's failure to substantially perform TMS' obligations under this Agreement. Any PSA between City and TMS shall provide for notice and opportunity to cure prior to the City's right to terminate the PSA. As stated in Section 9.6, the PSA shall include specified contingencies that shall also require reimbursement to TMS of the amount specified in Section 9.6, including by way of example only, if the City takes or fails to take specified actions that have the result of rendering the Sunrise Sports Center Project financially infeasible (with that phrase to be defined in the PSA).

**SECTION 12 OTHER TERMS RELATED TO PROJECT OPERATIONS**

12.1 This Agreement is contingent on compliance with the California Environmental Quality Act (CEQA) and does not bind either party, or commit to any definite course of action, prior to CEQA compliance; and does not restrict the City from considering any feasible mitigation measures and alternatives or to determine not to proceed with the Sunrise Sports Center Project. TMS anticipates preparation of an Initial Study in connection with the entitlement application to allow City to independently evaluate the scope of environmental review necessary for the Project.

12.2 City agrees to an Exclusive Right to Negotiate in favor of TMS related to the TMS Site. City agrees not to support or provide financial assistance (through debt financing

or otherwise) relative to facilities including at least 1,000 seats intended primarily for sports or concerts.

12.3 TMS shall collaborate with other developments that take place on the Sunrise Mall Site in the future, including but not limited to collaboration on issues such as circulation, utilities, parking, reciprocal easements. and support broader infrastructure financing efforts. City shall require similar provisions of other future developers and/or owners within the STSP area.

12.4 Any name proposed for the Sunrise Sports Center Project shall be tasteful and not to be a cause for embarrassment to the City and shall not include any companies primarily known for the following: tobacco products, pornography and adult entertainment, cannabis and marijuana and cannabis-adjacent products (e.g., CBD and hemp), illegal drugs and controlled substances, firearms and weapons, hate speech and extremist organizations, alcohol, defense and military contractors (non-weapons divisions only), religious organizations, and fireworks and pyrotechnics.

12.5 As part of the Development Agreement terms, TMS and City shall negotiate whether any City contribution to Municipal Services is warranted given the economic benefits of the Project. Customary police, traffic control, and other similar City-based services (Municipal Services) for all sports and entertainment complex events shall be provided by the City at a general level and manner appropriate for sporting and entertainment events. The terms for TMS's level of responsibility for any and all costs incurred by the City for Municipal Services provided for events on terms to be set forth in the Development Agreement and/or other definitive legal documents.

12.6 TMS and the City shall cooperatively, to the extent within their control, determine appropriate public and private staffing levels for police/security, traffic control, fire prevention, emergency medical, street cleaning/trash removal and other similar services based upon anticipated attendance for events held at the Sunrise Sports Center Project; however, the City shall have final approval over appropriate staffing and service levels, to the extent within its control. The City shall use a "reasonableness standard" in determining appropriate staffing and service levels.

12.6.1 In the event that the parties cannot agree on appropriate staffing and service levels, TMS (or the Team, as applicable) shall have the right to submit such dispute to a mutually agreed upon mediator or to arbitration for accelerated dispute resolution. Notwithstanding the foregoing, if the City determines that an emergency public safety issue exists with respect to a particular Event, the City shall have the right to determine and impose the staffing level for such event. TMS shall require that sponsors or operators of other events shall be responsible for any and all costs incurred by the City for Municipal Services provided.

12.7 TMS agrees to coordinate and collaborate with City on ceremonial activities associated with groundbreaking, ribbon cutting, recognition plaque and other related functions. Recognition plaque shall at a minimum include the names of the City Council Members that were seated at the time of the approval of this Agreement and at the time of the Project opening.

12.8 Indemnity. TMS shall jointly and severally defend (with counsel reasonably selected by the City), indemnify, and hold harmless City and its officials, officers, employees, agents, and volunteers (collectively "**Indemnitees**") from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising directly or indirectly out of (i) the approval, implementation, or administration of this Agreement; (ii) the construction, operation, or maintenance of the Project, including any claims arising from TMS's failure to comply with applicable laws, and including Claims made by contractors, subcontractors, or third parties pursuant to California Labor Code Sections 1726 and 1781; (iii) any causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, caused in whole or in part by the willful misconduct or negligent acts or omissions of TMS or either of its employees, subcontractors, or agents, by acts for which they could be held liable or by the quality or character of their work. The foregoing obligation of TMS shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of TMS or any of their employees, subcontractors or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of TMS or Owner to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements for any Agreements or actions related to the Project do not relieve TMS or Owner from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies have been determined to apply. By execution of this Agreement, TMS and Owner acknowledge and agree to the provisions of this Section and that it is a material element of consideration. The obligations under this Section 11.8 shall survive the expiration or termination of this Agreement.

12.9 PERS Indemnity. In the event that TMS or any employee, agent, or subcontractor of TMS performing under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS as an employee of the City, TMS shall indemnify, defend with counsel reasonably selected by the City, and hold harmless City, for the payment of any and all employee and/or employer contributions for PERS benefits on behalf of TMS or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City, and any attorneys' fees and costs incurred by the City to enforce this Section.

12.10 The City and TMS anticipate that, after the Effective Date of this Agreement, they will have negotiations and may enter into a development agreement pursuant to California Government Code § 65864 et seq.

12.11 No Immediate Vested Right. This Agreement does not confer a vested right to develop the Project.

12.12 No Obligation to Develop. This Agreement does not confer any obligation on TMS to develop all or any portion of the Project. Development of the Project in phases and the uses for the Project shall be at the sole and absolute discretion of TMS.

**SECTION 13 DEFAULTS**

13.1 General Default; Remedies. A "**Default**" means a failure in the due, prompt and complete observance or performance of any condition, covenant or obligation of the defaulting Party set forth in this Agreement for a period of thirty (30) days after written notice to the defaulting Party specifying the nature thereof, provided that the defaulting Party shall not be in Default under this Section 13.1 if the failure to observe or perform the condition, covenant or obligation in question is curable but is of such a nature that it is incapable of being cured with reasonable diligence within said thirty (30) day period and the defaulting Party commences such cure within said thirty (30) day period and diligently and continuously pursues the same to completion. If a Default occurs under this Agreement, then remedies available to the non-defaulting Party shall be limited exclusively to specific performance and injunctive relief to stop the breach; neither Party shall have any other remedy; excluded remedies include but are not limited to, expectation damages, reliance damages, any monetary award or payment other than the amount that may become due from the City to TMS pursuant to Section 9.6 or from TMS to City under Section 4.10, and as otherwise may be established in an entitlement cost processing reimbursement agreement between City and TMS. In no event shall a breach of this Agreement result in either TMS or the City having the right, and each of TMS and the City, respectively, expressly waives the right, to seek expectation damages, reliance damages, special damages, consequential damages, lost profits, and punitive damages.

13.2 Rights and Remedies Are Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other Party, except as otherwise expressly provided herein.

13.3 Inaction Not a Waiver of Default. Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. Additionally, the waiver of any breach of a specific

provision of this Agreement does not constitute a waiver of any other breach of that term of any other term of this Agreement.

**SECTION 14 GENERAL PROVISIONS**

14.1 Notices, Demands and Communications. Any approval, disapproval, demand, document or other notice to be provided under this Agreement shall be given in writing and shall be sent (i) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (ii) by first-class United States mail, postage prepaid, return receipt requested; or (iii) by a nationally recognized overnight courier service, marked for next day business delivery. All notices shall be addressed to the Party to whom such notice is to be given at the address stated in this Section 13.1 or to such other address as a Party may designate by written notice to the other; notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party.

| | |
|---|---|
| City Notice Address: | City of Citrus Heights<br>Attn: City Manager<br>6360 Fountain Square Drive<br>Citrus Heights, CA 95621<br>Email: afeeney@citrusheights.net<br><br>With a copy to: City Attorney<br>Attn: Ryan Jones<br>6439 Auburn Boulevard<br>Citrus Heights, CA 95621<br>Email: rrj@jones-mayer.com |
| TMS Notice Address: | The Mettle Shop, LLC<br>Attn: Joe Wagoner<br>3340 11th Street<br>Sacramento, CA 95818<br>Email: joew@mettleshop.com |

All notices shall be deemed effective on the earliest of: (a) actual receipt; (b) if sent by first class mail, the third day on which regular United States mail delivery service is provided after the day of mailing; or (c) if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the day of sending.

14.2 Force Majeure. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of public enemy; pandemics, epidemics, or quarantine

restrictions that require closure of similarly situated businesses; freight embargoes or lack of transportation; or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform (each, an event of "**Force Majeure**"). Any extension of time for any such cause hereunder shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) calendar days of the commencement of the cause. If notice is not timely given, such extension shall not commence until and if the other Party has actual knowledge of the cause. TMS and City acknowledge that adverse changes in economic conditions, any affected party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing or other lack of funding to complete the Project or thereafter continuously operate the Project or a component of the Project shall not constitute grounds of Force Majeure, but may otherwise constitute a grounds for nonperformance under the terms of this Agreement. Times of performance under this Agreement may be extended by mutual agreement in writing by and between City and TMS. In no event shall the cumulative delays under this Section 14.2 exceed one (1) year, unless otherwise agreed to by the Parties in writing.

14.3 Days. Any time period to be computed pursuant to this Agreement shall be computed by excluding the first day and including the last day. If the last day falls on a Saturday, Sunday or holiday, the last day shall be extended until the next business day.

14.4 Assignment. This Agreement is not assignable unless approved in writing by both Parties.

14.5 No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of TMS or any of TMS's officers, managers, members, principals, agents, employees, contractors or subcontractors, or its or their successors or assigns (each, a "**TMS Party**") in the conduct of its or their business or a member of a joint enterprise with TMS or any TMS Party. Neither City nor TMS shall be deemed or construed for any purpose to be the agent of the other, and City does not assume any responsibility for TMS or any TMS Party's conduct or performance of this Agreement. TMS shall defend (with counsel selected City), indemnify, and hold harmless the Indemnities from and against Claims arising out of or in any way connected with a claimed relationship of partnership or joint venture between City and TMS that is based on an act or omission of a TMS Party, including with respect to the development, operation, maintenance or management of the Project or the Site. TMS's indemnity obligations under this Section 8.5 shall survive the expiration or earlier termination of this Agreement.

14.6 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one (1) and the same instrument.

14.7 No Waiver. A waiver by either Party of a breach of any of the covenants,

conditions, or agreements under this Agreement to be performed by the other Patty shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions, or conditions of this Agreement. No waiver by TMS of any of the Conditions Precedent to Close shall be effective unless in a writing expressly identifying the scope of the waiver and signed by TMS.

14.8 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

14.9 Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the full extent permitted by Law.

14.10 Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or its officers, officials, agents, employees, volunteers, representatives, attorneys, or consultants, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

14.11 Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, shall promptly execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement. In addition, City and TMS, at TMS's expense, shall cooperate in the event of any court action instituted by a third Party or other governmental entity or official challenging the validity of this Agreement or the subject matter hereof. Nothing herein shall authorize TMS or any insurer to settle, consent to settlement of, or admit any liability in connection with such legal challenge, or take any action that would constitute an amendment or modification of this Agreement, absent approval by City in writing.

14.12 Conflicts of Interest. No member, official or employee of City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

14.13 Applicable Law. The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this Agreement.

14.14 No Third-party Beneficiaries. There are no third-party beneficiaries to this Agreement.

14.15 Venue. Any legal action to cure, correct or remedy any Default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation thereof, or to obtain any other remedies consistent with the purpose of this Agreement shall be brought in the Superior Court for Sacramento County, California, except for actions that include claims in which the Federal District Court for the Eastern District of the State of California has original jurisdiction, in which case the Eastern District of the State of California shall be the proper venue.

14.16 Interpretation. The captions preceding the sections of this Agreement have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Agreement. Except where explicit reference is made to business days, provisions in this Agreement relating to number of days shall be calendar days. Use of the word "including" means "including, without limitation." As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The recitals to this Agreement and all exhibits attached hereto are incorporated by reference, as though fully restated herein.

14.17 Time of Essence. Time is of the essence with respect to all obligations of TMS, Owner, and City under this Agreement.

14.18 Dispute Resolution.

14.19.1 Good Faith Negotiations. Prior to initiating any legal action, the Parties shall meet and confer in good faith in an attempt to resolve any disputes arising out of or relating to this Agreement.

14.19.2 Mediation. If the Parties are unable to resolve a dispute through direct negotiation, they shall participate in a non-binding mediation conducted by a mediator mutually agreed upon by the Parties. Each Party shall bear its own attorneys' fees and costs associated with the mediation, and the Parties shall share equally the mediator's fees.

14.19.3 Litigation. If a dispute is not resolved through mediation, either Party may commence litigation in the Superior Court of the State of California for the County

of Sacramento. Each Party consents to the jurisdiction and venue of such Court. Nothing in this Section shall be deemed a waiver of any immunities, defenses, or procedural requirements under the California Government Claims Act or other applicable Laws.

14.20 Authority to Enter into Agreement. Each signatory of this Agreement is fully authorized to sign the Agreement on behalf of the entity it represents. As to the City, this Agreement was approved by the Citrus Heights City Council by Resolution No. [insert], dated March 11, 2026.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY OF CITRUS HEIGHTS

By: _____
Ashley J. Feeney
City Manager

Date: _____

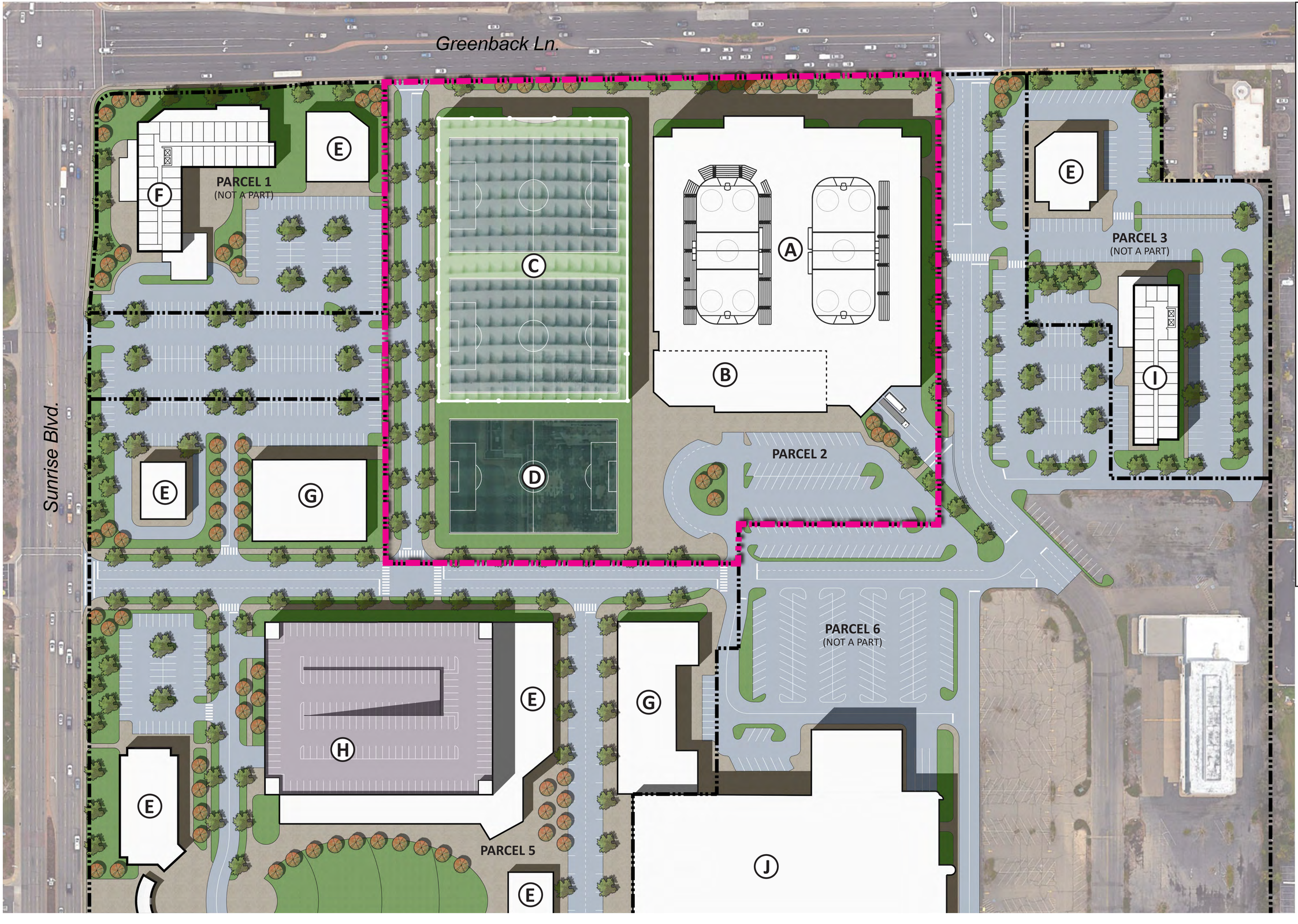
THE METTLE SHOP, LLC, a Delaware limited liability company

By: _____
Joseph Wagoner
Manager

Date: _____

**EXHIBIT A**

**PRELIMINARY DEPICTION OF THE SUNRISE SPORTS CENTER PROJECT**




# Sunrise Sports Center

## Legend

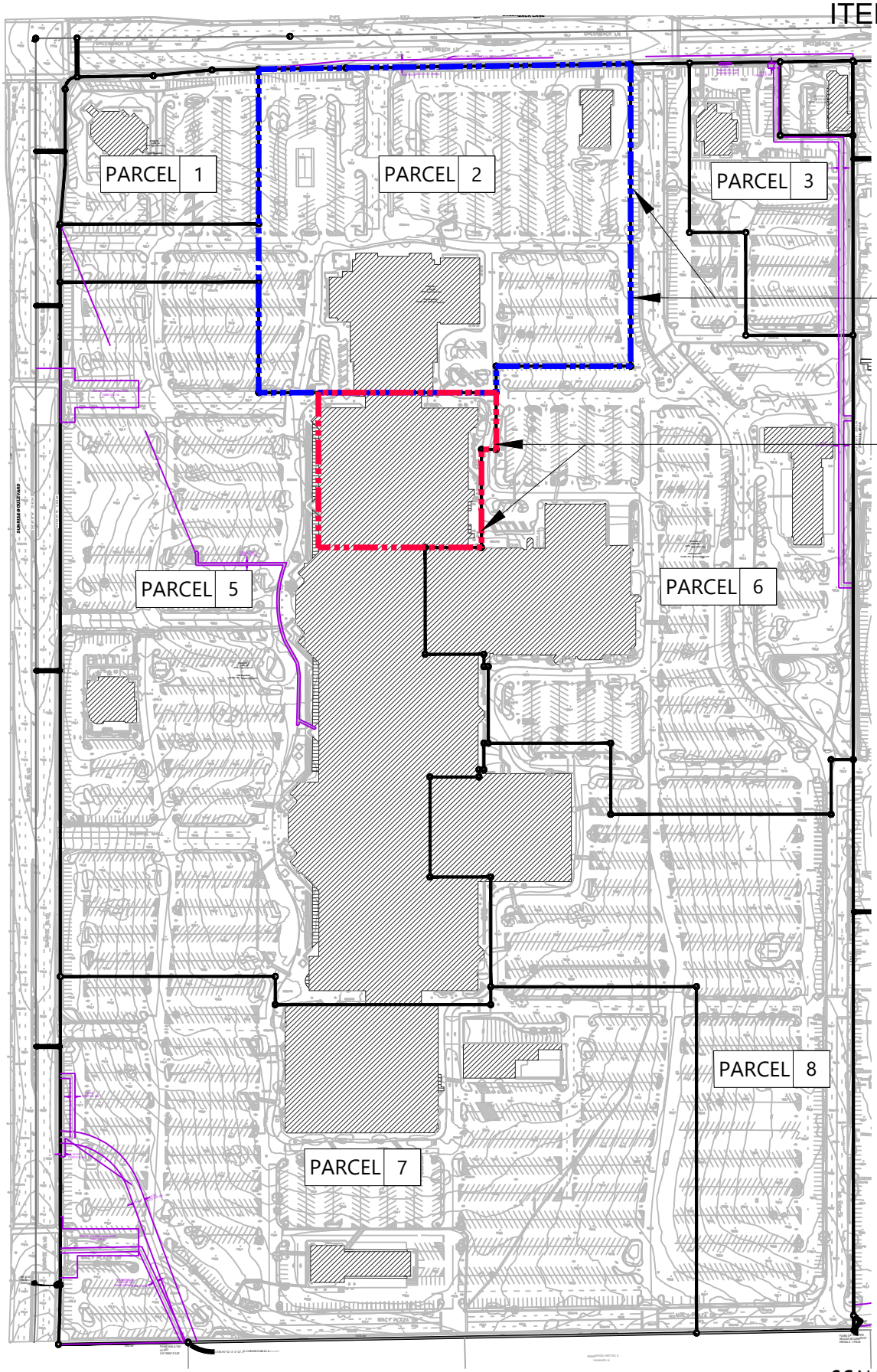
- (A) 4,200 Seat Arena and Community Rink with 62 surface parking spaces (195,000 GSF)
- (B) Med. Office (18,000 GSF)
- (C) Covered Turf Field (350' x 230')
- (D) Youth Turf Field (230' x 155')
- (E) Retail/Food & Beverage
- (F) 120 Key Hotel/Bar/ Restaurant
- (G) Office
- (H) Parking Structure (1,000 spaces)
- (I) 100 Key Hotel
- (J) JCPenney (Existing)

Notes:

1. Property lines based on Morrow Surveying (Date: 12/10/2025)
2. Plan reflects the Sunrise Tomorrow Specific Plan with the inclusion of a sports complex on Parcel 2.
3. Dashed magenta colored line represents an 11.25 AC area required for the sports complex.

**EXHIBIT B**

**GENERAL DEPICTION OF THE ACREAGE FOR THE SUNRISE SPORTS CENTER PROJECT**




**Area "A":**
Refer to Exhibit A

**"Area B"**:
Approximately 2.5 acres (A portion of parcel 5) located in the northeast corner of parcel 5, at Sunrise Mall, Citrus Heights, CA.

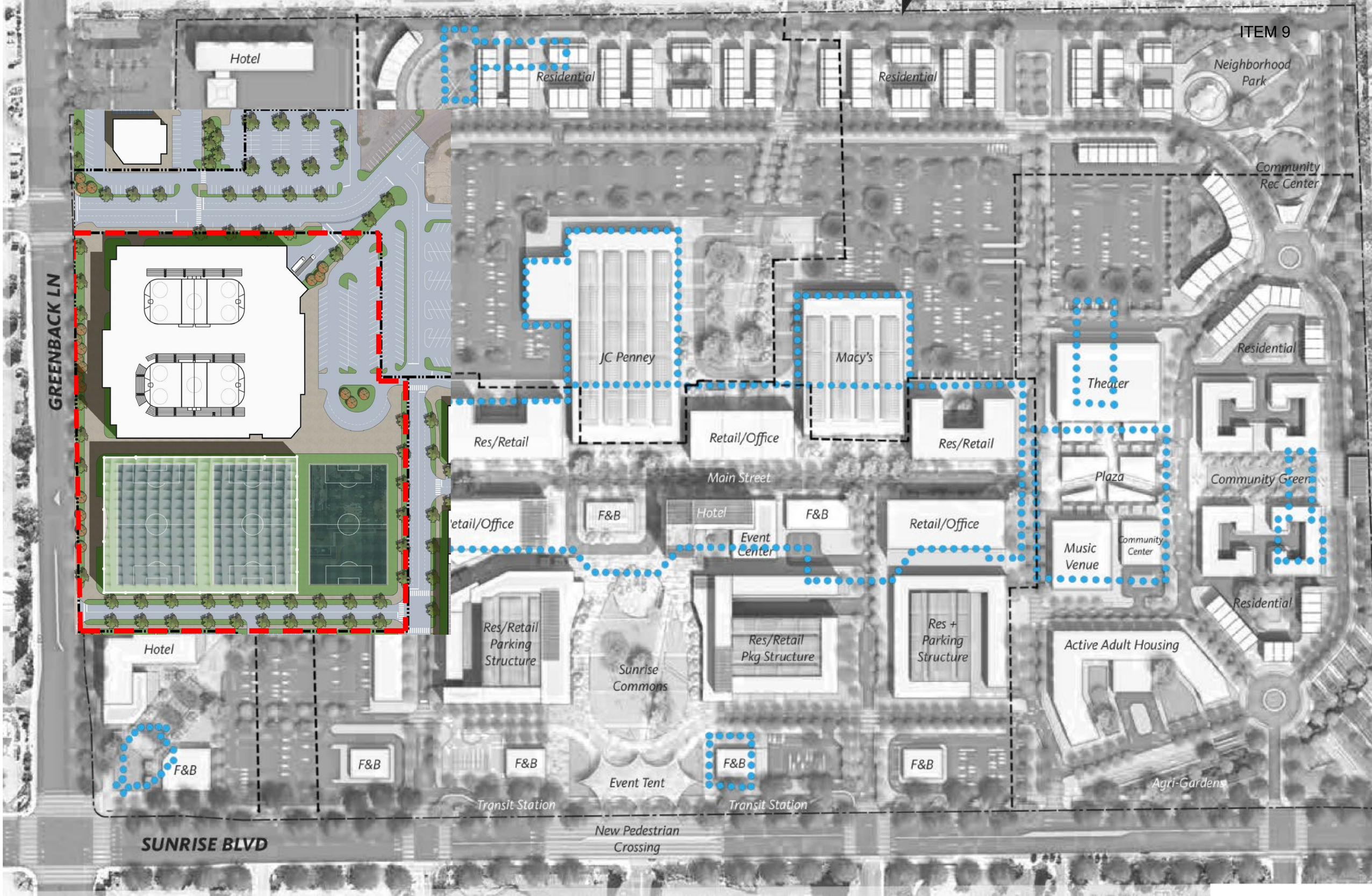
SCALE: 1"=300'

0 150' 300' 600'

NORTH

# Exhibit B

Sunrise Mall - The Mettle Shop Area for Purchase
Citrus Heights, California


Hotel
Residential
Residential
Neighborhood Park
Community Rec Center
GREENBACK LN
JC Penney
Macy's
Residential
Theater
Res/Retail
Retail/Office
Res/Retail
Main Street
Plaza
Community Green
Retail/Office
F&B
Hotel
F&B
Retail/Office
Event Center
Music Venue
Community Center
Residential
Res/Retail Parking Structure
Res/Retail Pkg Structure
Res + Parking Structure
Active Adult Housing
Hotel
Sunrise Commons
F&B
F&B
F&B
F&B
F&B
Event Tent
Agri-Gardens
Transit Station
Transit Station
New Pedestrian Crossing
SUNRISE BLVD

# Demand and Economic Impact Analysis of Sunrise Sports Project in Citrus Heights, CA

**Submitted to**
**The Mettle Shop, LLC**

**By**

*Contacts:* *Daniel A. Rascher, Ph.D.*
*President, SportsEconomics, LLC*
*(510) 387-0644*

*Date:* *February 9, 2026*

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# 1.0 EXECUTIVE SUMMARY

The Mettle Shop, LLC ("Client") on behalf of the Sunrise Sports Project ("SSP") retained SportsEconomics, LLC to analyze the demand for SSP as well as the economic impact the facility would have on the local community. This analysis includes:

(1) Demand Analysis
   a. Assessment of projected usage and revenues (demand) from *inter alia* ice sheets programming, turf field programming, alternate uses of both spaces, spectator/ticketed events, food & beverage, and merchandise.
   b. Revenue estimates include pricing and quantity demanded (which feeds into the economic impact analysis).

(2) Economic Impact Analysis
   a. Estimation of direct spending in the community on food, retail, lodging, entertainment, transportation, and other sources from visitors to SSP from outside of the area of impact, as well as spending by SSP, incremental vendors, sponsors (activating their sponsorship), and artists/performers in the local community. The Demand Analysis will be a primary driver of the inputs into the Economic Impact Analysis.
   b. Estimation of indirect spending from the re-spending of the initial direct spending.
   c. Estimation of employment impacts that are incremental to the community stemming from SSP and the related spending.
   d. Estimation of fiscal impacts including sales, hotel, and property taxes associated with the operations of SSP.
   e. Estimation of the construction impact of SSP.

The study's key findings are presented in this Executive Summary, and enumerated in Exhibit 1-1 below. The full Report must be read in its entirety, including the limiting conditions provided at the end of the Report, to understand the background, context, methods and assumptions underlying the study's findings.

**Exhibit 1-1. Summary of Findings**

| | |
|---|---|
| **FINDING # 1 :** | The proposed multi-use sports facility development (SSP) will generate substantial revenues and economic impact in the local community. |
| **FINDING # 2 :** | Nearly 1.29 million visits per year are expected at SSP, generating over $41 million in revenue in the facility. Of these 1.29 million visits, about 75% (or 967,500 visits) are expected to be incremental (new) from outside of Citrus Heights. |
| **FINDING # 3 :** | The forecasted economic impact of SSP on Citrus Heights is significant, with substantial net new spending, personal income (earnings), employment gains, and incremental taxes collected.<br><br>Output: $17.8 million in direct impact & $26.2 million in total impact annually<br><br>Earnings: $12.1 million annually<br><br>Employment: 352 full-time equivalent<br><br>Fiscal (taxes): $788,000 |

# 2.0 DEMAND ANALYSIS

SportsEconomics assessed a model of demand for the SSP facility based on research and study of comparable facilities, events, and markets, and industry-wide macroeconomic effects, as well as the development plan for SSP. This section presents the resulting revenue projections for SSP.

## 2.1 DESCRIPTION OF FACILITY AND REGION

The SSP project site consists of a proposed approximately 12-acre, year-round sports and entertainment campus designed to support a broad range of recreational, competitive, and spectator-based programming. The campus is anchored by a multi-sport arena, two covered and lighted turf fields, a dedicated sports medicine and performance component, and on-site food and beverage amenities, all supported by on-site parking and related infrastructure.

The Arena is planned as an approximately 160,000 square-foot multi-sport facility containing two NHL-sized ice sheets. One ice sheet will be configured within a fixed-seating bowl with capacity for up to 4,000 spectators, designed to accommodate both ice-based and non-ice programming, including ticketed sporting and entertainment events. The second ice sheet is intended to support high-volume recreational use, including leagues, practices, training, camps, and tournaments. The Arena has been designed with a high degree of operational flexibility, allowing for conversion to accommodate arena soccer, box (indoor) lacrosse, futsal, volleyball, basketball, tennis, and other court-based uses, as well as non-sporting events.

The primary covered Field is an approximately 126,000 square-foot, lighted, turf facility designed to accommodate a regulation FIFA soccer pitch. The Field will include spectator seating for sporting events and is designed to accommodate up to approximately 10,000 attendees for live music performances and other large-scale special events. The Field can be reconfigured to support an NFL-sized football field, an international rugby pitch, a regulation outdoor lacrosse field, youth baseball and recreational uses (including up to two Little League diamonds), and up to four flag football fields.

A second covered and lighted turf field of approximately 30,000 square feet is designed to support youth-focused programming, including training, camps, leagues, clinics, and overflow use during peak demand periods. This field is intended to accommodate multiple small-sided and youth configurations, including flag football, soccer, lacrosse, and other recreational activities, allowing for concurrent programming across the campus and increased utilization during high-demand periods.

The campus is also planned to include approximately 17,000 square feet of sports medical and performance space intended to support athletic training, injury prevention, rehabilitation, and sports

medicine services. These services are expected to support both on-site facility users as well as members of the broader community.

An approximately 8,000 square-foot restaurant and hospitality space is planned with views overlooking both the Arena and the primary Field. This space is intended to provide year-round food and beverage service for participants, spectators, and event attendees, while also functioning as a destination amenity independent of scheduled events, thereby supporting both on-site activation and broader campus utilization.

Planned programming across the Arena and Fields includes recreational and competitive ice hockey, youth and adult leagues, figure skating, curling, and ice dance, as well as indoor and outdoor soccer, flag football, lacrosse, basketball, volleyball, tournaments, camps, esports events, live music, and other special events. The campus is designed to operate at high utilization throughout the day, evenings, and weekends, supporting both community-based recreation and higher-attendance ticketed events.

The location at the Sunrise Mall is between Highway 50 (4.7 miles away) and Interstate 80 (4 miles away), and thus is situated to be convenient using either major freeway. There are multiple big box stores, retail, and restaurants within a mile (e.g., Target, Lowe's, two smaller malls). In 2021, the city adopted the Sunrise Tomorrow Specific Plan ("Plan") to spur redevelopment on the Sunrise Mall property. The Plan includes thousands of residential units, over one million square feet of commercial/retail space, hundreds of hotel rooms, all part of a livable, walkable, entertainment district. The SSP project fits within this planned redevelopment.

The city of Citrus Heights is in Sacramento County and is part of the Greater Sacramento Metropolitan Statistical Area (MSA), which has a population over 2.4 million, growing at an annual rate of approximately 1.5% (the largest such rate of California's metro areas). It is located 15 miles northeast of the capital. The 2024 median household income for the MSA was $94,992, well above the U.S. median of $83,730, and for Citrus Heights, it was $82,314.[1] There are 2.34 million people within a 30-mile radius of SSP (and 1.95 million within 20 miles). The population of Citrus Heights itself is 86,909 (2024 U.S. Census Bureau estimate) having grown 4.3% since 2010 with similar income statistics.

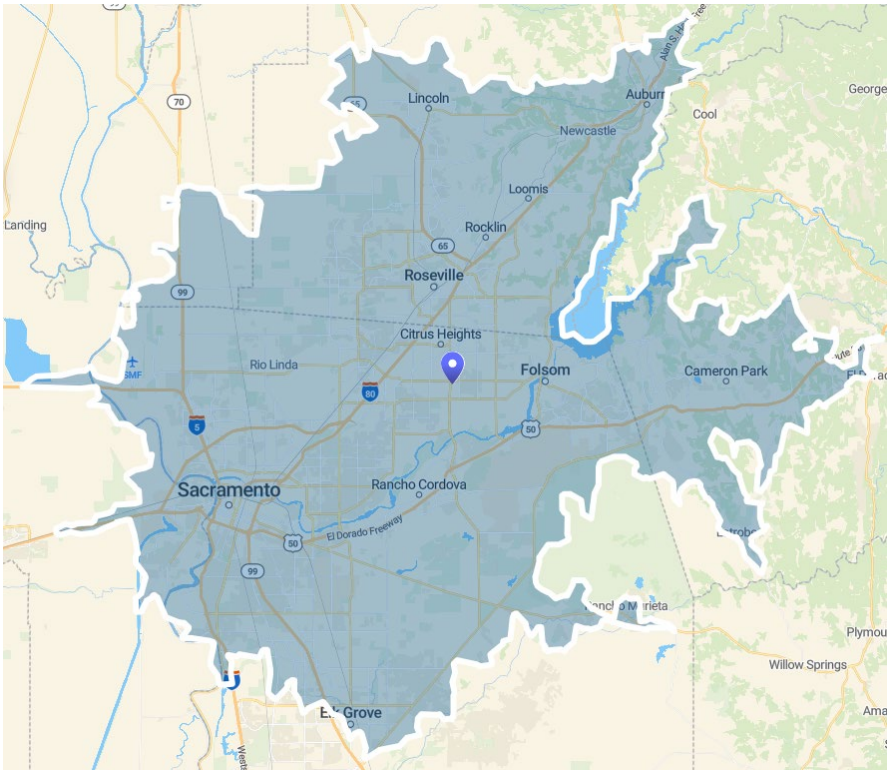
The Greater Sacramento MSA has grown quickly, and is projected to continue to, due to its relatively less expensive cost of living compared to many other areas within California.[2] The area's compound annual

[1] The city of San Jose had a median income in 2023 of $141,565. In the sub-sections that follow, more detailed comparisons are made to the San Jose market, as that is a key comparable for the Sacramento MSA and SSP.
[2] The cost-of-living in San Jose is 82% higher than in Sacramento, and in San Francisco, it is 128% higher.

growth rate for GDP has been a substantial 5.8% over the last ten years (nearly 75% in total). The MSA also has a relatively low median age of 37, with 46% of the population younger than 35, which fits with hockey participation's main age group.

As shown in Exhibit 2-1 below, SSP is within a drivable distance to some quite populated metro areas, including the cities of Sacramento, Roseville, Folsom, Rancho Cordova, and Elk Grove (right on the border of 30 minutes). Within a 30-minute drive are nearly 1.9 million people. This provides a large market for the proposed programming at SSP. Within one hour drive time, there are over 3.1 million people. Given the relative dearth of ice sheets in California (and in general), patrons are willing to drive a significant distance to be able to play hockey or figure skate.

**Exhibit 2-1. 30 Minute Drive Time around SSP**




## 2.2 DESCRIPTION OF INDUSTRY

Ice hockey participation has generally remained steady for the past decade across the U.S., with slight increases for casual players and decreases for others. Also, there has been significant growth for those households earning between $75,000-$100,000, but slight declines for other income segments. While other regions have either remained flat or declined, the South Atlantic and Pacific regions have both

grown substantially in terms of participation by casual hockey players, with the west coast growing at a compounded annual rate of 5.5% since 2014. Ages 18-35 and 6-12 have grown in terms of participation across the U.S. Overall, growth is slightly up in the Pacific Region. Growth in participation by girls and women is up 34% over the past ten years according to USA Hockey.[3] According to the National Sporting Goods Association (NSGA), purchases of ice hockey skates are up for ages 44 and under, however, overall expenditures are flat.[4] In the Pacific region, ice hockey skate expenditures have slightly risen in recent years. For higher income households (those making greater than $75,000), expenditures are also up. The demographic of those aged 44 and under along with higher income households fits within a key target market for SSP. Moreover, growth from 2025 through 2030 is projected to be 6.0% per year (CAGR).

Ice skating participation has remained relatively flat over the past decade, with slight growth among families with households over $100,000 and for those aged 18-24. Expenditures in the U.S. on ice hockey equipment, footwear, and apparel are up 9.2% from 2018 through 2023 and expected to continue to grow through 2030 at a faster rate than the prior 6 years. I.e., total expenditures are expected to rise from 2018 through 2030 by 45% in total, which is a CAGR of 3.16%.

An assessment of ice rinks in the U.S. by IBIS World Inc. shows that revenue was slightly down from 2019-2024 due to COVID-19, but is expected to grow annually at 1.3% from 2024-2029. Profit margins have been relatively steady at around 12.5% over recent years (adjusting for the COVID-19 pandemic). Salaries and wages constitute approximately 40% of revenues. Ice hockey is expected to continue to grow, thus fueling demand for ice rinks, even though ice skating is generally flat. There is also an increase towards diversifying the programming within ice rink facilities to include weight/fitness rooms and higher per capita spending on food.

The estimated number of ice hockey rinks in the U.S. has grown from about 1,900 to 2,100 from 2014 through 2024, an annual CAGR of 1.0%. However, due to the scarcity of ice rinks and hockey teams, relative to other sports, youth hockey teams generally complete more overnight road trips in other cities in order to compete against a typical variety of teams, especially in the western United States. Even in Minnesota (with many rinks and teams per capita), the state affiliate of USA Hockey describes two out-of-town overnight weekends per season as "a rite of passage for any young Minnesota hockey player." As USA Hockey states, "A significant portion of USA Hockey participation involves overnight travel." Across all of the San Jose Junior Sharks youth teams, the lowest travel expenses of any team are $750-

[3] This is up from a relatively small base of 54,000 participants.
[4] NSGA statistics are taken from the Sports Market Analytics database.

$1,500 per season per player, ranging up to $6,000 in travel expenses per season per player. These expenses primarily include hotels and transit.

Lacrosse participation is up slightly for households earning over $75,000. Lacrosse equipment purchases were up in the Pacific region and up overall in terms of the dollar value of units sold, according to the NSGA, until 2020 and 2021, which have both seen sharp declines in sales. The soccer market is growing in the U.S. as well. In particular, soccer participation in the Pacific region is up by 5.3% on an annual basis since 2014. The purchase of soccer balls are up by 4.9%, and soccer shoes by 3.6% on an annual basis in the Pacific region. The number of participants playing indoor soccer in the U.S. has grown at an annual rate of about 3.7% since 2014, and approximately 25% of outdoor soccer players also play indoor soccer. Conversely, 57% of indoor soccer players also play outdoor soccer. Thirty-six percent (36%) of indoor soccer participants come from households earning greater than $100,000 in annual income.

Given that SSP will accommodate not only hockey and other ice-related sports, but indoor soccer, indoor lacrosse, and basketball (at a minimum), the scale of the facility will allow it to host various events and tournaments that are designed to take place over multiple days and attract out-of-town visitors. The Physical Activity Council reports nearly 29% of youth athletes had traveled to take part in sports or recreation, and 19% had spent money on lessons, instructions, or sports camps. Youth sports club teams have grown substantially over the past decade, and are expected to continue to do so at a rate of 2.2% annually through 2025, post-pandemic. An estimate by National Association of Sports Commissions (NASC) was that $7 billion was spent on traveling involved with youth sports in 2012.[5] NASC attendees (typically local sports commissions) claim that the returns on hosting youth sports tournaments are at 50 to 1 if the infrastructure is already in place. WinterGreen Research also estimates that youth sports in total was about a $15 billion per year industry in 2017, having grown from $8 billion in 2005 (5.9% CAGR).[6]

Overall, growth in multisport facility usage, hockey, indoor soccer, indoor lacrosse participation, Greater Sacramento's population and income, Citrus Height's setting within the region near multiple major freeways, and the lack of a nearby comparable facility to SSP provides a combination of demand and supply that bodes well for SSP.

[5]https://www.sportsdestinations.com/management/economics/game-youth-sports-regional-economy-12224, http://www.prweb.com/releases/2013/11/prweb11362596.htm.
[6] How Kids' Sports Became a $15 Billion Industry. By Gregory, S., Abrams, A., & Johnson, T., Time.com, 8/24/2017.

## 2.4 DEMAND ANALYSIS FOR SSP

Demand for multisport indoor facilities is driven by affinity for the products and services offered, population, demographics, disposable income, leisure time available, and competition with substitutes. The basis for this assessment of projected demand for SSP is the use of comparable facilities along with adjustments between the Greater Sacramento market and the markets of the comparable facilities. In particular, ice sheet facilities in Arizona, Pennsylvania, Minnesota, Vermont, Oregon, and California were examined. The most relevant comparable is Solar4America Ice at San Jose (S4) because of its proximity to Sacramento, both being in large population centers, with similar climates, and the assumption of similar management experience and branding.[7]

Exhibit 2-2 shows the population around various ice rinks in California, Arizona, and Oregon. While SSP provides a much broader set of services than these other rinks, it is instructive to be able to compare market sizes and the number of sheets of ice available. The 30-mile radius around SSP is over 2.3 million people.

[7] The analysis in this section assumes that SSP is either managed by the San Jose Sharks management team, as Solar4America Ice in San Jose is, or managed by similarly experienced persons. The Sharks Ice management team also operates ice facilities in Oakland and Fremont. However, SSP offers more diverse sources of revenue and the non-ice portions will also be managed by a team with experience in Sacramento sports management, soccer, events, music, etc.

**Exhibit 2-2. Radial Population of 5/10/25/50/75 Miles around Ice Rinks in Various Markets**

| Rink | MSA | Sheets | 5 Miles | 10 Miles | 25 Miles | 50 Miles | 75 Miles |
|---|---|---|---|---|---|---|---|
| SSP | Sac. | 2 | 326,675 | 913,755 | 2,114,407 | 3,300,377 | 5,762,328 |
| Average | | 1.3 | 276,783 | 718,043 | 2,431,652 | 4,944,435 | 6,727,273 |
| SR | Sac. | 2 | 350,000 | 830,000 | 2,150,000 | 3,220,000 | 5,700,000 |
| VIS | Vallejo | 2 | 115,000 | 242,000 | 825,000 | 7,020,000 | 11,300,000 |
| OPIR | Stockton | 1 | 325,000 | 440,000 | 990,000 | 5,350,000 | 11,800,000 |
| SLTIA | Sac. | 1 | 29,000 | 38,000 | 160,000 | 720,000 | 1,780,000 |
| SHI | S. Rosa | 1 | 210,000 | 350,000 | 590,000 | 2,450,000 | 7,300,000 |
| OIC | SF | 2 | 515,000 | 1,380,000 | 4,380,000 | 7,800,000 | 10,800,000 |
| YBISBC | SF | 1 | 720,000 | 1,550,000 | 3,800,000 | 7,800,000 | ` |
| TVIC | SF | 1* | 77,000 | 185,000 | 2,150,000 | 8,700,000 | 11,900,000 |
| DI | SF | 1 | 190,000 | 660,000 | 3,850,000 | 8,450,000 | 11,500,000 |
| NIOSM | SF | 1 | 240,000 | 505,000 | 4,400,000 | 7,600,000 | 10,000,000 |
| S4AIF | SF | 1 | 205,000 | 670,000 | 3,820,000 | 8,100,000 | 10,600,000 |
| ICC | SJ | 1 | 525,000 | 1,330,000 | 3,200,000 | 7,600,000 | 9,900,000 |
| S4 | SJ | 6* | 725,000 | 1,520,000 | 2,900,000 | 7,600,000 | 9,950,000 |
| GIC | Fresno | 1 | 315,000 | 685,000 | 1,030,000 | 1,680,000 | 2,200,000 |
| JLIA | Flagstaff | 1 | 76,000 | 92,000 | 99,000 | 182,000 | 395,000 |
| FTC | Prescott | 1 | 54,000 | 110,000 | 186,000 | 260,000 | 2,120,000 |
| IDS | Phoenix | 3 | 140,000 | 480,000 | 3,620,000 | 4,750,000 | 5,150,000 |
| AZIP | Phoenix | 1 | 315,000 | 1,150,000 | 3,150,000 | 4,750,000 | 5,120,000 |
| AZIA | Phoenix | 1 | 300,000 | 1,220,000 | 4,180,000 | 4,850,000 | 5,050,000 |
| OIA | Phoenix | 1 | 335,000 | 1,110,000 | 3,980,000 | 4,870,000 | 5,030,000 |
| AZIG | Phoenix | 1 | 290,000 | 1,060,000 | 2,600,000 | 4,850,000 | 5,080,000 |
| IDC | Phoenix | 2 | 210,000 | 790,000 | 3,680,000 | 4,880,000 | 5,050,000 |
| TPB | Bend | 1* | 105,000 | 118,000 | 188,000 | 240,000 | 275,000 |

Note: * Ice sheets are generally defined as indoor, year-round, NHL-sized (or larger) sheets of ice. Year-round ice sheets may be temporarily covered or removed for special events, but generally not for months at a time. The Tri Valley Ice Center (TVIC) features two small (less than NHL-sized) sheets of ice. Nazareth Ice Oasis Redwood City (NIORC) features one small sheet of ice. Solar4America Ice San Jose (S4) currently features four sheets of ice, with expansion to six to be completed over the next year. The Pavilion Bend (TPB) is designed to have a roof covering but no walls, and is seasonal, with the ice being removed during the summer months. The average number of ice sheets is the average per market (excluding Sacramento), with Vallejo calculated as part of the SF MSA. Results are estimated for the year 2024.

In order to generate an understanding of the relative market size per sheet of ice, Exhibit 2-3 measures the population per sheet in various relevant markets using a 25-mile radius as the baseline. As shown, without SSP, the Sacramento region has a much larger population per ice sheet than the comparable markets in Northern California, Central California, and Arizona. The dearth of facilities in the region is

so significant as to nearly make moot other factors that drive demand and supply. Median and mean income in the Sacramento region is higher than the other areas minus San Francisco/San Jose. Income in the Bay Area substantially exceeds that in Sacramento and the other markets shown. Therefore, the dampening factor of relatively lower incomes in the Sacramento market (compared to the Bay Area) is outweighed by the substantially lower cost of living and lack of facilities. The introduction of SSP to the marketplace will help satisfy the excess demand.

**Exhibit 2-3. Statistics of 25-Mile Radius Populations of Ice Rinks in Various Markets**

| Rink | MSA | Median Age | Median HHI | Mean HHI | Total Ice Sheets in Area | People Per Ice Sheet |
|---|---|---|---|---|---|---|
| SSP | Sac. | 38.3 | $93,986 | $123,767 | 2 | 1,057,204 |
| | | | | ***Proposed:*** | ***4*** | ***528,602*** |
| Average | | 39.1 | $104,278 | $142,592 | 4.7 | 520,969 |
| SR | Sac. | 38.3 | $93,986 | $123,767 | 2 | 1,075,000 |
| VIS | Vallejo | 39.1 | $99,994 | $124,288 | 2 | 412,500 |
| OPIR | Stockton | 35.2 | $88,531 | $114,559 | 1 | 990,000 |
| SLTIA | Sac. | 38.3 | $93,986 | $123,767 | 1 | 160,000 |
| SHI | S. Rosa | 42.7 | $102,840 | $138,572 | 1 | 590,000 |
| OIC | SF | 40.0 | $133,780 | $190,258 | 6 | 730,000 |
| YBISBC | SF | 40.0 | $133,780 | $190,258 | 5 | 760,000 |
| TVIC | SF | 40.0 | $133,780 | $190,258 | 3 | 716,667 |
| DI | SF | 40.0 | $133,780 | $190,258 | 6 | 641,667 |
| NIOSM | SF | 40.0 | $133,780 | $190,258 | 8 | 550,000 |
| S4AIF | SF | 40.0 | $133,780 | $190,258 | 10 | 382,000 |
| ICC | SJ | 37.8 | $157,444 | $217,226 | 8 | 400,000 |
| S4 | SJ | 37.8 | $157,444 | $217,226 | 8 | 362,500 |
| GIC | Fresno | 33.4 | $71,897 | $97,305 | 1 | 1,030,000 |
| JLIA | Flagstaff | 32.4 | $69,748 | $95,848 | 1 | 99,000 |
| FTC | Prescott | 55.0 | $66,106 | $88,175 | 1 | 186,000 |
| IDS | Phoenix | 37.7 | $84,703 | $113,623 | 6 | 603,333 |
| AZIP | Phoenix | 37.7 | $84,703 | $113,623 | 5 | 630,000 |
| AZIA | Phoenix | 37.7 | $84,703 | $113,623 | 9 | 464,444 |
| OIA | Phoenix | 37.7 | $84,703 | $113,623 | 9 | 442,222 |
| AZIG | Phoenix | 37.7 | $84,703 | $113,623 | 5 | 520,000 |
| IDC | Phoenix | 37.7 | $84,703 | $113,623 | 8 | 460,000 |
| TPB | Bend | 42.9 | $85,509 | $115,603 | 1 | 188,000 |

Note: Results are estimated for the year 2024.

As noted in Exhibit 2-3, there are currently two ice sheets at Skatetown Ice Arena in Roseville (SR) on the outskirts of Greater Sacramento (in Placer County), about 5 miles away from SSP to the North (12-minute drive time). This facility tends to run at capacity, providing further evidence that there is excess demand in the greater marketplace. Over fifty miles to the Southwest is Vacaville Ice's (VIS) two ice sheets. Neither of these facilities offer nearly the diversity in programming and facility features that SSP has planned. For instance, neither facility has a spectator venue with an ice sheet (or other) in the middle that allows for a multitude of programming (including concerts), three sheets (allowing for larger leagues and tournaments), indoor soccer, basketball courts, fitness center, etc.

Focusing on the most comparable facility to SSP, S4 in San Jose, a key demand factor is population relative to the supply of ice sheets (ice time), as described above. Within 25 miles of S4, there are 2.9 million people and eight sheets of ice. Thus, the population per sheet of ice in S4's market is about 362,500. As a comparison, for Sacramento there are currently two sheets of ice within 25 miles of the proposed SSP site. Adding SSP's two sheets of ice would result in a population per sheet of ice at nearly 528,602, or 46% more people than will be in S4's market.

Comparing the 50-mile radius of SSP and S4, there are currently 14 ice rinks around S4: 2 in Oakland, 1 in San Francisco, 1 in Livermore (which is actually two smaller rinks), 1 in Dublin, 1 in San Mateo, 1 in Fremont, 1 in Cupertino, and the 6 at S4. Population within 50 miles of S4 is 7.6 million, or 542,857 people per rink.

Within a 50-mile radius around SSP, there are currently 2 ice rinks in Roseville.[8] Population within that range is 3.3 million, or 1.65 million people per rink. Once SSP adds two sheets, population per sheet would decrease to about 825,000, about 52% more people per ice sheet compared with S4 in San Jose. This is a substantially larger relative market for SSP than for S4.

In the previous sub-section, a comparison of demographics and income in the Sacramento market to San Jose showed that while San Jose has higher income than Sacramento, the cost-of-living in Sacramento was substantially lower than in San Jose, thus making the markets more comparable. This is shown by noting that the consumer spending per household in the Sacramento MSA was about 23% lower in Sacramento than in San Jose, but the median household income in Sacramento is about 41% lower than in San Jose. Therefore, even though incomes are lower in Sacramento than in San Jose, the lower cost of living allows spending to be closer than it would be otherwise.

[8] The two ice rinks in Vacaville and one in Stockton are just more than 50 miles away from SSP.

Specific to hockey, pricing for comparable youth hockey programs suggests that the Sacramento region is willing to pay about 10% less than in San Jose. For other uses, Skatetown Ice Arena in Roseville has slightly higher birthday parties and drop-in hockey prices than S4, but slightly lower public open skating prices. This indicates that both marketplaces are similar in terms of pricing for ice-related activities. Combined with the much larger population per ice sheet in Sacramento, this provides further evidence that S4 is suitably comparable to SSP.

In general, and consistent with the findings in the previous sub-sections, California hockey participation has grown by about 21% over the last five years. The programming being offered by SSP is in sports that are growing, not shrinking. The highest growth segment is in the adult male population, which is the largest segment of hockey players. Based on research from the National Sporting Goods Association, hockey participants tend to come from families earning between $50,000-$150,000. In the Sacramento MSA, about 46% of the population is from households earning this amount (with nearly 75% earning greater than $50,000). For the San Jose MSA, about 33% earn between $50,000-$150,000, with over 85% earning at least $50,000.

Typical multisport facilities face some competition with health & fitness clubs along the aspects of customers getting exercise. The uses of the two sheets of ice, the spectator capability of the main sheet, indoor soccer, indoor lacrosse, entertainment events, and full-size turf events will face less competition.[9] The proven successful history of the operators of SSP in growing sports and recreation in Greater Sacramento and managing ice facilities (e.g., the San Jose Sharks) is a further indication of likely success. Barriers to entry for future competitors are substantial in terms of access to sizable plots of land that are properly zoned and available for use. The centralized location of SSP, its size, quality, and diverse offerings, provides a competitive advantage compared to the existing semi-competitor in Roseville.

Scale economies are also considered important in this industry in terms of keeping average operating costs down. Spreading fixed costs of operating over more customers and space can lead to lower per unit costs. Profit margins (earnings before interest and taxes, EBIT) nationwide in this industry have declined slightly, ranging from 12-13%, over the past few years (and much more during 2020) as wages have risen and competition has increased. Going forward, revenues are expected to grow at a similar rate as wages, but faster than other expenses, thus improving margins slightly.

Given the deeper roots that hockey now has in San Jose with the Sharks having launched in 1991 (with S4 opening in 1994), grassroots development by the club, and with the additional sheets of ice at S4

[9] There are four outdoor turf fields (uncovered) scattered within a 15-minute drive.

compared to SSP, it is expected that SSP will have less ice-related programming than S4 currently has. However, more diverse programming and offerings that are planned for SSP (than has been the case historically at S4) is expected to yield only slightly fewer visits than S4.

Based on the analysis above, Exhibit 2-4 shows projections for the number of visits to SSP, or quantity demanded. The analysis shows that the expected number of annual visits to SSP once it reaches equilibrium is nearly 1.3 million.

**Exhibit 2-4. Projected SSP Annual Visits Metrics**

| Programming | Annual Usage | Pct of Usage |
|---|---|---|
| **Rink A (arena), Rink B** | | |
| Recreational Sheet #1 | 261,378 | 20.3% |
| Recreational Sheet #2 | 267,713 | 20.8% |
| Ticketed "Minor League" Hockey Team (34 events) | 126,000 | 9.8% |
| Ticketed Additional arena events (15 events) | 58,943 | 4.6% |
| | | |
| **Pavilion (turf field, music venue)** | | |
| Recreational Field #1 | 262,433 | 20.4% |
| Recreational Field #2 | 112,752 | 8.8% |
| Ticketed Sporting Events - Turf Field (4 events) | 16,960 | 1.3% |
| Ticketed Live Entertainment - Turf Field (24 shows) | 180,000 | 14.0% |
| Total Visits | 1,286,178 | 100.0% |

At steady state or equilibrium (Year 4), this projection includes nearly 1 million visits by patrons living outside of Citrus Heights (and who come to Citrus Heights because of SSP). The core basis for this is recent programming at S4 with adjustments to reflect differences between the San Jose and Sacramento areas (relative population and expected growth, competition, income, cost-of-living, demographics, ice hockey tradition, pricing), and differences in the facility amenities and planned programming.

Exhibit 2-5 converts this demand/visits (along with pricing assumptions) into revenue estimates. Approximately 40% of the revenue comes from programming in SSP that is different than the baseline programming at S4. Specifically, with SSP's fields, and spectator venue, there are many more opportunities for attracting visitors.

**Exhibit 2-5. Projected SSP Annual Revenue**

| Revenue Source | Operating Revenues |
|---|---|
| Recreational Use (membership, training, team, rental fees) | |
| Recreational Uses - Rink #1 | $2,486,000 |
| Recreational Uses - Rink #2 | $2,443,000 |
| Turf Field #2 recreational sports and summer camps | $1,004,000 |
| Turf Field/Pavilion: recreational programming & summer camps | $3,459,000 |
| Recreational Use Food and Beverage (vending) | $30,000 |
| Recreational Use Merchandise and Equipment | $687,000 |
| Sports Training Lease/Academy | $3,853,000 |
| Corporate Curling | $819,000 |
| Specialty training/sports psych/nutrition | $2,410,000 |
| Sporting & Other Events | |
| Turf field/Pavilion: MMA | $525,000 |
| Turf field/Pavilion: Rugby Friendlies | $384,000 |
| Rodeo | $810,000 |
| Minor League Hockey | $7,840,000 |
| Non-Minor League Hockey arena ticketed events | $1,138,000 |
| Live Music | $9,240,000 |
| VIP Parking | $250,000 |
| Corporate Partnerships | |
| Programming Partnerships | $1,000,000 |
| Naming Rights | $800,000 |
| Other Space Uses | |
| Restaurant | $1,873,000 |
| Medical Space Lease | $817,000 |
| **Total Operating Revenue** | **$41,868,000** |

Revenue, of course, is expected to follow a similar pattern to demand measured in units above, with the bulk of the revenue coming from use of the ice sheets and converted arena (for live music). Given the large number of patrons expected to visit SSP each year, and the amount of time each patron will spend on-site, there is room for substantial sponsorship/partnership/advertising revenues to be generated with both endemic and non-endemic brands/products.

**Risks**

While the analysis above (and below) bodes well for SSP as a regional multi-use sports facility, key risks associated with the development of SSP include:

(1) True demand for the use of ice sheets or fields that is significantly lower than expectations (including an unexpected recession) even given the strong fundamentals that underlie the forecast in this report, and

(2) Competition from existing facilities that already meet the demand in the marketplace, or future competition (expansion at Roseville or a new facility). While Skatetown Ice Arena in Roseville provides ice time in the Greater Sacramento area, it is already heavily utilized and offers substantially fewer programming options and offerings.

## 3.0 ECONOMIC IMPACT ANALYSIS

The Demand Analysis in the previous section results in estimates of the number of patrons to SSP as well as their spending (on an annualized basis). This information provides the basis for understanding the economic impact of SSP on the local community. These patrons not only spend money at SSP, but also off-site at restaurants, lodging establishments, retail stores, etc. Additionally, SSP's own expenditures will impact the local economy. Finally, spending from all sources has potential fiscal or tax impacts, e.g., through sales, lodging, and property taxes.

The economic impact portion of this study evaluates the areas described as follows:

- **Direct Spending** – This represents dollars spent within the geographic area, for instance, related to the events and programming taking place at SSP, that otherwise would be spent outside the geographic area's economy (e.g., non-local patron spending outside of SSP, and business spending that is incremental to the geographic area).
- **Indirect Spending** – Indirect Spending results from the re-spending of those "direct" dollars as they circulate through the local economy (commonly referred to as the "multiplier effect", which is discussed in a subsequent Section 3.1.3).
- **Total Economic Impact** – Total Economic Impact (Output) is equal to the sum of direct and indirect spending.

Direct spending also increases economic activity, which increases resident income levels (associated with new and existing jobs), resulting in additional spending within the local economy, referred to as the induced effect. The Total Economic Impact is inclusive of the induced impacts.

- **Induced Economic Impact Affecting Earnings** – The direct and indirect increase in resident income levels resulting from direct spending activity related to SSP and its events.
- **Induced Economic Impact Affecting Employment** – The number of direct and indirect full-time equivalent (FTE) jobs that are supported in the local economy as a result of direct spending activity related to SSP and its events or programming.
- **Fiscal Impact** – The annual taxes collected as a result of the events' operations and non-local visitors traveling to the geographic area that would not have accrued to the region if it were not for the presence of the event being measured.

The operations of such facilities/properties can benefit a community in a variety of ways. Initial rounds of spending are generated by patrons on entrance fees, tournament fees, concessions, merchandise, etc.,

as well as before and after the events at local hotels, restaurants, entertainment, retail and other establishments. For events and programming hosted at facilities such as SSP, spending is also generated by the operation of the development itself, which contributes through its direct expenditures within the community as well as through the taxes paid to the government.[10] Further, the operations of a facility can generate venue-related spending in areas such as advertising and sponsorships. Although spending originates from local residents or other local sources, as well as from users and sources outside the area ("visitors"), for purposes of this Report, only those sources of initial direct spending that are generated from outside the area or by organizations within the area that would not have spent the money locally otherwise are considered "net new" to the community. Spending by visitors inside of a facility may be considered economic impact if the vendors inside of the facility are local businesses. Care is taken to avoid double-counting expenditures by visitors that are then re-spent by facility management or vendors in the local community.

Spending by local patrons and revenue generated by local sources is assumed to be entirely displaced. In other words, it is assumed that this spending would have occurred in the local economy in some other form if it were not spent because of the operation of the facility. For example, if a local resident did not spend money at SSP, it is assumed that he/she would have spent that money on another form of purchase in the local economy, such as for use at another facility, shopping, dining, etc. Therefore, since such spending is not considered new to the local economy, it has not been included in the estimates of economic and fiscal impacts presented in this Report.[11] Similarly, the indirect spending estimates are based on the "adjusted" direct spending figures. However, spending by SSP in the community does count toward economic impact if that spending would not have occurred otherwise. Explanations of all findings are contained within the relevant sections of the Report.

As described in Section 4.0 of this Report, there are aspects of economic impact that are difficult to quantify. For instance, sports and cultural events at such facilities as SSP can provide free media coverage for a local region (known as media impact) that can lead to future tourism in the community. Measurements of media impact are beyond the scope of this analysis. It is possible that certain events,

[10] The degree to which spending inside of a property is considered economic impact depends on the tax policy regarding the facility and who is the recipient of the spending (i.e., local business or an out-of-area business).

[11] The assumption that all spending by locals is displaced spending has been challenged in the academic literature. Research has shown that some residents "vacation at home" when certain facilities/events are available to them that entice them to stay instead of leave for entertainment or exercise. See for instance Cobb, S., & Olberding, D. J. (2007). "The importance of import substitution in marathon economic impact analysis," *International Journal of Sport Finance, 2*, 108-118; Rascher, D., & Goldman, M. (2015). "Tracking the Dollars: How Economic Impact Studies can Actually Benefit Managerial Decision Making," *Sport & Entertainment Review, 1*, 1-16. In fact, the former article states that somewhere close to 20 percent of locals ought to be counted as incremental spenders for larger profile events. The latter article notes that previous studies have found a significant portion (greater than 25%) of local residents would have attended various events in some other state had it not been hosted in their home state. Therefore, the analysis presented here provides a lower-bound estimate of economic impact because no spending by local residents is calculated in the estimate of economic impact.

like a minor league hockey team utilizing the spectator ice sheet might be televised, thus having the potential to showcase the area and lead to future tourism. The uncertainty of future tourism based on media coverage is often sufficiently high as to make estimates of this inapt.

Additionally, local events and recreation options can provide an emotional benefit to residents above and beyond any tangible financial benefit. This is known as psychic impact or public consumption benefit. Valuing this is beyond the scope of this study. However, even though the amount of local spending is not counted as part of economic impact, it does provide information on the entertainment and use value to local residents of a facility. Complete psychic impact analyses require surveys of local residents about their feelings of having a facility versus not having one. Because SSP is not yet built, conducting a psychic impact analysis is not feasible.

Section 3.1 of this Report describes economic impact concepts and the methodology used. Sections 3.2-3.5 provide the specific findings of economic and fiscal impacts of SSP on the local community. Section 3.6 provides estimates of the economic impact during construction of SSP. Finally, Section 4.0 discusses limitations of the study.

## 3.1 ECONOMIC IMPACT METHODOLOGIES & CONCEPTS

One purpose of economic impact analysis is to provide the public with relevant information regarding the return on an investment in a project or event. The management of financial resources is decided directly by government officials or indirectly by citizen voting. Economic impact provides a metric for comparison to other possible investment projects or events, or, in this case, comparison with similar investments the City could have made into other properties.

Economic impact is based on the theory that a dollar flowing into a local economy from outside of the local economy is a benefit to the locality. In order to measure economic impact, the cause of the impact must first be identified. The most important underlying principle in evaluating economic impact is to measure new economic benefits that accrue to the region that would not have otherwise occurred. While this sounds simple, part of the difficulty lays in measuring what would have happened to the region without the facility being constructed, considering that the situation is purely hypothetical.

The financial return for residents is in the form of new jobs, new earnings, and new tax revenues that occur because of the activities and events at SSP each year. These new earnings, for instance, are generated for residents who are not directly associated with the facility, but who are the beneficiaries of the positive externalities that the activities and events at SSP can provide to the local community. Positive externalities, or overflow benefits, are those benefits that are produced by a facility, but are not captured by the facility owners. When a visitor comes to Citrus Heights to use or participate in an event at SSP,

they may spend money at local food establishments, gas stations, retail stores, etc. This spending benefits the owners and employees of those establishments thereby creating a positive direct economic impact.

An important concept that is determined early in a study is the geographic area of impact. Generally, the geographic region upon which the economic impact is measured is the region that is considering funding part of the event costs. In this way, the proper cost-benefit analysis is performed. If the local government partially funds a facility, then the residents of the region pay for the investment. The correct comparison is to determine the benefits that the local region receives, not some other city, county, or state or combination thereof.

The area of impact is a significant factor in determining the amount of economic impact that occurs. As an example, imagine a resident of the city of West Sacramento who typically spends his/her entertainment dollars attending the movies near home. This person, for instance, may decide to go skating at SSP instead of his/her usual entertainment habits near home. In this case, he/she is adding new money to Citrus Heights (more if he/she eats out afterwards, buys gas, goes shopping, etc.) and providing a positive economic impact, as his/her spending would have otherwise occurred in the city of West Sacramento. However, he/she is not adding new money to the Greater Sacramento Metropolitan Statistical Area (MSA) because it includes the city of West Sacramento, and this spending is therefore considered substituted, displaced, or redirected spending. Thus, he/she is providing zero economic impact for the MSA, but positive impact for Citrus Heights. On the other hand, a resident of Fairfield would provide economic impact for the City, County, and MSA since Fairfield lies outside of all of these geographies.

For the purposes of this study, the geographic area of impact is Citrus Heights. The area is approximately 14.22 square miles. This is equivalent (in size) to a circle surrounding SSP with diameter 4.26 miles or a square with sides of length 3.78 miles. The major yardstick or comparable being used in this assessment is an economic impact study of Solar 4 America Ice at San Jose. That study involved surveying customers to the facility for its various programming.

Because spending by local residents is considered to be displaced spending and is not counted as part of economic impact, it is very important to delineate attendees into visitors and local residents. There is a further delineation of visitors into: (1) visitors who were already in town for another reason, but decided to visit SSP anyway ("casual" visitors), (2) visitors who would have come to town during another nearby time period, but instead opted to attend SSP during this time period forgoing coming to town another time ("time-switchers"), and (3) visitors who are in town because they are using SSP or attending an event there and would not have otherwise come to town. This latter group, referred to as "incremental visitors," constitutes visitors whose spending is fully counted as being part of direct spending economic impact. The spending by "casual" visitors and "time-switchers" is not counted as new spending.

Economic benefit is measured through direct spending, which has two different components. The first component is visitor spending. For example, how much are people spending because of activities and events hosted at SSP? This also includes how much they are spending for their entire stay on restaurants, retail, transportation, etc. Another component is organizational spending. How much is spent by the operations of SSP, including event organizers, each year? Care is taken to avoid double-counting of spending by visitors inside of SSP coupled with SSP spending in town.

For the purposes of this Report, quantifiable impacts are in the form of *economic impacts* which are subdivided into three stages of impact: *direct*, *indirect*, and *induced* impacts. Each of these is further sub-divided into a type of impact: *total output*, *earnings* or *income*, *employment*, and *fiscal* effects. Descriptions of each term follow.

### 3.1.1 Direct Spending Methodology

Direct spending is measured for spending in Citrus Heights that would not otherwise occur without the presence of the activities and events hosted at SSP. This spending will be derived from:

- Visiting spectator/participant spending outside of SSP (at local restaurants, retail stores, etc.); and
- Visiting teams/artists/corporations/sponsors and other facility participants' spending.

Each of these expenditure categories are adjusted for spending that occurs outside of the city. This Report utilizes *secondary research* (information and data that was created for another purpose) to estimate spending, as well as *primary research* (information and data that was created for this purpose).

### 3.1.2 Indirect and Induced Spending Methodology

The economic output that results from the direct spending by those using the facility subsequently affects many other industries and workers. For instance, when a group of visitors attends an activity or event at SSP, they may spend money in a local restaurant before the event. The restaurant will disburse some of this money to pay employees, to purchase food, to pay utilities, and so on. The food wholesaler will pay the farmer who then purchases clothing at the local retail store. These additional expenditures continue through the successive rounds until the money either leaks out of the local economy or is saved within the local economy for a significant period of time.

The *indirect* economic impacts are those that occur in the local region or area of impact that is the re-spending of the initial visitor expenditures. Indirect spending arises from the need of one industry to purchase goods or services from other industries to produce its output. When one business that is a direct recipient of event-related spending purchases goods from another business within Citrus Heights in order to produce its output, the second business also realizes economic benefit through the "ripple" (or indirect effect) of the initial expenditure. For example, when visitors purchase food at SSP, the concessionaire must purchase goods from producers/manufacturers in order to maintain inventory levels. To the extent this "re-spending" occurs in the Citrus Heights economy, the initial dollars spent

with the concessionaire have secondary effects on the local economy. Indirect impacts occur in various industries including: the wholesale industry as purchases of food and merchandise products are made; the transportation industry as the products are shipped from purchaser to buyer; and the manufacturing industry as products used to service the venue are produced. The summation of each successive round of re-spending constitutes the indirect impact estimate.

The *induced* economic impact is the effect of the direct and indirect economic impact on personal earnings and employment. Induced effects occur when the income levels of residents rise as a result of increased economic activity and a portion of the increased income is re-spent within the local economy. As the initial spending and subsequent re-spending occurs, a portion is retained as income to local residents and employees, and as local, regional, and state taxes. This indirect spending results in increased economic activity, which leads to increases in employment and which increases household income levels and allows for additional household spending (the "induced effect"). These impacts will be reported in terms of employment and earnings impacts.

### 3.1.3 Multiplier Effect to Measure Indirect and Induced Impacts

As previously noted, direct spending stimulates additional spending, referred to as the indirect effect. Direct spending also increases economic activity, which increases resident income levels (associated with new and existing jobs), resulting in additional spending within the local economies, referred to as the induced effect. These secondary indirect and induced effects are referred to as the "multiplier effects" of the initial direct spending. These effects are measured through the application of economic multipliers, which quantify the extent that dollars introduced to a local or regional economy are re-spent on goods and services within the local economy.

The concept of multipliers is based on the theory that part of a dollar injected into a local economy will be re-spent locally, thereby affecting more than the original recipient of the dollar. Multipliers are derived by tracing the interrelationships of industries within a specified economy to understand the impact that a dollar spent in a given industry has on other industries in that economy. A business that is an initial recipient of new spending will purchase goods and services from other producers. These purchases comprise the indirect effect of the initial expenditure. This process is repeated until subsequent purchases are made from producers that are not a part of the Citrus Heights economy (i.e., a producer imports an input from another city or state) and the flow of money within the Citrus Heights economy ceases (or "leakage" occurs). The businesses, hotels, and organizations that receive the initial direct spending generally re-spend it in five ways:

- With other private sector businesses in the same local economy on inventory, maintenance, etc.;
- With employees who reside in the same local economy as wages, tips, etc.;
- With local government as sales taxes or property taxes;
- With non-local governments as sales taxes or taxes on profits;

- With employees, business, or organizations who reside outside of the local economy.

The first three items are types of spending that re-circulate throughout the local economy. These last two categories of spending are considered "leakages" outside of the geographic region and reflect the notion that a region is not economically isolated, but engages in commerce with other regions. The larger and more diverse the geographic region, the less leakage there is, all else equal.

Using the above five scenarios, input-output tables are created that disaggregate an economy into industries and examine the flow of goods and services among them. Multipliers are then mathematically derived which uniquely describe the change in output for each and every industry as a result of the injection of one dollar of direct impact into any of those industries. The process allows a separate multiplier to be applied for each of the 528 industry groups.

The size of a given economy's multiplier is directly related to its geographic size, population and diversity of its industrial and commercial base. A larger population is generally able to support a more diverse economic base and more products are likely to be manufactured and purchased locally. Therefore, money injected into an economy with a larger population is re-spent more often, causing greater changes in local business volume. Conversely, a smaller defined local geographic region implies that more facility users are visitors, as described above. However, smaller geographic areas suffer from a greater degree of "leakage" because a smaller geographic region is less self-sufficient than a larger region.

In this Report, direct spending is used to estimate indirect spending by using multipliers from a regional economic impact model based on the USDA Forest Service IMPLAN (IMpact Analysis for PLANning), now supplied by MIG (Minnesota IMPLAN Group).[12] IMPLAN produces a report that provides multipliers for over 500 sectors of economic activity at the city, county, region, and state level, using data provided by the U.S. Bureau of Economic Analysis.

The following represents an example of multiplier effects within a locality. If a group of participants from outside of Citrus Heights visits the city because of programming or an event at SSP and spends $1,000 in the community, then this initial direct expenditure stimulates economic activity and creates additional business spending, employment, household income, and government revenue in Citrus Heights. The initial spending (by the visitor) is called the *direct impact* and the ripple effect is termed the *multiplier effect.*[13]

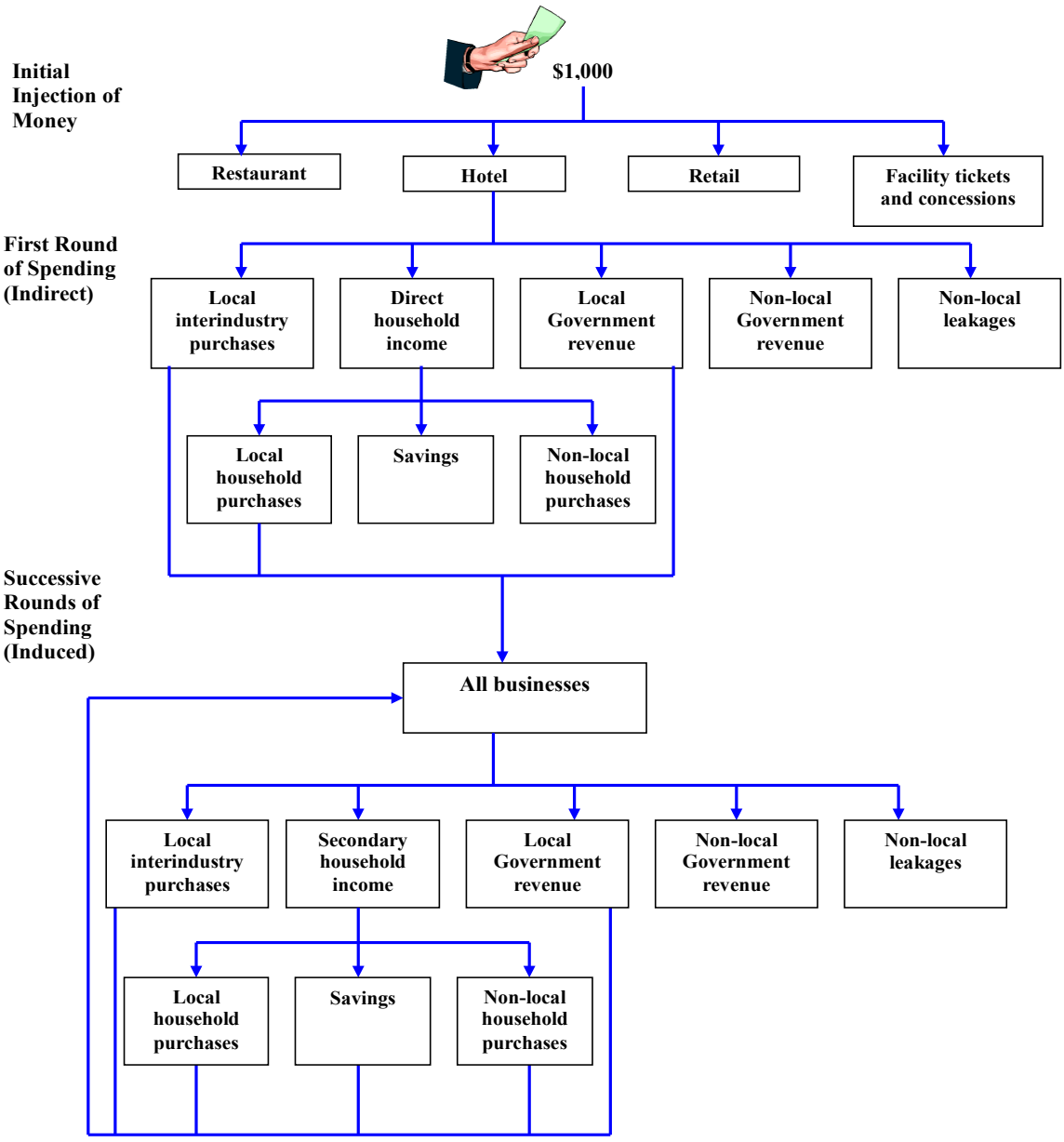
[12] Once estimates of direct spending are calculated, these estimates are entered into IMPLAN to obtain the total economic impact estimates. IMPLAN is a statistical software package that helps to calculate the total economic impact of various phenomena. The detailed matrix of multipliers imbedded in the IMPLAN software help to calculate the various spin-off impacts that originate from the initial direct injection of non-local money into a given region. Specifically, IMPLAN generates the following gross economic impact estimates: the short-term impact upon local spending and the long-term impact upon value-added. This long-term impact is comprised of additional local income; additional business taxes; and additional property-type income.

[13] To be clear, the multiplier effect leads to the calculation of the indirect and induced impacts.

The local theater, restaurants, retail stores, transportation, and others who receive the initial injection of money will spend it in one of the five ways listed above. The remaining portion of the initial spending that does not leak out of the economy is then spent in one of the same five ways and the chain of events continues. The subsequent rounds of spending are termed *indirect impacts* and stem from the *multiplier effect*. Exhibit 3-1 shows the direct and indirect effects generated by an injection of spending by incremental visitors to the event.[14]

[14] Hotel Spending is used as an example for how indirect and induced impacts are generated from the direct spending. A similar flow of spending could be mapped for any of the other initial direct spending categories (e.g., restaurant, retail, or inside facility spending.

**Exhibit 3-1**




As illustrated, direct spending that occurs from visitors in the venue, users outside of the venue, and for visiting team/artist activities fosters additional spending in various industries. This indirect spending results in increased economic activity, which increases household income levels and allows for additional household spending.

There are different types of multipliers and each has a specific purpose. *The multipliers are complementary, not additive.*

The first type of multiplier is called an *output*, sales, or transaction multiplier. It measures the direct, indirect, and induced effect of an extra unit of visitor spending on economic activity within a local economy. This multiplier relates tourism expenditure to the increase in business financial turnover that is created. There are 528 industries, each having its own multiplier. In the analysis that follows, the multipliers have been reduced to 39 aggregated industry sectors with the 6 relevant tourism sectors analyzed.

The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. We selected multipliers for the following industries, as these industries provide the best representation of initial spending associated with the operations of the facility: lodging, eating and drinking places, entertainment, retail trade, local transportation, and miscellaneous spending. Three different sets of multipliers are generated by IMPLAN corresponding to measures of regional economic activity, including: total sales, personal income, and jobs. Multipliers for total sales, personal income, and jobs were identified for each of the industries listed above.

An *earnings* (also known as an *income)* multiplier, the second type, measures the direct, indirect, and induced effects of an extra unit of visitor spending on the level of household income in the local economy. It is operationalized as the ratio of change in income to the initial autonomous change in expenditure that brings it about. It is the clearest indicator of the effect of economic impact on residents of the host community.

The third type of multiplier is called an *employment* multiplier. Employment multipliers measure the direct, indirect, and induced effects of an extra unit of visitor spending on employment in the local economy. It measures how many full-time equivalent (FTE) jobs are supported in the local economy as a result of visitor expenditures.

### 3.1.4 Fiscal Impact Methodology

In addition to economic impacts, the government of Citrus Heights (as well as those of Sacramento County and the State of California) benefit from the operations of SSP in the form of tax revenues.[15] Fiscal impacts are calculated by analyzing the marginal tax rates for each category in relation to direct impacts. Indirect impacts are measured by using recent historical aggregate average tax rates collected by the local government, accounting for the share that pertains to the tax categories listed below.

Fiscal information used in this analysis was obtained from the city of Citrus Heights, Sacramento County, the State of California Department of Finance, and other governmental resources. The primary taxes affected by SSP include the State of California Sales and Use tax, the Transient Occupancy (hotel) tax,

[15] To reiterate, only fiscal impacts to Citrus Heights is measured in this report. Fiscal impacts to the State and county are generated by these events and operations, but are not detailed in this report.

the Utility Users tax, property taxes, and the Sunrise Marketplace Property and Business Improvement District (PBID). The following is a brief discussion of these taxes.

**Sales & Use Tax**
The Sales Tax collected in Citrus Heights is 7.75%. Citrus Heights receives 1 percentage point of that tax, with Sacramento County receiving 0.50% ("New" Measure A). The additional tax collections go to the State of California.

The sales tax is applied to prepared food items, retail products, auto rental, gasoline, and business services, and not applied to local transportation services (taxi, bus, etc.), and admissions to amusement establishments (movie theaters, golf, football, baseball, etc.). It is applied to merchandise and concessions sold inside of a facility that charges an admission fee. For events that do not charge an admission fee, it is applied to alcohol and merchandise sales, but not food sales.

**Transient Occupancy Tax**
Citrus Heights levies a transient occupancy tax (TOT) for all overnight stays of 12% of gross room receipts. Currently, this is almost exclusively applied to short-term rentals. As noted above, the Sunrise Tomorrow Specific Plan includes construction of lodging establishments.

**Utility Users Tax**
The Utility Users Tax in Citrus Heights is 2.5% and is applied to various utility services, e.g., electricity, natural gas, and telecommunication services.

**Property Taxes**
Citrus Heights receives 8.4% of the 1.2% property tax rate collected for real property in Citrus Heights.

**Sunrise Marketplace Property and Business Improvement District tax**
The Sunrise Marketplace Property and Business Improvement District generates a tax of 4.5 cents per square foot on commercial property in the Sunrise Marketplace designated area.

## 3.2 MEASUREMENT OF FORECASTED ECONOMIC IMPACT OF SSP

The analysis described in this section is partially based on two studies measuring the economic impact of Sharks Ice in San Jose on the local community. That study utilized intercept surveys administered to local residents and visitors at the venue during early 2013 to determine per patron spending patterns in the region.[16] Those findings were updated for 2018 using information provided by Sharks Ice, LLC as well as external information. Additionally, comparison data across San Jose and the Sacramento region

[16] The time period of the spending and usage questions in the survey was for 2012. Additional analyses were taken from the economic impact study conducted by SportsEconomics in 2007 of the CAHA tournament at Sharks Ice.

on general pricing and inflation, lodging pricing, restaurant pricing, consumer expenditures, and population geographies was utilized, as well as the estimated demand from Section 2.0 (which accounted for relative population per sheet of ice, population growth, incomes, cost-of-living, demographics, competition, the market for ice-related sports, multi-use facilities, indoor lacrosse, indoor soccer, and youth hockey fees).

Organizational spending and visitor spending at local restaurants, retail stores, and other relevant establishments constitute the direct impacts in this Report. Exhibit 3-2 shows the sources of direct operations impact and various adjustments made to account for re-directed spending, as opposed to new spending, and leakages outside of the area of impact.

**Exhibit 3-2**




The total number of annual visits (in equilibrium) estimated in Section 2.0 is about 1,286,000, as shown in Exhibit 3-3. Some of those are locals who live in Citrus Heights, as well as casual visitors and time-switchers from outside of Citrus Heights. Netting out these leads to an estimate of 981,000 annual visits that are incremental, meaning that they would not have happened if not for the existence of SSP.

Thus, they are counted towards economic impact. Many will visit SSP and spend nothing outside in Citrus Heights, but others will eat, buy gas, and even stay overnight, especially if there is a multiday tournament or concert that runs late into the evening. The average expenditure per visit outside of SSP is estimated to be between $8-9. The total spending in an equilibrium year outside of SSP within Citrus Heights is expected to be nearly $17 million.

**Exhibit 3-3**

**Key Findings from SSP Analysis -- Typical User**

| Category | Visitor Impact |
|---|---|
| Attendance Estimates | |
| Total Attendance at SSP | 1,286,178 |
| Number of Incremental Visits: Count Towards Economic Impact[1] | 980,994 |
| Average Expenditure Estimates | |
| Average paying party size for Incremental Visitors | 1.98 |
| Average Expenditure per Incremental Visitor Outside of SSP | $8.59 |
| **Total Direct Spending of Incremental Visitors Outside of SSP[2]** | **$16,708,277** |

[1] Spending by local residents, "time-switchers", and "casual" visitors was not used in the impact analysis.

[2] Spending is only within the city of Citrus Heights. Spending per visitor is the weighted average of spending by incremental visiting users.

## 3.3 NET INCREMENTAL EXPENDITURES BY BUSINESSES

As shown in Exhibit 3-4, total business spending used in this measurement of direct economic impact is $1.1 million. Business spending includes spending by the owners or managers of SSP, vendors inside SSP, or visiting artists/performers in the local community.

**Exhibit 3-4**

| Expenditures by Organizations Affiliated with SSP | |
|---|---|
| **Category** | **Estimate** |
| Facility Expenditures[1] | $735,959 |
| Corporate/Sponsor and Marketing Expenditures[2] | $34,181 |
| Vendor or Artist Expenditures[3] | $344,061 |
| **Total Direct Spending of "Incremental" Visiting Non-Spectato** | **$1,114,201** |

[1] Estimates provided by facility and include expenditures on utilities, operations, engineering and administration. Solely includes the expenses that stay within the region.

[2] Estimates include sponsor and marketing expenditures within the region.

[3] Estimates include only vendor spending to operate at facility, as estimated by facility owner, and visiting performers' spending in the community. This includes the vendor costs for Food, Beverage and Merchandise within SSP.

## 3.4 NET IMPACTS BY INCREMENTAL VISITORS TO SSP

### *Direct and Indirect Spending: All Users*

A measure of direct visitor spending by all facility users is shown below in Exhibit 3-5. The total new incremental direct spending by SSP patrons in Citrus Heights is over $16.7 million, excluding spending within the facility.

**Exhibit 3-5**

| Economic Impact of SSP on Citrus Heights - Output | |
|---|---|
| **Projected Direct Spending [1]** | **Visitor Impact** |
| Transportation | $3,341,655 |
| Retail | $2,673,324 |
| Lodging | $1,837,911 |
| Entertainment | $1,002,497 |
| Food & Beverage | $7,017,476 |
| Miscellaneous | $835,414 |
| Total Incremental Visitor Spending Outside of SSP | $16,708,277 |
| Business Spending | $1,114,201 |
| **Total Direct Spending (Outside of SSP)** | $17,822,479 |
| **Indirect Spending** | $8,414,549 |
| **Total Economic Impact** | **$26,237,027** |

[1] Does not include impacts from spending within SSP.

Given that related business spending (from Ex. 3-4) is just over $1.1 million, the Total Direct Spending outside of SSP is expected to be nearly $18 million. New incremental indirect spending is about $8.4 million. Again, this is the re-spending of the initial injection of money into the local economy. Therefore, Total Economic Impact, in terms of output, is expected to be about $26.2 million in the local community per year due to the operations of SSP. All measurements account for incremental visitor spending, not local residents spending, that is above and beyond what they would have spent if not for the presence of SSP.

### *Spending by Local Residents*

Non-incremental visitors are expected to account for approximately 300,000 annual visits to SSP. This will keep some spending within SSP that would have left the city because local residents would have sought out substitutes for SSP outside of Citrus Heights.[17] From the survey research involving S4 in San Jose, it was found that 24 percent of local residents would have traveled at least 30 miles outside of Santa Clara County to skate at another facility if S4 were not available. Thus, the presence of a local facility helps keep some of the expenditures in the community that would have left otherwise.

[17] These figures are provided for informational purposes only. As stated earlier, spending by non-incremental visitors and local residents is not included in economic impact. Spending includes that outside of the facility.

### *Induced Economic Impact*

Induced economic impacts on Citrus Heights due to spending derived from visitors to SSP are shown in Exhibit 3-6. About 352 full-time equivalent jobs are expected to be generated from the direct and indirect spending by spectators and participants, resulting in nearly $12.1 million in earnings impact within Citrus Heights.[18]

**Exhibit 3-6**

**Earnings & Employment Impact of SSP**

| Type of Impact[1] | Visitor Impact |
|---|---|
| Earnings | $12,068,355 |
| Employment | 352 |

[1] Does not include impacts from spending within SSP.

## 3.5 FORECASTED FISCAL IMPACTS BY INCREMENTAL VISITORS TO SSP

The new incremental direct tax impact on Citrus Heights from the activities at SSP is based on the various tax rates described in Section 3.1.4. As Exhibit 3-7 shows, the total new incremental tax impacts to Citrus Heights from the existence and operations of SSP is expected to be nearly $788,000. This is comprised of sales and use taxes on spending inside and outside of SSP, hotel or transient occupancy taxes collected at local lodging establishments, utility users taxes, the portion of annual property taxes paid by the owners of SSP that Citrus Heights keeps, and Sunrise Marketplace PBID taxes.[19] All measurements account for incremental visitor spending, not local resident spending that is above and beyond what they would have spent if not for the operations of SSP.

[18] These impacts are not additive to the total economic impacts presented in the previous section. Rather, of the total impact, nearly $15.4 million is turned into incremental earnings. This represents impacts from outside of SSP spending only.

[19] Tax impacts to the State of California and to Sacramento County would also be generated from the existence and operation of SSP, but are not reported here. However, it is estimated that the State and County would receive approximately $1.3 million per year in sales tax revenue due to SSP from expenditures within Citrus Heights (not including expenditures outside of Citrus Heights, but due to the presence and operations of the facility).

**Exhibit 3-7**

| Fiscal Impact of SSP | |
|---|---|
| **Tax and Payments to City** | **Visitor Impact** |
| Sales and Use Taxes[1] | $163,465 |
| Utility Users Tax[2] | $26,027 |
| Hotel Occupancy Taxes[3] | $220,549 |
| Property Taxes[4] | $60,984 |
| Sunrise Marketplace PBID[5] | $15,345 |
| **Sub-total** | $486,370 |
| **Indirect Taxation** | $301,241 |
| **Total Fiscal Impact** | **$787,611** |

[1] Includes impacts from taxable spending within SSP. Citrus Heights keeps 1 percent of sales and use taxes collected.

[2] The Utility Users Tax rate is 2.5%.

[3] The Transient Occupancy Tax (hotel tax) is 12 percent. This is based on an equilibrium year when there are 2-3 new hotel properties in Citrus Heights.

[4] Accounts for the portion of property taxes that is retained by Citrus Heights (8.4%).

[5] The Sunrise Marketplace Property and Business Improvement District (PBID) generates a tax of 4.5 cents per square foot on commercial property in the Sunrise Marketplace designated area.

## 3.6 ECONOMIC IMPACT FROM THE CONSTRUCTION OF SSP

Spending on construction also generates new economic activity within a community, which can be further delineated into total output, earnings, and employment impacts.

The economic impact of the construction phase is largely determined by the expenditures of the project and the geographic region in which it takes place. This section analyzes the impacts that would occur during a construction period of 12 months for SSP. Direct spending, indirect spending, and fiscal impacts are determined in the form of total output, earnings, and employment for the construction of the facility. Construction spending impacts are for the entire construction period and are non-recurring. Total construction costs for SSP are estimated to be approximately $115 million.

Exhibit 3-8 shows the breakdown of construction into hard and soft costs. It is assumed that SSP ultimately pays for 100% of the cost of construction by providing the source of funds. The reason this matters is that the source of financing affects economic impact. Private sources are assumed to be net new incremental spending, while public sources of funding (cities, counties, etc.) are assumed to be substitute spending that would have occurred within the same geographic area (and had similar

construction impacts), but for the construction project being analyzed. In other words, if a city pays for 100% of a construction project, it is assumed that it provides no construction impact unless that money were not to have been used by the City or collected by the City otherwise.

**Exhibit 3-8**

**Estimated Amounts to be Expended in Construction of SSP**

| SSP | Total Cost[1] | Percent Privately Financed[2] | Percent Spent Within City | Direct Economic Impact Within City |
|---|---|---|---|---|
| Hard Costs | $92,882,000 | 100% | 5% | $4,644,100 |
| Soft Costs | $22,434,000 | 100% | 6% | $1,346,040 |
| **Total** | **$115,316,000** | | | **$5,990,140** |

[1] Based on current estimates of construction costs.

[2] The calculation of net incremental construction impact depends on the sources of financing (how much is private vs. public).

As shown, about $5.3 million of the $115 million paid for by private sources is expected to be spent within Citrus Heights. The economic and fiscal impacts to Citrus Heights from the direct construction spending are shown in Exhibit 3-9.

**Exhibit 3-9**

**Estimated Economic, Fiscal and Jobs Impact During Construction Period**

| Category | Economic Impact |
|---|---|
| Direct Spending | $4,644,100 |
| Total Output | $7,894,970 |
| Personal Earnings | $6,237,026 |
| Employment | 130 |
| Fiscal Impact | $102,537 |

As described in the exhibit, the one-time impact associated with the construction of the facility is $7.9 million in total output (direct spending plus indirect re-spending), $6.2 million in personal earnings, and the creation of 130 new FTE jobs. Additionally, the fiscal impact to Citrus Heights is about $103,000.[20]

[20] Multipliers used are for the sub-industry category "New Construction".

# 4.0 LIMITATIONS OF THE STUDY

This portion of the Report provides a brief analysis of the limitations of the study. The overall goal was to come up with a proper, but conservative, estimate of the annual economic impact of the operation of SSP.

## 4.1 LIMITATIONS THAT MAKE THE ESTIMATE AN UNDERESTIMATE OF TRUE ECONOMIC IMPACT

This study does not account for any media coverage that may occur for events hosted at SSP (e.g., concerts or minor league hockey/soccer). To provide coverage of any events, media outlets expend funds on local businesses within Citrus Heights, but these expenses are not accounted for in this Report due to a lack of information available. Also, any business expenditures above what were reported are not counted in the measurement of economic impact.

As described in the Report, it is properly conservative for spending by local residents and by casual visitors and time-switchers to be excluded from economic impact because it is assumed that their spending would have occurred even without the event having taken place. However, local residents sometimes indicate that they spend more during these events than they would have otherwise. Although, large events can cause some local residents to leave town in order to avoid the crowds, thus reducing economic impact.

Only fiscal impacts related to the tax categories are calculated in this Report. There are other types of taxes and fees that are not included in this measurement of tax revenues generated within Citrus Heights.

One shortcoming of standard economic impact analysis is that most measurements only account for the current new spending because of an event, team, facility, etc., but ignore the possibility that an event might cause an increase in the number of future visitors to the community.[21] These future visits (and associated economic impact) should at least partially be attributed to the events, yet the impacts of the future visits are not part of the measurement in this Report. Another way in which this occurs is through the media coverage of an event.

One role of government is to aid in the provision of cultural, civic, and entertainment goods and services that residents enjoy, but that no private firm is willing to provide because the goods or services are "public goods."[22] Major sports and cultural events add to the quality of life in a region in a manner similar to

[21] For instance, the 2004 NCAA Men's Final Four basketball tournament economic impact analysis reported that approximately 20% of visitors said that coming to the area for the Final Four would make them come some other time during the future.

[22] Much of the value of psychic impact is a "public good" meaning that its consumption is non-excludable and non-rival. In general, public goods are funded by governments in the appropriate jurisdiction (e.g., parks, national defense). Because these

that of zoos, museums, aquariums, parks, arts institutions, and other public goods, but in significantly different ways. Cultural events of all types provide an entertainment option for some, especially those who value attending or viewing the events. Moreover, many of these events may be perceived by local residents as helping to portray the region as cosmopolitan or 'major-league'.

### *Psychic Impact*

Psychic impact is the emotional impact that is generated by hosting significant regional, national or international events. Cultural events often are part of the fabric of a community. They add to civic pride and increase community spirit. Emotional benefits that are received by members of a community who are not directly involved with managing an event, but who still strongly identify with the event, are part of the overall psychic impact. Sports or other cultural events are often a common connection that provides entertainment and conversation at the office or in the neighborhood, for instance. Most other industries do not provide the same degree of emotional impact.

As an example, when Atlanta was awarded the 1996 Summer Olympics, locals were moved by the announcement. Many people cried with joy. They felt that Atlanta had now proved itself as a "real" international city. Newspaper reports described the city as a sea of honking horns and cheers as people were swept up with jubilation. If it were possible to quantify in financial terms the collective emotional upswing of Atlantans, what would it have been? The new psychic impact techniques focus on measuring this value. Proper decision-making on how the public should invest its tax dollars requires knowledge of economic impact *plus* psychic and image impact.

A more recent example comes from Minnesota where the former governor, Arne Carlson, feels that "If you were to make a list of 10 or 15 of the most prized possessions of the state, [the Twins] would probably be one of them, and you never want to lose one of your prized possessions. Never."

Event owners are able to capture part of the value of psychic impact through ticket sales, merchandise sales, etc. However, much of the impact, as discussed above, is provided free to the residents through sheer knowledge of the event. This is one of the reasons for the public-private partnerships that build sports venues.

A few estimates of the psychic impact of sports teams have been generated. For instance, the Pittsburgh Penguins of the NHL are worth approximately $16 million per year to the residents of Pittsburgh solely in terms of emotional impact. This works out to an average of about $7.27 per person in the Pittsburgh MSA. The Indiana Pacers have an annual psychic impact on the Indianapolis community of about $35 million per year. The Minnesota Vikings are worth approximately $10 per resident of the state. There are not any current measures of psychic impact of cultural events such as the ones examined in this

benefits derive from externalities, no private investor could hope to capture enough of the benefits to justify privately financed construction.

Report. Estimates of psychic impact are not included in this Report, but facilities such as SSP may become iconic within their community and provide similar psychic impacts.

The field of economic impact analysis is ripe for the inclusion of psychic impact measurement. There are methods, such as Contingent Valuation Method, that can help quantify these important aspects of sports and cultural events.

## 4.2 LIMITATIONS THAT MAKE THE ESTIMATE AN OVERESTIMATE OF TRUE ECONOMIC IMPACT

This analysis does not account for "reverse time-switchers," those local residents who leave town during the event period *because* of the event. To the extent that there are any "reverse time-switchers," the expenditures that would have been spent by them in town are now spent outside of the local area. There is not any anecdotal evidence that leads the authors to believe that there would be any significant loss in local spending due to "reverse time-switchers."

### *Opportunity Costs*

Economic impact analysis often neglects to account for important opportunity costs. For instance, if the construction and operation of SSP took the place of more valuable and immediate development in the area or somehow impeded development, that might cause a negative impact on the economy. The authors are unaware of any such situation in this particular case.

## 4.3 OTHER LIMITING CONDITIONS

The accompanying analyses do not constitute an audit, examination, review or compilation of historical or prospective financial information conducted in accordance with Generally Accepted Auditing Standards or with standards established by the American Institute of Certified Public Accountants ("AICPA").

Information, estimates and opinions furnished to us and contained in the Report were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and is subject to corrections, errors, omissions and withdrawals without notice. Information from all sources not generated by SportsEconomics was taken without verification or audit.

# DANIEL A. RASCHER, PH.D.

## EDUCATION

B.A., Economics, University of California at San Diego.

Ph.D., Economics, University of California at Berkeley.
Dissertation Title, *Organization and Outcomes: A Study of the Sports Industry*

Certified Valuation Analyst (CVA) by the National Association of Certified Valuators and Analysts

## PRESENT POSITIONS

University of San Francisco
Director of Academic Programs for the Sport Management Program, 2002-current

Professor of Sport Management, 2010-current

Associate Professor of Sport Management, 2005-2010

Assistant Professor of Sport Management, 2000-2005

Adjunct Professor of Sport Management, 1999-2000

- M.A. Course – Sport Economics and Finance
- M.A. Course – Master's Project in Sport Management
- M.A. Course – Sport Business Research Methods

SportsEconomics, LLC (www.sportseconomics.com)
Founder and President, 1998-current

Performed economic analysis for sports industry clients including multiple projects involving the NFL, NBA, NASCAR, NCAA, NHRA, NHL, MLS, ATP, AHL, professional cycling, media companies, sports commissions and government agencies, event management, B2B enterprises, and IHRSA. Specialized in industrial organization, antitrust, valuations, market research, labor issues, financial modeling, strategy, economic impact, and feasibility research.

OSKR, LLC (www.oskr.com)
Co-Founder and Partner, 2008-current

Performed economic analysis for clients involved in sports and other industries, including insurance, technology, automotive, television, and consumer products.

## PREVIOUS ACADEMIC EXPERIENCE

STANFORD UNIVERSITY, taught franchise relocation & stadium financing course, Summer 2020

NORTHWESTERN UNIVERSITY, taught sports economics and finance course, Winter 2014

IE BUSINESS SCHOOL (Madrid, Spain), taught sports economics and finance course, 2010-2013

UNIVERSITY OF MASSACHUSETTS AT AMHERST, Sport Management Department
Assistant Professor, 1997-1998

* M.S. Courses—Principles of Sport Business Management, Applied Sport Business Management
* B.S. Courses—Sport Business Finance, Sports Economics

UNIVERSITY OF CALIFORNIA AT BERKELEY, Department of Economics
Teaching Assistant

* Economic Principles & Intermediate Microeconomics.

Institute of Sports Law and Ethics (University of the Pacific). Board Member, 2011-2017

**PREVIOUS CONSULTING EXPERIENCE**

LECG, LLC
Affiliate, 2003-2007; Principal, 2000-2003; Senior Economist, 1998-2000

* Performed economic analysis for sports industry clients including multiple projects involving the NFL, MLB, NBA, NHL, PGA, Formula One racing, CART, and Premier League Football (soccer). Specialized in industrial organization, antitrust, M&As, valuations, and damages analysis.
* Provided testimony for cases involving sports industry clients, including damages analysis and liability.
* 40% of work related to antitrust litigation, 20% IP and breach of contract damages litigation, 20% merger related, and 20% management consulting.
* 60% of work involved the sports and entertainment industries, 15% involved technology, and 25% in other industries including agriculture, transportation, and energy.

UNIVERSITY OF CALIFORNIA AT BERKELEY, Competitive Semiconductor Manufacturing Program
Visiting Scholar, Institute of Industrial Relations, 1998-2000

Research Fellow, 1995-1997

* Funded by the Alfred P. Sloan Foundation, the CSM study is an interdisciplinary project that analyzes the determinants of high performance in semiconductor manufacturing.
* Research on HR, training, small sample analyses and generalizability of case study results.

NATIONAL ECONOMIC RESEARCH ASSOCIATES, Summer 1994; January-August 1995
Research Assistant

* Research on the energy industry, on transmission pricing, and on the economic damages of contract breaches.

QUANTUM CONSULTING, 1992-1994
Research Assistant

* Developed a model and a software package using spline techniques to weather-normalize energy usage, allowing the PUC to evaluate regulation policies.

**HONORS AND AWARDS**

Outstanding Antitrust Litigation Achievement in Economics (*American Antitrust Institute*), 2024 for *House v. NCAA*

Sonny Vaccaro Impact Award (*College Sport Research Institute, Univ. of South Carolina*), 2023

Outstanding Antitrust Litigation Achievement in Economics (*American Antitrust Institute*), 2021 for *Alston v. NCAA*

Lifetime Achievement Award (*Applied Sport Management Association*), 2019

Research Fellow of the *North American Society for Sport Management*, 2009

College of Arts & Sciences Collective Achievement Award, 2009

Innovation Award Winner (for the innovative use of technology in teaching), 2004. From the *Center for Instruction and Technology*, University of San Francisco.

Research Grant for the Study of Human Resource Systems (*Alfred P. Sloan Foundation*), 1995-1997.

Newton-Booth Fellowship for graduate study at University of California at Berkeley, 1990-1991.

**PEER-REVIEWED JOURNAL ARTICLES**

"Who Are Our Fans: An Application of Principal Component-Cluster Technique Analysis to Market Segmentation of College Football Fans," with Kenneth Cortsen, Mark Nagel, and Tiffany Richardson. *Journal of Applied Sport Management, 13*(1)*,* 2021.

"Economic Development Effects of Major and Minor League Teams and Stadia," with Nola Agha. *Journal of Sports Economics, 21*(1), 2020.

"Is there a Consensus?: An Experimental Trial to Test the Sufficiency of Methodologies Used to Measure Economic Impact," with Giseob Hyun and Mark Nagel. *Journal of Applied Business and Economics, 22*(11), 2020.

"Coaching Salary Disparity and Team Performance: Evidence from the Football Bowl Subdivision," with Alex Traugutt, Alan Morse, and Brian Fowler. *Journal of Applied Business and Economics, 22*(1), 2020.

"Cartel Behavior in US College Sports: An Analysis of NCAA Football Enforcement Actions from 1990-2011," with Mark Nagel, Richard Southall, and Nick Fulton. *Journal of NCAA Compliance*, July-August, 2019.

"The Unique Economic Aspects of Sports," with Joel Maxcy and Andrew D. Schwarz. *Journal of Global Sport Management* (July, 2019).

"Making a Difference: Bridging the Gap Between the Ivory Tower & the Community." *Journal of Applied Sport Management, 11*(2), 2019.

"Because It's Worth It: Why Schools Violate NCAA Rules and the Impact of Getting Caught in Division I Basketball," with Andrey Tselikov, Andrew D. Schwarz, and Mark Nagel. *Journal of Issues in Intercollegiate Athletics, 12,* 2019. *Article of the year in the publication for 2019*.

"Determining fair market value for Duke's Sporting Goods Store," with Michael Goldman. In *Case Studies in Sport Management, 6*(1), 2017.

"The Beckham Effect: Examining the Longitudinal Impact of a Star Performer on League Marketing, Novelty, and Scarcity," with Stephen Shapiro and Tim DeSchriver. In *European Sport Marketing Quarterly, 17*(5), 2017.

"What Drives Endorsement Earnings for Superstar Athletes?" with Terence Eddy and Giseob Hyun. In *Journal of Applied Sport Management*, Vol. 9, No. 2, Summer 2017.

"A Smaller Window to the University: The Impact of Athletic De-Escalation on Status and Reputation," with Michael Hutchinson and Kimi Jennings. In *Journal of Intercollegiate Sport,* Vol. 9, No. 1, June 2016.

"If We Build It, Will They Come?: Examining the Effect of Expansion Teams and Soccer-Specific Stadiums on Major League Soccer Attendance," with Steve Shapiro and Tim DeSchriver. In *Sport, Business, and Management: An International Journal,* Vol. 6, No. 2, Spring 2016.

"An Explanation of Economic Impact: Why Positive Impacts Can Exist for Smaller Sports," with Nola Agha. In *Sport, Business, and Management: An International Journal,* Vol. 6, No. 2, Spring 2016.

"Where is Everyone? An Examination of Attendance at College Football Bowl Games," with Terence Eddy. In *International Journal of Sport Finance*, Vol. 11, No. 2, February 2016.

"Tracking the Dollars: How Economic Impact Studies can Actually Benefit Managerial Decision Making," with Michael Goldman. In *Sport & Entertainment Review,* Vol 1, No. 1, February 2015.

"Sport Pricing Research: Past, Present, and Future," with Joris Drayer. In *Sport Marketing Quarterly*, Vol. 22, No. 3, September 2013.

"The Antitrust Implications of "Paperless Ticketing" on Secondary Markets," with Andrew D. Schwarz. In *Journal of Competition Law and Economics*, Vol. 9, No. 3, 2013.

"An Examination of Underlying Consumer Demand and Sport Pricing Using Secondary Market Data" with Joris Drayer and Chad McEvoy. In *Sport Management Review*, Vol. 15, No. 4, November 2012.

"Smooth Operators: Recent Collective Bargaining in Major League Baseball" with Tim DeSchriver, 2012. In *International Journal of Sport Finance*, 7(2).

"Financial Risk Management: The Role of a New Stadium in Minimizing the Variation in Franchise Revenues" with Matt Brown, Mark Nagel, and Chad McEvoy. In *Journal of Sports Economics*, Vol. 13, No. 3, August 2012.

"Factors Affecting the Price of Luxury Suites in Major North American Sports Facilities" with Tim DeSchriver and Steve Shapiro. In *Journal of Sport Management,* Vol. 26, No. 3, May 2012.

"Free Ride, Take it Easy: An Empirical Analysis of Adverse Incentives Caused by Revenue Sharing" with Matthew Brown, Mark Nagel, and Chad McEvoy. In *Journal of Sport Management,* Vol. 25, No. 5, September 2011.

"Simulation in Sport Finance," with Joris Drayer. *Simulation & Gaming: An Interdisciplinary Journal of Theory, Practice, and Research* Vol. 41, No. 2, April 2010.

"Where did National Hockey League Fans go During the 2004-2005 Lockout?: An Analysis of Economic Competition Between Leagues," with Matthew Brown, Mark Nagel, and Chad McEvoy. In *International Journal of Sport Management and Marketing*, Vol. 5, Nos. 1, 2, January 2009.

"The Effects of Roster Turnover on Demand in the National Basketball Association," with Steve Shapiro, Alan Morse, and Chad McEvoy. In *International Journal of Sport Finance*, Vol. 3, No. 1, February 2008.

"Variable Ticket Pricing in Major League Baseball" with Chad McEvoy, Mark Nagel, and Matthew Brown. In *Journal of Sport Management*, Vol. 21, No. 3, July 2007.

"Do Fans Want Close Contests?: A Test of the Uncertainty of Outcome Hypothesis in the National Basketball Association" with John Paul Solmes. In *International Journal of Sport Finance*, Vol. 3, No. 2, August 2007.

"The Use of Simulation Technology in Sport Finance Courses: The Case of the Oakland A's Baseball Business Simulator" with Joris Drayer. In *Sport Management Education Journal* Vol. 1, No. 1, May 2007.

"Washington "Redskins" – Disparaging Term or Valuable Tradition?: Legal and Economic Issues Concerning *Harjo v. Pro-Football, Inc.*" with Mark Nagel. In *Fordham Intellectual Property, Media, and Entertainment Law Journal*, Vol. XVII, No. 3, Spring 2007.

"Treatment of Travel Expenses by Golf Course Patrons: Sunk or Bundled Costs and the First and Third Laws of Demand," with Matthew Brown, Chad McEvoy, and Mark Nagel. In *International Journal of Sport Finance*, Vol. 2, No. 1, February 2007.

"Major League Baseball Anti-Trust Immunity: Examining the Legal and Financial Implications of Relocation Rules" with Mark Nagel, Matthew Brown, and Chad McEvoy. In *Entertainment and Sports Law Journal,* Vol. 4, No. 3, December 2006.

"The Use of Public Funds for Private Benefit: An Examination of the Relationship between Public Stadium Funding and Ticket Prices in the National Football League" with Matthew Brown and Wesley Ward. In *International Journal of Sport Finance*, Vol. 1, No. 2, June 2006.

"An Analysis of Expansion and Relocation Sites for Major League Soccer" with Matthew Baehr, Jason Wolfe, and Steven Frohwerk. In *International Journal of Sport Management,* Vol. 7, No. 1, January 2006.

"Revenue and Wealth Maximization in the National Football League: The Impact of Stadia" with Matthew Brown, Mark Nagel, and Chad McEvoy. In *Sport Marketing Quarterly*, Vol. 13, No. 4, December 2004.

"NBA Expansion and Relocation: A Viability Study of Various Cities" with Heather Rascher. In *Journal of Sport Management*, Vol. 18, No. 3, July 2004.

"Does Bat Day Make Cents?: The Effect of Promotions on the Demand for Baseball," with Mark McDonald. In *Journal of Sport Management*, Vol. 14, No. 1, January 2000.

"The NBA, Exit Discrimination, and Career Earnings," with Ha Hoang. In *Industrial Relations*, Vol. 38, No. 1, January 1999.

**BOOKS**

"Handbook of Sport Finance" with Mark Nagel. Edward Elgar Publishing. (forthcoming).

"Financial Management in the Sport Industry" 4th ed. with Matthew Brown, Mark Nagel, and Chad McEvoy. Routledge, Inc., (forthcoming). A textbook.

"Financial Management in the Sport Industry" 3rd ed. with Matthew Brown, Mark Nagel, and Chad McEvoy. Routledge, Inc., 2021. A textbook.

"Financial Management in the Sport Industry" 2nd ed. with Matthew Brown, Mark Nagel, and Chad McEvoy. Routledge, Inc., 2015. A textbook.

"Financial Management in the Sport Industry" with Matthew Brown, Mark Nagel, and Chad McEvoy. Holcomb Hathaway, Inc., June 2010. A textbook.

**BOOK CHAPTERS**

"Sporting Goods and Sports Licensing," with Mark Nagel in *The Governance of Sports*, edited by Bonnie Tiell for Human Kinetics, (2024 – 2nd ed., 2020 – 1st ed.).

"The Relevance of a Gamified Football/Soccer Development Platform," with Kenneth Cortsen in *Interactive Sports Technologies: Performance, Participation, Safety*, edited by Michael Filimowicz and Veronika Tzankova for Routledge (2022).

"The application of sports technology and sports data for commercial purposes," with Kenneth Cortsen in *The Use of Technology in Sport – Emerging Challenges,* (2018).

"Valuing Highly Profitable Sports Franchises – A Hybrid Income and Market Approach," in *Sports Business* edited by Kenneth Cortsen (forthcoming).

"The Use of Price-to-Revenue Ratios in Valuing Sports Franchises," in *Sports Business* edited by Kenneth Cortsen (forthcoming).

"Competitive Equity: Can there be Balance between Athletes' Rights and a Level Playing Field?" with Andrew D. Schwarz in E. Comeaux (ed.), *College Athletes' Rights and Well-Being: Critical Perspectives on Policy and Practice*. Baltimore: Johns Hopkins University Press, (2017).

"Illustrations of Price Discrimination in Baseball" with Andrew D. Schwarz in L. Kahane and S. Shmanske eds., *Economics Through Sports*, Oxford: Oxford University Press, (2012).

"The Expanding Global Consumer Market for American Sports: The World Baseball Classic" with Mark Nagel, Chad McEvoy, and Matt Brown in G. Mildner, and C. Santo, eds., *Sport and Public Policy*, Champaign, IL: Human Kinetics, 2010.

"Franchise Relocations, Expansions, and Mergers in Professional Sports Leagues." In B. Humphreys, and D. Howard, eds., *The Business of Sports*, pp. 67-106. Westport, CT: Praeger, 2008.

"Collective Bargaining in Sport" with M. Nagel, M. Brown, and C. McEvoy. In *Encyclopedia of World Sport*, pp.335-339. Great Barrington, MA: Berkshire Publishing, 2005.

"The Role of Stadia in the USA: Wealth Maximization in the National Football League" with Matthew Brown and Mark Nagel in G. Trosien & M. Dinkel (eds.), *Grenzen Des Sportkonsums* (Frontiers of Sport Commerce), Heidelberg, Germany: SRH Learnlife AG, 2003.

"A Test of the Optimal Positive Production Network Externality in Major League Baseball," in E. Gustafson and L. Hadley, eds., *Sports Economics: Current Research*, 1999. Praeger Press.

"A Model of a Professional Sports League," in W. Hendricks (ed.), *Advances in the Economics of Sport*, vol. 2. June 1997, JAI Press, Inc.

**BOOK REVIEWS**

"Review of: Much More Than a Game: Players, Owners, and American Baseball Since 1921", by Robert F. Burk in *Journal of Economic Literature*, Vol. 40(3), September 2002, pp. 949-951.

**NON-PEER REVIEWED ARTICLES**

"Special Issue Introduction: Name, Image, and Likeness and the National Collegiate Athletic Association," with Steven Salaga, Natasha Brison, Joseph Cooper, and Andy Schwarz in *Journal of Sport Management*, 2023.

"Data Science for Football Business – Clustering Analysis," with Kenneth Cortsen and Bas Schnater in *FCBusiness*, 132, April 2021.

"Competitive Balance in Sports: "Peculiar Economics" over the last Thirty Years," with Andrew D. Schwarz. In *Competition, 29*(2), Fall 2019.

"How The $200+ Million Settlement For COA Payments Was Calculated," with Andrew D. Schwarz. In *Athletic Director U.*, May 2017.

"Rich Men's Toys – Applying Valuation Methods to the Business of Professional Sports" in *Valuation Strategies*, March/April 2015.

"Competitive Balance in Sports: "Peculiar Economics" Over the Last Quarter Century," with Andrew. D. Schwarz. In *Entertainment, Arts, and Sports Law Journal*, 24(1), Spring 2013.

"The Impact on Demand from Winning in College Football and Basketball: Are College Athletes More Valuable than Professional Athletes?" with Chad McEvoy. In *Selected Proceedings of the Santa Clara University Sports Law Symposium*, September 2012.

"The Economics of Competitive Balance on the Field and in the Courts" in *Selected Proceedings of the Santa Clara University Sports Law Symposium*, 2011.

"5 Themes from 50 Economic Impact Studies" in *SportsEconomics Perspectives*, Issue 5, 2010.

"What is the Value of Control of a Sports Enterprise?: Controlling Interest Premiums in Sports Valuations" in *SportsEconomics Perspectives*, Issue 4, April 2008.

"Executive Interview: Charlie Faas, Executive Vice President and CFO of Silicon Valley Sports and Entertainment." in *International Journal of Sport Finance*, Vol. 2, No. 2, June 2007.

"Executive Interview: Dan Champeau, Managing Director, and Chad Lewis, Analyst with Fitch." in *International Journal of Sport Finance*, Vol. 2, No. 1, February 2007.

"Executive Interview: Dennis Wilcox, Principal with Climaco, Lefkowitz, Peca, Wilcox & Garofoli Co., L.P.A." in *International Journal of Sport Finance*, Vol. 1, No. 4, November 2006.

"Executive Interview: Randy Vataha, Founder of Game Plan, LLC" with Dennis Howard in *International Journal of Sport Finance*, Vol. 1, No. 2, June 2006.

"Executive Interview: Mitchell H. Ziets, President and CEO of MZ Sports, LLC" in *International Journal of Sport Finance*, Vol. 1, No. 1, February 2006.

"The Oakland Baseball Simworld: Enabling Students to Simulate the Management of a Baseball Organization" in *Journal of Sports Economics*, Vol. 6, No. 3, August 2005.

"Examining the Viability of Various Cities for NBA Expansion or Relocation" with Heather Rascher in *SportsEconomics Perspectives*, Issue 2, April 2002.

"Following a Dollar: the economic impact of a sports event is greater than the sum of its parts" by Nola Agha in *SportsTravel Magazine*, Vol. 6, No. 10, November/December 2002. Heather Rascher and Daniel Rascher contributed to the article.

"Real Impact: understanding the basics of economic impact generated by sports events" in *SportsTravel Magazine*, Vol. 6, No. 7, July/August 2002. Reprinted in four regional sports commission newsletters.

"What is the Size of the Sports Industry?," in *SportsEconomics Perspectives*, Issue 1, August 2001.

"Neither Reasonable nor Necessary: "Amateurism" in Big-Time College Sports", with Andrew D. Schwarz. In *Antitrust* (Spring 2000 Special Sports Issue).

"What Brings Fans to the Ballpark?," with Nola Agha in *FoxSportsBiz.com*, Spring 2000.

**RE-PUBLICATIONS**

Republication of "Competitive Balance in Sports: "Peculiar Economics" over the last Thirty Years," with Andrew D. Schwarz. In *Entertainment and Sports Law Journal, 31*(1), Winter 2020.

Republication of "Do Fans Want Close Contests? A Test of the Uncertainty of Outcome Hypothesis in the National Basketball Association", with John Paul G. Solmes in *Recent Developments in the Economics of Sport*, ed. Wladimir Andreff; *The International Library of Critical Writings in Economics*, 2011, Sudbury, MA: Jones & Bartlett.

Republication of "Variable Ticket Pricing in Major League Baseball", with Chad McEvoy, Mark Nagel, and Matthew Brown The Business of Sports, ed. Scott Rosner and Kenneth Shropshire, 2011, Elgar Pub., United Kingdom.

Republication of "What Brings Fans to the Ballpark?," with Nola Agha in *Brilliant Results* 2005.

Republication of "What is the Size of the Sports Industry?," in *Brilliant Results* 2005.

Republication of "Neither Reasonable nor Necessary: "Amateurism" in Big-Time College Sports", with Andrew D. Schwarz in *The Economics of Sport, Vol. I*, ed. Andrew Zimbalist; *The International Library of Critical Writings in Economics* 135, 2001, Elgar, Northampton, MA.

**MONOGRAPHS**

"The Effect of Human Resource Systems on Fab Performance," with Clair Brown, in C. Brown (ed.), *The Competitive Semiconductor Manufacturing Human Resources Project: Final Report*, 1997.

"Inter-industry Comparisons: Lessons from the Semiconductor Industry," with Rene Kamita, in C. Brown (ed.), *The Competitive Semiconductor Manufacturing Human Resources Project: Final Report*, 1997.

"Problem-Solving Structures; A Case Study of Two U.S. Semiconductor Fabs," in C. Brown (ed.), *The Competitive Semiconductor Manufacturing Human Resources Project: Final Report*, 1997.

"Transferability of Case Study Research: An Example from the Semiconductor Industry," with Clair Brown, in C. Brown (ed.), *The Competitive Semiconductor Manufacturing Human Resources Project: 2nd Interim Report*, 1996.

"Headcount and Turnover," in C. Brown (ed.), *The Competitive Semiconductor Manufacturing Human Resources Project: 2nd Interim Report*, 1996.

"Training," with Jumbi Edulbehram in C. Brown (ed.), *The Competitive Semiconductor Manufacturing Human Resources Project: 2nd Interim Report*, 1996.

**WORKING PAPERS & ARTICLES UNDER REVIEW**

"The Financial Valuation of Extraordinary Sports Franchises." 2025.

"The Impact of COVID-19 on Employment and Output in the Leisure and Tourism Industries," with Lali Odosashvili and Mark Nagel. 2023.

"Does the Ivy League have Market Power in a Subset of the College Athlete Labor Market?" with Daniel Aidan Rascher and Mark Nagel. 2023.

"Commentary: Maximizing the Emergency Use of Public Stadiums and Arenas," with Mark Nagel and Tiffany Richardson. 2021.

"College Football and Basketball Fans Don't Root for Laundry: A Comparison of the Effect of Winning on Demand between College and Professional Football and Basketball," with Mark Nagel and Giseob Hyun. 2020.

"Optimal Markets for NFL Franchises." 2020.

"Would the Oakland A's Relocation to San Jose Harm the Sharks – A Case Study of Competition Across Professional Sports Teams" with Chad McEvoy, Matt Brown, and Mark Nagel. 2016.

"The Practical Use of Variable Ticket Pricing in Major League Baseball" with Chad McEvoy, Matt Brown, and Mark Nagel. 2012.

"An Analysis and Assessment of Intercollegiate Athletics at the University of San Francisco" with Jeremy Howell. 2011.

"Counting Local Residents in Economic Impact Analysis: New Findings from Sporting Events" with Richard Irwin. 2008.

"Perverse Incentives with the NCAA Basketball Tournament Seeding Process" with Matthew Brown, Chad McEvoy, and Mark Nagel. 2006.

"Do the Giants Compete with the A's: The Degree of Competition Between Teams" with Matthew Brown, Chad McEvoy and Mark Nagel. 2006.

"Forecasting Model of Airport Economic Impacts" with Alan Rozzi and Christopher Gillis. 2004.

"Psychic Impact of Professional Sports: A Case Study of a City Without Major Professional Sports" with Matthew Brown, Mark Nagel, and Chad McEvoy. 2003.

"The Use of New Technology and Human Resource Systems in Improving Semiconductor Manufacturing Performance", with Clair Brown and Greg Pinnsoneault, Working Paper, University of California at Berkeley, 1999.

**INVITED SPEAKING ENGAGEMENTS**

"How to Break Into Sports," invited guest on Sports Business Ventures live Q&A, 2025.

"Financial Valuation in the Sports Industry," invited guest lecturer in Sports Finance at University of North Carolina, 2025.

"Pay for College Athletes Kicks Off New Era of College Sports," invited on Forum (hosted by Alexis Madrigal, KQED), 2025.

"Catching Up With: Dan Rascher, Lead Economist on *House v NCAA*," invited on One on One: Sports Business Conversations (hosted by Dave Almy, ADC Consulting), 2025.

"What's Next for Baseball?," invited guest speaker with Sandy Alderson in Andy Dolich's Baseball: Inside America's Game, Stanford University, 2025.

"Price of Play: Economist Dan Rascher Breaks Down the $2.8 Billion House v. NCAA Settlement," invited on Trustees and Presidents: A Podcast for University Leaders On College Athletics (hosted by Karen Weaver, University of Pennsylvania), 2025.

"Sports Antitrust Economics," guest speaker in Microeconomics at Portland State University's MBA program, 2025.

"Sports Antitrust: The Role of Sports Economics," guest speaker in Sports Law at UC Irvine's Law School, 2025.

"Current Topics in Sports Economics," invited on The Sports Economist podcast (hosted by Shirin Mollah, professor at Loyola Marymount University), 2025.

"The Economics of Name, Image, and Likeness in College Sports," guest speaking in Sports Journalism, San Jose State University, 2025.

"Financial Management in the Sport Industry," guest speaking in Sports Economics, Loyola Marymount University, 2025.

"Going Local," panelist at Going Beyond the Game symposium, hosted by SEVN Sports & Entertainment. Oakland. 2025.

"Good Morning Walnut Creek: The Economics of Sports," fireside chat with Visit Walnut Creek, 2024.

"Conversations on NIL Complexities," panelist, Name, Image, and Likeness Conference, University of San Francisco Law School, 2024.

"The Unique Aspects of the Business of Sports," guest speaking at Hult International Business School, 2024.

"Developments in Private Antitrust Enforcement in Sports," panelist, American Antitrust Institute Annual Private Enforcement Conference, 2024.

"The Sports Economics Behind the Massive NCAA and NFL Lawsuits," invited on the Sports Wise podcast (hosted by Gabe Feldman, Director of the Tulane Sports Law Program), 2024.

"Antitrust Issues in Sports," panelist, Antitrust and Unfair Competition Law conference hosted by the California Lawyers Association, 2024.

"Financial Management in the Sport Industry," guest speaking in Sports Economics, Loyola Marymount University, 2024.

"Sports & Entertainment Districts," panelist, San Jose Chamber of Commerce, 2024.

"Getting into the Sports Industry," panelist, The Young Sports Talent Investment Forum, 2023.

"The Business of Sports." Lecture at the Oregon Law Summer Sports Institute, University of Oregon, 2023.

"Economics of College Sports," guest speaking in Intercollegiate Sports Management, St. Mary's College, 2023.

"Economics of College Sports," guest speaking in Sports Finance, University of Delaware, 2023.

"Financial Management in the Sport Industry," invited masterclass presentation for Sportin Global, 2023.

"Legal and Economic Issues in the NCAA: A Review of 20 Years of Litigation," with Andy Schwarz and Mark Nagel, University of South Carolina, College Sport Research Institute, 2023.

"The Business of Intercollegiate Sports," invited guest speaker in Andy Dolich's Make Sense of the Madness course on college sports, Stanford University, 2023.

"An Economist Goes to the Game," invited co-host for *New Books Network* podcast, 2022.

"The Business of Sports." Lecture at the Oregon Law Summer Sports Institute, University of Oregon, 2022.

"Big Stakes Antitrust Trial: In Re National Collegiate Athletic Association Athletic Grant-in-Aid Cap Antitrust Litigation," panelist at the 31st Golden State Institute Conference (2021).

"Economics of College Sports," guest speaking in Sports Finance, University of Delaware, 2021.

"The Business of Intercollegiate Sports," guest speaking in Issues in Sports Economics, University of West Florida, 2021.

"Professional Sports Franchise Location & Development." Guest speaker in Sports Law & Ethics course at California Lutheran University. 2021.

"The Business of Sports." Guest speaker at Sport Administration course, University of Louisville, 2021.

"The Business of Sports." Lecture at the Oregon Law Summer Sports Institute, University of Oregon, 2021.

"Sports Economics, Analytics, and Decision Making - 7 Case Studies," Theme Speaker 1, International Webinar on Sports Management, hosted by Sports Authority of India, Seshadripuram Educational Trust, Seshadripuram Evening Degree College, 2021.

"Economics of College Athletes," guest speaking in Sports Finance, University of Northern Colorado, 2021.

"Sports Antitrust Economics – Raiders & Regents," with Andy Schwarz in Sports Law, University of San Diego Law School, February, 2021.

"Research Thoughts & Methods" in Doctoral Research Seminar, Sport Management Department, University of South Carolina, January, 2021.

"Is there a Consensus?: An Experimental Trial to Test the Sufficiency of Methodologies Used to Measure Economic Impact in Sports." Keynote Speaker at the 1st International Congress of Iranian Scientific Association of Sport Management, Tehran, Iran in March, 2021.

"Government Impact on Financial Aspects of Sports," at the International Conference on Governance and Integrity in Sport, Saudi Arabia, December, 2020.

"State of Play: Antitrust and the NCAA," panelist on a program hosted by the New York State Bar Association and the California Lawyers Association, November 19, 2020.

"Sports Commercialization and the Global Sports Economy" with Kenneth Cortsen. Masterclass for Australian Sports Technologies Network, November 17, 2020.

"Economic and Financial Management of U.S. Professional Sports" presented at Loyola University, Seville, Spain, November 12, 2020.

"The Importance of Sound Data Analysis for Decision-Making in the Sports Industry" at Sportin Global Summit. 2020.

"The New Normal of the Sport Industry" at HiVE 24HR Liveathon. 2020.

"Play Time Sessions – A Series of Digital Conference Sessions on Gaming & Esports" presented by GIMA Esports. 2020.

"Practicing as a Sports Lawyer: Antitrust and Beyond." Sponsored by the American Bar Association's Section of Antitrust Law and Trade, Sports and Professional Associations. 2020.

"Economics of Sports." Lecture at the Oregon Law Summer Sports Institute, University of Oregon, 2020.

"Economics of College Sports," guest speaking in Sports Finance, University of Delaware, 2020.

"Economics of College Athletes," guest speaking in Sports Finance, University of Northern Colorado, 2020.

"Stadium Financing," guest speaking in Introduction to Sports Business, UCLA's Anderson School of Business, 2019.

"Economics of College Sports," discussion at the Oregon Law Summer Sports Institute, University of Oregon, 2019.

"Forging Industry Partnerships and Engaging in Applied Sport Management Research," with Weight, E., Love, A., McEvoy, C. Presentation for the Applied Sport Management Conference, 2019.

"Making a Difference: Bridging the Gap Between the Ivory Tower & the Community." Keynote Address, Applied Sport Management Association, 2019.

"Economics of Sports." Lectures at the Oregon Law Summer Sports Institute, University of Oregon, 2018.

"The Business of Sports", presented at the Sports Business Club at Sonoma State University Business School, May 2018.

"The Business of the Olympics," guest speaker in sports journalism course at Medill School of Journalism at Northwestern University, 2018.

"Economics of Sports." Lectures at the Oregon Law Summer Sports Institute, University of Oregon, 2017.

"College-Sport Research and Litigation: Theory and Practice Leading to Action." Panelist at College Sport Research Institute Symposium at the University of South Carolina, 2017.

"Economics of Sports." Lectures at the Oregon Law Summer Sports Institute, University of Oregon, 2016.

"The Business of Intercollegiate Sports," presented in the sport management department's sport law course, University of Toronto, 2016.

"Economics of Sports." Lectures at the Oregon Law Summer Sports Institute, University of Oregon, 2015.

"The Business of Intercollegiate Sports" presented in the sport management masters program, University of Arkansas, 2015.

Panelist on "The Future of Intercollegiate Athletics: The Players' Perspective," at the Sports Law and Business Conference at Arizona State University, 2015.

Panelist on "Intersection of Business and Sports Law," at the Sports and Entertainment Law Forum, presented by the University of Oregon Law School, 2015.

"The Economics of College Athletics Departments" presented in the masters in collegiate athletics program, college athletics in a digital era course, University of San Francisco, 2015.

"The Business of Intercollegiate Sports," presented in the sport management department's sport law course, University of Toronto, 2014.

"Economics of Sports." Lectures at the Oregon Law Summer Sports Institute, University of Oregon, 2014.

"The Finances of College Sports," presented in Matthew Brown's sport finance course, Ohio University, 2014.

"Antitrust Economics and Sports," presented in Professor Robert Elias's Politics and Sport course, University of San Francisco, 2014.

"The Economics of the Sports Industry," presented to the Haas School of Business, U.C. Berkeley, 2014.

"Economic Impact in Sports." Presentation in the masters in sports business program at New York University (NYU) as part of the Faculty-in-Residence program. 2013.

"Pricing the Game Experience," with Stephen Shapiro and Tim DeSchriver. Invited research presentation at *Sport Entertainment & Venues Tomorrow* conference, 2013, University of South Carolina.

"Academia and the Industry: Opportunities for Meaningful Research Collaboration." Invited panelist at *Sport Entertainment & Venues Tomorrow* conference, 2013, University of South Carolina.

"Sports Sponsorships in 2013," Panelist at Court Vision (Sheppard Mullin Sports Law Speaker Series and SLA). Continuing Legal Education (CLE) units program. 2013.

"Using Contract Law to Tackle the Coaching Carousel – Commentary." Presented at University of San Francisco, *Sports & Entertainment Law Association*, 2013.

"Sports Economics, Analytics, and Decision Making: 8 Examples." Invited speaker at the *IEG Sports Analytics Innovation Summit*, 2012

" 'Paperless Ticketing' and its Impact on the Secondary Market: An Economic Analysis with Antitrust Implications" with Andy Schwarz. Presented at U.C. Berkeley, Boalt Law School's *Sports and Entertainment Law Society*, 2011.

"Financial Valuation of Sports Assets," presented at the *Sport Management Today Video Conference Series* at the IE Business School, 2011

"Financial Valuation of Sports Assets," presented to the *Sport Management Department* at the University of Northern Denmark, 2011.

"Economic Impact in Sports," presented to the *Sport Management Department* at the University of Northern Denmark, 2011.

"The Economics of the Sports Industry," presented to the *Sports Business Association* at U.C. Irvine, 2011.

"Is Free Riding a Problem in Sports Leagues?: Adverse Incentives Caused by Revenue Sharing" with Mark Nagel, Chad McEvoy, and Matt Brown. Presented at the *Economics Lecture Series* at Sonoma State University Business School, April 2010.

"Economics for Antitrust Lawyers: Application to Class Certification" presented to Lieff Cabraser Heimann & Bernstein for Continuing Legal Education (CLE) units. November 2009.

"Economics for Antitrust Lawyers: Market Structure and Economic Modeling" presented to Lieff Cabraser Heimann & Bernstein for Continuing Legal Education (CLE) units. October 2009.

"Sports Stadium Financing in Today's Economy" presented to the Rotary Club of San Jose, May 2009.

"The Economic Impact of Liberty Bowl Memorial Stadium," presented at the University of Memphis, *Issues in College Sports* lecture series (invited panelist), March 2007.

"The Economics of the Sports Industry," presented to the MBA Program at the Haas School of Business, U.C. Berkeley, January 2007.

"Stadium Financing – Dallas Cowboys Case," presented to the MBA Program at the Graduate School of Business, Stanford University, 2006.

"Taking the Gown to Town: Research and Consulting for the Sport Industry." Invited presentation at the Past President's Workshop, *North American Society for Sport Management*, June 2006.

"Various Topics in Sports Economics," presented at the Wednesday Workshop on Economics Research, California State University, East Bay, 2005.

"Stadium Financing – Dallas Cowboys Case," presented to the MBA Program at the Graduate School of Business, Stanford University, 2005.

"The Economics of the Sports Industry," presented to the MBA Program at the Haas School of Business, U.C. Berkeley, 2005.

"The Economic Impact of General Aviation Airports: An Econometric Model," presented at Niche Ventures Spring Meeting, 2004.

"The Economics of the Sports Industry," presented to the MBA Program at the Haas School of Business, U.C. Berkeley, 2004.

"Oral Testimony Regarding California State Senate Bill 193, Student Athletes' Bill of Rights". 2003. Testimony to the California State Senate Subcommittee on Entertainment.

"The Economics of the Sports Industry," presented to the MBA Program at the Haas School of Business, U.C. Berkeley, 2003.

"The Use of New Technology and Human Resource Systems in Improving Semiconductor Manufacturing Performance," with Clair Brown and Greg Pinsonneault. Presented at *The Wharton School*, University of Pennsylvania, 1999.

**CONFERENCE PRESENTATIONS**

"Is there a Consensus?: An Experimental Trial to Test the Sufficiency of Methodologies Used to Measure Economic Impact," with Giseob Hyun and Mark Nagel. Presentation at *Applied Sport Management Association*, February 2020.

"Is there a Consensus?: A Test of Methodologies Used to Measure Economic Impact," with Giseob Hyun and Mark Nagel. Presentation at *Applied Business and Entrepreneurship Association International*, November 2019.

"Because It's Worth It: Why Schools Violate NCAA Rules and the Impact of Getting Caught in Division I Basketball," with Andrey Tselikov, Andrew D. Schwarz, and Mark Nagel. Presentation at *Applied Business and Entrepreneurship Association International*, November 2018.

"College Football and Basketball Fans Don't Root for Laundry: A comparison of the effect of winning on attendance and television viewership between big-time college football and basketball and the NBA and NFL," with Mark Nagel. Presentation at *Applied Business and Entrepreneurship Association International*, November 2017. (voted Best Paper Award for session)

"Financial Valuation of a Sporting Goods Retail Store," with Mark Nagel and Matthew Brown. Poster presentation at *North American Society for Sport Management*, May 2016.

"Cartel Behavior in United States College Sports: An Analysis of National Collegiate Athletic Association Football Enforcement Actions from 1990 to 2011," with Mark Nagel, Richard Southall, and Nick Fulton. Presented at *Western Economics Association International*, January 2016.

"The College Basketball Players' Labor Market: *Ex Ante* versus *Ex Post* Valuations" with David Berri and Robert Brown. Presented at *Western Economics Association International*, July 2015.

"What drives Endorsement Values for Superstar Athletes?" with Terry Eddy and Giseob Hyun. Presented at *Sport Management Association of Australia and New Zealand*, November 2014.

"The Beckham Effect: David Beckham's Impact on Major League Soccer, 2007-2012," with Stephen Shapiro and Tim DeSchriver. Presented at *North American Society for Sport Management*, May 2014.

"Where is Everyone? An Examination of Consumer Demand for College Football Bowl Games," with Terry Eddy and Rebecca Stewart. Presented at *Collegiate Sports Research Institute* conference, April 2014.

"If We Build It, Will You Come?: Examining the Effect of Expansion Teams and Soccer-Specific Stadiums on Major League Soccer Attendance," with Stephen Shapiro and Tim DeSchriver. Presented at *North American Society for Sport Management*, May 2013.

"Should San Jose say 'No Way' to the Oakland A's," with Mark Nagel and Matt Brown. Presented at *North American Society for Sport Management*, May 2013.

Panel member for "Financial Issues in Intercollegiate Sports." Presented at the *Santa Clara University Sports Law Symposium*, 2012.

"What's in a Name?: Does the Amount and Source of Public Financing Impact Team Names?" with Nola Agha and Matt Brown. Presented at *Western Economics Association International*, July 2012.

"When Can Economic Impact be Positive? Twelve conditions that explain why smaller sports have bigger impacts" with Nola Agha. Presented at *Western Economics Association International*, July 2012.

"Reflections on the MLB Collective Bargaining Agreement." Part of a symposium on the Economics of Labor-Management Relations in Sports Today at *Western Economics Association International*, July 2012.

"The Economics of Competitive Balance on the Field and in the Courts." Presented at the *Santa Clara University Sports Law Symposium*, 2011.

" 'Paperless Ticketing' and its Impact on the Secondary Market: An Economic Analysis with Antitrust Implications" with Andy Schwarz. Presented at *International Association of Venue Managers*, July 2011.

" 'Paperless Ticketing' and its Impact on the Secondary Market: An Economic Analysis with Antitrust Implications" with Andy Schwarz. Presented at *TicketSummit*, July 2011.

" 'Paperless Ticketing' and its Impact on the Secondary Market: An Economic Analysis with Antitrust Implications" with Andy Schwarz. Presented at *Western Economics Association International*, July 2011.

"Financial Risk Management: The Role of a New Stadium in Minimizing the Variation in Franchise Revenues" with Matt Brown, Chad McEvoy, and Mark Nagel. Presented at *Western Economics Association International*, July 2011.

"A Panel Study of Factors Affecting Attendance at Major League Soccer Contests: 2007-2010" with Tim DeSchriver. Presented at the *Sport Marketing Association IX* conference in New Orleans, October 2010.

"The NCAA and the Prisoner's Dilemma". Presented at the *Sports Law Symposium* at the University of Santa Clara Law School, September 2010.

"Financial Risk Management: The Role of a New Stadium in Minimizing the Variation in Franchise Revenues" with Matt Brown, Chad McEvoy, and Mark Nagel. Presented at *North American Society for Sport Management*, May 2010.

"An Analysis of the Value of Intercollegiate Athletics to its University: Methods". Presented at the *Scholarly Conference on College Sport*, April 2010.

"Demand, Consumer Surplus, and Pricing Inefficiency in the NFL: A Case Study of the Secondary Ticket Market Using StubHub" with Joris Drayer and Chad McEvoy. Presented at *North American Society for Sport Management*, May 2009.

"Luxury Suite Pricing in North American Sports Facilities" with Tim DeSchriver. Presented at *North American Society for Sport Management*, May 2009.

"A Smorgasbord of Lessons Learned from Economic Impact Studies" Presented at *North American Society for Sport Management*, June 2008.

"Globalization and Sport Finance: What is True and What is Myth?" with Mark Nagel and Ross Booth. Presented at the *Sport Management Association of Australia and New Zealand*, November 2007.

"Exploring the Myth that a Better Seed in the NCAA Men's Basketball Tournament results in an *ex ante* Higher Payout" with Mark Nagel, Matt Brown, and Chad McEvoy. Presented at the *Sport Management Association of Australia and New Zealand*, November 2007.

"Oakland A's Baseball Simulator" with Joris Drayer. Presented at *North American Society for Sport Management*, June 2007.

"Teaching Sport Financial Management: A Symposium" with Timothy DeSchriver, Matthew Brown, and Michael Mondello. Presented at *North American Society for Sport Management*, June 2007.

"The Economics of the Sports Industry," presented to the MBA Program at the Haas School of Business, U.C. Berkeley, January 2007.

"Practical Strategies for Variable Ticket Pricing in Professional Sports" with Chad McEvoy, Matt Brown, and Mark Nagel. Presented at *Sport Marketing Association IV*, November 2006.

"Do the Giants Compete with the A's: The Degree of Competition Between Teams", presented at *Western Economic Association International*, July 2006.

"Do the Giants Compete with the A's: The Degree of Competition Between Teams", presented at *North American Society for Sport Management*, June 2006.

"Measuring Sponsorship Return on Investment: A Need for Quantitative Analysis" with Matt Brown, Mark Nagel, and Chad McEvoy. Presented at *Sport Marketing Association III*, November 2005.

"The Use of Economic Impact Analysis for Marketing Purposes" with Dick Irwin and Matt Brown. Presented at *Sport Marketing Association III*, November 2005.

"Is Free Riding a Problem in Sports Leagues?: Adverse Incentives Caused by Revenue Sharing" with Mark Nagel, Chad McEvoy, and Matt Brown. Presented at *Western Economic Association International*, July 2005.

"Public Funds for Private Benefit: Equity Issues in Sport Stadia Funding and the Question of Who Really Pays," with Matt Brown and Mark Nagel. Presented at *North American Society for Sport Management*, June 2005.

"Is Free Riding a Problem in Sports Leagues?: Adverse Incentives Caused by Revenue Sharing" with Mark Nagel, Chad McEvoy, and Matt Brown. Presented at *North American Society for Sport Management*, June 2005.

"Is Free Riding a Problem in Sports Leagues?: Adverse Incentives Caused by Revenue Sharing" with Mark Nagel, Chad McEvoy, and Matt Brown. Accepted by *Sport Management Association of Australia and New Zealand*, Nov. 2004.

"Redskins: Legal, Financial, and Policy Issues relative to Harjo v. Pro-Football, Inc." with Richard Southall, Matt Brown, and Mark Nagel. Presented at *North American Society for the Sociology of Sport*, Nov. 2004.

"An Analysis of Distance Traveled and Tourism Economic Impact: A Test of the Alchian-Allen Theorem" with Matt Brown, Mark Nagel, and Chad McEvoy. Presented at *Sport Marketing Association II* conference, Nov. 2004.

"Is Free Riding a Problem in Sports Leagues?: Adverse Incentives Caused by Revenue Sharing" with Mark Nagel, Chad McEvoy, and Matt Brown. Presented at *Sport Marketing Association II* conference, Nov. 2004.

"Beyond The Economic Impact Study: Examining Economic Impact Data for Support of the Third Law of Demand" with Matthew Brown, Mark Nagel, and Chad McEvoy. Presented at *North American Society for Sport Management*, 2004.

"Optimal Variable Ticket Pricing in Major League Baseball" with Mark Nagel, Chad McEvoy, and Matthew Brown. Presented at *North American Society for Sport Management*, 2004.

"*Clarett v. NFL*: Age Eligibility Rules and Antitrust Law in Professional Sports" with Chad McEvoy, Mark Nagel, and Matt Brown. Presented at *Sport and Recreation Law Association*, 2004.

"Variable Pricing in Baseball: Or, What Economists Would Just Call 'Pricing'," presented at *Western Economic Association International*, 2003.

"The Impact of Stadia on Wealth Maximization in the National Football League: To Build or Renovate?" with Matthew Brown, Mark Nagel, and Chad McEvoy. Presented at *North American Society for Sport Management*, 2003.

"Major League Baseball's Antitrust Immunity: Examining the Financial Implications of Relocation Rules," with Matthew Brown and Mark Nagel. Presented at *Society for the Study of the Legal Aspects of Sport and Physical Activity*, 2003.

"Locational Choice in the NBA: An Examination of Potential Cities for Expansion or Relocation," presented at *North American Society for Sport Management*, 2002.

Panel discussant on the effects of the economy on the business of sports at *Sports Facilities and Franchises Forum*, Dallas, TX 2002 (presented by SportsBusiness Journal).

"Psychic Impact Findings in Sports," presented at *Sport Management Association of Australia and New Zealand*, 2001.

"Locational Choice in the NBA: An Examination of Potential Cities for Expansion or Relocation" presented at *Sport Management Association of Australia and New Zealand*, 2001.

"Psychic Impact as a Decision Making Criterion," presented at the *North American Society for Sport Management*, 2000.

"Economic Impact Methods," presented at the *North American Society for Sport Management*, 2000.

"Valuation of Naming Rights," presented at the *Sports Finance Forum*, 2000.

" 'Amateurism' in Big-Time College Sports," presented at the *Western Economic Association International*, 1999.

"Does Bat Day Make Cents?: The Effect of Promotions on the Demand for Baseball," with Mark McDonald. Presented at the *17th Annual Consumer Psychology Conference*, 1998.

"A Test of the Optimal Positive Production Network Externality in Major League Baseball," presented at the *North American Society for Sport Management Conference*, 1998.

"A Test of the Optimal Positive Production Network Externality in Major League Baseball," presented at the *Western Economic Association International*, 1998.

"The NBA, Exit Discrimination, and Career Earnings," presented at the *Western Economic Association International*, 1997.

"Sports Salary Determination," presented at the *International Atlantic Economic Society Conference*, 1997.

"A Model of a Professional Sports League," presented at the *International Atlantic Economic Society Conference*, 1996.

"Transferability of Case Study Research: An Example from the Semiconductor Industry," presented at the *American Society of Training and Development Conference*, 1996.

**EDITORIAL/REVIEWER BOARDS OF PEER-REVIEWED JOURNALS**

*Frontiers in Sports and Active Living – Sports Management and Marketing,* 2020 – present

*International Journal of Sport Management and Marketing,* 2011 – present
*International Journal of Sports Marketing and Sponsorship,* 2021 – present
*International Journal of Sport Finance,* 2006 – present (founding member)
*Journal of Risk and Financial Management,* 2019 – present
*Journal of Sport Management,* 2003 – present
Associate Editor, 2010 – 2012
Co-Editor of Special Issue, 2022
*Journal of Quantitative Analysis in Sports,* 2005 – 2012 (founding member)
*Case Studies in Sport Management,* 2011 – 2019 (founding member)
*Sport Management Review,* 2001 – 2008

**REFEREE FOR PEER-REVIEWED JOURNALS & GRANTING AGENCIES**

*American Behavioral Scientist*, 2008
*Applied Economics Letters,* 2018, 2025
*Applied Economics,* 2020, 2021
*Axioms,* 2017
*Case Studies in Sport Management*, 2012, 2014a, 2014b, 2015, 2017, 2019
*Communication & Sport*, 2019, 2020
*Contemporary Economic Policy*, 2004, 2021
*Eastern Economic Journal,* 2010
*Economic Inquiry,* 2008, 2010, 2011
*Economics and Business Letters,* 2018
*European Sport Management Quarterly,* 2012, 2020, 2021, 2022
*Frontiers in Sports and Active Living,* 2021a, 2021b, 2022, 2025a, 2025b
*Future Internet,* 2019, 2020
*Industrial Relations*, 1993, 2000, 2000, 2001, 2013
*International Journal of Financial Studies,* 2018
*International Journal of High School Research,* 2025
*International Journal of Sport Communication,* 2011
*International Journal of Sport Finance*, 2005, 2006a, 2006b, 2006c, 2007a, 2007b, 2008a, 2008b, 2010, 2011, 2012, 2013, 2014a, 2014b, 2014c, 2015, 2017, 2018, 2019, 2022a, 2022b, 2023
*International Journal of Sport Management and Marketing*, 2005, 2010, 2013, 2014, 2017, 2021
*International Journal of Sports Marketing and Sponsorship*, 2016, 2018a, 2018b, 2019, 2021a, 2021b, 2021c, 2021d, 2022, 2023a, 2023b, 2024, 2025a, 2025b
*International Journal of Sport Policy and Politics,* 2014
*International Review for the Sociology of Sport*, 2012
*Journal for the Study of Sport and Athletes in Education,* 2021a, 2021b
*Journal of Economic Surveys,* 2024
*Journal of Financial Risk Management,* 2025
*Journal of Functional Morphology and Kinesiology,* 2018
*Journal of Global Sport Management,* 2018, 2024
*Journal of Industrial Economics*, 1997
*Journal of Intercollegiate Sport*, 2016, 2021, 2022
*Journal of Issues in Intercollegiate Athletics*, 2021
*Journal of Sport Management,* 2001, 2002, 2003a, 2003b, 2004a, 2004b, 2004c, 2004d, 2004e, 2005a, 2005b, 2005c, 2005d, 2006a, 2006b, 2006c, 2006d, 2006e, 2006f, 2006g, 2006h, 2006i, 2007a, 2007b, 2007c, 2007d, 2008a, 2008b, 2008c, 2008d, 2009a, 2009b, 2009c, 2009d, 2009e, 2009f,

2009g, 2010a, 2010b, 2010c, 2010d, 2011a, 2011b, 2013, 2013b, 2014, 2015a, 2015b, 2016a, 2016b, 2016c, 2016d, 2017a, 2017b, 2017c, 2017d, 2018a, 2018b, 2018c, 2018d, 2019a, 2019b, 2019c, 2019d, 2019e, 2020a, 2020b, 2020c, 2020d, 2021, 2023, 2024, 2025, 2026

*Journal of Sports Economics*, 2003, 2007, 2008a, 2008b, 2009, 2010, 2011, 2012a, 2012b, 2014a, 2014b, 2015a, 2015b, 2016, 2018, 2019a, 2019b, 2021, 2022a, 2022b, 2023

*Journal of Venue and Event Management,* 2012

*Journal of the Quantitative Analysis of Sports*, 2005, 2006a, 2006b, 2007

*Mathematical Problems in Engineering,* 2018

*Perceptual and Motor Skills*, 2009

*PLOS One,* 2025

*Psychology and Marketing,* 2025

*Review of Economics and Statistics,* 2017

*Review of Industrial Organization*, 2012, 2013, 2015

*SAGE Open,* 2021

*Soccer & Society*, 2014, 2015, 2020

*Social Science Quarterly,* 2025

*Southern Economic Journal*, 2001, 2007a, 2007b

*Sport, Business and Management: An International Journal*, 2011, 2012, 2013, 2017, 2018, 2023a, 2023b

*Sport Management Review*, 2002a, 2002b, 2003a, 2003b, 2003c, 2003d, 2004a, 2004b, 2004c, 2006a, 2006b, 2006c, 2007a, 2007b, 2007c, 2010a, 2010b, 2011, 2015, 2016, 2017, 2020

*Sport Marketing Quarterly*, 2015, 2018

*Sustainability,* 2018, 2021a, 2021b

External review of $250,000 grant proposal for the *Social Sciences and Humanities Research Council of Canada*, 2008

**PROFESSIONAL AFFILIATIONS (CURRENT AND PREVIOUS)**

American Bar Association
American Economic Association
National Association of Certified Valuation Analysts
North American Society for Sport Management
North American Association of Sports Economists
Sport and Recreation Law Association
Sport Marketing Association
Sports Lawyers Association
Western Economic Association International

**TESTIMONY**

Provided trial testimony on antitrust economic issues in *International Swimming League v. World Aquatics*. 2026.

Provided declarations, deposition & PI hearing testimony on antitrust economics in *Patterson et al. v. NCAA*. 2025.

Provided report, deposition, and trial testimony on lost earnings in *Skaggs v. Angels*. 2025.

Provided declaration on the economics of Athletics in *Lencioni v. Emily Cutrer* (Interim President of Sonoma State U.). 2025.

Provided expert report, declaration, and deposition on economic analyses in *Smart v. NCAA*. 2025.

Provided expert reports, deposition testimony, and settlement analysis in *In Re College Athlete NIL Litigation* (*House v. NCAA*). 2025.

Provided economic expert reports and deposition testimony on antitrust economics in *23XI v. NASCAR*. 2025.

Provided economic analysis for the settlement in *Carter v. NCAA*. 2024.

Provided expert reports, deposition, and trial testimony in *In Re NFL Sunday Ticket Antitrust Litigation*. 2024.

Provided expert reports, deposition testimony, and settlement analysis in *Hubbard v. NCAA*. 2024.

Provided deposition and trial testimony regarding liability and economic damages in *San Francisco Federal Credit Union v. San Francisco Municipal Transportation Agency*. 2021.

Provided expert reports and deposition testimony regarding class certification and damages in *Shields et al. v. FINA*. 2021.

Provided expert report pertaining to alleged financial harm from lost career earnings related to RICO claims in *Bowen v. adidas*. 2021.

Provided expert report and trial testimony pertaining to financial harm of alleged mismanagement of professional tennis client in *Mirjana Lucic v. IMG Worldwide.* 2021.

"An Economics Perspective on NIL at the Community College Level" presented at a public hearing of the Senate Bill 206 (Skinner-D, 2019) Statutory Community College Athlete Name, Image, and Likeness Working Group, November 10, 2020.

Provided expert report and deposition pertaining to financial harm of alleged misleading advertising in *The People of the State of California v. Hertz et al.* 2019.

Financial and economic analysis and testimony at a hearing of baseball and *AT&T Park* for Assessment Appeals Board (property tax dispute). 2018.

Provided arbitration testimony on damages regarding an NBA agent and agency in *ISE v. Dan Fegan*. 2018.

Provided trial and deposition testimony and multiple expert reports pertaining to class certification, liability, damages, and injunction issues in college sports in the federal lawsuit *In Re: NCAA Athletic GIA Cap Antitrust Litigation* (*Alston v. NCAA*). 2015-18.

Provided expert report pertaining to damages in auto racing case between a driver and his agent in *Sports Management Network v. Kurt Busch.* 2018.

Public testimony on forecast of economic impact of Rocky Mountain Sports Park on Windsor, CO to the Windsor City Council. 2017.

Provided expert report pertaining to the economics of ticketing and personal seat licenses (PSLs) in *RCN Capital v. Los Angeles Rams.* 2017.

Provided trial testimony (and multiple reports and depositions) on financial harm pertaining to *FTC v. DirecTV*. 2017.

Provided declaration pertaining to the economics of ticketing for sports and entertainment in *Glickman et al. v. Live Nation et al*. 2016.

Provided declaration pertaining to the economics of ticketing for sports and entertainment in *Pollard v. AEG Live, et al*. 2016.

Provided declaration pertaining to the economics of ticketing for sports and entertainment in *Finkelman v. NFL*. 2016.

Provided deposition testimony and submitted two expert reports pertaining to class certification issues in college football in *Rock v. NCAA*. 2014-16.

Submitted an expert report on damages pertaining to an endorsement relationship in *Frank Thomas v. Reebok*. 2015.

Provided deposition testimony and submitted an expert report pertaining to the economic relationship between two boxing entities in *Garcia v. Top Rank, Inc.* 2015.

Provided trial testimony (and multiple reports and depositions) on class certification issues, damages, and antitrust economics in regards to group licensing for former and current college football and basketball players in *O'Bannon et al. v. NCAA*. 2013-14.

Submitted three expert reports regarding lost earnings for a Major League Baseball player in *Backe et al. v. Fertitta Hospitality, LLC et al.* 2013.

Submitted two expert reports on class certification issues in regards to ticket holder lawsuit in *Phillips et al. v. Comcast Spectacor et al*. 2013.

Submitted expert report in a federal case involving defamation of character in the boxing industry (*Pacquiao v. Mayweather Jr. et al.*). 2012.

Provided deposition testimony and prepared expert report regarding an alleged sponsorship breach of contract in motorsports (*Vici Racing, LLC v. T-Mobile USA, Inc.*). 2012.

Prepared expert witness testimony on trade secrets case involving the sports consulting industry (*Sport Management Research Institute v. Keehn*). 2011.

Provided deposition testimony on the value of a minor league baseball team and related damages from an alleged breach of a facility lease permit (*Long Beach Armada v. City of Long Beach*). 2011.

Provided deposition testimony on the value of athlete endorsements in a breach of contract case involving an NBA player and a charter school business in an arbitration proceeding (*D Wade's Place v. Dwyane Wade*). 2010.

Provided deposition testimony on the value of athlete endorsements in a breach of contract case involving an NBA player and a restaurant investment in a state court proceeding (*Rodberg v. Dwyane Wade*). 2010.

Submitted two reports and provided deposition and arbitration testimony regarding damages related to how media coverage has impacted an NFL team's brand (*Kiffin v. Raiders*). 2009.

Submitted expert report, rebuttal report, gave deposition and trial testimony in federal court (*Adderley et al. v NFLPA & NFLPI)*. 2008.

Public testimony on economic impact of a Major League Soccer stadium in San Jose to the San Jose City Council. 2008.

Public testimony on economic impact of six sports and cultural events in San Jose to the San Jose City Council. 2007.

Submitted expert report, rebuttal report, and testified at arbitration hearing on the financial valuation of Major League Soccer (*Rothenberg v. Major League Soccer, LLC*). 2006.

Named expert witness for a Major League Baseball club to analyze a punitive damages claim from an injury at a baseball game (*Bueno v. Rangers*). 2006.

Prepared expert testimony on liability and damages related to the operations of a minor baseball league on behalf of the league's owner (*Don Altman et al., v. Jeffrey Mallet, et al.*). Case was settled prior to deposition. 2004.

Public testimony on economic impact of an existing and new professional football stadium in Irving, TX to the Irving City Council (two council meetings). 2004.

Testimony on college athletics regarding Senate Bill 193 to the California State Senate Subcommittee on Entertainment. 2003.

Public testimony on economic impact of a downtown entertainment district in Sacramento to the Sacramento City Council (two council meetings). 2003.

Determination of IP valuation and damages from a clothing endorsement alleged breach of contract for PGA Tour player (*Stankowski v. Bugle Boy*). Submitted expert report. Case was settled prior to deposition. 2000.

Deposition testimony in breach of contract matter concerning sponsorship damages analysis in the auto racing industry (*Parente v. Della Penna Racing*). 2000.

Public testimony on forecast of economic impact of Pan Am Games on San Antonio to the San Antonio City Council. 1999.

Updated January 2026

**Daniel A. Rascher, Ph.D.**



Daniel Rascher teaches and publishes research on sports business topics, and consults to the sports and entertainment industry. He specializes in economics and finance and more specifically in industrial organization, antitrust, competition analysis, M&As, valuation, analytics, econometrics, economic impact, market readiness, feasibility research, marketing research, damages analysis, class certification, strategy, and labor issues in the sports industry. Dr. Rascher founded SportsEconomics to enable sports enterprises to capitalize on the sports industry's transition from hobby status to multi-billion dollar industry. As Founder and President of SportsEconomics, LLC, Partner at OSKR, LLC, and former Principal at LECG, LLC, his clients in more than 200 engagements have included organizations involved in the NBA, NFL, MLB, NHL, NCAA, NASCAR, MLS, PGA, WTA, FIFA, media, sporting goods & apparel, boxing, mixed martial arts, minor league baseball, NHRA, AHL, Formula 1, Indy Car racing, American Le Mans racing, Premier League Football, NASL, women's professional soccer, professional cycling & swimming, endurance sports, Indian Premier League, ticketing, facility development, IHRSA, youth sports, music, as well as the DOJ, FTC, IRS, EEOC, sports commissions, local and state government, convention and visitors bureaus, tourism businesses, entrepreneurs, and B2B enterprises.

Dr. Rascher earned his Ph.D. in Economics from the University of California at Berkeley. He is Director of Academic Programs and Professor in the Sport Management Program at the University of San Francisco (USF), where he also teaches courses in sports economics and finance, and applied research methods. He has also taught at Northwestern University, Stanford University, the IE Business School in Madrid, and the University of Massachusetts (Amherst). He has authored or co-authored over 70 publications including multiple editions of a textbook in the sport management and economics fields, has been interviewed hundreds of times by the media for his opinion on various aspects of the business of sports, and has given over 100 presentations at professional and academic conferences. Dr. Rascher has served on the editorial boards of nine journals including *Journal of Sport Management*, *Sport Management Review*, *International Journal of Sport Finance*, and the *Journal of the Quantitative Analysis of Sports*. He has been named Research Fellow of NASSM, received the ASMA's Lifetime Achievement Award, won Outstanding Antitrust Litigation Achievement in Economics from AAI twice (for *Alston v. NCAA* & *House v. NCAA*), and the Sonny Vaccaro Impact Award (CSRI at U. South Carolina). Dan is also certified as a valuation analyst (CVA) by the National Association of Certified Valuators and Analysts.

Dr. Rascher has been named as an expert witness in dozens of cases, given dozens of depositions, and written dozens of expert reports. He has testified at six federal trials, three state trials, three arbitrations, and two hearings, and given numerous public testimonies to government.

## Sports, Entertainment, and Tourism Consulting Experience

### Major League Baseball (MLB) and minor league baseball

- Measurement of lost earnings of MLB pitcher and trial testimony in ***Skaggs v. Angels***.
- Economic analysis of issues pertaining to the shortened 2020 Major League Baseball season on behalf of **MLB Players Association**.
- Financial and economic analysis of baseball and **AT&T Park** for Assessment Appeals Board (property tax dispute).
- Measurement of indirect economic impact of the **New York Yankees** spring training on Hillsborough County.
- Provided consulting analysis in ***Senne v. MLB et al.*** pertaining to economics of commercial transactions.
- Submitted an expert report regarding damages pertaining to an endorsement agreement and harm to an athlete's brand in ***Frank Thomas v. Reebok***.
- Submitted expert reports regarding lost earnings of Major League Baseball player in ***Backe et al. v. Fertitta Hospitality, LLC et al.***
- Provided testimony regarding financial valuation of minor league baseball team and estimate of damages in ***Long Beach Armada v. City of Long Beach***.
- Analysis of alleged damages to the City of Anaheim for alleged breach of contract related to the **Angels'** stadium lease and name change (***City of Anaheim vs. The Los Angeles Angels of Anaheim***). Work included analysis of economic impact, stadium public financing, and valuation of franchise name change.
- Named expert witness for the **Texas Rangers** Major League Baseball club to analyze a punitive damages claim from an injury at a baseball game (***Bueno v. Rangers***).
- Prepared expert testimony on liability and damages related to the operations of a **minor baseball** league on behalf of the league's owner (***Don Altman, et al. v. Jeffrey Mallet, et al.***). Case was settled prior to deposition.

### National Basketball Association (NBA)

- Economic analysis of media issues pertaining to collective bargaining for the **National Basketball Players Association**.
- Economic analysis of licensing for the **National Basketball Players Association**.
- Economic analysis of financial harm from lost earnings regarding RICO claims in ***Bowen v. adidas***.
- Economic analysis and arbitration testimony pertaining to lost earnings in ***ISE v. Dan Fegan***.
- Financial valuation of the **Los Angeles Lakers** on behalf of the Internal Revenue Service.
- Update to previous analysis of market assessment of an **NBA team in Louisville**.
- Economic and Fiscal impact study of the **2012 NBA All-Star Game** on the City of Orlando.
- Provided testimony in state court regarding the value of **NBA star athlete endorsements** and how they pertain to restaurant endorsements on behalf of Dwyane Wade (***D Wade's Place v. Dwyane Wade***).
- Provided testimony in an arbitration proceeding regarding the value of **NBA star athlete endorsements** and how they pertain to charter schools on behalf of Dwyane Wade (***Rodberg v. Dwyane Wade***).
- Analysis of market assessment, business planning, and forecast of revenues for a new sports arena in Kansas City (NBA and/or NHL quality).

- Phase I economic impact analysis, feasibility, and business planning of a new arena and surrounding entertainment district for the **Sacramento Kings**, the City of Sacramento, and Union Pacific, the landowner (public testimony given). Included survey analysis.
- Phase II economic impact analysis, feasibility, and business planning of a new arena and surrounding entertainment district for the **Sacramento Kings**, the City of Sacramento, and Union Pacific, the landowner (public testimony given). Included survey analysis.
- Provided litigation support to counsel for Oakland-Alameda County Coliseum Authority, and case management support for expert testimony, in *OACCA v. Golden State Warriors*. Assisted OACCA in demonstrating to the court that the Warriors owed years of damages for unpaid rent.
- Valuation of loss in naming rights value due to major tenant relocating to another arena.
- Analysis of market assessment of an **NBA arena in Louisville**.

## National Football League (NFL)

- Economic analysis of antitrust economics issues and trial testimony in *In Re National Football League Sunday Ticket Antitrust Litigation*.
- Economic and fiscal impact of Levi's Stadium (home of the **San Francisco 49ers**) on the local community, including 19 events (49ers games, concerts, other events).
- Economic analysis of NFL franchise and location economics in *City of Oakland v. Oakland Raiders et al.*
- Expert report on the economics of secondary ticketing & PSLs in *FCN Capital v. St. Louis Rams, NFL*
- Expert report on the economics of ticketing in re *Finkelman et al. v. NFL et al*.
- Expert witness measuring damages in *MillerCoors LLC v. New England Patriots LLC*.
- Provided consulting services related to class certification and econometric analysis in *Brady v. NFL*.
- Provided arbitration testimony for the **Oakland Raiders** in a dispute between the franchise and one of its former coaches (*Kiffin v. Raiders*). Analysis included an assessment of harm to the brand of the Raiders for alleged statements and actions by the former coach.
- Provided trial testimony in a federal case on behalf of a class of retired NFL players, *Adderley, Parrish et al. v. NFLPA*. Topics included the economics of licensing in sports, the importance of brand management, and historical team performance in revenue generation.
- Market research and survey design using conjoint analysis to determine optimal pricing of stadium seat rights and related attributes for the **Oakland Raiders.**
- Economic and fiscal impact analysis of the **Dallas Cowboys**, **Texas Stadium**, and a proposed new stadium on the surrounding community, including public testimony.
- Provided litigation support to counsel for the **NFL**, and case management support for expert testimony, in *Raiders v. NFL*. Work included assessment of antitrust claims, tort and breach claims, and valuation critique.
- Financial valuation of the **Cincinnati Bengals** for the **IRS** related to estate taxes.

## National Hockey League (NHL) and American Hockey League (AHL)

- Analysis of economic & fiscal impact of the **Sharks Sports & Ent.**, **SAP Center**, **Tech CU Arena**.
- Analysis of the economic impact of the expansion of **Sharks Ice**, including a minor league hockey arena, on the City of San Jose.
- Analysis of the marketability of an NHL franchise for the purposes of attracting free agents for an **NHL franchise**.
- Analysis of economic & fiscal impact of the **San Jose Sharks** and the **SAP Center** since its inception.

- Submitted multiple expert reports on financial damages pertaining to a dispute between season ticket holders and the **Philadelphia Flyers (*Phillips et al. v. Comcast Spectacor et al.*)**.
- Analysis of the nature of competition across major sports leagues, including the **NHL** and **MLB** on behalf of the **San Jose Sharks**.
- Analysis of economic impact of the **San Jose Sharks** hockey team, the **HP Pavilion**, and the **Logitech Ice Center** since their inceptions.
- Competitive analysis and market research of **NHL hockey franchise** locations for Canadian government competition authority.
- Conduct research on the economics of the **NHL** and methodology for determining arena valuation for property tax purposes (*Tampa Bay Arena v. Hillsborough County*).
- Estimation of economic impact of a minor league hockey team (**KY Thoroughblades**) on local economy to be used in arena lease negotiation.
- Estimation of IP damages and valuation from contract breach by corporate team owner on behalf of the creator of team name, **Mighty Ducks**, and logo (*Steven Brill v. Walt Disney Co.*).

## Soccer

- Economic impact calculator created for **Major League Soccer & Soccer United Marketing**.
- Consulting on economic and competition issues involving the **North American Soccer League** in a dispute with **United States Soccer Federation**.
- Economic impact analysis of **U.S. Men's National Team vs. Honduras** soccer match in San Jose.
- Business planning for professional minor league soccer franchise.
- Economic analysis of professional soccer player salaries on behalf of the **U.S. Equal Employment Opportunity Commission**.
- Economic analysis of player quality and salary structure for the **New York Red Bulls** of Major League Soccer.
- Economic analysis of luxury suite and club seat ticket pricing packages and revenue for the **New York Red Bulls** of Major League Soccer.
- Feasibility, economic impact, and business forecasting analysis of a new **Major League Soccer** stadium on the surrounding community of San Jose.
- Financial valuation of **Major League Soccer, LLC**. Expert and Rebuttal Reports written and testimony given in an arbitration hearing (*Rothenberg v. Major League Soccer*)
- Antitrust analysis of media rights negotiations between the **Premier League** and a media company for British antitrust authorities.
- Business plan development for launching a new women's professional soccer franchise within the **Women's Professional Soccer League**.

## National Collegiate Athletic Association (NCAA)

- Antitrust economic analysis & preliminary injunction hearing testimony in *Patterson et al. v. NCAA*.
- Economic impact of athletics on the university (*Lencioni v. Cutrer* [**Sonoma St. University**]).
- Economic analysis of antitrust and class certification issues in *Smart v. NCAA*.
- Economic analysis of settlement in *Carter v. NCAA*.
- Economic impact analysis of the **2024 Big Ten Men's and Women's college basketball tournaments** on the local economy in Minneapolis/St. Paul, MN.
- Economic analysis of antitrust issues in *Hubbard v. NCAA*.
- Economic analysis pertaining to antitrust issues in *James Madison University v. NCAA*.
- Economic analysis of the impact of athletics on the university (**Valparaiso University**).

- Economic analysis of antitrust issues in ***In Re College Athlete NIL Litigation (House v. NCAA)***.
- Economic impact analysis of the **2018-19 College Football Playoff Championship Game** on Santa Clara, CA.
- Economic impact analysis of the **2018 Red Box Bowl** on Santa Clara, CA.
- Economic impact analysis of the **2018 Pac-12 Championship Football Game** on Santa Clara, CA.
- Consulting on the economics of college basketball for ***U.S. v. Gatto***.
- Federal trial testimony and eight expert reports on economic analysis issues regarding class certification, liability, damages, and antitrust economics in ***Alston v. NCAA***.
- Economic analysis of coaching pertaining to a wrongful termination lawsuit.
- Economic impact analysis of **2017 NCAA Men's Basketball Regional Finals** on the City of San Jose.
- Economic and Fiscal impact study of the **Shamrock Series** (between **Notre Dame and Army** in 2016) college football game on the City of San Antonio and State of Texas.
- Economic and Fiscal impact study of the **2016 Valero Alamo Bowl** college football game on the City of San Antonio and State of Texas.
- Economic analysis of the financial relationship between **University of Alabama-Birmingham** football, bowling, and rifle and the university in general.
- Economic and Fiscal impact study of the **2015 Valero Alamo Bowl** college football game on the City of San Antonio and State of Texas.
- Economic and Fiscal impact study of the **2014 AdvoCare V100 Texas Bowl** college football game on the City of San Antonio and State of Texas.
- Economic and Fiscal impact analysis of the **2014 Southwestern Athletic Conference** (**SWAC**) football championship on the State of Texas.
- Expert Reports and deposition testimony on economic analysis issues regarding class certification, antitrust in ***Rock v. NCAA***.
- Economic and Fiscal impact measurement of the **2014 AdvoCare Texas Kickoff** college football game between LSU and the University of Wisconsin on the City of Houston.
- Consulting on economic and financial issues related to the **University of Maryland's** exit fee from exiting the **ACC**.
- Multiple reports, depositions, and federal trial testimony on economic analysis issues regarding class certification, antitrust, and licensing in ***O'Bannon et al. v. NCAA et al.***
- Economic and Fiscal impact study of the **2013 Valero Alamo Bowl** college football game on the City of San Antonio and State of Texas.
- Economic and Fiscal impact study of the **2013 SWAC Championship** college football game on the region and the State of Texas.
- Economic and Fiscal impact forecast of the **2012 West Coast Conference Men's Basketball Tournament** on the City of Las Vegas, and assessment of other markets for future events.
- Economic and Fiscal impact study of the **2012 Valero Alamo Bowl** college football game on the City of San Antonio and State of Texas.
- Economic and Fiscal impact study of the **2011 Meineke Car Care Bowl** college football game on the City of Houston.
- Economic and Fiscal impact study of the **2011 Valero Alamo Bowl** college football game on the City of San Antonio and State of Texas.
- Assessment of Intercollegiate Athletics and its relationship to the greater university at the **University of San Francisco**.
- Marketing research utilizing surveys and analysis pertaining to customer assessment for a **Power 5** intercollegiate football program.

- Economic and Fiscal impact study of the 2009 NCAA college football game between **University of Notre Dame and Washington State University** on the City of San Antonio.
- Economic and Fiscal impact study of the **2008 NCAA Men's Final Four** on the State of Texas for the San Antonio Sports Foundation and the State Comptroller's Office.
- Economic and Fiscal impact study of the **2007 Valero Alamo Bowl** college football game on the City of San Antonio.
- Economic and Fiscal impact study of the **2007 Dr. Pepper Big 12 Championship** college football game on the State of Texas.
- Economic and Fiscal impact study of the **2007 NCAA Men's Basketball Regional Finals** on the City of San Jose.
- Economic analysis of class certification and antitrust economics issues in *White v. NCAA*.
- Economic and Fiscal impact study of the **2005 NCAA Division I Women's Volleyball Championship** on San Antonio.
- Economic and Fiscal impact study of the **2004 Alamo Bowl** on the City of San Antonio.
- Economic and Fiscal impact study of the **2004 NCAA Men's Final Four** on the State of Texas.
- Fiscal/Tax Impact Forecast of the **2004 NCAA Men's Final Four** on the State of Texas.
- Testimony to California State Senate regarding the economics of college athletics.
- Assisted on Economic and Fiscal impact study of the **1999 NCAA Women's Final Four** in San Jose for SJSA and the NCAA.
- Economic and Fiscal impact study of the **1998 NCAA Men's Final Four** on the City of San Antonio.

## Auto Racing

- Economic analysis, expert reports, and deposition on antitrust economics issues in *23XI v. NASCAR*.
- Economic analysis pertaining to damages in an auto racing case between a driver and his agent (*Sports Management Network v. Kurt Busch*).
- Provided expert reports and testimony in sponsorship breach of contract lawsuit between racing team and sponsor in federal court (*Vici Racing, LLC v. T-Mobile USA, Inc.*).
- Economic and fiscal impact of the **Formula 1 Singtel Singapore Grand Prix** on the country of Singapore (in partnership with Boston Consulting Group).
- Analysis of antitrust and damages issues on behalf of NASCAR (in *Kentucky Speedway v. NASCAR and International Speedway Corp.*). Assisted NASCAR and ISC in winning summary judgment on all counts.
- Economic and fiscal impact study of the **San Jose Grand Prix Champ Car auto race**.
- Estimation of annual economic impact of a National Hot Rod Association (**NHRA**) race track, including five events (two **NASCAR** minor series events, one NHRA event, two amateur events) and nine days of surveying.
- Provided economic expert witness testimony on behalf of sports marketing client in a breach of contract case between client and **Champ Car auto racing team**. IP damages analysis as a result of the breach based on the valuation of engine and technology sponsorship secured by the team (*Parente v. Della Penna Racing*).
- Explanation of the economics of **Formula One** auto racing to European antitrust authorities.

## Golf & Tennis

- Economic analysis of antitrust issues in professional golf on behalf of the **U.S. Department of Justice**.
- Economic and fiscal impact of the **2022 Arnold Palmer Invitational (PGA Tour event)** on the local community.

- Economic analysis and trial testimony of professional tennis player's "but-for" career earnings, including endorsements (*Lucic v. IMG*).
- Economic and fiscal impact of the **2020 Arnold Palmer Invitational (PGA Tour event)** on the local community.
- Economic analysis of damages from alleged breach of contract between employee and professional golf agency (*4Sports v. Earle*).
- Economic and fiscal impact of the **2019 Arnold Palmer Invitational (PGA Tour event)** on the local community.
- Assessment of the economic impact of the **Miami Open** (ATP) event on its surrounding community.
- Measurement of indirect economic impact of the **PGA Tour's Valspar Championship** on the local community.
- Antitrust analysis of the rules of the Senior Tour regarding how it chooses the field for each tournament for *Toscano v. Senior PGA Tour*.
- Expert report determining sponsorship value and damages from a clothing endorsement alleged breach of contract for PGA Tour player in an arbitration, *Stankowski v. Bugle Boy*.

## Combat Sports (Boxing, Mixed Martial Arts)

- Consulting services provided on antitrust economics issues in class action (*Le et al. v. Zuffa et al.*).
- Submitted an expert report and provided deposition testimony pertaining to the economic relationship between two entities in *Garcia v. Top Rank, Inc.*
- Expert reports analyzing financial damages (including endorsements) in a defamation lawsuit between professional boxers (*Pacquiao v. Mayweather Jr.*)

## Sporting Events

- Trial testimony on antitrust economics issues in *International Swimming League v. World Aquatics*.
- Economic impact analysis of **2024 REVEL Mt Diablo** (half marathon) on Walnut Creek, CA.
- Economic impact analysis of **World Cup 2026** for events hosted at **Levi's Stadium**.
- Economic analysis of class certification issues, liability, and damages in *Shields et al. v. FINA*.
- Economic and Fiscal impact analysis (primary estimate) of **ESPN's X Games Minneapolis 2019** on the city of Minneapolis.
- Economic and Fiscal impact analysis (primary estimate) of **ESPN's X Games Minneapolis 2018** on the city of Minneapolis.
- Economic and Fiscal impact analysis (primary estimate) of **ESPN's X Games Minneapolis 2017** on the city of Minneapolis.
- Economic and Fiscal impact analysis (forecast and primary study) of the **2015 International Weightlifting Championships** on the State of Texas.
- Economic and Fiscal impact study of the **2014 Nike Women's Marathon** on the City of San Francisco.
- Economic and Fiscal impact analysis (primary estimate) of the **2014 Transplant Games** on the State of Texas.
- Economic and Fiscal impact analysis (primary estimate) of the **2014 USATF Junior Olympics** on the State of Texas.
- Economic and Fiscal impact forecast of **Nike Training Club** in Santa Monica on the City of Santa Monica.
- Economic and Fiscal impact study of the **Nike Women's Marathon** Ten-Year History in San Francisco on the City of San Francisco.
- Economic and Fiscal impact analysis (forecast) of the **2014 Transplant Games** on the State of Texas.

- Economic and Fiscal impact analysis (forecast) of the **2014 USATF Junior Olympics** on the State of Texas.
- Economic and Fiscal impact study of the **2013 Nike Women's Marathon** on the City of San Francisco.
- Economic and Fiscal impact analysis of the Delhi Daredevils of the **India Premier League** (cricket) on its local region.
- Economic and Fiscal impact analysis (primary study) of the **2012 AAU Junior Olympics** on the State of Texas for the City of Houston.
- Economic and Fiscal impact analysis of the **2012 United States Olympics Trials - Gymnastics** on the City of San Jose.
- Economic and Fiscal impact analysis of the **2012 United States Figure Skating Championships** on the City of San Jose.
- Economic and Fiscal impact *forecast* of the **2012 AAU Junior Olympics** on the State of Texas for the City of Houston.
- Economic and Fiscal impact study of the **2011 Nike Women's Marathon** on the City of San Francisco.
- Economic and Fiscal impact study (primary study) and Forecast (secondary study) of the **2009 Rock n' Roll Marathon** on the State of Texas and City of San Antonio.
- Economic and Fiscal impact study of the **2009 Amgen Tour of California** bike race on the State of California and the twelve participating host cities.
- Strategic management and financial valuation analysis for a ski and mountain bike events company (**48Straight**) regarding selling the business, suing for alleged breach by the major sponsor, or renegotiating with the sponsor.
- Economic and Fiscal impact study (primary study) and Forecast (secondary study) of the **2008 Rock n' Roll Marathon** on the State of Texas.
- Economic and Fiscal impact study of the **2008 Nike Women's Marathon** on the City of San Francisco.
- Economic and Fiscal impact study of the **2008 Amgen Tour of California** bike race on the State of California and the twelve participating host cities.
- Economic and Fiscal impact study of the **2008 USA Fencing Summer National Championships** on the City of San Jose for the San Jose Sports Authority.
- Economic and Fiscal impact study of the **2008 USA Wrestling Dave Schultz Kids/Cadet Freestyle State Championship** on the City of San Jose for the San Jose Sports Authority.
- Economic and Fiscal impact study of the **2007 CAHA Hockey Tournament** (Jr. hockey) on San Jose.
- Economic and Fiscal impact study of the **2007 Amgen Tour of California** bike race on the State of California and the twelve participating host cities.
- Economic and Fiscal impact study of the **2006 Amgen Tour of California** bike race on the State of California and the nine participating host cities.
- Economic and Fiscal impact study of the **2006 San Jose Rock n' Roll Marathon** on the City of San Jose.
- Economic impact study of the **2004 Bay to Breakers** event on the City of San Francisco.
- Forecast of economic and fiscal impact helping San Antonio Sports Foundation move forward in their bid for the **Pan Am Games**. Presentation in front of a subcommittee of the State Congress of Texas to educate the State in its decision to provide initial funding and insurance for the Games.
- **Development of an economic impact software tool for the City of San Jose** enabling the City and its partners to generate economic impact estimates for different types of events directly from the software. The analysis is based on fifteen primary studies of San Jose cultural and sporting events along with dozens of other secondary economic impact studies.
- Consulting provided for economic impact study of the **San José Sports Authority** (SJSA) since its inception (over 150 events).

## Cultural and Convention Events

- Expert declaration on the economics of ticketing in re *Glickman et al. v. Live Nation et al.*
- Analysis of the economic impact of a **Maroon 5** concert on the City of San Jose.
- Analysis of the indirect and induced economic impact of summer camps in North Carolina for **North Carolina State University**.
- Economic and Fiscal impact study of **The Tech Museum of Innovation** on the City of San Jose.
- Economic and Fiscal impact study of the **2009 Silicon Valley Auto Show** on the City of San Jose.
- Economic and Fiscal impact study of the **2009 American Traffic Safety Association** Conf. on San Jose.
- Economic and Fiscal impact study of the **2008 Photonics West** on the City of San Jose.
- Economic and Fiscal impact study of the **2008 San Jose ZeroOne Festival** on the City of San Jose.
- Economic and Fiscal impact study of the **2008 NVISION Conference** on the City of San Jose.
- Economic and Fiscal impact study of the **2008 California Science Teachers Association Conference** on the City of San Jose.
- Economic and Fiscal impact study of the **2007 Vietnamese Spring Parade & Festival** on San Jose.
- Economic and Fiscal impact study of the **2006 San Jose ZeroOne Festival** on the City of San Jose.
- Economic and Fiscal impact study of the **2006 San Jose Jazz Festival** on the City of San Jose.
- Economic and Fiscal impact study of the **2006 Tapestry Arts Festival** on the City of San Jose.
- Economic and Fiscal impact study of the **2006 San Jose Mariachi Festival** on the City of San Jose.
- Analyzed the antitrust economics of mergers of concert venues involving **SFX, Clear Channel,** and **Nederlander**.

## Media and Technology

- Federal trial testimony, multiple reports and depositions conducting analysis of financial harm in *Federal Trade Commission v. DirecTV*.
- Analysis of changes in technology on antitrust issues in secondary ticketing for **Stub Hub**.
- Market research for media company, **Setanta Sports**, in preparation for launching a new TV channel (three phases of research including surveys, panel group, secondary data analysis).
- Market research and business plan development for companies that produce biotelemetry solutions for sports teams and media (one company based in Australia; another in New Zealand).
- IP liability and damages assessment involving **Sony's video game console** and software producer on behalf of Sony (*Sony Computer Entertainment Inc. v. Connectix Corporation*).
- White paper on the size of systematic financial risk in the U.S. sports industry to be used in regulatory proceeding for development of sports options trading (GSX, PLC).
- Feasibility of B2C website for the recruiting market between high school, college, and professional athletes and respective leagues.

## Other

- Demand, feasibility, economic impact, and business forecasting analyses of a proposed multiuse ice rink facility in the **Central Colorado**.
- Demand, feasibility, economic impact, and business forecasting analyses of a proposed multiuse facility in the **Sacramento/Folsom** area.
- Economic analysis and mediation of the taxi medallion market in San Francisco on behalf of the **San Francisco Municipal Transportation Agency**.
- Economic analysis, report, and trial testimony of financial harm from alleged breach in *San Francisco Federal Credit Union v. San Francisco Municipal Transportation Agency*.

- Analysis and testimony in ***The People of the State of California v. Hertz et al.*** on financial harm owed for alleged misleading advertising.
- Demand, feasibility, economic impact, and business forecasting analysis of proposed 600+ acre sports real estate development (**Colorado National Sports Park**) project in Colorado on behalf of a prospective investor.
- Expert report and analysis of alleged trade secrets in the sports business consulting industry regarding ***Sport Management Research Institute v. Keehn***.
- Research for Center for Exhibition Industry Research (CEIR) as part of a study on the expected growth of different industries in the U.S. and how that pertains to growth in the Exhibition Industry, led by the University of South Carolina (USC).
- Survey for Center for Exhibition Industry Research (CEIR) as part of an academic study of the Cost Effectiveness of Exhibition Participation led by the University of South Carolina (USC).
- Naming rights valuation for **Lewis University** airport.
- Examination of the location of **YMCAs** compared to **IHRSA** clubs and its competitive effects. At issue were the YMCA's non-profit status and its stated mission and the advantage it gains from this in competing with IHRSA clubs.

# CITY OF CITRUS HEIGHTS

## CITY COUNCIL STAFF REPORT MEMORANDUM

**DATE:** March 11, 2026

**TO:** Mayor and City Council Members
Ashley J. Feeney, City Manager

**FROM:** Susan Talwar, Administrative Services Director
Dena Jenkins, Finance Manager

**SUBJECT:** **Fiscal Year 2025-26 Mid-Year Budget Adjustment and Financial Forecast Update**

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**Recommendation**

Staff recommend the City Council review the General Fund revenues and expenditures for the first seven months of Fiscal Year 2025-26 and the updated Ten-Year Financial Forecast and adopt Resolution No. 2026-___ approving amendments to the Fiscal Year 2025-26 Budget.

**Strategic Plan Alignment**

This item is aligned with the following City Council priority:

**Goal:** Maintain and Enhance Fiscal Stability while supporting operational excellence.

**Fiscal Impact**

The proposed budget amendments will increase General Fund revenue appropriations by $1.18 million with $522,850 adjustments to net General Fund expenditure appropriations to reflect updated projections for the 2025-26 fiscal year.

**Background and Analysis**

**FISCAL YEAR 2025-26 MID-YEAR BUDGET REVIEW**

The City's budget for Fiscal Years 2025-26 and 2026-27 was adopted by the City Council on June 11, 2025. The Fiscal Year 2025-26 budget (excluding ARPA fund 101) for all City funds anticipated revenue of $99.7 million and expenditures of $98.2 million.

The City's main operating fund is the General Fund. The General Fund adopted budget for Fiscal Year 2025-26 is projecting revenue of $46.1 million to fund expenditures of $44.6 million (excluding American Rescue Plan Act funds). As of January 31, 2026, General Fund revenues

totaled $12.5 million (27 percent of the annual budgeted amount). General Fund expenditures totaled $25.1 million (56.2 percent of the annual budgeted amount). As of January 31, 2026, General Fund expenditures exceeded revenues by $12.63 million. As the City Council has previously discussed, the General Fund operates in a deficit cash flow position during the first portion of the fiscal year due to the timing of the receipt of major sources of revenue including property tax, motor vehicle-in-lieu fees and sales tax. During this period, the General Fund relies on the available fund balance and in recent years has also utilized available cash in other funds to temporarily bridge the cash shortage.

Based upon fiscal activities during the first eight months of the fiscal year and information currently available, staff is proposing adjustments to the Fiscal Year 2025-26 General Fund Budget to more closely align the budget with anticipated revenues and expenditures.

## GENERAL FUND REVENUE

The Fiscal Year 2025-26 General Fund budget projected revenue of $46.1 million was based upon information available at the time the budget was adopted in June 2025. Based upon actual revenue received as of January 31st and projected revenue for the remaining four months of the fiscal year, staff is recommending adjustments to the General Fund revenue budget which will increase the budgeted revenue by $1.18 million.

The proposed adjustments to General Fund budgeted revenue include:

### Taxes and Franchises

The largest source of revenue to the General Fund is sales tax. Sales tax revenue was budgeted at $14 million. Based upon a combination of decreased gas prices, economic factors influencing some buying decisions and business closures, the City's sales tax consultant has decreased its projection for sales tax revenue by $127,000 to $13.9 million.

Property tax revenue was budgeted at $8.1 million. However, the City's property tax consultant has lowered its projection for property tax revenue mainly as a result of slowing home sales from high mortgage interest rates. Budgeted revenue is forecasted to decrease $135,000 to $8 million.

### Intergovernmental Revenue

The second largest source of General Fund revenue is motor vehicle-in-lieu fees which is paid by Sacramento County in two installments: 50 percent in January and the remaining 50 percent in May of each year. The City has been notified that the Fiscal Year 2025-26 vehicle-in-lieu fee revenue is projected to total $11.97 million which is $19,000 more than the budgeted amount. Other reimbursement revenues are cost recovery on mandated programs totaling $333,000.

### Investment Revenue

Continued interest rates have had a positive impact on General Fund as rates remain above 4% this fiscal year resulting in an increase of $600,000 in projected interest earnings. Interest revenue will continue to be strong due to the interest earned on growing General Fund Reserves.

### Other Revenue

In addition, reimbursable revenues totaling $236,000 are included based on expenses by department. These amounts consist of $24,000 from the Police Department, $82,000 from City

Clerk's, $83,500 from the General Services Department and $130,000 from Engineering. These reimbursements help offset departmental operating costs and contribute to the overall increase in projected revenue for the fiscal year, resulting in no net fiscal impact.

A summary of General Fund revenues through February 26, 2026, and the recommended budget adjustments are provided below:

CITY OF CITRUS HEIGHTS
FY 2025-26 General Fund Revenue
*As of February 26, 2026*

| | FY 2024-25 Actual | FY 2025-26 Adopted | YTD (01/31/2026) | Year-End Projection | Projected Over/(Under) Budget | Budget Adjustment Request |
|---|---|---|---|---|---|---|
| **TAXES AND FRANCHISES** | | | | | | |
| Property Tax | 7,876,660 | 8,182,326 | - | 8,047,022 | (135,304) | (135,000) |
| Sales and Use Tax | 13,778,642 | 14,028,342 | 5,592,441 | 13,901,594 | (126,748) | (127,000) |
| Utility Users Tax | 3,077,576 | 2,650,000 | 1,479,472 | 2,650,000 | - | |
| Franchise Fees | 490,042 | 617,500 | - | 617,500 | - | |
| Franchise Fees Solid Waste | 896,369 | 650,000 | 463,005 | 650,000 | - | |
| Property Transfer Tax | 263,107 | 245,000 | 131,779 | 245,000 | - | |
| Transient Occupancy Tax | 90,445 | 110,000 | 48,569 | 110,000 | - | |
| ***Total Taxes and Franchises*** | **26,472,839** | **26,483,168** | **7,715,266** | **26,221,116** | **(262,052)** | |
| **LICENSES AND PERMITS** | | | | | | |
| Business License | 352,807 | 300,000 | 212,298 | 300,000 | - | |
| Building Plan Check | 358,591 | 230,129 | 209,606 | 230,129 | - | |
| Engineering Fees Private Dev | 194,337 | 15,000 | 17,074 | 20,000 | 5,000 | |
| Zone Check | 17,849 | 7,600 | 10,196 | 13,000 | 5,400 | |
| Building Permits | 1,785,527 | 983,247 | 939,264 | 1,000,000 | 16,753 | |
| Engineering Fees Utilities | 347,752 | 175,000 | 23,602 | 175,000 | - | |
| Tree Permit | 1,667 | 1,500 | 1,344 | 1,500 | - | |
| Transportation Permits | 12,628 | 12,000 | 3,946 | 12,000 | - | |
| Records Processing/Strong Motion | 4,394 | 8,315 | 4,995 | 8,315 | - | |
| Other Licenses and Permits | 53,204 | 56,720 | 26,892 | 56,720 | - | |
| ***Total Licenses and Permits*** | **3,128,756** | **1,789,511** | **1,449,217** | **1,816,664** | **27,153** | |
| **FINES AND FORFEITURES** | | | | | | |
| Non-Sufficient Funds Penalty | 248 | 100 | 244 | 300 | 200 | |
| Vehicle Fines | 131,778 | 152,000 | 44,323 | 152,000 | - | |
| Red Light Camera Fines | 1,068,370 | 960,000 | 419,148 | 960,000 | - | |
| ***Total Fines and Forfeitures*** | **1,200,396** | **1,112,100** | **463,715** | **1,112,300** | **200** | |
| **INTERGOVERNMENTAL** | | | | | | |
| State Mandated Reimbursements | 482 | 25,000 | 161,766 | 165,000 | 140,000 | 140,000 |
| Federal Grants/ Reimbursements | - | - | 192,593 | 193,000 | 193,000 | 193,000 |
| Motor Vehicle-in-Lieu Fee | 11,676,534 | 11,954,753 | 134,114 | 11,973,783 | 19,030 | |
| ***Total Intergovernmental*** | **11,677,016** | **11,979,753** | **488,473** | **12,331,783** | **352,030** | |
| **USE OF MONEY** | | | | | | |
| Investment Revenue | 2,111,186 | 1,200,000 | 1,124,702 | 1,900,000 | 700,000 | 700,000 |
| ***Total Use of Money*** | **2,111,186** | **1,200,000** | **1,124,702** | **1,900,000** | **700,000** | |
| **CHARGES FOR SERVICES** | | | | | | |
| Lease Payments | 337,238 | 337,238 | 256,985 | 337,238 | - | |
| Administrative Fees | 36,304 | 23,760 | 12,433 | 23,760 | - | |
| Police - Reimbursement Contract Overtime | 145,826 | 150,000 | 56,539 | 150,000 | - | |
| False Alarm/Alarm Permit Fees | 97,946 | 35,000 | - | 35,000 | - | |
| Vehicle Release / Towing | 79,655 | 80,000 | 43,912 | 80,000 | - | |
| Event Center Rentals | 513,629 | 500,000 | 276,499 | 500,000 | - | |
| Planning Fees | 46,488 | 45,000 | 13,629 | 45,000 | - | |
| Animal Control Fees and Charges | 12,895 | 55,000 | 381 | 55,000 | - | |
| ***Total Charges for Services*** | **1,269,981** | **1,225,998** | **660,377** | **1,225,998** | **-** | |
| **CONTRIBUTIONS** | | | | | | |
| Donations / Sponsorships | 27,420 | 25,000 | 7,504 | 25,000 | - | |
| Developer Contributions | - | - | - | - | - | |
| ***Total Contributions*** | **27,420** | **25,000** | **7,504** | **25,000** | **-** | |
| **OTHER** | | | | | | |
| Miscellaneous Revenue | 474,677 | 18,000 | 33,230 | 65,000 | 47,000 | 45,000 |
| Reimbursement Revenue | 219,120 | 335,000 | 355,345 | 654,500 | 319,500 | 319,500 |
| Internal Service Fund Charges/Cost Allocations | 1,666,448 | 1,633,240 | - | 1,633,240 | - | |
| Recovery of Labor & Benefits | - | 260,000 | 104,319 | 260,000 | - | |
| Restitution/Public Property Damage Recovery | 126,618 | 26,000 | 62,325 | 70,000 | 44,000 | 44,000 |
| Police Department Sales | 1,550 | 5,000 | 3,001 | 5,000 | - | |
| Transfers In | - | - | - | | - | |
| ***Total Other*** | **2,488,413** | **2,277,240** | **558,219** | **2,687,740** | **410,500** | |
| **Total General Fund Revenue** | **$ 48,376,007** | **46,092,770** | **12,467,472** | **47,320,601** | **1,227,831** | **1,179,500** |

GENERAL FUND EXPENDITURES

The Fiscal Year 2025–26 budget includes General Fund expenditure appropriations of $44.6 million, with $25.1 million (69.9 percent) expended as of February 28, 2026.

Overall expenditures are currently trending below budget. The adopted budget already incorporated a vacancy factor to offset projected salary and benefit savings. Based on year-to-date activity, staff anticipates vacancy savings may exceed the budgeted factor; however, as this is the first year implementing the vacancy factor methodology, staff is taking a conservative approach and will provide a more comprehensive update at the Mid-Cycle Budget Report.

At this time, staff is requesting targeted adjustments totaling $522,850 to align expenditures with current operational needs. These adjustments primarily reflect operating expenditure requirements that were not fully known at the time of budget adoption. Of this total, $319,500 consists of reimbursable expenses that will have no net fiscal impact on the General Fund. Additionally, $106,750 represents one-time increases specific to this fiscal year, while $96,600 reflects ongoing increases that will impact future years.

The Fiscal Year 2025–2026 General Fund Expenditures table that follows includes a column titled “Budget Adjustment.” This column reflects the net impact of proposed operating expenditure adjustments along with salary and benefit changes. Detailed explanations of the recommended adjustments in both categories are provided below.

*Salary & Benefits*

Vacancy savings are projected to exceed the budgeted $1.5 million, largely attributable to personnel vacancies in the Administrative Services, Police, and General Services Departments. CalPERS Unfunded Actuarial Liability (UAL) expenditure was approximately $80,000 below budget.

*Operating Expenditures (Non-Salary & Benefits) - $522,850*

The proposed budget adjustments listed below, by department, reflect operating expenditure (Non-Salary & Benefits) requests:

Police Department

The Police Department anticipates an increase in animal contracts of approximately $6,100 due to expanded wildlife rescue services. Additionally, a one-time increase of $15,000 is recommended for the current fiscal year to address the uptick in Police Recruits through the academy. There is also a reimbursable expense of $24,400, which will be offset by corresponding revenues, resulting in no net fiscal impact.

Administrative Services Department

The Administrative Services Department is requesting an increase of $90,500 in its operating budget due to rising software costs. This includes a significant increase in CLETS software maintenance expenses and reflects the impact of VMW are transitioning from perpetual licenses to annual subscriptions. Additionally, there have been miscellaneous software maintenance cost

increases for applications such as Cradlepoint, ESET, ESRI, Genetec, Lexus Nexus, Magnet Forensics, POSS, S2, and eSOPH, among others, which are necessary to support ongoing departmental operations.

City Manager's Office

City Attorney is projecting an increase of $84,000 to address heightened activity related to Code enforcement and Mall-related legal matters. This adjustment reflects the need for additional legal support and resources to manage ongoing and anticipated caseloads associated with these issues. Within the City Clerk's division, the increase of $82,000 is for PEG funding to upgrade Council Chambers equipment resulting in no net fiscal impact to the General Fund.

General Services Department

The cost to replace projectors in the Council Chambers is $83,500, which is a CIRA reimbursable expenses that will also be offset by revenues, also having no net impact on the General Fund. Sayonara Center recently needed an unplanned backflow maintenance of $7,750. The Engineering division is projected to go over budget by $130,000 due claims and Right of Way damages reimbursable expenses. Staff do not recommend increasing the budget since these costs will be offset by revenues, resulting in no net fiscal impact.

A summary of General Fund expenditures as of February 26, 2026, and the recommended budget adjustment is provided below:

CITY OF CITRUS HEIGHTS

Fiscal Year 2025-26General Fund Expenditures By Department

*26-Feb-26*

| Department | FY 2024-25 Actual | FY 2025-26 Adopted | YTD (02/26/2026) | Year-End Projection | Projected Over/(Under) Budget | Budget Adjustment |
|---|---|---|---|---|---|---|
| City Council | 185,688 | 323,509 | 147,247 | 323,509 | - | |
| City Manager | 427,720 | 581,120 | 295,369 | 581,120 | - | |
| City Attorney | 341,965 | 340,000 | 241,809 | 424,000 | 84,000 | 84,000 |
| City Clerk | 261,135 | 280,884 | 260,916 | 362,884 | 82,000 | 82,000 |
| Elections | 54,725 | - | - | - | - | - |
| **City Manager's Office** | 1,271,233 | 1,525,513 | 945,341 | 1,691,513 | 166,000 | 166,000 |
| | | | | | - | - |
| Economic Development | 1,039,437 | 475,357 | 250,730 | 475,357 | - | |
| Community Engagement | - | 700,082 | 369,796 | 700,082 | - | |
| **Economic Development & Community Engagement** | 1,039,437 | 1,175,440 | 620,526 | 1,175,439 | - | - |
| Human Resources | 754,452 | 897,240 | 285,782 | 897,240 | - | - |
| Information Services | 1,615,837 | 2,125,402 | 1,379,293 | 2,215,902 | 90,500 | 90,500 |
| Risk Management | 2,561,063 | 2,940,792 | 1,969,568 | 2,940,792 | - | - |
| Finance | 920,574 | 1,009,007 | 648,051 | 1,009,007 | - | - |
| Non Departmental | 4,260,759 | 3,470,739 | 2,853,638 | 3,390,739 | (80,000) | - |
| **Administrative Services** | 10,112,685 | 10,443,180 | 7,136,331 | 10,453,680 | 10,500 | 90,500 |
| | | | | | | |
| Law Enforcement | 23,027,408 | 25,099,753 | 12,697,579 | 25,138,753 | 39,000 | 39,000 |
| Animal Control | 801,145 | 1,113,625 | 408,167 | 1,119,725 | 6,100 | 6,100 |
| **Police** | 23,828,554 | 26,213,378 | 13,105,746 | 26,258,478 | 45,100 | 45,100 |
| Community Events | 330,002 | 420,091 | 153,800 | 420,091 | - | - |
| Event Center Operations | 760,773 | 629,662 | 422,275 | 629,662 | - | - |
| Sylvan Community Center | 24,491 | 23,500 | 13,017 | 23,500 | - | - |
| Sayonara Community Center | 14,827 | 16,250 | 16,819 | 24,000 | 7,750 | 7,750 |
| Engineering | 1,325,853 | 829,004 | 612,682 | 959,004 | 130,000 | 130,000 |
| Facility Management | 893,238 | 828,342 | 537,874 | 911,842 | 83,500 | 83,500 |
| Fleet Management | 1,103,005 | 1,023,881 | 454,498 | 1,023,881 | - | - |
| **General Services** | 4,452,189 | 3,770,729 | 2,210,965 | 3,991,980 | 221,250 | 221,250 |
| Housing | 169,955 | 273,903 | 97,790 | 273,903 | - | - |
| Planning | 588,478 | 581,771 | 348,686 | 581,771 | - | - |
| Building Inspection | 1,051,980 | 1,084,045 | 631,302 | 1,084,045 | - | - |
| Planning Commission | 21,855 | 12,400 | 2,491 | 12,400 | - | - |
| **Community Development** | 1,832,269 | 1,952,119 | 1,080,271 | 1,952,119 | - | - |
| Vacancy Factor | | (1,527,255) | - | (1,527,255) | - | - |
| Use of/Transfers to Non-General Fund Reser | 1,390,369 | 1,068,000 | - | 1,068,000 | - | - |
| **General Fund Expenditures** | **$43,926,736** | **$ 44,621,103** | **$ 25,099,180** | **$ 45,063,954** | **$ 442,850** | **$ 522,850** |

## American Rescue Plan Act Funds

The City received $15,676,972 in ARPA funds. These were deposited into a General Fund sub-account for tracking and auditing. The ARPA funds have been fully committed. Below is a summary of the funds as of December 31, 2025.

| American Rescue Plan Act | | | | |
|---|---|---|---|---|
| **Total Award** | **$** | **15,676,972** | | |
| **Completed Projects** | | | **Actual** | |
| Small Business COVID Recovery Grant | | | $ 281,111 | |
| Block Party Trailer - Economic Development+ | | | $ 27,794 | |
| Patriotic Event+ | | | $ 68,438 | |
| Proposed Grant Strategy+ | | | $ 60,000 | |
| Police Fleet Vehicles & Equipment | | | $ 1,800,000 | |
| Community Projects Grant Program**+ | | | $ 72,400 | |
| Cares Commuinity Pride and Cleanliness Campaign+ | | | $ 38,607 | |
| Sound Wall Beautification+ | | | $ 105,986 | |
| Business Attraction Incentive Program**+ | | | $ 87,363 | |
| Public Safety Positions to PrePandemic Levels | | | $ 7,749,590 | |
| I.T. Critical, Major Projects; Execute Contract Tyler Technologies+ | | | $ 1,229,601 | |
| **In Process Projects** | | **Commited** | **Actual thru 12/31/25** | **Remaining balance** |
| Beautification Crew Pilot Program + | $ | 875,000 | $ 535,819 | $ 339,182 |
| Public Safety Communications Center Critical Needs | $ | 600,000 | $ 473,283 | $ 126,717 |
| General Government Services & Critical Projects | $ | 2,681,082 | $ 2,514,146 | $ 166,936 |
| Committed funds | $ | 15,676,972 | | |
| Spent | $ | 15,044,137 | | |
| Remaining Committed | $ | 632,835 | | |
| Current Balance | $ | (0) | Funds to allocate/reallocate | |
| + City Council Strategic Objective | | | | |
| ** dependent on program subscription | | | | |

## TEN YEAR FINANCIAL FORECAST

As a strategic fiscal planning tool, the City maintains a long-term financial forecast. Because this forecast is based upon data currently available, it is updated periodically to reflect new information regarding anticipated future revenues and expenditures. The financial forecast covers a ten-year period for the City's General Fund. City Council last reviewed the Financial Forecast during the biannual budget adoption at the June 11, 2025, meeting. Audited financials showed in the Annual Comprehensive Financial Report an increase of $2.8 million largely due to higher than anticipated revenues such as investment revenues, building permits, engineering fees, red-light camera fines, and savings in expenditures due to staffing vacancies. The Ten-Year Financial Forecast has been updated and includes the following changes:

- Fiscal Year 2024/25 – Includes year-end actual revenue and expenditures
- Fiscal Year 2025/26 - Reflects the Mid-Year budget projections.

A summary of the Ten-Year Financial Forecast is provided below. The full model is included as an attachment to this report for better viewing.

General Fund Ten Year Financial Forecast
*With Partial Street Funding*
2/28/2026

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Adopted | FY 2025-26 Projected | FY 2026-27 Adopted | FY 2027-28 Projected |
|---|---|---|---|---|---|---|---|
| **Beginning Reserve Balance** | 11,867,532 | 22,427,088 | 30,672,747 | 35,327,665 | 34,256,555 | 33,970,426 | 30,850,688 |
| **TOTAL REVENUE** | 44,442,810 | 46,170,045 | 48,376,007 | 46,092,770 | 47,320,601 | 46,625,246 | 47,409,870 |
| **TOTAL OPERATING EXPENDITURES** | (35,788,536) | (41,984,301) | (43,926,736) | (44,621,102) | (45,063,954) | (45,744,984) | (46,770,974) |
| **Net Operating Position** | 8,654,274 | 4,185,744 | 4,449,271 | 1,471,668 | 2,256,647 | 880,262 | 638,896 |
| ARPA | 3,252,312 | 4,059,914 | 4,205,647 | 1,957,223 | 1,957,223 | | |
| STREET REPAIRS | | | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) |
| Auburn Blvd - Phase 2 Match | | | | | | | |
| Auburn Facility Improvements | | | | (500,000) | (500,000) | | |
| **Ending Reserve Balance** | 23,774,118 | 30,672,747 | 35,327,665 | 34,256,555 | 33,970,426 | 30,850,688 | 27,489,584 |
| *Minimum Reserve per City Council Policy - 17%* | $ 6,084,051 | $ 7,137,331 | $ 7,467,545 | $ 7,585,587 | $ 7,660,872 | $ 7,776,647 | $ 7,951,066 |
| Over(under) Reserve Target | 17,690,067 | 23,535,415 | 27,860,120 | 26,670,968 | 26,309,554 | 23,074,041 | 19,538,518 |
| *City Manager Target Reserve - 25%* | $ 8,947,134 | $ 10,496,075 | $ 10,981,684 | $ 11,155,276 | $ 11,265,988 | $ 11,436,246 | $ 11,692,744 |
| Over(under) Reserve Target | 14,826,984 | 20,176,671 | 24,345,981 | 23,101,280 | 22,704,437 | 19,414,442 | 15,796,840 |

The information on Fiscal Year 2025/26 General Fund Mid-Year budget analysis and the updated Ten-Year Financial Forecast was provided to the Finance and Administration Committee on March 5, 2026.

## Attachments

1. Resolution
2. Ten Year Financial Forecast

**RESOLUTION NO. 2026 - ____**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS APPROVING AMENDMENTS TO THE FISCAL YEAR 2025-26 BUDGET**

**WHEREAS**, on June 11, 2026, the City Council adopted the budget for the City of Citrus Heights for Fiscal Year 2025-26; and

**WHEREAS**, based upon a review of revenues and expenditures, staff has recommended amendments to the Fiscal Year 2025-26 Budget; and

**WHEREAS**, the Finance and Administration Committee reviewed the proposed budget amendments on March 5, 2026; and

**WHEREAS**, the City Council has reviewed information on the status of revenues and expenditures for the 2025-26 Fiscal Year which are the basis for the recommended budget amendments.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Citrus Heights approves amendments to the Fiscal Year 2025-26 Budget as provided for in the attached Exhibit A.

**PASSED AND ADOPTED** by the City Council of the City of Citrus Heights, California, this 11th day of March 2026, by the following vote, to wit:

**AYES**: **Council Members:**
**NOES**: **Council Members:**
**ABSTAIN**: **Council Members:**
**ABSENT**: **Council Members:**

**MariJane Lopez-Taff, Mayor**

**ATTEST:**

**Amy Van, City Clerk**

CITY OF CITRUS HEIGHTS

# FY 2025-26 General Fund Revenue

*As of February 26, 2026*

| | FY 2024-25 Actual | FY 2025-26 Adopted | YTD (01/31/2026) | Year-End Projection | Projected Over/(Under) Budget | Budget Adjustment Request |
|---|---|---|---|---|---|---|
| **TAXES AND FRANCHISES** | | | | | | |
| Property Tax | 7,876,660 | 8,182,326 | - | 8,047,022 | (135,304) | (135,000) |
| Sales and Use Tax | 13,778,642 | 14,028,342 | 5,592,441 | 13,901,594 | (126,748) | (127,000) |
| Utility Users Tax | 3,077,576 | 2,650,000 | 1,479,472 | 2,650,000 | - | |
| Franchise Fees | 490,042 | 617,500 | - | 617,500 | - | |
| Franchise Fees Solid Waste | 896,369 | 650,000 | 463,005 | 650,000 | - | |
| Property Transfer Tax | 263,107 | 245,000 | 131,779 | 245,000 | - | |
| Transient Occupancy Tax | 90,445 | 110,000 | 48,569 | 110,000 | - | |
| ***Total Taxes and Franchises*** | **26,472,839** | **26,483,168** | **7,715,266** | **26,221,116** | **(262,052)** | |
| **LICENSES AND PERMITS** | | | | | | |
| Business License | 352,807 | 300,000 | 212,298 | 300,000 | - | |
| Building Plan Check | 358,591 | 230,129 | 209,606 | 230,129 | - | |
| Engineering Fees Private Dev | 194,337 | 15,000 | 17,074 | 20,000 | 5,000 | |
| Zone Check | 17,849 | 7,600 | 10,196 | 13,000 | 5,400 | |
| Building Permits | 1,785,527 | 983,247 | 939,264 | 1,000,000 | 16,753 | |
| Engineering Fees Utilities | 347,752 | 175,000 | 23,602 | 175,000 | - | |
| Tree Permit | 1,667 | 1,500 | 1,344 | 1,500 | - | |
| Transportation Permits | 12,628 | 12,000 | 3,946 | 12,000 | - | |
| Records Processing/Strong Motion | 4,394 | 8,315 | 4,995 | 8,315 | - | |
| Other Licenses and Permits | 53,204 | 56,720 | 26,892 | 56,720 | - | |
| ***Total Licenses and Permits*** | **3,128,756** | **1,789,511** | **1,449,217** | **1,816,664** | **27,153** | |
| **FINES AND FORFEITURES** | | | | | | |
| Non-Sufficient Funds Penalty | 248 | 100 | 244 | 300 | 200 | |
| Vehicle Fines | 131,778 | 152,000 | 44,323 | 152,000 | - | |
| Red Light Camera Fines | 1,068,370 | 960,000 | 419,148 | 960,000 | - | |
| ***Total Fines and Forfeitures*** | **1,200,396** | **1,112,100** | **463,715** | **1,112,300** | **200** | |
| **INTERGOVERNMENTAL** | | | | | | |
| State Mandated Reimbursements | 482 | 25,000 | 161,766 | 165,000 | 140,000 | 140,000 |
| Federal Grants/ Reimbursements | - | - | 192,593 | 193,000 | 193,000 | 193,000 |
| Motor Vehicle-in-Lieu Fee | 11,676,534 | 11,954,753 | 134,114 | 11,973,783 | 19,030 | |
| ***Total Intergovernmental*** | **11,677,016** | **11,979,753** | **488,473** | **12,331,783** | **352,030** | |
| **USE OF MONEY** | | | | | | |
| Investment Revenue | 2,111,186 | 1,200,000 | 1,124,702 | 1,900,000 | 700,000 | 700,000 |
| ***Total Use of Money*** | **2,111,186** | **1,200,000** | **1,124,702** | **1,900,000** | **700,000** | |
| **CHARGES FOR SERVICES** | | | | | | |
| Lease Payments | 337,238 | 337,238 | 256,985 | 337,238 | - | |
| Administrative Fees | 36,304 | 23,760 | 12,433 | 23,760 | - | |
| Police - Reimbursement Contract Overtime | 145,826 | 150,000 | 56,539 | 150,000 | - | |
| False Alarm/Alarm Permit Fees | 97,946 | 35,000 | - | 35,000 | - | |
| Vehicle Release / Towing | 79,655 | 80,000 | 43,912 | 80,000 | - | |
| Event Center Rentals | 513,629 | 500,000 | 276,499 | 500,000 | - | |
| Planning Fees | 46,488 | 45,000 | 13,629 | 45,000 | - | |
| Animal Control Fees and Charges | 12,895 | 55,000 | 381 | 55,000 | - | |
| ***Total Charges for Services*** | **1,269,981** | **1,225,998** | **660,377** | **1,225,998** | **-** | |
| **CONTRIBUTIONS** | | | | | | |
| Donations / Sponsorships | 27,420 | 25,000 | 7,504 | 25,000 | - | |
| Developer Contributions | - | - | - | - | - | |
| ***Total Contributions*** | **27,420** | **25,000** | **7,504** | **25,000** | **-** | |
| **OTHER** | | | | | | |
| Miscellaneous Revenue | 474,677 | 18,000 | 33,230 | 65,000 | 47,000 | 45,000 |
| Reimbursement Revenue | 219,120 | 335,000 | 355,345 | 654,500 | 319,500 | 319,500 |
| Internal Service Fund Charges/Cost Allocations | 1,666,448 | 1,633,240 | - | 1,633,240 | - | |
| Recovery of Labor & Benefits | - | 260,000 | 104,319 | 260,000 | - | |
| Restitution/Public Property Damage Recovery | 126,618 | 26,000 | 62,325 | 70,000 | 44,000 | 44,000 |
| Police Department Sales | 1,550 | 5,000 | 3,001 | 5,000 | - | |
| Transfers In | - | - | - | | - | |
| ***Total Other*** | **2,488,413** | **2,277,240** | **558,219** | **2,687,740** | **410,500** | |
| **Total General Fund Revenue** | **$ 48,376,007** | **46,092,770** | **12,467,472** | **47,320,601** | **1,227,831** | **1,179,500** |

# General Fund Ten Year Financial Forecast

*With Partial Street Funding*

2/28/2026

| | FY 2022-23 Actual | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Adopted | FY 2025-26 Projected | FY 2026-27 Adopted | FY 2027-28 Projected | FY 2028-29 Projected | FY 2029-30 Projected | FY 2030-31 Projected | FY 2031-32 Projected | FY 2032-33 Projected |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Beginning Reserve Balance** | 11,867,532 | 22,427,088 | 30,672,747 | 35,327,665 | 34,256,555 | 33,970,426 | 30,850,688 | 27,489,584 | 24,165,924 | 20,910,259 | 18,016,557 | 15,432,885 |
| **TOTAL REVENUE** | 44,442,810 | 46,170,045 | 48,376,007 | 46,092,770 | 47,320,601 | 46,625,246 | 47,409,870 | 48,497,535 | 49,640,560 | 51,102,959 | 52,579,442 | 54,161,308 |
| **TOTAL OPERATING EXPENDITURES** | (35,788,536) | (41,984,301) | (43,926,736) | (44,621,102) | (45,063,954) | (45,744,984) | (46,770,974) | (47,821,194) | (48,896,225) | (49,996,662) | (51,163,113) | (52,326,205) |
| **Net Operating Position** | 8,654,274 | 4,185,744 | 4,449,271 | 1,471,668 | 2,256,647 | 880,262 | 638,896 | 676,341 | 744,335 | 1,106,298 | 1,416,329 | 1,835,103 |
| ARPA | 3,252,312 | 4,059,914 | 4,205,647 | 1,957,223 | 1,957,223 | | | | | | | |
| STREET REPAIRS | | | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) | (4,000,000) |
| Auburn Blvd - Phase 2 Match | | | | | | | | | | | | |
| Auburn Facility Improvements | | | | (500,000) | (500,000) | | | | | | | |
| **Ending Reserve Balance** | 23,774,118 | 30,672,747 | 35,327,665 | 34,256,555 | 33,970,426 | 30,850,688 | 27,489,584 | 24,165,924 | 20,910,259 | 18,016,557 | 15,432,885 | 13,267,989 |
| *Minimum Reserve per City Council Policy - 17%* | $ 6,084,051 | $ 7,137,331 | $ 7,467,545 | $ 7,585,587 | $ 7,660,872 | $ 7,776,647 | $ 7,951,066 | $ 8,129,603 | $ 8,312,358 | $ 8,499,432 | $ 8,697,729 | $ 8,895,455 |
| Over(under) Reserve Target | 17,690,067 | 23,535,415 | 27,860,120 | 26,670,968 | 26,309,554 | 23,074,041 | 19,538,518 | 16,036,321 | 12,597,901 | 9,517,124 | 6,735,156 | 4,372,534 |
| *City Manager Target Reserve - 25%* | $ 8,947,134 | $ 10,496,075 | $ 10,981,684 | $ 11,155,276 | $ 11,265,988 | $ 11,436,246 | $ 11,692,744 | $ 11,955,299 | $ 12,224,056 | $ 12,499,165 | $ 12,790,778 | $ 13,081,551 |
| Over(under) Reserve Target | 14,826,984 | 20,176,671 | 24,345,981 | 23,101,280 | 22,704,437 | 19,414,442 | 15,796,840 | 12,210,626 | 8,686,203 | 5,517,391 | 2,642,107 | 186,438 |

# CITY OF CITRUS HEIGHTS

# CITY COUNCIL STAFF REPORT MEMORANDUM

**DATE:** March 11, 2026

**TO:** Mayor and City Council Members
Ashley J. Feeney, City Manager

**FROM:** Casey Kempenaar, Community Development Director
Regina Cave, General Services Director
Alison Bermudez, Senior Planner

**SUBJECT:** **Discussion and Direction on the Renaming of Sayonara Drive**

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## Recommendation

At their December 10, 2025 meeting during Items Requested by Council Members, two members of the City Council expressed interest in exploring the potential renaming of Sayonara Drive in recognition of the significant neighborhood reinvestment and the new residential community currently taking shape. The street is undergoing a notable transition, marked by the development of new owner-occupied housing and broader revitalization efforts.

Staff are seeking City Council direction on whether to proceed with the renaming process, along with confirmation of the proposed outreach strategy and project timeline.

## Background

Prior to the City's incorporation in 1997, Sayonara Drive was widely known locally and regionally for longstanding social and physical challenges, including crime, overcrowding, traffic safety concerns, deferred building maintenance, and absentee property ownership. Following incorporation, the City initiated focused efforts to improve conditions along the corridor. These efforts included development of a Strategic Plan that guided a series of public investments and actions, such as installation of street lighting, various traffic and pedestrian safety enhancements, and the eventual acquisition and demolition of uninhabitable structures.

The Strategic Plan established framework for long-term revitalization of the area, including the development of replacement housing intended to promote stable, owner-occupied residences. Through a partnership with Habitat for Humanity of Greater Sacramento, construction is currently underway to deliver 26 new single-family homes on parcels previously occupied by substandard units.

As this new residential community takes shape, the City has the opportunity to consider actions that reflect and support the neighborhood's ongoing transformation. Renaming the street represents one potential step toward establishing a renewed identity distinct from historical conditions.

## Fiscal Impact

Should the renaming of Sayonara Drive proceed, costs would be incurred for staff time to administer the naming process, along with minor public outreach expenses (e.g., advertising, social media promotion, informational materials, or similar efforts). In addition, direct costs would be associated with the replacement of street signage. The estimated cost for replacement of all Sayonara street name signs is approximately $10,700 total including installation. A total of eight signs would require replacement, including two large mast arm signs over Sunrise Boulevard, requiring extensive traffic control.

Additionally, as a result of the renaming, there may be costs incurred by the affected residents of Sayonara Drive, such as costs for replacement of drivers' licenses or official identification cards, and replacement banking checks to reflect the name change. This cost is currently unknown as the total number of affected residents is unknown at this time.

*Discussion*
The City does not maintain a formal policy governing the renaming of existing streets. In June 2024, the City Council adopted a naming policy applicable to City-owned assets, such as parks, buildings, and facilities. That policy specifically exempted street naming. Accordingly, the City Council retains full discretion in determining how to proceed with street renaming.

To assist the City Council in this discussion, staff provides the following factors for consideration:

- The number of addresses that would be affected;
- Potential inconvenience to residents, property owners, and tenants;
- The level of support among affected property owners;
- Whether a public purpose or community benefit would be served by the proposed change;
- Issues that may be raised through public outreach; and
- Any other factors the City Council deems relevant.

*Habitat for Humanity of Greater Sacramento*
Habitat for Humanity of Greater Sacramento has been a key partner in the redevelopment of Sayonara Drive and is nearing completion of the selection process for the future homeowners of the 26 new residences currently under construction. During this process, several prospective homeowners expressed concerns about living on Sayonara Drive due to the street's historical reputation.

Habitat for Humanity's mission is to build and strengthen communities by expanding opportunities for stable, owner-occupied housing. The Sayonara Drive project reflects this

mission by establishing a new neighborhood of homeowners who have invested significant time and effort to achieve homeownership.

As the owner of most parcels along Sayonara Drive, Habitat for Humanity of Greater Sacramento has indicated its full support for street name change as a means of reinforcing the area's ongoing transformation and supporting the emerging residential community.

*Outreach*
Public outreach will be a key component of the street renaming process. Consistent with City practices, staff would conduct outreach to ensure that affected residents, property owners, businesses, and other stakeholders are informed and provided opportunities to participate. Outreach efforts may include mailed notifications, on-site postings, City website updates, digital communication channels, and opportunities for public comment and in-person information sharing meetings. Feedback received through the outreach process would be compiled and presented to the City Council to support its consideration and final decision.

As part of the outreach process, staff will invite community members to submit potential street names for consideration. Submitted names will be reviewed for consistency with applicable City policies and naming standards, and a refined list of eligible options will be presented to the City Council. Staff may also incorporate a community input component, such as a public survey, to gauge stakeholder preferences. While community feedback will help inform the process, the City Council will retain final authority for selection of the street name.

## Next Steps

Staff requests that the City Council review the information provided and direct staff on whether to proceed with the proposed street rename efforts.

Should the Council provide direction to proceed, staff presents the following option for consideration:

**Rename Sayonara Drive from Sunrise Boulevard to San Simeon Drive**
This option represents staff's preferred approach and would apply the name change to all properties currently addressed on Sayonara Drive.

| Number Parcels | Number Parcels Owner Occupied | Number Parcels Non-Owner Occupied | Number Units |
|---|---|---|---|
| 20 from Sunrise Blvd to Lialana Way* | 1 | 19 | 74 |
| 20 from Lialana Way to San Simeon Drive* | 12 | 8 | 40 |
| **40 total*** | **13** | **27** | **114** |

*Does not include HfH parcels or public owned parcels (30 total)

**Alternative Option Rename Sayonara Drive from Sunrise Blvd to Lialana Way**
Alternatively, the Council may consider a partial renaming. The segment between Lialana Way and San Simeon Drive presents a logical transition point, should there be insufficient support to rename the full length of the street.

Regardless of the option selected, the project would be initiated within a compressed timeframe. The goal is to complete the street name change prior to occupancy of the Habitat for Humanity homes, which is June 2026.

To meet this objective, the following timeline is proposed:

Phase 1 -Outreach/Survey March 13th through April 15th
- Prepare mailing list of all property owners and tenants on the street
- Send letter explaining the reason for proposed change
    - Initial survey of opposition or support
    - Include timeline and FAQs
- Mail letters and allow 3 weeks for responses
- Collect feedback and document support/opposition
- Conduct follow-up calls or emails if needed

Phase 2 – Public Outreach
- Solicit name suggestions

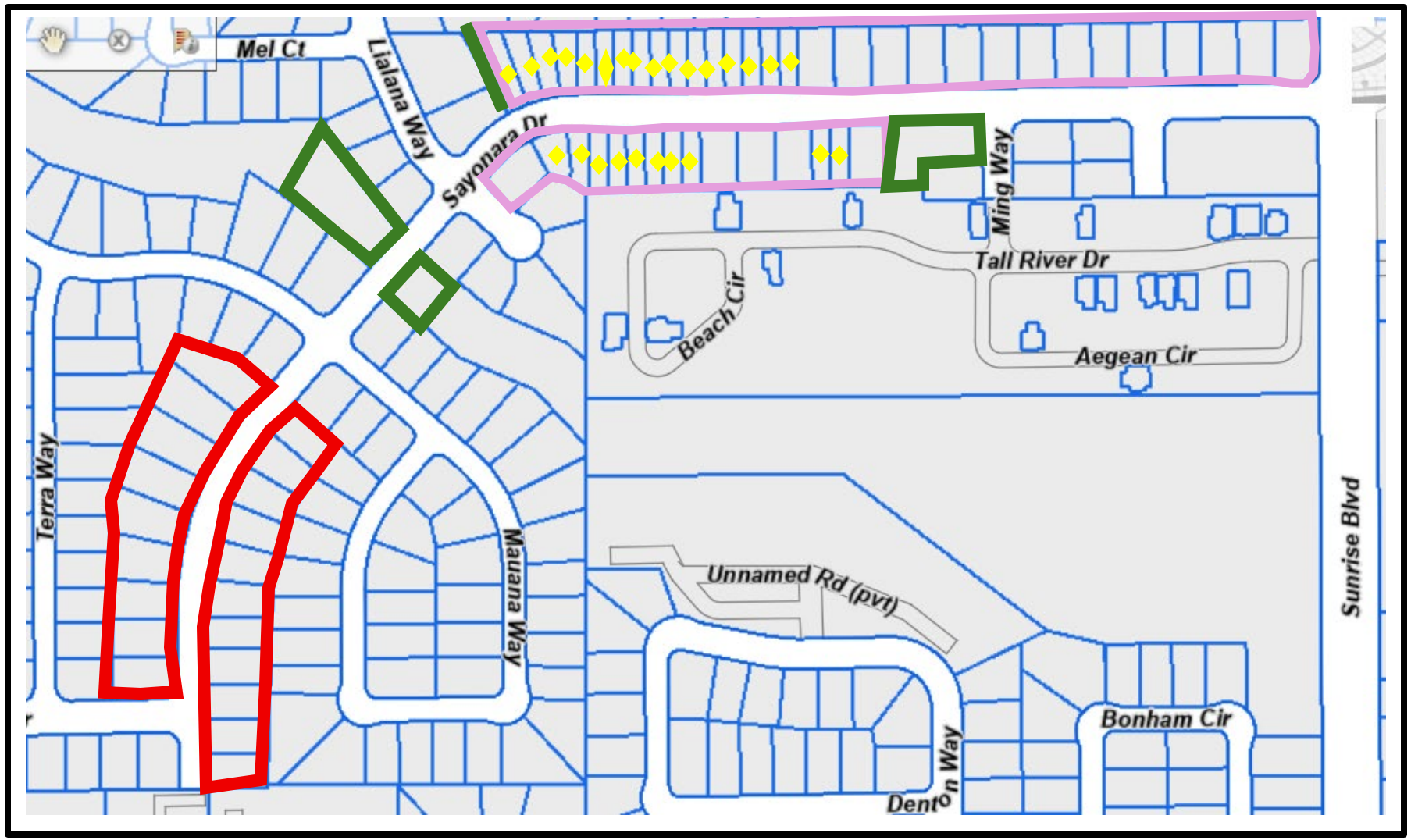
Phase 3 – Public Workshop April 15th
- Hold Community Workshop

Phase 4: City Council Hearing May 13th
- Council Selection of Name

Phase 5: Implementation June
- Notify:
    - Property owners and businesses
    - Post Office
    - County Assessor
    - Utilities
    - Emergency services
    - GIS and mapping agencies (Google, Apple, etc.)
    - Order and install new street signs
    - Allow transition period for address updates

In closing, the proposed street renaming represents an opportunity to support and reflect the substantial public and private investment made in the Sayonara Drive neighborhood. The area is undergoing a meaningful transition toward stable, owner-occupied housing, consistent with the City's long-standing revitalization objectives. Staff requests that the City Council review the information presented and provide direction on whether to proceed with the renaming. Should the Council elect to move forward, staff will implement the proposed outreach plan and return with community feedback and a final recommendation for Council consideration.

Attachment 1: Map of Sayonara Drive




Properties Addressed as Sayonara

Parcels Sunrise to Lialana Way

Parcels Lialana Way to San Simeon

Properties publicly owned (4)

Parcels owned by HFHGS (26)