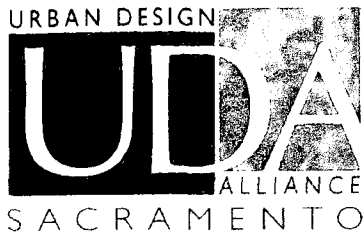


#20
Deanna Marquet



"Imagine Alleys"

TO: Hon. Steve Cohn

The Urban Design Alliance-Sacramento (UDA) is a non-profit organization that endeavors to bring attention to urban design alternatives of high quality. UDA periodically holds events to educate the community on the transformative features and benefits of good design. On September 13, 2008, UDA sponsored "Imagine Alleys" to demonstrate that Sacramento's alleys can be interesting, active, and safe public spaces.



New Approaches to Alleys

Historically, alleys have not been the targets of design attention but, rather, have been viewed primarily as part of every city's infrastructure – providing vehicular access to residential and commercial property. Recently, however, cities around the country, including Sacramento, have begun to imagine alleys differently in order to "activate" and reclaim them for recreation, improved utility facilities, safe public spaces, business activity, and pedestrian and bike connections to adjacent uses and neighborhoods.

IMAGINE ALLEYS – 2nd Saturday, September 2008

For this occasion, UDA coordinated with the City to close to traffic the alleys between 17th and 18th Streets, between L Street and Capitol Avenue. People who were in Midtown for the Second Saturday festivities were drawn to this event when they saw people seated outside; images of unique alleys throughout the world projected onto an outdoor wall; and displays of photos and renderings of existing and proposed alley development in Sacramento. Lights strung throughout the alley and live music worked together to create a friendly evening ambiance.

"Imagine Alleys"

Overcoming Hurdles

As a fledgling organization, UDA has limited resources. When a group of newly-interested volunteers decided to take on this "Imagine Alleys" project, UDA had a three-member board of directors and a bank balance of \$1,784.00. As the group uncovered wells of interest in the idea throughout the development and Midtown business communities, the planning group's efforts grew in complexity and difficulty.



Because we believe that other organizations would like to participate in deepening the sense of community and neighborhood that such events can engender, **UDA recommends** that the City develop a streamlined set of procedures for single events that will have the effect of supporting rather than discouraging them.

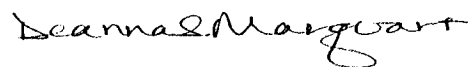
We found the permitting process, for example, unexpectedly time-consuming and demanding – and costly. Our total costs slightly exceeded \$1,100.00. Perhaps the City and County of Sacramento could establish permitting rates for small organizations that would pose less of an obstacle to event implementation.

Success

UDA would like to thank all those who contributed to this event. We especially appreciate, and were impressed by, the City's Event Services staff. Help from the Police and Fire Departments was crucial in making this event a success.



Sincerely,



Deanna J. Marquart, Vice President
Urban Design Alliance-Sacramento

cc: Hon. Kevin Johnson
Hon. Rob Fong
Hon. Lauren Hammond
Hon. Kevin McCarty
Hon. Bonnie Pannell
Hon. Sandy Sheedy
Hon. Ray Tretheway
Hon. Robbie Waters

ALLEY NAMING SUGGESTIONS FROM "IMAGINE ALLEYS" (2nd SATURDAY, SEPTEMBER 2008)

	Alley Name	Alley Location
45	Heavenly	Between H & I Streets
46	Helman Alley	Between H & I Streets
47	Hobson's Row	none given
48	Horton	none given
49	Isabel Lane	none given
50	Jackson's Greet	none given
51	Jacob's Turn	none given
52	L Squared Alley	Between L Street & Capitol Avenue, between 22nd & 23rd
53	Leisurely Lane	none given
54	Leonard Starks Lane	none given
55	Lovejoy Alley	Between L Street & Capitol Avenue
56	Lovell Alley	L Street
57	Lovers Lane	none given
58	Lover's Lane Alley	none given
59	Lydia & Lila Alley	Between L Street & Capitol Ave, between 22nd & 23rd
60	Maalon Alley	none given
61	Machinist Route	none given
62	Mary Jane Alley	none given
63	Masamoto	none given
64	Memorial of Freedom & Hope	none given
65	Memory Lane	none given
66	Mohammad Alley	none given
67	My Alley	none given
68	OBA Street	none given
69	Old Soul Alley	none given
70	Oop Alley	none given
71	Over 9000	none given
72	Overgood	none given
73	Peace Alley	none given
74	Peaceful Place	none given
75	Penny Lane	none given
76	Pippa Lane	none given
77	Pomegranate Alley	none given
78	Quay	South of Q Street, along light rail
79	Right Up Your Alley	none given
80	Riverbend Lane	none given
81	Row Row	none given
82	Runaway's Alley	none given
83	Sally the Alley	none given
84	Serenity Alley	none given
85	Serna Way	Between H & I Streets, 9th & 10th Streets (betw historic & NCH)
86	Sheedy Alley	none given
87	Signands	none given
88	Sprite Way	none given

#19



3270 Arena Blvd., Suite 400, PMB 211 • Sacramento, CA 95834-3001 www.WitterRanchCommunity.org

To: Mayor Kevin Johnson, City of Sacramento
and
Councilmember Ray Tretheway, District 1
Councilmember Sandy Sheedy, District 2
Councilmember Steve Cohn, District 3
Councilmember Rob Fong, District 4
Councilmember and Vice Mayor Lauren Hammond, District 5
Councilmember Kevin McCarty, District 6
Councilmember Robbie Waters, District 7
Councilmember Bonnie Pannell, District 8

From: Keith Sharward
Co-Founder and Board Member, Witter Ranch Community Alliance
Member, Crime & Safety Leadership Team

Date: August 11, 2009

Subject: Proposed Community Facilities District offered by
Alleghany Properties llc for Natomas Crossing - Quadrants B, C, & D

Witter Ranch Community Alliance (WRCA) greatly appreciates Alleghany Properties' outreach efforts on this project and has gone on record of supporting the project on the basis that our community will appreciate the full services hospital and medical complex, as well as the shopping and dining opportunities that will be available in the center anchored by Lowe's. Our community association and its members lack expertise in understanding how the additional retail component will affect the overall balance of land uses in Natomas and can only trust that city staff has done its due diligence to ensure it does not have adverse effects.

One component of the project that Community Facilities District (CFD) that provides an estimated \$1.1 million of community benefit for youth and police services (evenly split) by the end of nine years, over \$5.2 million by the end of 20 years, and over \$10 million after 30 years, with more projected in perpetuity.

I am, however, outraged that the police services half of the CFD has been summarily rejected by staff. As a result, the Natomas community loses half of this money, at a time that funding for police services are slashed to the bone and no long term solution in sight to address the department's fiscal shortcomings.

Instead of embracing this CFD as a model that other projects could be encouraged to use to help communities with needs they may have, the city is in effect saying "no thanks" to millions of public safety dollars.

This staff-level decision deserves illumination and a full explanation. It deserves to be challenged. When the answer is "We can't" or "We shouldn't," the next question should be "Why not?" and "What would it take...?"

At a time that the city is laying off hundreds of employees and the police department has nowhere else to cut, this is not the time to let go of an opportunity to bring over \$5 million to Natomas for police resources over the next 30 years.

Witter Ranch Community Alliance



Keith Sharward

Co-founder and Board Member

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OF COUNSEL

July 22, 2009

John Dangberg
Assistant City Manager
City of Sacramento
915 I Street, 5th Floor
Sacramento, CA 95814

Re: Natomas Crossing Proposed CFD

Dear John:

We are in receipt of your e-mail dated June 29, 2009, regarding the Community Facilities District ("CFD") proposed by Alleghany for the Natomas Crossing project. As you know, we proposed a CFD for the purpose of funding additional youth services and police services in the North Natomas community. Our calculations indicate that such a CFD would generate at project buildout approximately \$350,000 per year for a total of \$2.1 million over the first twelve years. Given the need in North Natomas for additional police and youth services we believe that such a CFD would assist the City in closing the apparent gap in such services.

We understand from your e-mail that the City has a number of concerns about such a CFD as it pertains to police services. We understand that the City's concerns are primarily of a policy nature and that the City believes that the best way to augment the police department budget may be by initiating a citywide initiative rather than a piecemeal approach. While we believe that there is great value in our proposal, we will yield to the staff's position. We are happy to revisit this issue in the future should the Council or staff decide to do so. In the meantime, we are still committed to creating a

John Dangberg

July 22, 2009

Page 2

CFD for the sole purpose of generating funds for youth services which will be approximately \$175,000 per year at buildout and \$1.05 million over first twelve years. As you have suggested, the expenditures and benefits of this limited CFD may be easier to track as the funds can be assigned to specific and identifiable programs. After the project receives approvals, we will have the City assist us in forming the CFD for youth services.

We have proposed to our future tenants that the funds which would have been assigned to police services via our previously proposed CFD, be raised amongst the future tenants in a property association for the purpose of private security. Thank you in advance for your assistance.

Very truly yours,



Tina Thomas

Cc: David Bugatto

MEMORANDUM

To: David Bugatto, Alleghany Properties, LLC
From: Tim Youmans and Lucas Perretti
Subject: Natomas Crossing Police Services and Youth Program
Community Facilities District; EPS #19407
Date: February 5, 2009

The Economics of Land Use



Economic & Planning Systems, Inc., (EPS) understands that Alleghany Properties, LLC, (Developer) proposes developing a Community Facility District (CFD) to fund police services and youth programs. In addition, EPS understands annual services funding would be targeted equally to police services and youth programs in North Natomas.

The proposed CFD would be assessed against approximately 180 multifamily housing units and approximately 2.6 million nonresidential square feet located in the current Natomas Crossing project located in the North Natomas plan area of the City of Sacramento (City).

EPS prepared a preliminary analysis to determine the tax revenue generated for the proposed CFD given the proposed land uses. This memorandum presents these findings and provides initial implementation direction should the Developer decide to use the proposed CFD.

Tax Rate Assumptions and Analysis

The Developer provided the assumptions used in this tax rate analysis. **Table 1** shows the proposed land uses.

The analysis assumes a time frame defined as Year 1, Year 2, Year 3, and so on since the actual completion date of the finished project is unknown. Each year represents the year in which development is added to the tax rolls. Absorption assumptions include these:

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Sacramento, CA 95833-3883
916 649 8010 tel
916 649 2070 fax*

*Berkeley
Sacramento
Denver*

www.epsys.com

- **Residential**—all units will develop in Year 3.
- **Nonresidential**—2.1 million square feet absorbed in Years 1 through 7 with the remainder absorbing approximately 100,000 square feet per year until buildout in Year 13.

A preliminary tax rate schedule includes a single residential tax rate charged to each multifamily unit and a single nonresidential tax rate charged to each square foot of nonresidential development regardless of subcategory (e.g., office, retail, or hospital). The initial annual residential CFD tax rate is \$25 per multifamily unit and \$0.105 per nonresidential square foot. Each tax rate will escalate at 2 percent per fiscal year.

The analysis assumes a 3-year phased-in nonresidential fee schedule to improve feasibility and encourage development. The tax rate schedule includes the following phase-in of nonresidential taxes:

- **Tax Rate 1—25-Percent of the Base Rate**—One-quarter the base tax rate for Year 1 of development.
- **Tax Rate 2—50-Percent of the Base Rate**—One-half the base rate for the second tax year.
- **Tax Rate 3—100-Percent of the Base Rate**—The full base tax rate for the third year and all successive years in perpetuity.

The Developer provided the estimated absorption schedule shown in **Table 2**. As shown, the planned 180 units will be constructed in Year 3. All planned nonresidential development will be placed onto the tax rolls by Year 13. As shown, nonresidential development is subject to Tax Rate 1 in the first year of development, Tax Rate 2 in the following year, and Tax Rate 3 in all future years.

The tax rate schedule is shown in **Table 3**. The initial tax rate schedule includes these Police Services and Youth Program CFD tax rates:

Base Rate (Year 1)		
Residential	\$25.00 per unit	
Nonresidential		
Tax Rate 1	\$0.026 per Sq. Ft.	Year 1
Tax Rate 2	\$0.053 per Sq. Ft.	Year 2
Tax Rate 3	\$0.105 per Sq. Ft.	Year 3
Note: Residential and nonresidential tax rates will escalate 2 percent annually.		

Table 2 also shows the revenue generated on an annual and cumulative basis. As shown, the cumulative tax revenue over 30 years will be \$10.0 million

Funding Allocation

Funding will be allocated equally to both police services and youth programs (50 percent/ 50 percent). **Table 4** displays the amount of funding available for each funded service in each year from Year 1 to Year 30. As a result, in the year of buildout (Year 13), more than \$365,000 will be generated with \$184,000 available to fund police services and \$184,000 to fund youth programs. In Year 30, \$522,000 will be generated with \$261,000 of funding for each services category.

Implementation

This section describes some City actions needed for implementation of the proposed CFD.

1. Change City Code Related to CFDs

While Police services are eligible to be funded with a CFD, youth programs are not identified as such. Therefore, the City will need to adjust the City Code to allow for the funding of both services. The City will also need to identify what youth services expenditures would be funded by the CFD.

2. Form CFD

Following the adjustment to the City Code and in cooperation with the Developer, the City will initiate and continue through the normal CFD formation process. The Developer will be the only voter.

EPS anticipates providing technical support with the development of the proposed CFD. If you have any questions regarding this analysis, please call Lucas Perretti at (916) 649-8010.

Table 1
Natomas Crossing CFD Technical Support
Land Use Summary

Item	Units	Sq. Ft.
Residential		
Multifamily	180	
Nonresidential		
Hospital		600,000
Medical Office		600,000
Office		440,000
Hotel		150,000
Retail		857,114
Subtotal Nonresidential		2,647,114
Total	180	2,647,114

"lu"

Source: Alleghany Properties, LLC.

Table 2
Natomas Crossing CFD Technical Support
Development Absorption Assumptions and Funding Generated

Fiscal Year	Cumulative Development				CFD Funding Generated [1]				Totals	
	Residential	Nonresidential Subject To			Residential	Nonresidential [2]			Annual	Cumulative
		Tax Rate 1	Tax Rate 2	Tax Rate 3		Tax Rate 1	Tax Rate 2	Tax Rate 3		
	<i>Units</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>						
Year 1	0	100,000	0	0	\$0	\$2,625	\$0	\$0	\$2,625	\$2,625
Year 2	0	450,000	100,000	0	\$0	\$12,049	\$5,355	\$0	\$17,404	\$20,029
Year 3	180	100,000	450,000	100,000	\$4,682	\$2,731	\$24,579	\$10,924	\$42,917	\$62,945
Year 4	180	300,000	100,000	550,000	\$4,775	\$8,357	\$5,571	\$63,761	\$82,464	\$145,410
Year 5	180	300,000	300,000	650,000	\$4,871	\$8,524	\$17,048	\$76,861	\$107,304	\$252,714
Year 6	180	100,000	300,000	950,000	\$4,968	\$2,898	\$17,389	\$114,581	\$139,837	\$392,551
Year 7	180	800,000	100,000	1,250,000	\$5,068	\$23,649	\$5,912	\$153,780	\$188,410	\$580,961
Year 8	180	100,000	800,000	1,350,000	\$5,169	\$3,015	\$48,245	\$169,404	\$225,834	\$806,794
Year 9	180	100,000	100,000	2,150,000	\$5,272	\$3,076	\$6,151	\$275,188	\$289,687	\$1,096,482
Year 10	180	100,000	100,000	2,250,000	\$5,378	\$3,137	\$6,274	\$293,747	\$308,536	\$1,405,018
Year 11	180	100,000	100,000	2,350,000	\$5,485	\$3,200	\$6,400	\$312,939	\$328,024	\$1,733,042
Year 12	180	97,114	100,000	2,450,000	\$5,595	\$3,170	\$6,528	\$332,780	\$348,073	\$2,081,115
Year 13	180	0	97,114	2,550,000	\$5,707	\$0	\$6,466	\$353,290	\$365,464	\$2,446,578
Year 14	180	0	0	2,647,114	\$5,821	\$0	\$0	\$374,080	\$379,901	\$2,826,479
Year 15	180	0	0	2,647,114	\$5,938	\$0	\$0	\$381,562	\$387,499	\$3,213,979
Year 16	180	0	0	2,647,114	\$6,056	\$0	\$0	\$389,193	\$395,249	\$3,609,228
Year 17	180	0	0	2,647,114	\$6,178	\$0	\$0	\$396,977	\$403,154	\$4,012,382
Year 18	180	0	0	2,647,114	\$6,301	\$0	\$0	\$404,916	\$411,217	\$4,423,600
Year 19	180	0	0	2,647,114	\$6,427	\$0	\$0	\$413,015	\$419,442	\$4,843,041
Year 20	180	0	0	2,647,114	\$6,556	\$0	\$0	\$421,275	\$427,831	\$5,270,872
Year 21	180	0	0	2,647,114	\$6,687	\$0	\$0	\$429,700	\$436,387	\$5,707,259
Year 22	180	0	0	2,647,114	\$6,820	\$0	\$0	\$438,294	\$445,115	\$6,152,374
Year 23	180	0	0	2,647,114	\$6,957	\$0	\$0	\$447,060	\$454,017	\$6,606,391
Year 24	180	0	0	2,647,114	\$7,096	\$0	\$0	\$456,001	\$463,098	\$7,069,489
Year 25	180	0	0	2,647,114	\$7,238	\$0	\$0	\$465,121	\$472,359	\$7,541,848
Year 26	180	0	0	2,647,114	\$7,383	\$0	\$0	\$474,424	\$481,807	\$8,023,655
Year 27	180	0	0	2,647,114	\$7,530	\$0	\$0	\$483,912	\$491,443	\$8,515,097
Year 28	180	0	0	2,647,114	\$7,681	\$0	\$0	\$493,591	\$501,272	\$9,016,369
Year 29	180	0	0	2,647,114	\$7,835	\$0	\$0	\$503,462	\$511,297	\$9,527,666
Year 30	180	0	0	2,647,114	\$7,991	\$0	\$0	\$513,532	\$521,523	\$10,049,189

Note: CFD revenue generated may continue in perpetuity.

"abs1"

Source: Alleghany Properties, LLC, and EPS.

[1] See Table 3 for tax rate assumptions.

[2] Nonresidential fee rates are planned to be phased in over a 3-year period as follows:

- Tax Rate 1 - 25% of the base tax rate.
- Tax Rate 2 - 50% of the base tax rate.
- Tax Rate 3 - 100% of the base tax rate.

Table 3
Natomas Crossing CFD Technical Support
Preliminary Tax Rates

Fiscal Year	Residential	Nonresidential [1]		
		Tax Rate 1	Tax Rate 2	Tax Rate 3
	<i>Per Unit</i>	<i>Per Sq. Ft.</i>	<i>Per Sq. Ft.</i>	<i>Per Sq. Ft.</i>
Tax Rate	\$25.00	\$0.026	\$0.053	\$0.105
Year 1	\$25.00	\$0.026	\$0.053	\$0.105
Year 2	\$25.50	\$0.027	\$0.054	\$0.107
Year 3	\$26.01	\$0.027	\$0.055	\$0.109
Year 4	\$26.53	\$0.028	\$0.056	\$0.116
Year 5	\$27.06	\$0.028	\$0.057	\$0.118
Year 6	\$27.60	\$0.029	\$0.058	\$0.121
Year 7	\$28.15	\$0.030	\$0.059	\$0.123
Year 8	\$28.72	\$0.030	\$0.060	\$0.125
Year 9	\$29.29	\$0.031	\$0.062	\$0.128
Year 10	\$29.88	\$0.031	\$0.063	\$0.131
Year 11	\$30.47	\$0.032	\$0.064	\$0.133
Year 12	\$31.08	\$0.033	\$0.065	\$0.136
Year 13	\$31.71	\$0.033	\$0.067	\$0.139
Year 14	\$32.34	\$0.034	\$0.068	\$0.141
Year 15	\$32.99	\$0.035	\$0.069	\$0.144
Year 16	\$33.65	\$0.035	\$0.071	\$0.147
Year 17	\$34.32	\$0.036	\$0.072	\$0.150
Year 18	\$35.01	\$0.037	\$0.074	\$0.153
Year 19	\$35.71	\$0.037	\$0.075	\$0.156
Year 20	\$36.42	\$0.038	\$0.076	\$0.159
Year 21	\$37.15	\$0.039	\$0.078	\$0.162
Year 22	\$37.89	\$0.040	\$0.080	\$0.166
Year 23	\$38.65	\$0.041	\$0.081	\$0.169
Year 24	\$39.42	\$0.041	\$0.083	\$0.172
Year 25	\$40.21	\$0.042	\$0.084	\$0.176
Year 26	\$41.02	\$0.043	\$0.086	\$0.179
Year 27	\$41.84	\$0.044	\$0.088	\$0.183
Year 28	\$42.67	\$0.045	\$0.090	\$0.186
Year 29	\$43.53	\$0.046	\$0.091	\$0.190
Year 30	\$44.40	\$0.047	\$0.093	\$0.194

Note: CFD revenue generated may continue in perpetuity.

"tax_rates"

Source: Alleghany Properties, LLC, and EPS.

[1] Nonresidential fee rates are planned to be phased in over a 3-year period as follows

- Tax Rate 1 - 25% of the base tax rate.
- Tax Rate 2 - 50% of the base tax rate.
- Tax Rate 3 - 100% of the base tax rate.

Table 4
Natomas Crossing CFD Technical Support
Summary of Total CFD Funding Available (Year 1\$)

Fiscal Year	Total Funding	Police Services	Youth Programs
<i>Percentage of Funding</i>	100%	50%	50%
Year 1	\$2,625	\$1,313	\$1,313
Year 2	\$17,404	\$8,702	\$8,702
Year 3	\$42,917	\$21,458	\$21,458
Year 4	\$82,464	\$41,232	\$41,232
Year 5	\$107,304	\$53,652	\$53,652
Year 6	\$139,837	\$69,919	\$69,919
Year 7	\$188,410	\$94,205	\$94,205
Year 8	\$225,834	\$112,917	\$112,917
Year 9	\$289,687	\$144,844	\$144,844
Year 10	\$308,536	\$154,268	\$154,268
Year 11	\$328,024	\$164,012	\$164,012
Year 12	\$348,073	\$174,036	\$174,036
Year 13	\$365,464	\$182,732	\$182,732
Year 14	\$379,901	\$189,951	\$189,951
Year 15	\$387,499	\$193,750	\$193,750
Year 16	\$395,249	\$197,625	\$197,625
Year 17	\$403,154	\$201,577	\$201,577
Year 18	\$411,217	\$205,609	\$205,609
Year 19	\$419,442	\$209,721	\$209,721
Year 20	\$427,831	\$213,915	\$213,915
Year 21	\$436,387	\$218,194	\$218,194
Year 22	\$445,115	\$222,557	\$222,557
Year 23	\$454,017	\$227,009	\$227,009
Year 24	\$463,098	\$231,549	\$231,549
Year 25	\$472,359	\$236,180	\$236,180
Year 26	\$481,807	\$240,903	\$240,903
Year 27	\$491,443	\$245,721	\$245,721
Year 28	\$501,272	\$250,636	\$250,636
Year 29	\$511,297	\$255,649	\$255,649
Year 30	\$521,523	\$260,762	\$260,762

Note: CFD revenue generated may continue in perpetuity.

"revenue1"

Source: Alleghany Properties, LLC, and EPS.