

## **RESOLUTION NO. 2014-0353**

Adopted by the Sacramento City Council

October 28, 2014

### **RESOLUTION OF INTENTION TO ESTABLISH RAILYARDS MAINTENANCE COMMUNITY FACILITIES DISTRICT NO. 2014-04, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE MAINTENANCE SERVICES**

#### **BACKGROUND**

- A. The City Council has duly considered the advisability and necessity of establishing a community facilities district and levying a special tax therein to pay for maintenance and related services to be provided within the district, under the Mello-Roos Community Facilities Act of 1982 (Act) and chapter 3.124 of the Sacramento City Code (Chapter 3.124), shown on the Boundary Map in Exhibit A, attached hereto and incorporated herein.
- B. The City Council has determined that the establishment of the district is consistent with Chapter 3.124 and follows the local goals and policies concerning the use of the Act that have been adopted by the City Council and are now in effect.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. Background statements A and B are accurate.
- Section 2. The City Council hereby proposes to establish a community facilities district under Chapter 3.124 and the Act (District). The boundaries of the territory proposed for inclusion in the District are shown on the map entitled "Railyards Maintenance Community Facilities District No. 2014-04" attached to this resolution as Exhibit A. A map showing the proposed territory to be included in the District (Boundary Map) is on file in the office of the City Clerk, is in the form required by section 3110 of the Streets and Highways Code, and is hereby approved. The City Clerk is directed to file a copy of the Boundary Map with the Sacramento County Clerk/Recorder within fifteen days hereafter, and in no event later than fifteen days before the hearing on the formation of the district, for placement in the Book of Maps of Assessment and Community Facilities Districts, in accordance with section 3111 of the Streets and Highways Code.
- Section 3. The name of the District is "Railyards Maintenance Community Facilities District No. 2014-04."

- Section 4. The District is being formed solely to fund the maintenance of roadway facilities, transit facilities, parks, bikeway and pedestrian paths, storm water drainage facilities and/or landscape areas within public rights-of-way and the area known as the West Tunnel and appurtenances. The District will not finance capital improvements or issue bonds. The services provided by the District are set forth in Exhibit B to this resolution, all of which are as authorized by the Act and by Chapter 3.124. The District will also finance all costs and expenses normally incidental to the provision of the landscaping, maintenance, operations, and related services, including but not limited to those for elections, engineering, contract supervision, planning, legal services, and City administration.
- Section 5. Except where funds are otherwise available, a special tax sufficient to pay for the maintenance and related services, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied annually within the District. The tax is to be collected as a separately stated item on the county property-tax bill, but the City Council reserves the right to change the method of collection at any time. The special tax is to be apportioned according to land-use classes at the annual tax rate specified in Exhibit C to this resolution, the Rate and Method of Apportionment of Special Tax (RMA). The rate shown in Exhibit C is the maximum rate. The rate may be increased for inflation under Chapter 3.124, as specified in Exhibit C. If tax collections at the stated rate exceed the amount required to pay the Special Tax Requirement (as defined in Exhibit C), then the rate may be reduced in accordance with the formula set forth in Exhibit C. The special tax will be levied and collected until the City Council determines that the need for the maintenance, and related, services no longer exists.
- Section 6. In accordance with section 53325.7 of the Act, the City Council intends to establish an appropriations limit for the District, as defined by subdivision (h) of section 8 of article XIII B of the California Constitution.
- Section 7. At 6:00 p.m. on December 2, 2014, in the Council Chambers at New City Hall, 915 I Street, First Floor, Sacramento, California, the Council will hold a public hearing on the proposed establishment of the District, the territorial extent of the District, the future annexation of territory pursuant to Section 53339.2 of the Act, the types of services to be provided, the proposed levy of a special tax, and all other matters as set forth in this resolution. At the public hearing, any persons interested, including taxpayers, owners of property within the District, and any registered voters residing within the District, may appear and be heard, and the testimony of all interested persons for or against establishment of the proposed District, the territorial extent of the District, the types of services to be provided, the levy of the special tax within the District, or any other matters set forth herein will be heard and considered. Such protests may be made orally or in writing by any interested persons, except that protests pertaining to the regularity or

sufficiency of the proceedings must be in writing and must clearly set forth the irregularities and defects to which the objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests must be filed with the City Clerk on or before the time fixed for the public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of the public hearing. If, at the conclusion of the hearing, the City Council determines to proceed with establishing the District, then the question of levying the special tax will be submitted to the qualified electors in an election conducted under section 53326 of the Act not less than 90 days nor more than 180 days thereafter, unless appropriate waivers pursuant to section 53326 have been filed with the City Clerk. The special tax may be levied if at least two-thirds of the votes cast upon the question of levying the tax are in favor of levying the tax.

Section 8. The City Council directs the Public Improvement Finance Manager of the Finance Department to prepare the report required by section 53321.5 of the Act and to file the report with the City Council at or before the time of the hearing.

Section 9. The City Clerk is directed to give notice of the hearing in accordance with sections 53322 and 53322.4 of the Act, as follows:

- (a) By publishing in the Sacramento Bulletin, a newspaper of general circulation published in the area of the District, a notice of public hearing in the form required by the Act. The City Clerk shall do this in accordance with section 6061 of the Government Code, and the publication must be completed at least seven days before the date set for the public hearing.
- (b) By mailing to each owner of property within the District and to each registered voter residing within the District, using prepaid first-class postage, a notice of public hearing in the form required by the Act. The mailing to property owners is to be to their addresses as shown on the records of the Sacramento County Treasurer-Tax Collector or as otherwise known to the City Clerk. The mailing to registered voters is to be made to the registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters or as otherwise known to the City Clerk. The City Clerk shall complete all mailings at least fifteen days before the date set for the public hearing. The notice of hearing must include a description of the voting procedures.

Section 10. Exhibits A, B, and C are a part of this resolution

## Table of Contents

Exhibit A - Boundary Map of Proposed Boundary

Exhibit B - List of Authorized Services

Exhibit C - Rate and Method of Apportionment of Special Tax

Adopted by the City of Sacramento City Council on October 28, 2014, by the following vote:

Ayes: Members Ashby, Cohn, Fong, Hansen, McCarty, Schenirer, and Warren

Noes: None

Abstain: None

Absent: Mayor Johnson

Vacant: District 8

Attest:

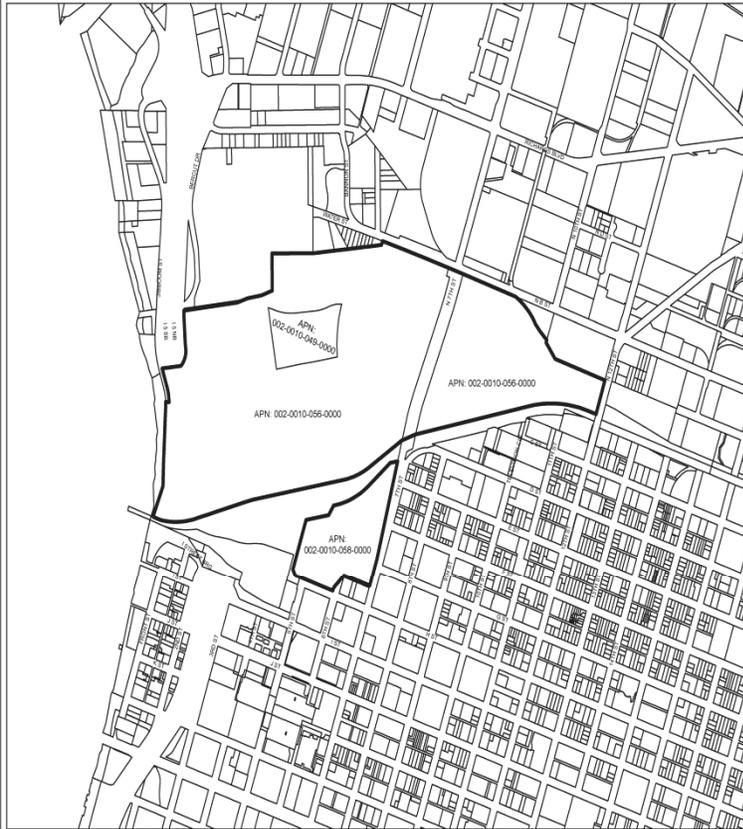
Digitally signed by Shirley A. Concolino  
DN: cn=Shirley A. Concolino, o=City of Sacramento, ou=City Clerk, email=sconcolino@cityofsacramento.org, c=US  
Date: 2014.10.29 12:03:09 -07'00'



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Shirley Concolino, City Clerk

# Exhibit A



**BOUNDARY MAP**  
**CITY OF SACRAMENTO**  
**RAILYARDS MAINTENANCE**  
**COMMUNITY FACILITIES DISTRICT NO. 2014-04**  
**COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

SHEET 1 OF 1

CLERK'S MAP FILING STATEMENT:

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
 CITY CLERK,  
 CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT THE MAP SHOWING BOUNDARY MAP, CITY OF SACRAMENTO RAILYARDS MAINTENANCE COMMUNITY FACILITIES DISTRICT NO. 2014-04, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING THEREOF, HELD ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2014, BY ITS RESOLUTION NO. 2014-\_\_\_\_.

\_\_\_\_\_  
 CITY CLERK,  
 CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT:

FILED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014 AT THE HOUR OF \_\_\_\_ O'CLOCK \_\_ M., IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

\_\_\_\_\_  
 COUNTY RECORDER  
 OF THE COUNTY OF SACRAMENTO, CALIFORNIA

BY: \_\_\_\_\_ DEPUTY DOCUMENT NO. \_\_\_\_\_



**Exhibit B**  
**List of Authorized Services**

The authorized services to be financed with the Special Tax are set forth below. The Special Tax may be levied to pay for any authorized services and to accumulate funds for that purpose. The primary function of CFD No. 2014-04 is to fund the maintenance of roadway facilities, transit facilities, parks, bikeway and pedestrian paths, storm water drainage facilities and/or landscape areas within public rights-of-way and the area known as the West Tunnel and appurtenances. Funds may be used within the territory of CFD No. 2014-04.

The authorized services for CFD No. 2014-04 consist of the following:

1. The repair and maintenance of roadway facilities, transit facilities, bikeway and pedestrian paths, parks, landscaped areas within public rights-of-way and the area known as the West Tunnel and appurtenances, including but not limited to hardscape, special paving features, ramps, sidewalks, walkways, irrigation facilities, water & hose bibbs, plantings, weed removal, lighting, sound walls, ornamental and chain link fences, monuments, signage, bollards, fans, coil gates, security cameras and system monitoring, water-quality facilities, storm-water drainage facilities, water fountains and other water features, and other appurtenances within and along public rights-of-way.
2. Scheduled inspection of maintenance of roadway facilities, water-quality facilities, storm-water drainage facilities, transit facilities, bikeway and pedestrian paths, parks, landscaped areas within public rights-of-way and the area known as the West Tunnel and appurtenances.
3. Capital repair and maintenance of the area known as the West Tunnel and appurtenances including but not limited to ornamental fences, guard rails, coil gates, exhaust fans, cleaning and repainting of walls and ceilings, junction boxes and tie-ins for security camera's, Public Address system, spot lights, etc., benches, granite blocks, sitting wall, landscaping irrigation, hose bibbs, trench drains and cleanouts, monument, stair treads and concrete.
4. Utility costs associated with maintenance of roadway facilities, transit facilities, water-quality facilities, storm-water drainage facilities, parks, bikeway and pedestrian paths, landscaped areas within public rights-of-way and the area known as the West Tunnel and appurtenances.
5. Formation costs for CFD No. 2014-04.
6. Collecting and administering the Special Tax and annually administering CFD No. 2014-04.
7. Miscellaneous costs related to any of the items described above, including costs of planning, engineering, environmental, legal services, and administration.

## Exhibit C

City of Sacramento  
Community Facilities District 2014-04  
(Railyards Maintenance Community Facilities District)  
Sacramento, California

RATE, METHOD OF APPORTIONMENT, AND  
MANNER OF COLLECTION OF SPECIAL TAX

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### 1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the Parcels in the Railyards Maintenance Community Facilities District No. 2014-04 of the City of Sacramento (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

### 2. Definitions

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

“**Administrative Expenses**” means the actual or reasonably estimated costs directly related to the formation and administration of CFD No. 2014-04, including, but not limited to: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Tax (whether by the County or otherwise); the costs to the City, CFD No. 2014-04, or any designee thereof of complying with City or CFD No. 2014-04 disclosure requirements; the costs associated with responding to public inquiries regarding the Special Tax; the costs of the City, CFD No. 2014-04, or any designee thereof related to an appeal of the Special Tax; and the City’s annual administration fees and third-party expenses.

“**Affordable Unit**” means a Dwelling Unit on a Developed Parcel that is subject to deed restrictions, resale restrictions, or regulatory agreements recorded on the property that provide housing for persons that meet Low-, Very Low-, or Extremely Low-Income levels pursuant to the California Health and Safety Code Sections 50079.5, 50105, or 50106. The Dwelling Unit shall no longer be considered an Affordable Unit following termination of the agreement containing covenants or similar instruments.

“**Annual Costs**” means the amount required in any Fiscal Year for CFD No.2014-04 to: (1) pay for Eligible Facilities and Services as shown on **Attachment 1**; and (2) pay Administrative Expenses.

**“Annual Special Tax”** means the Land Special Tax or the Developed Special Tax that may be levied on a Taxable Parcel and collected each Fiscal Year.

**“Base Year”** means the Fiscal Year beginning July 1, 2015 and ending June 30, 2016.

**“Building Area”** means the measurement of the habitable area contained within the perimeter of each individual building, or the covered and enclosed area contained within the perimeter of the structure for a Developed Parcel with a Development Approval.

- For a Non-Residential Parcel Use or the Non-Residential Use on a Mixed Use Parcel, the calculation of the building area will include “chargeable covered and enclosed space” under Government Code section 65995 (b)(2). The Building Area of parking structures for a non-residential building is not included in the calculation of Building Area.
- For a Non-Residential Condominium Unit, the Building Area is the habitable square footage of the unit specified in the Development Plan for the non-residential units. The Non-Residential Condominium Units will also be allocated a proportionate share of the building’s common areas.

The Building Area measurement shall be determined in accordance with the standard practice of the City in calculating structural parameters. The Building Area will be adjusted as a result of a Development Approval.

**“Central Shops Parcel”** means a Parcel that is within the boundaries of the Central Shops Historic District of the Railyards Specific Plan, exclusive of the Historic Transition Zone. All Central Shops Parcels are exempt from the Special Tax.

**“Central Shops Land Area”** means any area of a Parcel that is within the boundaries of the Central Shops Historic District of the Specific Plan, exclusive of the Historic Transition Zone area of the Specific Plan. The Central Shops Land Area for any Parcel fully or partly within the boundary of the Historic District Parcel is exempt from the Special Tax.

**“CFD No. 2014-04”** means the City of Sacramento Railyards Maintenance Community Facilities District No. 2014-04.

**“CFD Administrator”** means the official of the City, or designee thereof, responsible for determining the Annual Costs and providing for the levy and collection of the Special Tax.

**“City”** means the City of Sacramento in Sacramento County, California.

**“Condominium Structure”** means a residential, commercial or mixed use structure consisting of two or more units that share common walls and that may be legally offered as for-sale units, including such structures that meet the statutory definition of a condominium contained in Civil Code Section 4125.

**“Consumer Price Index”** means the Consumer Price Index published by the U.S. Bureau of Labor Statistics for “All Items” in the San Francisco / Oakland / San Jose Area Urban Wage Earners and Clerical Workers, measured each calendar year. If this index ceases to be published, the Consumer Price Index will be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco Bay Area.

**“Council”** means the City Council of the City of Sacramento acting for CFD No 2014-04 under the Act.

**“County”** means the County of Sacramento, California.

**“County Assessor’s Parcel”** means a Parcel with an assigned Assessor’s Parcel Number in the maps used by the County Assessor in the preparation of the tax roll.

**“Developed Parcel”** means a Taxable Parcel with one or more Development Approvals. Stand-alone surface parking lots are Developed Parcels even though a building permit may not be issued for the parking lot.

**“Developed Special Tax”** means the maximum annual amount of Annual Special Tax that can be assigned and levied against a Developed Parcel in a Fiscal Year calculated according the provisions of **Section 5.D**. The Developed Special Tax for Non-Residential Uses is derived using the provisions of **Section 5.D.1**. The Developed Special Tax for Residential Uses is derived using the provisions of **Section 5.D.2**. The Developed Special Tax for Mixed Uses is derived using the provisions of **Section 5.D.3**.

**“Developed Special Tax Rate”** means the Special Taxes per Building Area for Nonresidential Uses and per Dwelling Unit for Residential Uses as shown in **Section 5.F**. The Developed Special Tax Rate may be adjusted by the Tax Escalation Factor in each Fiscal Year following the Base Year.

**“Development Approval”** means a building permit issued by the City.

**“Development Records”** means various City or other Public Agency reports, studies or permits that provide information about the development status of a Parcel or Development Project. Such records may consist of Development Plans, tentative maps, Parcel maps, final subdivision maps, building permits, or records of survey that have been approved or recorded.

**“Development Plan”** means a condominium plan, apartment plan, site plan or other planning document that identifies such information as the type of structure, acreage, building square footage, and/or number of Dwelling Units that are approved to be developed on a Taxable Parcel.

**“Dwelling Unit(s)”** means the number of residential unit(s) assigned to a Parcel.

**“Eligible Facilities and Services”** means facilities to be maintained and services to be financed. The location of the facilities and service areas is described in **Attachment 1**.

**“Final Map Parcel”** means a Parcel designated for new development, which is part of a Final Subdivision Map and a Parcel on which no further subdivision is required for Development Approval for any use on such Parcel. Once a Parcel is classified as a Final Map Parcel, it shall remain a Final Map Parcel.

**“Final Subdivision”** means a subdivision of property by recordation of a final map, Parcel map, or lot-line adjustment in accordance with the Subdivision Map Act (beginning with California Government Code section 66410) or recordation of a condominium plan in accordance with California Civil Code section 4285 that creates individual lots for which building permits may be issued without further subdivision.

**“Fiscal Year”** means the period starting July 1 and ending the following June 30.

**“Historic Transition Zone”** means that area of the Railyards Specific Plan that is designated as a transition between the Central Shops Land Area and other areas of the Railyards Specific Plan. At the time of CFD No. 2014-04 formation, the Historic Transition Zone included Lots 15 and 18 and portions of Lots 21b, 30a and 30b.

**“Land Special Tax”** means the maximum Annual Special Tax that may be assigned to a Taxable Parcel based on the Taxable Land Area.

**“Land Special Tax Rate”** means the maximum amount of Special Tax per land square foot used to determine the Land Special Tax for a Taxable Parcel. The Land Special Tax Rate (as shown in **Section 5.F**) is increased by the Tax Escalation Factor in each Fiscal Year after the Base Year.

**“Market Rate Unit”** means a Dwelling Unit located on a Developed Parcel that is not an Affordable Unit.

**“Maximum Annual Special Tax”** means the maximum amount of the Developed Special Tax or Land Special Tax that could be levied in a Fiscal Year on a Taxable Parcel.

**“Maximum Annual Special Tax Revenue”** means the annual maximum amount of Special Tax that may be levied against a category of Taxable Parcels, such as Developed Parcels.

**“Maximum CFD Revenue”** means the sum of the Maximum Annual Special Tax that may be levied on all Taxable Parcels in CFD No. 2014-04 in a Fiscal Year.

**“Mixed Use Parcel”** means a Taxable Parcel with Development Approval for both Non-Residential Uses and Residential Uses. A Mixed Use Parcel is also classified as a Developed Parcel.

**“Mixed Use Condominium”** means a Condominium Structure which includes both Residential Condominium Units and Non-Residential Condominium Units.

**“Non-Residential Condominium Unit”** means a Non-Residential condominium unit included as part of a Condominium Structure.

**“Non-Residential Parcel”** means a Taxable Parcel with Development Approval for exclusively Non-Residential Uses. A Non-Residential Parcel is also classified as a Developed Parcel.

**“Non-Residential Use”** means a land use designation for service, commercial, retail, office, industrial, warehouse or manufacturing activity, including parking for the non-residential uses.

**“Original Parcel”** means a Parcel included in the boundaries of CFD No. 2014-04 at the time of formation.

**“Other Land Use Parcel”** means a Developed Parcel with a sports stadium or arena, surface parking lot, stand-alone parking structure or other land use that the Administrator cannot classify as a Residential Parcel or Non-Residential Parcel.

**“Parcel”** means any County Assessor’s Parcel in the CFD based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**“Parcel Number”** means the Assessor’s Parcel Number for any Parcel based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

**“Proportionately”** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Developed Parcels. For Final Mapped Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Final Map Parcels. For Undeveloped Parcels, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Undeveloped Parcels.

**“Public Agency”** means the City, State of California, Sacramento County, the federal government, or the Sacramento Unified School District or other special district.

**“Public Parcel”** means any Parcel, in its entirety, that is or is intended to be publicly owned that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage-ways, public landscaping, wetlands, greenbelts, and public open space. These Parcels are exempt from the levy of Special Taxes, subject to exception as described in definition of Public Property listed below. Any such Parcel is a Tax-Exempt Parcel.

**“Public Property”** means, for each Fiscal Year, (1) any property within the boundaries of CFD No. 2014-04 that was owned by, or irrevocably offered for dedication to a Public Agency as of June 30 of the previous Fiscal Year, except that any property leased by a Public Agency to a private entity and subject to taxation under Section 53340.1 of the Act will be taxed according to its use; and (2) any property within the boundaries of CFD No. 2014-04 that was

encumbered, as of June 30 of the previous Fiscal Year, by an utility easement making impractical its utilization for other than the purpose set forth in the easement.

**“Public Use Land Area”** means that portion of a Taxable Parcel that is identified as an area to be used for public uses (roads, parks, etc.) which are intended to be dedicated for public use as part of a future Subdivision of the Parcel.

**“Railyards Specific Plan”** means the Sacramento Railyards Specific Plan” adopted by the City on December 11, 2007 by Council Resolution 2007-908.

**“Residential Condominium Unit”** means a residential Dwelling Unit included as part of a Condominium Structure.

**“Residential Unit”** means a residential Dwelling Unit constructed on a single family residential Parcel or a residential unit constructed on a multi-family residential Parcel or a Mixed Use Parcel.

**“Residential Parcel”** means a Taxable Parcel with Development Approval exclusively for Residential Uses. A Residential Parcel is also classified as a Developed Parcel.

**“Residential Use”** means that portion of a Parcel designated for residential use, including parking for the residential use.

**“Special Tax(es)”** mean(s) any tax levy under the Act in CFD No. 2014-04.

**“Special Tax Ordinance”** is an ordinance or resolution of the City Council authorizing the annual levy and collection of the Special Tax.

**“Structured Parking Use”** means that portion of a residential or non-residential structure designated for parking.

**“Subdivision”** or **“Subdivided”** means a division of a Parcel into two or more Parcels through the Subdivision Map Act process. A Subdivision may also include the merging of two or more Parcels to create new Parcels or a lot-line adjustment that does not create additional parcels.

**“Successor Parcel”** means a Parcel or combination of Parcels created through Subdivision.

**“Tax Category”** means the categories of taxable land uses shown in **Section 5.F**.

**“Tax Collection Schedule”** means the document prepared by the CFD Administrator for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

**“Tax Escalation Factor”** means an amount by which the Administrator may adjust the Maximum Annual Special Tax in each Fiscal Year after the Base Year, equal to the percentage change in the Consumer Price Index for the prior calendar year over the preceding calendar year, not to exceed four percent for any Fiscal Year.

**“Taxable Parcel”** means any Parcel that is not a Tax-Exempt Parcel.

**Tax-Exempt Parcel**” means a Parcel not subject to the annual Special Tax. Tax-Exempt Parcels include Tax Exempt Public Parcels and Central Shops Parcels. Certain privately owned Parcels also may be exempt from the levy of Special Taxes including common areas owned by homeowner’s associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the CFD Administrator.

**Tax-Exempt Public Parcel**” means any Public Parcel and any other Parcel that is, or is intended to be, publicly owned, as designated in any final map, that normally is exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage ways, landscaping, wetlands, greenbelts, and open space.

**Taxable Land Area**” is the Total Land Area of a Taxable Parcel less the Public Use Land Area.

**Total Land Area**” means the total square footage of a Parcel.

**Undeveloped Parcel**” means a Taxable Parcel that is not classified as a Developed Parcel or a Final Map Parcel.

### **3. Duration of the Special Tax**

Parcels in the CFD will remain subject to the Special Tax in perpetuity.

### **4. Assignment of Land Area, Building Area, and Dwelling Units to Original and Successor Parcels**

#### **A. Assignment of Land Area.**

Original Parcels are assigned a Total Land Area, Taxable Land Area, Central Shops Land Area, and Public Use Land Area as of the formation of CFD No. 2014-04. Original Parcels at CFD No. 2014-04 formation are identified in **Attachment 2**.

As Parcels are Subdivided or combined, the CFD Administrator will assign the Total Land Area, Taxable Land Area, Central Shops Land Area and Public Use Land Area to all Successor Parcels using available Development Records.

#### **B. Assignment of Building Area to Non-Residential Parcels**

As non-residential development projects receive Development Approvals, the CFD Administrator will determine the Building Area for all structures identified in the Development Plan. For Non-Residential Condominium Units, the Building Area is the

square footage specified in the Development Plan for the Unit plus a proportionate allocation of the building's common areas.

**C. Assignment of Building Area to Mixed Use Parcels.**

As mixed use development projects receive Development Approvals, the CFD Administrator will determine the non-residential Building Area for all structures identified in the Development Plan. For Non-Residential Condominium Units, the Building Area is the square footage specified in the Development Plan for the unit plus a proportionate allocation of the building's non-residential common areas.

**D. Assignment of Dwelling Units to Residential Parcels and Mixed Use Parcels.**

As residential development projects and mixed use development projects receive Development Approvals, the CFD Administrator will determine the number of Dwelling Units identified in the Development Plan. A Residential Condominium Unit is equivalent to one Dwelling Unit.

**E. Assignment of Land Area to Other Land Use Parcels.**

The CFD Administrator will assign a Total Land Area, Public Use Land Area, Central Shops Land Area, and Taxable Land Area to each Other Land Use Parcel.

**F. Conversion of a Tax-Exempt Parcel to a Taxable Parcel.**

If a Tax-Exempt Parcel is converted to a taxable use or transferred to a private owner, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel will be assigned according to **Section 5** below.

**G. Conversion of a Taxable Parcel to a Tax-Exempt Parcel.**

If a privately owned Parcel is converted to a public use, it shall become tax-exempt.

**5. Assignment of the Maximum Annual Special Tax**

A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions in **Section 2**, above, the Parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the CFD Administrator shall do the following:

1. Classify each Parcel as a Taxable Parcel or Tax-Exempt Parcel.
2. Classify each Taxable Parcel as a Developed Parcel, Final Map Parcel, or Undeveloped Parcel.

3. Classify each Developed Parcel as a Residential Parcel, Non-Residential Parcel, Mixed-Use Parcel, Central Shops Parcel, or Other Land Use Parcel.
  4. Classify each Dwelling Unit on a Residential Parcel as a Market Rate Unit or an Affordable Unit.
- B. Assignment of the Land Special Tax to Original Parcels. The CFD Administrator will assign the Land Special Tax to each Original Parcel by multiplying the Taxable Land Area assigned to the Parcel in **Section 4.A** times the Land Special Tax Rate in **Section 5.F**. Each Fiscal Year following the Base Year, the Land Special Tax for each Original Parcel is adjusted by the Tax Escalation Factor.
- C. Assignment of the Land Special Tax to Successor Parcels. As Original Parcels are Subdivided into Successor Parcels, the Land Special Tax will be assigned to Successor Parcels by multiplying the Taxable Land Area assigned to the Parcel in **Section 4.A** times the Land Special Tax Rate shown in **Section 5.F** adjusted by the Tax Escalation Factor. The Land Special Tax is only levied on Undeveloped Parcels, Final Map Parcels, and Other Land Use Parcels.
- D. Assignment of Special Taxes to Developed Parcels (via **Sections 5.D.1, 5.D.2** and **5.D.3**), The Special Tax assigned to Developed Parcels shall be the greater of the amounts assigned in **Sections 5.D.1, 5.D.2** and **5.D.3** or the Land Special Tax for the Final Map Parcel on which Development Approval was granted. The Land Special Tax for such a Final Map Parcel shall be calculated by multiplying the Taxable Land Area of the Final Map Parcel by the Land Special Tax Rate.
1. Assignment of the Developed Special Tax to Non-Residential Parcels. The Developed Special Tax is calculated by multiplying the Building Area assigned in **Section 4.B** or **Section 4.C** times the Developed Special Tax Rate for Non-Residential Uses, as shown in **Section 5.F** adjusted by the Tax Escalation Factor.
  2. Assignment of Developed Special Tax to Residential Parcels. The Developed Special Tax is calculated by using the following steps:
 

Step 1: Using **the Land Special Tax Rate shown in Section 5.F** assign the Developed Special Tax Rate for Residential Uses adjusted by the Tax Escalation Factor to each Dwelling Unit.

Step 2: Sum the Developed Special Tax for each Dwelling Unit from in *Step 1* to derive the Developed Special Tax.
  3. Assignment of Developed Special Tax to Mixed Use Parcels. The Developed Special Tax is calculated by using the following steps:
 

Step 1: Determine the Developed Special Tax for Non-Residential Uses using the provisions of **Section 5.D.1**.

Step 2: Determine the Developed Special Tax for Residential Uses using the provisions of **Section 5.E.2**.

Step 3: Sum the results of *Step 1* and *Step 2* to derive the Developed Special Tax.

E. Assignment of Land Special Tax to Other Land Use Parcels. The Land Special Tax will be assigned to Other Land Use Parcels by multiplying the Taxable Land Area assigned to the Parcel in **Section 4.A** times the Land Special Tax Rate shown in **Section 5.F** adjusted by the Tax Escalation Factor.

F. The following are the CFD No. 2014-04 Maximum Annual Special Taxes for the Base Year:

Tax Category		Base Year Special Tax Rate 2015-16 [1]
<b>Developed Special Tax</b>		
<b>Residential Uses</b>		
<b>Market Rate Unit</b>	per Dwelling Unit	<b>\$260.00</b>
<b>Affordable Unit</b>	per Dwelling Unit	<b>\$0.00</b>
<b>Nonresidential Uses</b>		
Non-Residential Uses	per Building Area	<b>\$0.19</b>
<b>Other Land Use Parcels</b>	per land square foot	<b>\$0.42</b>
<b>Land Special Tax Rate</b>	per land square foot	<b>\$0.42</b>

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[1] Developed Special Tax per Dwelling Unit or Building Area is increased by the Tax Escalation Factor in each Fiscal Year after the Base Year 2015-16. The Tax Escalation Factor is equal to the percentage change in the Consumer Price Index for the prior calendar year over the preceding calendar year, not to exceed four percent for any Fiscal Year.

## 6. Calculating Annual Special Taxes

The CFD Administrator will compute the Annual Costs and determine the Maximum Annual Special Tax for each Taxable Parcel based on the assignment of the Special Tax in **Section 5**. The CFD Administrator will then determine the tax levy for each Taxable Parcel using the following process:

- A. Compute the Annual Costs using the definition of Annual Costs in **Section 2**.
- B. Calculate the Special Tax levy for each Taxable Parcel by the following steps:
- Step 1: Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels.
- Step 2: Compare the Annual Costs with the Maximum Annual Special Tax Revenue calculated in the previous step.
- Step 3: If the Annual Costs are lower than the Maximum Annual Special Tax Revenue, decrease proportionately the Special Tax levy for each Developed Parcel until the revenue from the Special Tax levy equals the Annual Costs.
- Step 4: If additional monies are needed to satisfy the Annual Costs after the third step has been completed, the Special Tax will be levied proportionately on Final Map Parcels, up to the Maximum Annual Special Tax.
- Step 5: If additional monies are needed to satisfy the Annual Costs after the fourth step has been completed, the Special Tax will be levied on Undeveloped Parcels until the Special Tax revenue equals Annual Costs, or until 100 percent of the Maximum Annual Special Tax is levied.
- C. Levy on each Taxable Parcel the amount calculated above.
- D. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will not be sent later than the date required by the Auditor for such inclusion.

The CFD Administrator will make every effort to correctly calculate the Special Tax for each Parcel. It will be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

## **7. Records Maintained for the CFD**

As development and subdivision occurs in CFD No. 2014-04, the CFD Administrator will maintain a file containing records of the following information for each Parcel:

The current County Assessor's Parcel Number.

The amount of Total Land Area, Public Use Land Area, and Taxable Land Area for each Taxable Parcel

The number of Affordable and Market Rate Dwelling Units for each Developed Parcel.

The amount of Building Area of Non-Residential Use for each Developed Parcel.

The file containing the information listed above will be available for public inspection.

## **8. Interpretation, Application and Appeal of Special Tax Formula and Procedures**

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the CFD Administrator appealing the levy of the Special Tax. The CFD Administrator will then promptly review the appeal, and if necessary, meet with the applicant. If the CFD Administrator verifies that the tax should be modified or changed, the Special Tax levy will be corrected and, if applicable in any case, a refund will be granted.

Interpretations may be made by the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD No. 2014-04.

Without Council approval, the CFD Administrator may make minor, non-substantive administrative and technical changes to the provisions of this Exhibit that do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax for purposes of the administrative efficiency or convenience or to comply with new applicable federal, state or local law.

## **9. Manner of Collection**

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes, provided, however, that the CFD Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the City's financial obligations.

## Attachment 1

### List of Authorized Services

The authorized services to be financed with the Special Tax are set forth below. The Special Tax may be levied to pay for any authorized services and to accumulate funds for that purpose. The primary function of CFD No. 2014-04 is to fund the maintenance of roadway facilities, transit facilities, parks, bikeway and pedestrian paths, storm water drainage facilities and/or landscape areas within public rights-of-way and the area known as the West Tunnel and appurtenances. Funds may be used within the territory of CFD No. 2014-04.

The authorized services for CFD No. 2014-04 consist of the following:

1. The repair and maintenance of roadway facilities, transit facilities, bikeway and pedestrian paths, parks, landscaped areas within public rights-of-way and the area known as the West Tunnel and appurtenances, including but not limited to hardscape, special paving features, ramps, sidewalks, walkways, irrigation facilities, water & hose bibbs, plantings, weed removal, lighting, sound walls, ornamental and chain link fences, monuments, signage, bollards, fans, coil gates, security cameras and system monitoring, water-quality facilities, storm-water drainage facilities, water fountains and other water features, and other appurtenances within and along public rights-of-way.
2. Scheduled inspection of maintenance of roadway facilities, water-quality facilities, storm-water drainage facilities, transit facilities, bikeway and pedestrian paths, parks, landscaped areas within public rights-of-way and the area known as the West Tunnel and appurtenances.
3. Capital repair and maintenance of the area known as the West Tunnel and appurtenances including but not limited to ornamental fences, guard rails, coil gates, exhaust fans, cleaning and repainting of walls and ceilings, junction boxes and tie-ins for security camera's, Public Address system, spot lights, etc., benches, granite blocks, sitting wall, landscaping irrigation, hose bibbs, trench drains and cleanouts, monument, stair treads and concrete.
4. Utility costs associated with maintenance of roadway facilities, transit facilities, water-quality facilities, storm-water drainage facilities, parks, bikeway and pedestrian paths, landscaped areas within public rights-of-way and the area known as the West Tunnel and appurtenances.
5. Formation costs for CFD No. 2014-04.

6. Collecting and administering the Special Tax and annually administering CFD No. 2014-04.
  
7. Miscellaneous costs related to any of the items described above, including costs of planning, engineering, environmental, legal services, and administration.

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

Land Use	Lot Number	Total Acreage	Buildout Taxable Acreage	Phase 1 Taxable Acreage	Central Shops Land Area	Public Use Land Area
OS	1	0.87				0.87
RCMU	2a	4.03	4.03			0.00
OS	2b	0.40				0.40
RCMU	3a	1.12	1.12			0.00
OS	3b	0.00				0.00
RCMU	3c	1.19	1.19			0.00
RCMU	3d	0.00	0.00			0.00
OS	3e	0.33				0.33
RCMU	3f	1.07	1.07			0.00
OS	3e1	0.00				0.00
OS	3e2	0.00				0.00
RCMU	5a	1.45	1.45			0.00
RCMU	5b	1.13	1.13			0.00
OS	5c	0.52				0.52
OS	5d	0.15				0.15
RCMU	6a	1.43	1.43			0.00
RCMU	6b	1.71	1.71			0.00
RCMU	7a1	1.14	1.14			0.00
RCMU	7a2	0.47	0.47			0.00
RCMU	7b1	1.17	1.17			0.00
RCMU	7b2	0.44	0.44			0.00
RCMU	8a	1.85	1.85			0.00
RCMU	8b	0.77	0.77			0.00
RCMU	9a	1.65	1.65			0.00
RCMU	9b	0.75	0.75			0.00
OS	9c	0.24				0.24
OS	9d	0.11				0.11
RCMU	10a1	0.88	0.88			0.00
RCMU	10a2	0.86	0.86			0.00
RCMU	10a3	0.38	0.38			0.00
RCMU	10a4	0.39	0.39			0.00
OS	10b1	0.00				0.00
OS	10b2	0.00				0.00
RCMU	10a	0.00	0.00			0.00
RCMU	10b	0.00	0.00			0.00
RCMU	11	1.87	1.87			0.00
RCMU	11a	2.76	2.76			0.00
RCMU	11b	0.00	0.00			0.00
RCMU	12	1.32	0.00		1.32	0.00
RCMU	13	1.38	0.00		1.38	0.00
RCMU	14	0.70	0.00		0.70	0.00
RCMU	15	3.52	3.52			0.00
RCMU	16	1.82	0.00		1.82	0.00

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

Land Use	Lot Number	Total Acreage	Buildout Taxable Acreage	Phase 1 Taxable Acreage	Central Shops Land Area	Public Use Land Area
RCMU	17	0.00	0.00		0.00	0.00
RCMU	17a	1.73	0.00		1.73	0.00
OS	18	0.90				0.90
RCMU	20	1.41	0.00		1.41	0.00
OS	21a	1.32			1.32	0.00
OS	21b	2.86			2.86	0.00
OS	21c	0.77			0.77	0.00
RCMU	22	0.15	0.00		0.15	0.00
RCMU	23	0.36	0.00		0.36	0.00
RCMU	24	0.00	0.00		0.00	0.00
RCMU	24b	0.77	0.00		0.77	0.00
RCMU	25	0.56	0.00		0.56	0.00
RCMU	26	0.39	0.00		0.39	0.00
RCMU	27	0.73	0.00		0.73	0.00
RCMU	28	2.27	0.00		2.27	0.00
RCMU	29	1.81	0.00		1.81	0.00
OS	30a	4.31				4.31
OS	30b	1.54				1.54
OS	31	3.27				3.27
RCMU	33	2.65	0.00			2.65
OS	34	1.64				1.64
RMU	35	1.95	1.95			0.00
OS	35	2.00				2.00
TU	38	17.43				17.43
TU	39	6.41				6.41
ORMU	40	1.85	1.85	1.85		0.00
ORMU	41a	1.21	0.00	0.00		1.21
ORMU	41b	1.21	0.00	0.00		1.21
ORMU	42	1.21	1.21	1.21		0.00
ORMU	43a	1.32	0.00	0.00		1.32
ORMU	43b	1.30	0.00	0.00		1.30
ORMU	44	2.05	2.05	2.05		0.00
ORMU	46a	1.00	1.00	1.00		0.00
OS	46a	0.29				0.29
ORMU	46b	1.76	1.76	1.76		0.00
OS	46b	0.08				0.08
ORMU	47a	1.21	1.21			0.00
OS	47a	0.19				0.19
ORMU	47a1	0.00	0.00			0.00
ORMU	47a2	0.00	0.00			0.00
ORMU	47b	1.38	1.38			0.00
OS	47b	0.01				0.01
ORMU	48a	0.91	0.91			0.00
OS	48a	0.04				0.04

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

Land Use	Lot Number	Total Acreage	Buildout Taxable Acreage	Phase 1 Taxable Acreage	Central Shops Land Area	Public Use Land Area
ORMU	48b	0.94	0.94			0.00
OS	48b	0.06				0.06
ORMU	48c	1.32	1.32			0.00
OS	48c	0.17				0.17
RMU	49a1	2.54	2.54			0.00
RMU	49a2	2.76	2.76			0.00
ORMU	49b	0.51	0.51			0.00
ORMU	49c	0.81	0.81			0.00
OS	50	1.99				1.99
RCMU	51a	2.25				2.25
RCMU	51b	2.18				2.18
RMU	52N	0.98	0.98			0.00
RMU	52S	1.24	1.24			0.00
RMU	53N	1.37	1.37			0.00
RMU	53S	1.42	1.42			0.00
RMU	54N	0.59	0.59			0.00
OS	54Na	0.14				0.14
RMU	54Na	0.65	0.65			0.00
TU	54NT	0.00				0.00
RMU	54S	0.63	0.63			0.00
RMU	54Sa	0.90	0.90			0.00
TU	54ST	0.00				0.00
OS	57N	0.13				0.13
RMU	57N	1.38	1.38			0.00
RMU	57S	1.50	1.50			0.00
RMU	58N	1.15	1.15			0.00
RMU	58S	1.12	1.12			0.00
RMU	59N	1.29	1.29			0.00
RMU	59S	1.10	1.10			0.00
OS	60	1.39				1.39
OS	61	0.93				0.93
OS	62	1.30				1.30
OS	63	1.15				1.15
OS	64	1.15				1.15
OS	65	1.19				1.19
RMU	66N	0.33	0.33			0.00
RMU	66S	1.08	1.08			0.00
RMU	67N	1.27	1.27			0.00
RMU	67S	1.12	1.12			0.00
RMU	68N	1.43	1.43			0.00
RMU	68S	1.10	1.10			0.00
RMU	69N	1.72	1.72			0.00
RMU	69S	1.31	1.31			0.00
RMU	70N	1.06	1.06			0.00

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

Land Use	Lot Number	Total Acreage	Buildout Taxable Acreage	Phase 1 Taxable Acreage	Central Shops Land Area	Public Use Land Area
RMU	70S	0.86	0.86			0.00
RMU	71N	0.78	0.78			0.00
RMU	71S	0.86	0.86			0.00
OS	72	10.37				10.37
<b>TOTAL</b>		<b>175.64</b>	<b>82.47</b>	<b>7.87</b>	<b>20.35</b>	

	Land Use Acreage	Total Developable Acreage	Phase 1 Developable Acreage	Central Shops Land Area	Public Use Land Area
RCMU	54.51	32.03	0.00	15.40	7.08
ORMU	19.99	14.95	7.87	0.00	5.04
RMU	35.49	35.49	0.00	0.00	0.00
TU	23.84	0.00	0.00	0.00	23.84
OS	41.81	0.00	0.00	4.95	36.86
<b>TOTAL ACRES</b>	<b>175.64</b>	<b>82.47</b>	<b>7.87</b>	<b>20.35</b>	<b>72.82</b>