



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 10/11/2011

Report Type: Consent

Title: Amendment to the FY2011/12 Budget: Community Facilities District No. 3

Report ID: 2011-00852

Location: District 1

Recommendation: Adopt a Resolution amending the revenue and expenditure budget of the Community Facilities District =No. 3 for FY2011/12.

Contact: Mark Griffin, Program Manager, (916) 808-8788, Finance Department

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Attachment A- Memorandum
- 4-Resolution, North Natomas Landscape Maintenance CFD #3

City Attorney Review

Approved as to Form
Jeffrey C. Heeren
10/4/2011 9:35:50 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
9/26/2011 5:58:23 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 10/3/2011 10:43:28 AM

Description/Analysis

Issue: Growth in North Natomas has created sufficient financial capacity in Community Facilities District #3 (CFD 3) to provide much needed resources in the geographical area for the Department of Parks and Recreation (DPR). In addition, a review of prior year expenditures of these funds by the Department of Utilities (DOU) found an underpayment for services provided. The recommended action creates appropriation authority for the additional funding for DPR and to provide for the reimbursement to DOU.

Policy Considerations: This item expands the use of CFD 3 funds within the limits of eligible uses and maintains prudent fiscal management of the district.

Environmental Considerations

California Environmental Quality Act (CEQA): Under California Environmental Quality Act (CEQA) Guidelines, administration and annual maintenance do not constitute a project and are therefore exempt from review.

Sustainability Considerations: There are no sustainability considerations applicable to the formation process and administration of a special district.

Committee/Commission Action: None

Rationale for Recommendation: The recommended actions are consistent with the Mello-Roos Community Facilities Act of 1982 (Government Code Sections 53339-53339.9) for annual proceedings of existing districts. Taxes have already been established for FY2011/12. This item amends the Adopted FY2011/12 budget to allow for the distribution of resources to the City's operating departments.

Financial Considerations: There is no cost to the City or the General Fund. All funding for services is generated from special taxes on the properties in CFD 3, which includes all of North Natomas, and only North Natomas. Funds must be used for services unique to North Natomas or above current standard services provided throughout the City.

The attached resolution amends the CFD 3 budget to reflect anticipated revenues and expenditures in FY2011/12 as shown on the following page:

North Natomas Landscape Maintenance CFD No. 98-01 (CFD No. 3)
Proposed Amendment

		FY12		
		Baseline Budget	Amended Budget	Change
Beg. Fund Balance (est.)		2,901,746	2,901,746	0
Revenue				
	Special Tax	1,119,261	1,721,986	602,725
Total Revenue		1,119,261	1,721,986	602,725
Expenditure				
	Accounting	10,684	10,684	0
	DOU	830,000	957,323	127,323
	DOT	340,000	340,000	0
	DPR	119,595	745,549	625,954
	PIF	5,053	5,053	0
Total Expenditure		1,305,332	2,058,609	753,277
End. Fund Balance		2,715,675	2,565,123	(150,552)

The change in DPR is the result of an amendment to a 2003 interdepartmental agreement in which funding from CFD 3 went primarily to DOU and the Department of Transportation with a small amount provided to DPR to maintain the Fisherman's Lake Park and mitigation lands. The amendment provides funding to DPR for additional eligible expenditures in CFD 3.

The DOU adjustment corrects for an under reimbursement during FY2009/10.

The additional funding is being generated from special taxes in CFD 3. This special tax has been returned to the maximum levy. Taxes had been reduced beginning in FY2009/10 because of the spending limitations of the 2003 interdepartmental agreement. The fund balance is intentionally high to fund maintenance as areas are developed and/or come off warranty.

Emerging Small Business Development (ESBD): None. No goods or services are being purchased.

BACKGROUND

CFD 3 was formed in 1998 and encompasses the North Natomas Financing Plan area. Taxes are levied annually for designated maintenance activities within the North Natomas area.

On February 20, 2003, the Department of Public Works, DPR, and DOU entered a Memorandum of Understanding (MOU) governing: 1) maintenance responsibilities within areas subject to CFD 3 funding support and 2) the method of funding those responsibilities. This original MOU is attached in its entirety as Exhibit A to Attachment A.

The 2003 MOU acknowledged the limited funds in CFD 3 relative to responsibilities and prioritized the use of those funds. Complete funding required a combination of other Assessment and Tax Districts as well as the General Fund. The MOU allocated CFD 3 funds to DOU and the Department of Public Works in support of their responsibilities as detailed in the MOU. At that time DPR funding came from the General Fund, the Neighborhood Park Maintenance District formed a year earlier, the Citywide Landscape and Lighting District, and Fees and Charges.

The eligible uses of CFD 3 funds are specifically defined but are much broader than that defined by the 2003 MOU. The main legal document for the CFD, the Hearing Report, contains the following key language:

...the primary function of the CFD #3 is to fund the maintenance of landscape corridors, parks and open space facilities unique to North Natomas or above City standards. The CFD's authorization, however, does not limit the funding of maintenance to those facilities unique to North Natomas or above City standard. The CFD may fund the maintenance of park acres, medians and bikeways although subject to funding from existing Citywide sources. The CFD's authorization is broad due to the uncertainty of future funding availability from Citywide sources and the desires/needs of the North Natomas Community... (Hearing Report, page 7)

The Hearing Report was a part of CFD 3's formation in 1998 and is attached in its entirety as Exhibit B to Attachment A. Specific eligible uses are detailed on page C-1, Exhibit C to the Hearing Report.

Subsequent to the MOU, it was agreed by the parties to the MOU that DPR could best maintain the new Fisherman's Lake buffer park and habitat mitigation area. DPR began receiving reimbursements from CFD 3 for the buffer in FY2008/09.

Over time, CFD 3 revenues began to exceed the routine operations and maintenance responsibilities detailed by the MOU and by the Fisherman's Lake adjustment. As a result, the tax was lowered by one-third beginning in the FY2009/10 tax year.

The tax was lowered also because the fund had reached its target fund balance of \$2 million. The target is this high because the CFD is designed to fund maintenance as areas are developed and/or come off warranty. The higher fund balance can

accommodate these increases in maintenance costs in excess of annual tax revenue. The balance as of June 30, 2011, is estimated at \$2.9 million.

In August of 2011, and in consultation with the City Manager and the District 1 Council Member, staff amended the MOU to utilize the additional tax capacity of CFD 3 to provide additional resources for DPR and to spend down the fund balance at a rate of up to \$200,000 per year until the target balance is reached. The additional capacity is up to \$625,000 per year. After the target balance is reached (est. 4 years), the additional allocation to DPR will drop to approximately \$400,000. As with all of CFD 3, funds will support services unique to North Natomas or above City standards.

Parks and Recreation services within CFD 3 above current City standards will include weed abatement, field fertilization/renovation, and a higher level of fixed equipment repair. In addition, given the number of neighborhood parks unique to North Natomas, utility costs are somewhat higher given the additional stand alone infrastructure, distance between parks, and lack of the economies of scale in water and sewer infrastructure, street sweeping, and garbage collection, afforded by larger parks

The specific amendment to the 2003 MOU, with specific terms, is included as Attachment A.



**FINANCE
DEPARTMENT**

CITY OF SACRAMENTO

CALIFORNIA

**PUBLIC IMPROVEMENT
FINANCING**

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August 18, 2011

Memorandum

TO: Bill Edgar, Interim City Manager

William H. Edgar
Jim Combs
Marty Hanneman
Jerry Way
Leyne Milstein

FROM: Jim Combs, Director, Department of Parks and Recreation (DPR)
Marty Hanneman, Director, Department of Utilities (DOU)
Jerry Way, Director, Department of Transportation (DOT)
Leyne Milstein, Director, Department of Finance (DOF)

SUBJECT: Amendment to the Community Facilities District No. 3 (CFD 3) Maintenance Agreement between DOU, DPR and Public Works (currently DOT)

This amendment:

- adds DPR to the allocation of CFD 3 funds;
- specifies the responsibilities of DPR that can be funded by CFD 3;
- establishes the priority of allocations between departments;
- establishes the fund management responsibilities of DOF; and,
- establishes coordination protocols for annual budget review and planning and for extraordinary maintenance or repairs.

Background

Community Facilities District No. 3 (CFD 3) was formed in 1998 and encompasses the North Natomas Financing Plan area. Taxes are levied annually for designated maintenance activities within the North Natomas area.

On February 20, 2003, the Department of Public Works, DPR, and DOU entered a Memorandum of Understanding (MOU) governing: 1) maintenance responsibilities within areas subject to CFD No. 3 funding support and 2) the method of funding those responsibilities. This original MOU is attached in its entirety as Exhibit A.

The 2003 MOU acknowledged the limited funds in CFD 3 relative to responsibilities and prioritized the use of those funds. Complete funding required a combination of other Assessment and Tax Districts as well as the General Fund. The MOU allocated CFD 3 funds

to the DOU and Public Works in support of their responsibilities, all of which are detailed in the MOU. The DPR was to rely on the General Fund, the Neighborhood Park Maintenance District formed a year earlier, the Citywide Landscape and Lighting District, and Fees and Charges.

The eligible uses of CFD 3 funds are specifically defined but are much broader than the existing MOU. The main legal document for the CFD, the Hearing Report, contains the following key part:

...the primary function of the CFD #3 is to fund the maintenance of landscape corridors, parks and open space facilities unique to North Natomas or above City standards. The CFD's authorization, however, does not limit the funding of maintenance to those facilities unique to North Natomas or above City standard. The CFD may fund the maintenance of park acres, medians and bikeways although subject o funding from existing Citywide sources. The CFD's authorization is broad due to the uncertainty of future funding availability from Citywide sources and the desires/needs of the North Natomas Community... (Hearing Report, page 7)

The Hearing Report was a part of the CFD 3's formation in 1998 and is attached in its entirety as Exhibit B. Specific eligible uses are detailed on page C-1, Exhibit C to the Hearing Report.

Subsequent Events

Four events are relevant. First, under the 2003 MOU, DOU was given the responsibility of maintaining drainage and buffer areas. This included the Fisherman's Lake buffer. The entitlement of the Natomas Central development resulted in a change to the buffer's configuration to habitat and park-like amenities. It was concluded by (then) DOT, DOU and DPR that DPR was the most appropriate department to maintain these areas. (There is no written amendment to the MOU implementing this). DPR began receiving reimbursements from CFD 3 for the buffer in Fiscal Year (FY) 2008/2009.

Second, with the growth in North Natomas, CFD 3 revenues began to exceed the routine operations and maintenance responsibilities of DOU, DOT and DPR that have been allowed by the MOU and by the Fisherman's Lake adjustment. As a result, the tax was lowered by one-third beginning in the FY2009/2010 tax year.

Third, CFD 3 is designed to fund maintenance as areas are developed and/or come off warranty. To accommodate this design, the fund balance was built to a level that can support sudden increases in maintenance costs that exceed tax revenue. The target fund balance is \$2 million. The fund balance as of June 30, 2011 is expected to be \$2.9 million.

Lastly, Council Member Ashby has agreed with a proposal to increase the tax back to the maximum rate for the FY2011/2012 tax year (this is done administratively) and to spend down the fund balance at a rate of up to \$200,000 per year until the target balance is reached. This proposal was accepted with the following conditions:

- the additional capacity is to be allocated to DPR, which is approximately up to \$625,000; and,

- funds are not to displace General Fund expenditures.

Amendment

The 2003 MOU is amended as follows:

- 1) DOT and DOU will continue to have priority use of CFD 3 funds for routine maintenance and repairs.
- 2) Non-routine, extraordinary maintenance and repairs will be first coordinated with the parties to this agreement including DOF.
- 3) The following responsibilities of DPR can be funded by CFD 3:
 - A) Maintenance of the Fisherman's Lake buffer park and habitat mitigation area;
 - B) Routine park maintenance for all neighborhood and community parks in the district above standard, citywide levels including mowing, edging, trash pick-up and restroom maintenance; preventative weed control; replacement of broken park amenities (drinking fountains, benches, play equipment, tree replacement, backstops, wind screens, etc.); annual major sports field renovation, fertilization and rehabilitation; tree and shrub planting and pruning, and fertilizing parks;
 - C) Off-street bikeways with landscape amenities that are not in a park, a designated buffer (except 3.A. above), or with a dual function as a DOU access road; and,
 - D) Costs due to increasing utility rates can be funded from this district.
- 4) DOF will establish the annual budget and fund balance in consultation with all parties to this agreement. Parties to this agreement will meet annually in January or February to identify and plan for current year adjustments, requirements for the next fiscal year, and longer term needs.
- 5) Reimbursements will not be automatic but be on a "cost basis", utilizing Accounting Journals and supporting documentation (e.g. Program Code, Job Code or Work Order tracking) initiated by the departments utilizing the CFD 3 funds.
- 6) All terms of the 2003 MOU not affected by the above remain in effect.

cc:

Betty Masuoka, Deputy Interim City Manager
Cassandra Jennings, Assistant City Manager
John Dangberg, Assistant City Manager
Mark Griffin, Program Manager

Attachments:
Exhibits A & B

Exhibit A

CFD No. 3 Maintenance Agreement, February 20, 2003



DEPARTMENT
OF UTILITIES

ENGINEERING
SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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February 20, 2003

MEMORANDUM

TO: Tom Lee, Deputy City Manager 
Richard Ramirez, Deputy City Manager 

FROM: Gary Reents, Utilities Director 
Bob Overstreet, Parks and Recreation Director 
Mike Kashawagl, Public Works Director 

**SUBJECT: CFD NO. 3 MAINTENANCE AGREEMENT BETWEEN UTILITIES, PARKS
AND RECREATION, AND PUBLIC WORKS**

Per our previous discussions, this memorandum confirms the agreement between Parks, Public Works, and Utilities regarding landscape maintenance of 1) detention basins, 2) channels, and 3) freeway buffer funded by the North Natomas Community Facilities District No. 3 (CFD No. 3). As outlined in the attached documents, the Department of Utilities, utilizing CFD No. 3 funds, will be responsible for the applicable landscape maintenance of the three areas.

As you know, there are two conjunctive use areas that serve as both detention (detention basins 3 and 4) and active use, turfed parks (parks 11A and 13A). Because of the funding provided by CFD No. 3 and in order for Parks to focus on other parks in North Natomas, the Department of Utilities has agreed to maintain the turf and other landscaping within these two conjunctive use areas. The intent of this cooperative agreement is to provide the most cost efficient and sensible landscape maintenance practical for the CFD No. 3 ratepayers.

Included in the attached documentation are the principles of agreement, descriptions of the limits of work, total acreages and estimated annual budgets. The three departments have worked closely in drafting up this agreement and will routinely review and modify the scope to assure that the work is done efficiently and that there is seamless coordination between the departments.



**COMMUNITY FACILITIES DISTRICT No. 3
AGREEMENT
between the
Departments of Utilites
Parks and Recreation
and
Public Works
February 2003**

BACKGROUND

The North Natomas Community Facilities District (CFD No. 3) was formed to provide funding for landscape maintenance of facilities unique to the North Natomas community. The CFD provides, in part, funds for landscape maintenance of conjunctive use detention basins, drainage canals and the Interstate 5 freeway landscape corridor. Funds were provided in CFD No. 3 for these three activities in support of the North Natomas Community Plan, which envisioned landscaping of these facilities to compliment and enhance the aesthetic appeal of the area.

The landscaping of the conjunctive use detention basins ranges from active use parks sites with expansive turf areas to passive use, open spaces landscaped with native vegetation. Where turf is present, the active use portions are within areas of the parks that will be inundated on a relatively infrequent basis. The passive use areas typically include landscape features such as walking trails, interpretive signs and benches.

The drainage channels within North Natomas have also been landscaped to a level beyond that typically done in other parts of Sacramento. Plantings within these channel corridors consist of native grasses, shrubs and trees. Other landscape features such as rock outcropping, walking trails and interpretive signs are included in some areas. The plantings are supported by basic irrigation systems and maintenance paths.

Many parts of the 100+ acre freeway buffer serve a dual purpose of providing drainage for I-5 and surrounding development. The landscaping guidelines for the 100-foot wide corridor call for a primarily native plant motif with outcroppings of "greened" areas. As with the drainage channels, one of the primary design considerations of the corridor has been a low level of landscape maintenance. However, the sheer size of the corridor and its function as a gateway will demand a higher level of maintenance than the drainage channels.

The Department of Utilities and the Department of Parks and Recreation have agreed that landscape maintenance of these areas funded by CFD No. 3 will be the responsibility of the Department of Utilities. At Basins 1, 3, and 4, this includes mowing and maintenance of turf areas. The other basins (2, 3WQ, 4WQ, 5, 6, 7a and 7b) do not include turf within the detention basin but include trees, shrubs, ground covers and walking trails for passive recreational uses.

The Department of Public Works, as the administrator of the CFD No. 3 funds, will work with the Department of Utilities on an annual basis to develop the budgets for each of the three areas.

PRINCIPLES OF AGREEMENT

1. The Department of Utilities will utilize funds available in CFD No. 3 for the purpose of maintaining the landscaping in the conjunctive use detention basins, drainage canals and the I-5 freeway corridor areas shown in Attachment 1.
2. The landscape maintenance activities performed by the Department of Utilities will consist of maintaining the vegetation, irrigation system and hardscape features within the boundaries of each facility. It is understood that in the three detention basins/parks with turf (Basins 1, 3 and 4), the Department of Utilities will be responsible for mowing and maintaining the turf and other vegetation to a standard consistent with the landscape maintenance standards included as Attachment 2. These standards are consistent with current standards developed by the Department of Parks and Recreation
3. Operation, maintenance or related activities not covered by CFD No. 3 funds shall remain the responsibility of the appropriate departments or organizations. The Department of Utilities will notify the Department of Parks and Recreation when repair and maintenance issues are observed. The Department of Parks and Recreation will be responsible for such activities which include, but are not limited to the following:
 - i. Maintenance and repair of ancillary park equipment and facilities such as playground equipment, tot lots and drinking fountains;
 - ii. Operation of recreational support facilities and concessions;
 - iii. Preparation of sports fields;
 - iv. Scheduling of park uses; and
 - v. Park master planning and amendments.

Attachment 3 includes detailed breakdowns of the maintenance responsibilities at each of the conjunctive use detention areas.

4. Future improvements to Parks 11A and 13A (Detention Basins 3 and 4, respectively) shall be subject to the approval of the Department of Parks and Recreation and the Department of Utilities. Prior to constructing any future improvements, maintenance funding and responsibilities shall be identified and agreed upon by the two departments.
5. Landscape maintenance within the freeway corridor and drainage swales will be performed exclusively by the Department of Utilities.

6. The Department of Parks and Recreation , the Department of Public Works and the Department of Utilities shall, at a minimum, meet annually during the month of March to review and, if necessary modify this agreement.

BUDGET

The three areas to be maintained by the Department of Utilities, conjunctive use detention basins, I-5 Freeway buffer and drainage swales, comprise slightly over 50% of the overall, ultimate CFD No. 3 budget of \$1.887 million. Since the CFD is funded as development occurs, the annual revenue into the CFD is not at the ultimate level.

Nearly all the detention basins within the CFD No. 3 boundaries are completed at this time and require maintenance while the rest of the areas covered under the CFD are only beginning to come online. Because of this unbalance in capital improvements the detention basin areas will use a higher percentage of available funds.

The estimated budget for FY04 is summarized in the table below.

CFD NO. 3 - ESTIMATED BUDGET FY03/04						
CONJUNCTIVE USE DETENTION BASINS						
Basin	Total Acres	Landscape Acres	Type of Landscaping	Annual Cost \$/Acre	Total Cost	Warranty Period
1	??	10.7	Turf	2,665	28,500	Ends 11/03
3	??	22	Turf/Native	2,850	62,700	
4		27	Turf	2,850	76,950	
4WQ		6.1	Native	1,967	12,000	
5		3.2	Ornamental	2,940	9,400	
7a		34.7	Native	3,100	107,570	

**CFD NO. 3 - ESTIMATED BUDGET
FY03/04**

CONJUNCTIVE USE DETENTION BASINS

Basin	Total Acres	Landscape Acres	Type of Landscaping	Annual Cost		Warranty Period
				\$/Acre Cost	Total	
7b		10.3	Native	3,100	32,000	
FY 04 DETENTION					329,120	

FREEWAY CORRIDOR

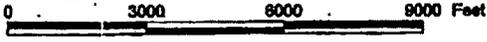
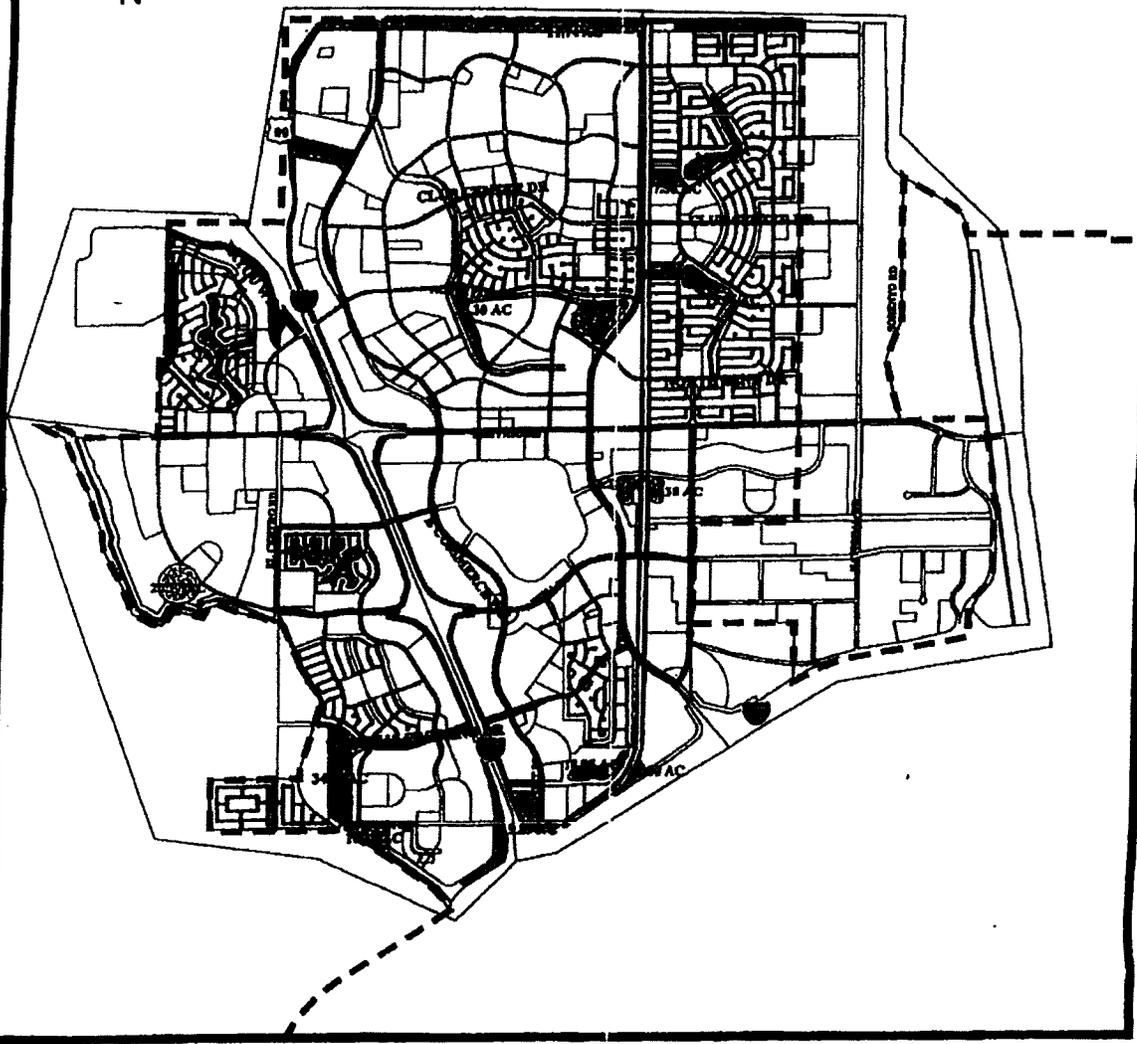
DRAINAGE SWALES

- Shading indicates that the area is still under construction and will be maintained by the developer at the developer's expense for a specified warranty period.
- ***Bold/italic*** indicates estimates only.

PARK MAINTENANCE CFD - ESTIMATED BUDGET						
FY03/04						
CONJUNCTIVE USE DETENTION BASINS						
Basin	Park	Total Acres	Type of Service	Annual Cost		
				\$/Acre	\$/Inspection	Total
3	Regency		Quarterly Playground Inspections		300	300
4	North Natomas Community		Quarterly Playground Inspections		300	300
6a	Tanzanite (Ph 1)	5	Full Maintenance Services	6,000	30,000	30,000
6a	Tanzanite (Ph 1)		Quarterly Playground Inspections		300	300
FY 04 DETENTION BASIN MAINTENANCE COST						30,900

Attachment 1

North Natomas Community Facilities Districts CFD#3 Landscaping Maintenance Areas



- - - City Limits
- ▨ Freeway and Agricultural Buffers
- ▩ Roadway Medians and Corridors
- Canals
- ◻ Detention Basins



King Linc. 8/78 WA City Dept. Develop. Serv. Div. Proj. 88-01 (Public Works) CFD#3 (CFD#3) 1st Map 2001

Attachment 2

**NORTH NATOMAS CFD NO. 3
MAINTENANCE SPECIFICATIONS**

SECTION 1: TURF CARE-MOWING AND IRRIGATION

1.00 Turf/Mowing Operation

- 1.01 Turf shall be maintained at heights of no less than 1.5 inches and should not be greater than 2 inches year round. This will require frequent mowing (assume weekly for budget purposes) except for the period of November 1 through February 14, during which time mowing will be performed as needed, depending upon growing conditions.
- 1.02 Before mowing operation begins, all debris including stones and limbs shall be removed.
- 1.03 Walkways and gutters, etc. shall be cleaned following each mowing/edging operation.
- 1.04 All turf areas shall be fertilized at least once per year, in April, with a balanced product. If turf shows signs of fertilizer deficiency, additional applications may be required. Fertilizer is to be applied according to manufacturer's recommended number of pounds per acre. Fertilizer shall be removed from paved surfacing following application and prior to watering.
- 1.05 Hand Mowing shall be performed for all turfed areas where large mowers are unable to perform. Hand mowing from November 1st to February 28th will depend on growing conditions.

2.00. Edging

2.01 Mechanical Edging

- a. The most visible areas in the joint use facility shall be mechanically edged.

2.02 Chemical Edging

- a. Where trees and shrubs occur in turf areas, all grass growth shall be limited to at least eighteen inches (18") from the trunk of trees and away from the dripline of shrubs by use of approved chemicals.
- b. Linear chemical edging of turf boundaries shall be performed in manner that ensure a defined turf edge and limits its encroachment

into beds or across boundaries where it is impractical to edge mechanically. Chemical edging of turf boundaries shall not exceed four inches (4") in width along curbs and sidewalks.

- d. Chemical detailing of valve boxes, meter boxes, and similar small obstacles in turf areas shall be performed in a manner that ensures operability, ease of location and/or a clean appearance and shall not exceed a six inch (6") clearance or as otherwise specified.

3.00. Weed Control

- 3.01 Weed removal/control in all landscaped areas within the specified maintenance area including but not limited to lawns, planter beds, tree wells and hard surfaces shall be performed on a continuing basis as weeds appear. At a minimum, weed control shall be performed every 30 days. For the purpose of this specification, a weed will be considered "any undesirable or misplaced plant." Weeds shall be controlled either by hand, mechanical, or chemical methods.
- 3.02 The use of chemical weed control in certain areas may be restricted.
- 3.03 Weeding shall also include the removal of weeds growing in all paved or unpaved surfaces within maintenance boundaries.
- 3.04 All fences, light standards, tree wells, and sound wall structures shall be free of any plant growth. Chemicals may be used upon receiving prior approval. All quick couplers, valves, electrical boxes and sewer clean outs shall be edged or sprayed in a manner that will provide easy location and access.
- 3.05 Chemical Weed Abatement
 - a. Chemical weed abatement shall be used in and around areas such as planters, areas adjacent to building, trees, fence lines, paved and unpaved surfaces (decomposed granite walkways, etc.) etc. Prior to application of chemicals, all areas shall be trimmed to proper mowing height.
 - b. Spot treat with a portable sprayer or wick wand using an effective herbicide applying per manufacturer's recommendation. Water shall not be applied to treated areas for twenty-four (24) hours after each application.
 - c. No contact weed control chemical may be used in flower beds after they have been planted for the season. Appropriate mulches are encouraged, but must be aesthetically compatible and not physically or chemically harmful.

- d. Weeds treated with contract weed chemical shall be left in place a minimum of seven (7) calendar days. If kill is not complete, a second application shall be applied.
- e. Weeds treated using a systemic chemical shall be left in place per manufacturer's recommendation. If kill is not complete by the time specified in the manufacturer's recommendation a second application shall be applied.
- f. After a complete kill, remaining dead weeds shall be removed from the area and disposed of off site and at an appropriate landfill.

4.00. Irrigation

- 4.01 All landscaped and turf areas shall be irrigated as required to maintain adequate growth, health and appearance regardless of plant types, or soil condition. Watering shall be done at night or in early morning to insure minimum inconvenience to the public. Watering shall be managed to prevent unnecessary run off, ponding, and over-watering. Water scheduling shall coincide with maintenance and equipment use to avoid ruts or damage.
- 5.02 If a condition such as controller breakdown, electrical problems or battery failure prevents automatic irrigation, other irrigation methods shall be used if and when necessary, until repairs have been completed.

5.00. Irrigation System Maintenance And Testing

Bi-weekly inspect and test all irrigation systems for system operability, component malfunctions and adjust schedules to address weather changes and irrigation requirements. Set and program automatic controllers for seasonal watering requirements.

- 5.01 All sprinkler systems shall be maintained in such a way as to: provide proper coverage and full working capability; prevent excessive runoff and overspray into right-of-ways or other areas not meant to be irrigated. Repair and/or replace, per current City standards, any sprinkler components damaged due to negligence and/or lack of proper inspection.
- 5.02 Testing shall be done in the following manner:
 - a. Manually set each station and check all components of the system bi-weekly or as otherwise specified.
 - b. Adjust all sprinkler heads for direction and height for proper coverage and to prevent watering roadways, sidewalks and/or private property.

- c. Unplug clogged heads, flush lines free of rocks, mud and debris.
- d. All malfunctions/damage shall be recorded, and reported to the designated supervisor.

SECTION 2: CLEAN-UP, INSPECTION, AND GRAFFITI

6.00 Litter Control

- 6.01 Complete policing and litter pick-up for the removal of paper, glass, trash, limbs, undesirable materials, and other accumulated debris within the landscape areas to be maintained by Utilities including, but not limited to, walkways, sidewalks, all turf and planted areas, roadways, planters, drains, catch basins, and gutters will be done each time site is serviced or as needed.
- 6.02 Where the City provides trash receptacles, it will be the responsibility of Utilities to empty them and properly dispose of the contents, and to keep receptacles clean each time the site is serviced or as needed.
- 6.03 All areas shall be kept free of graffiti. Areas are to be visually inspected for graffiti each time site is serviced. Graffiti shall be reported to the Public Works Department for removal

7.00 Leaf Removal

Accumulation of leaves shall be removed from all landscaped areas including walls, gutters, beds, planters and removed from the site as needed. Some sites may require additional visits during leaf season.

8.00 Tree Staking And Tying

- 8.01 Replace missing or damaged stakes within seven 7 calendar days where the tree diameter is less than three inches (3") diameter at breast height (d.b.h.), and the height defined as four feet (4'), unless tree is self supporting in all weather conditions.
- 8.02 Recently planted trees shall be properly staked at all times until three inch (3") d.b.h. or it is self supporting in all weather conditions. Stakes shall be of adequate length so that trees will be tied in an upright position.
- 8.03 Utilities shall maintain existing stakes and ties, providing replacements as needed, on all young trees until such time as they are no longer needed for support. Utilities shall remove the stakes at this time. Special care shall be taken to avoid any damage to tree trunks or branches by ties and stakes. Staked trees shall be inspected each time site is serviced to

prevent such damage. Any plant material damaged due to negligence and/or lack of proper inspection shall be replaced.

8.04 Materials

- a. Tree stakes, two (2) per tree, shall be penta-chlorophenol treated lodge pole pine not less than six feet (6') in length for five (5) gallon size trees not less than eight feet (8') for fifteen (15) gallon trees. Some trees may require ten foot (10') stakes.
- b. Guy wires where required and plant ties will be of pliable, zinc-coated ten (10) gauge wire using two (2) or four (4) ties per tree.
- c. Hose for covering wire shall be either new or used garden hose at least one-half inch ($\frac{1}{2}$ ") in diameter (hose ties should allow for minimum of three (3) additional inches of clearance beyond the diameter of the branch or trunk being secured).
- d. Cinch ties or equal with UV inhibitors may be used.
- e. Stakes will not be placed closer than eight inches (8") from the bark, nor shall stakes go through the root ball.

8.05 Holes left from the removal of trees stakes shall be filled in using top soil.

9.00 Tree, Hedge And Shrub Pruning And Care

9.01 Clearance on Trees, Hedges and Shrubs

- a. Prune trees, hedges and shrubs to maintain eight foot (8') clearance above sidewalks and fourteen foot (14') clearance overhanging beyond curb line into the paved sections of roadways to achieve safe vehicular and pedestrian visibility and clearance and to prevent or eliminate hazardous situations.
- b. Remove all dead, diseased and unsightly branches. Remove all vines or other growth as it develops within the shrubs/hedge. Any runners that start to climb buildings, shrubs or trees shall be pruned out of these areas.
- c. All dead trees and shrubs shall be removed.
- d. Restrict growth of hedges and shrubs to areas behind curbs and walkways and within planter beds by trimming.
- e. All pruning cuts shall be smooth, leaving no stubs exposed. Ragged or chewed appearance is not acceptable.

- 9.02 Pruning Frequency: One (1) to four (4) times per year or more often as needed dependent upon the growth patterns of the plant species and location in question.
- 9.03 Fertilizer shall be a complete pellet type, with appropriate amounts of nitrogen, phosphorus, potassium and trace elements.
- 9.04 Pruning of trees and shrubs shall be done as needed to achieve the following:
- a. To shape, particularly to correct damage caused by winds;
 - b. To raise the lower branches of trees above head height wherever they overhang walks and trails;
 - c. To cut back shrubs where they encroach on the walks and the paved areas;
 - d. To cut back branches that are rubbing on walks, fences, and buildings; To remove suckers, water sprouts, and other undesirable growth on trees;
 - e. To remove all dead or damaged branches.
- 9.05 Young trees shall be pruned to select and develop permanent scaffold branches that are smaller in diameter than the trunk or branch to which they are attached, which have vertical spacing of from 18 to 48 inches and radial orientation so as not to overlay on another. Under no circumstances will stripping of lower branches ("raising up") of young trees be permitted. Lower branches shall be retained in a "tipped back" or pinched condition with as much foliage as possible to promote caliper trunk growth (tapered trunk). Lower branches can be cut flush with the trunk only after the tree is able to stand erect without staking or other support.

10.00 Ground Cover

- 10.01 Removal/control of weeds, litter, debris and leaves shall be conducted during service visits. Ground cover shall not exceed three inch (3") beyond the inside side edge of the curb or border.
- 10.02 Fertilizer shall be a complete pellet type, with appropriate amounts of nitrogen, phosphorus, potassium and trace elements.

11.00 RESTROOMS: Not Applicable

Restrooms are to be cleaned five (5) to seven (7) times weekly. Cleaning should occur in the morning prior to 9:00 a.m., so that they will be clean for users.

Cleaning will entail scrubbing of sinks, floors, toilets and urinals and spraying with a disinfectant after rinsing. Walls are to be scrubbed, rinsed down and disinfected at least twice per week on different days, but more often if conditions require. Toilet paper and paper towel dispensers are to be stocked each time the site is serviced. Trash cans in the restrooms are to be emptied each time serviced. Remove graffiti immediately. Minor graffiti cleanup is considered part of the contract base bid. Major graffiti or vandalism should be reported to the Inspector or authorized representative immediately so that cleanup or repair can be authorized or scheduled and completed by Contractor or City staff. It is the Contractor's responsibility to provide all cleaning materials, tools used in cleaning, trash bags, paper towels and toilet paper.

12.00 Hazards, Vandalism

Hazards, such as broken benches, pot holes on grounds, standing water, ropes tied to tree limbs, tree houses, tunnels, excavations, and unsecured material, such as wood, wire, metal, etc., shall be immediately secured and/or posted with suitable warning signs to protect the public.

13. PARK AMENITIES

Facilities shall be visually inspected each time the site is serviced. Visual inspection includes checking for obvious safety hazards such as broken glass and sharp objects in the surfacing material and loose or broken parts on equipment. Damaged and/or vandalized park amenities (shade structure, gazebos, fences, etc.) shall be reported to the Park Superintendent immediately. Park Maintenance Services is responsible for repair and/or replacement of damaged equipment.

14. PLAYGROUNDS AND TOT LOTS

Damaged and/or vandalized playgrounds and tot lots shall be reported to the Park Superintendent immediately. All play areas are to be visually inspected at least once a week. Visual inspection includes checking for obvious safety hazards such as broken glass and sharp objects in the surfacing material and loose or broken parts on equipment. After visual checks are made, play areas are to be kept clean, free of debris and animal feces at all times. Park Maintenance Services is responsible for repair and/or replacement of damaged equipment.

If required, play area surfaces (sand, wood fiber, etc.) are to be smoothed each time the site is serviced.

Park Maintenance Services is responsible for mandatory State of California playground certifications.

15. PICNIC AREAS

Picnic tables and barbecues are shall be visually inspected each time the site is serviced. Damaged and/or vandalized picnic areas shall be reported to the Park Superintendent immediately. Picnic tables and barbecues are to be cleaned as needed.

16. TENNIS COURTS

Facilities shall be visually inspected each time the site is serviced. Damaged and/or vandalized tennis courts shall be reported to the Park Superintendent immediately. Courts are to be air blown and washed down as directed.

17. HARD SURFACE PLAY AREA

Hard surface play areas (basketball, tennis, etc.) shall be visually inspected each time the site is serviced. Visual inspection includes checking for obvious hazards such as broken glass and sharp objects in the surfacing material and loose or broken parts on equipment. Damaged and/or vandalized areas shall be reported to the Park Superintendent immediately. ***Repair of damaged surfaces are the responsibility of Park Maintenance Services.***

19. PARKING LOTS

Facilities shall be visually inspected each time the site is serviced. . Contractor shall maintain plants and planter areas, as well as cleaning up debris immediately adjacent to planters. Parking lots shall be cleaned of large pieces of trash, bottles, litter, etc. shall be done each time the site is serviced. Damaged and/or vandalized areas shall be reported to the Park Superintendent immediately. ***Parking lot repairs are the responsibility of Park Maintenance Services.***

SECTION 3: ADDITIONAL LANDSCAPE SERVICES

20.00 Aeration

Aerate all turf areas by using a device that removes cores to a depth of two inches (2") at not more than a six-inch (6") spacing and shall be done three (3) days before fertilizer application. All cores shall be removed from the turf and disposed of off site or thoroughly pulverized.

20.01 Turf Renovation

- a. Renovate to the soil line and remove all excessive thatch in turf area every two years.
- b. After thatch is removed and upon completion of turf renovation all turf areas shall be over seeded, mulched and watered.
- c. Areas to be over seeded will utilize blends or mixtures of seed at the rate of application recommended by the supplier.
- d. Mulch shall be spread evenly over the entire area to a uniform depth.
- e. Areas that are below grade shall be filled in and leveled before over seeding.

20.02 Vertical Mowing

Vertical mowing shall be on an as needed basis for turf health and growth and shall be scheduled. Sweep or rake the dislodged thatch from the turf areas and immediately remove from the site and disposed of at an appropriate landfill. Over seeding shall be done on an as needed basis.

21. BASEBALL DIAMOND PREPARATION: No Applicable

Skinned infields shall be prepared for use, raked and lined as directed. Infields will be chemically sprayed as directed by the Inspector or designer.

22. ATHLETIC FIELD PREPARATION: NO APPLICABLE

Preparation of athletic field shall be as directed by the Inspector or designer. Preparation of athletic field shall be as directed by the Inspector or designer.

SECTION 4: DETENTION BASIN AND CHANNEL MAINTENANCE

23.00 Description Of Work

A general work performance and frequency check list is provided for each location. Individual maintenance tasks shall conform to the following standards:

24.00 Maintenance Of Improvements Within The Floodway

Improvements within the Floodway shall be maintained and repaired to the satisfaction of the City. These improvements are those shown on the Floodway Plans. Floodway boundary fencing, post and cable fencing, rock weirs and rock controls in the Floodway channel, gates, wood barriers, drain culverts, access

ramps, bike bridge, manholes, and dirt and aggregate base (A.B.) access roads. Aggregate base and dirt access roads shall be re-graded annually. New aggregate base shall be placed where necessary.

24.00 Erosion Controls

24.01 Erosion controls and practices shall be used to minimize adverse environmental impacts and damages resulting from accelerated erosion and deposit of sediments along the Floodway slopes, vernal pool terraces, channel slopes, and low flow channel.

24.02 Erosion controls and practices shall be installed and maintained around drainage pipes or culverts that discharge into the basin.

25.00 Grassland Mowing

25.01 Mow grassland and areas of native grasses within the detention right-of-way down to six (6") inches, twice each year. Mowing schedules will begin April 15th each year and extend thru November 15th. Once before the 4th of July and again before November 15th of each year.

25.02 Use care when mowing on the Floodway slopes and vernal pool terraces because of the planted trees and shrubs. When trees and shrubs are placed in the Floodway they shall be spaced in a manner to allow large riding mowers to be utilized without damaging trees and shrubs.

26.00 Litter Control

26.01 All litter and unnatural objects shall be picked up from the Floodway. The Floodway grasslands, vernal pools, and low flow channel shall be patrolled every three months and evaluated for damage.

26.02 Debris, aquatic materials, trimmings, and silt that is removed from the channel shall be disposed of off-site in a lawful manner.

27.00 Haul And Dump

It shall be Utilities responsibility to load, remove and haul all litter and loose debris, aquatic materials, trimmings, and sediment from the Floodway and dispose of the material off site in a lawful manner.

28.00 Insect, Weed, and Rodent Controls

28.01 Upon approval of the Pest Control Advisor, a pesticide, herbicide or fungicide program for the control and/or elimination of weeds, fungus, insects and rodents shall be applied. Any pesticides used must be on the State Department of Agriculture's approved list and be approved by a

Pest Control Advisor.

28.02 A licensed Pest Control Advisor will make a site survey to determine the appropriate chemical applications to be made. The licensed advisor must submit a written pest control recommendation. The chemicals must be applied by a qualified person in conformance with all State and Federal regulations.

29.00 Low Flow Maintenance

29.01 Objects and debris on the channel slopes and low flow channel shall be picked up and removed that could impede the passage of floodwater or cause unsightly conditions or contribute to future erosion in area.

29.02 Natural vegetation in the channel such as bulrush or cat tails and eventually woody plants with trunks in excess of 1" diameter that could impede the passage of floodwater will be removed from the low flow channel.

29.03 Repairs to the channel will become necessary. These repairs will include those necessary as a result of damage caused by high flows in the channel or damage by motor vehicles. Under extreme conditions the channel could move from its designed alignment and elevations.

30.00 Vandalism, Flood, and Fire Damage

30.01 Damage caused by minor vandalism shall be restored to its original condition by Utilities. This includes minor vandalism to the plants, irrigation system, grasslands, post and cable, fencing, graffiti and all improvements within the Floodway boundary. Major vandalism damage and minor vandalism repairs exceeding \$5,000 per year shall be reviewed by the City.

30.02 Flood damage on the channel slopes and low flow channel below the annual flood line shall be the responsibility of Utilities. This includes pick up litter and debris, minor grading, and re-seeding.

31.00 Seeding Grassland

31.01 Hydroseeding or broadcasting of seed in the grassland or areas of native grasses will be necessary for erosion scars, disturbed soils, or failing of the initial hydroseeding to produce adequate grassland for erosion protection. Seed shall be a blend approved for low maintenance and drought resistance. Seed shall be covered with straw where the seed broadcasting method is used.

32.00 Plant Replacement

32.01 Plants that show signs of failure to grow or are damaged shall be removed and replaced with the same species.

32.02 The replacement plants shall be planted according to the plans and Specifications for the specific detention facility. They shall be hand-watered immediately after planting.

33.00 Outfall Lines To Basins

Keep all vegetation and debris 20' away from flapgate to allow them to open and close in storm emergencies.

34.00 Fencing, Railings, Post And Cable

All damaged fencing, railings, and post and cable shall be repaired or replaced.

35.00 Water Quality

35.01 Water quality conditions shall be spelled out in a separate addendum:

- a. Maintenance required for deep or shallow pools or wet channels.
- b. Set depths and recommended temperature for channel and pools to inhibit growth, etc.
- c. Level of maintenance recommended and schedule for such maintenance. Monthly, Quarterly, Semi-Annually, or Annually?

**END OF
NORTH NATOMAS CFD NO. 3
MAINTENANCE SPECIFICATIONS**

C:\Documents and Settings\rcooper\Desktop\Maintenance Specifications 02-25-03.wpd

Attachment 3

**NORTH NATOMAS CFD NO. 3
MAINTENANCE RESPONSIBILITIES FOR CONJUNCTIVE USE DRAINAGE FACILITIES**

Facility Name: **DETENTION BASIN 1 (Sump 11 Landscaping, Plans dated 9/27/00)**

	Drainage Fund	CFD 3	Parks	Facility Maint.	Recreation
Landscaping Elements					
Mowing Turf		X			
Mowing Native Grasses	Not Applicable				
Irrigation		X			
Water Quality	X				
Post & Cable	Not Applicable				
Debris & Trash		X			
Pesticide Application		X			
Repair Erosion	X				
Backflow Prevention		X			
Open Channels	Not Applicable				
Water & Electricity Costs		X			
Tree Maintenance		X			
Fertilizing		X			
Aeration		X			
Parking Lots	Not Applicable				
Hardscape		X			
Graffiti Abatement		X			
Neighborhood & Community Parks					
Repair Damaged Picnic Facilities					
Repair Play Equipment					
Certification of Playground Equipment					
Sports Fields					
Physical Features (backstops, bleachers, etc.)					
Annual Field Renovation					
General Field Maintenance		X			
Maintain Tot Lots		X			
Layout Sports Fields per League Specs					X
Schedule Recreational Use & Keep Schedules					X
Buildings					
Maintain Buildings				X	
Repair Buildings				X	
Maintain Restrooms			X		

**NORTH NATOMAS CFD NO. 3
MAINTENANCE RESPONSIBILITIES FOR CONJUNCTIVE USE DRAINAGE FACILITIES**

Facility Name: **DETENTION BASIN 2** (Natomas Detention Basin 2, Plans dated 7/10/02)

	Drainage Fund	CFD 3	Parks	Facility Maint.	Recreation
Landscape Elements					
Mowing Turf	Not Applicable				
Mowing Native Grasses		X			
Irrigation		X			
Water Quality	X				
Post & Cable	Not Applicable				
Debris & Trash		X			
Pesticide Application		X			
Repair Erosion	X				
Backflow Prevention		X			
Open Channels (Low Flow Only)	X				
Water & Electricity Costs		X			
Tree Maintenance		X			
Fertilizing		X			
Aeration	Not Applicable				
Parking Lots	Not Applicable				
Hardscape		X			
Graffiti Abatement		X			
Neighborhood & Community Parks					
Repair Damaged Picnic Facilities					
Repair Play Equipment					
Certification of Playground Equipment					
Sports Fields					
Physical Features (backstops, bleachers, etc.)					
Field Renovation					
General Field Maintenance					
Maintain Tot Lots					
Layout Sports Fields per League Specs					
Schedule Recreational Use & Keep Schedules					
Buildings					
Maintain Buildings					
Repair Buildings				X	
Maintain Restrooms			X		

**NORTH NATOMAS CFD NO. 3
MAINTENANCE RESPONSIBILITIES FOR CONJUNCTIVE USE DRAINAGE FACILITIES**

Facility Name: **BASIN 3 DRAINAGE (Plans dated 9/11/02)**

	Drainage Fund	CFD 3	Parks	Facility Maint.	Recreation
Landscape Elements					
Mowing Turf		X			
Mowing Native Grasses (Includes Blue Fescue)		X			
Irrigation		X			
Water Quality	X				
Post & Cable	Not Applicable				
Debris & Trash		X			
Pesticide Application		X			
Repair Erosion	X				
Backflow Prevention		X			
Open Channels	Not Applicable				
Water & Electricity Costs		X			
Tree Maintenance		X			
Fertilizing		X			
Aeration		X			
Parking Lots	Not Applicable				
Hardscape (concrete flatwork, AC)		X			
Graffiti Abatement		X			
Neighborhood & Community Parks					
Repair Damaged Picnic Facilities			X		
Repair Play Equipment (disc golf)			X		
Certification of Playground Equipment			X		
Sports Fields					
Physical Features (backstops, bleachers, etc.)					
Field Renovation					
General Field Maintenance					
Maintain Tot Lots		X			
Layout Sports Fields per League Specs					X
Schedule Recreational Use & Keep Schedules					X
Buildings					
Maintain Buildings				X	
Repair Buildings				X	
Maintain Restrooms			X		

**NORTH NATOMAS CFD NO. 3
MAINTENANCE RESPONSIBILITIES FOR CONJUNCTIVE USE DRAINAGE FACILITIES**

Facility Name: **DETENTION BASIN 3 WATER QUALITY POND**
(Northpointe North, Plans dated 9/11/02)

	Drainage Fund	CFD 3	Parks	Facility Maint.	Recreation
Landscape Elements					
Mowing Turf		X			
Mowing Native Grasses (Includes Blue Fescue)		X			
Irrigation		X			
Water Quality	X				
Post & Cable	Not Applicable				
Debris & Trash		X			
Pesticide Application		X			
Repair Erosion	X				
Backflow Prevention		X			
Open Channels	Not Applicable				
Water & Electricity Costs		X			
Tree Maintenance		X			
Fertilizing		X			
Aeration	Not Applicable				
Parking Lots	Not Applicable				
Hardscape (Includes signs, benches, railings)		X			
Graffiti Abatement		X			
Neighborhood & Community Parks					
Repair Damaged Picnic Facilities					
Repair Play Equipment					
Certification of Playground Equipment					
Sports Fields					
Physical Features (backstops, bleachers, etc.)					
Field Renovation					
General Field Maintenance					
Maintain Tot Lots					
Layout Sports Fields per League Specs					
Schedule Recreational Use & Keep Schedules					
Buildings					
Maintain Buildings					
Repair Buildings					
Maintain Restrooms			X		

**NORTH NATOMAS CFD NO. 3
MAINTENANCE RESPONSIBILITIES FOR CONJUNCTIVE USE DRAINAGE FACILITIES**

Facility Name: **NORTH NATOMAS COMMUNITY PARK/BASIN 4**
(Plans dated 9/16/02)

	Drainage Fund	CFD 3	Parks	Facility Maint.	Recreation
Landscape Elements					
Mowing Turf		X			
Mowing Native Grasses		X			
Irrigation		X			
Water Quality	X				
Post & Cable	Not Applicable				
Debris & Trash		X			
Pesticide Application		X			
Repair Erosion	X				
Backflow Prevention		X			
Open Channels	Not Applicable				
Water & Electricity Costs		X			
Tree Maintenance (shrubs)		X			
Fertilizing		X			
Aeration		X			
Parking Lots	Not Applicable				
Hardscape		X			
Graffiti Abatement		X			
Neighborhood & Community Parks					
Repair Damaged Picnic Facilities					
Repair Play Equipment					
Certification of Playground Equipment					
Sports Fields					
Physical Features (backstops, bleachers, etc.)				X	
Field Renovation		X			
General Field Maintenance		X			
Maintain Tot Lots		X			
Layout Sports Fields per League Specs					X
Schedule Recreational Use & Keep Schedules					X
Buildings					
Not Applicable					
Maintain Buildings				X	
Repair Buildings				X	
Maintain Restrooms			X		

**NORTH NATOMAS CFD NO. 3
MAINTENANCE RESPONSIBILITIES FOR CONJUNCTIVE USE DRAINAGE FACILITIES**

Facility Name: **NORTHPOINTE WATER QUALITY BASIN**
(Basin 4, Plans dated 5/18/99)

	Drainage Fund	CFD 3	Parks	Facility Maint.	Recreation
Landscape Elements					
Mowing Turf		X			
Mowing Native Grasses		X			
Irrigation		X			
Water Quality	X				
Post & Cable	X				
Debris & Trash		X			
Pesticide Application		X			
Repair Erosion	X				
Backflow Prevention		X			
Open Channels	Not Applicable				
Water & Electricity Costs		X			
Tree Maintenance		X			
Fertilizing		X			
Aeration	Not Applicable				
Parking Lots	Not Applicable				
Hardscape (Includes signs, benches, railings)		X			
Graffiti Abatement		X			
Neighborhood & Community Parks					
Repair Damaged Picnic Facilities					
Repair Play Equipment					
Certification of Playground Equipment					
Sports Fields					
Physical Features (backstops, bleachers, etc.)		X			
Field Renovation		X			
General Field Maintenance		X			
Maintain Tot Lots		X			
Layout Sports Fields per League Specs					X
Schedule Recreational Use & Keep Schedules					X
Buildings					
Maintain Buildings				X	
Repair Buildings				X	
Maintain Restrooms			X		

**NORTH NATOMAS CFD NO. 3
MAINTENANCE RESPONSIBILITIES FOR CONJUNCTIVE USE DRAINAGE FACILITIES**

Facility Name: **SUMP 15 DETENTION BASIN**
(Plans dated 9/7/00)

	Drainage Fund	CFD 3	Parks	Facility Maint.	Recreation
Landscape Elements					
Mowing Turf	Not Applicable				
Mowing Native Grasses	Not Applicable				
Irrigation		X			
Water Quality	X				
Post & Cable	X				
Debris & Trash		X			
Pesticide Application		X			
Repair Erosion	X				
Backflow Prevention		X			
Open Channels	Not Applicable				
Water & Electricity Costs		X			
Tree Maintenance (<i>shrubs & ground cover</i>)		X			
Fertilizing		X			
Aeration	Not Applicable				
Parking Lots	Not Applicable				
Hardscape (<i>pathway lighting</i>)		X			
Graffiti Abatement		X			
Neighborhood & Community Parks					
Repair Damaged Picnic Facilities					
Repair Play Equipment					
Certification of Playground Equipment					
Sports Fields					
Physical Features (backstops, bleachers, etc.)					
Field Renovation		X			
General Field Maintenance		X			
Maintain Tot Lots		X			
Layout Sports Fields per League Specs					X
Schedule Recreational Use & Keep Schedules					X
Buildings					
Maintain Buildings				X	
Repair Buildings				X	
Maintain Restrooms			X		

Exhibit B

CFD No. 3 Hearing Report, June 9, 1998



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NORTH NATOMAS ANNUAL MAINTENANCE DISTRICT
CFD NO. 3 FINANCING PLAN
FINAL HEARING REPORT

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc.

June 9, 1998

EPS #7088

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I. INTRODUCTION & PURPOSE

CFD No. 3 was approved on June 9, 1998 following the public hearing. This report describes the CFD as adopted.

INTRODUCTION

The North Natomas Community Plan encompasses approximately 9,000 acres north of Interstate 80 and west of Union Pacific Railroad. Although adopted by the City of Sacramento, the Community Plan includes areas that are outside the City limits. At buildout, the Community Plan is projected to contain approximately 33,800 dwelling units and jobs for approximately 72,500 employees.

The North Natomas Financing Plan, adopted August 1994 for the North Natomas Community Plan, delineated a Finance Plan Area. Approximately 6,900 acres within the City Limits have been included in the Finance Plan Area¹ for North Natomas. Any adjacent undeveloped land within the County that annexes to the City (or is added to the Finance Plan Area) and is planned for development shall be subject to the Financing Plan. Figure 1 is a map delineating the Finance Plan Area from the Community Plan Area.

The Financing Plan for the North Natomas Community Plan recommends a combination of financing mechanisms to fund over \$700 million in new public infrastructure and improvements. These financing mechanisms include existing fee programs, a Mello-Roos Community Facilities District (CFD), school fees, a land acquisition program, and four new impact fees that have been adopted by the City of Sacramento for North Natomas. The development of these new facilities and improvements will require further expenditures for annual maintenance.

The Community Plan envisions a new urban form for North Natomas that is unique in design as compared to the rest of the City. It includes an integrated mixture of residential, employment, commercial and civic uses, linked with streets, transit routes, and landscape corridors with pedestrian/bike trails. Many facilities are more extensive than, or in addition to, those typically found in the rest of the City.

A variety of Citywide funding sources are in place to fund standard service levels of maintenance for parks, landscape corridors, bikeways, and open space. These existing funding sources include the Citywide Landscaping and Lighting District, City general fund, utility rate base, gas tax, and CIP funds. North Natomas development will pay into these existing Citywide funding sources.

¹The Finance Plan Area of the Community Plan includes only those acres in the City of Sacramento that are participating in the North Natomas Financing Plan.

The primary purpose of the proposed North Natomas Community Facilities District (CFD) #3 is to fund the maintenance of parks, landscape corridors, and open space facilities unique to North Natomas or above City standards.

PURPOSE

The purpose of this report is to explain features of the North Natomas Community Facilities District No. 3 for landscape maintenance. This CFD will fund at buildout approximately \$1.6 million annually for the maintenance of landscape features and other facilities. The annual maintenance cost and supporting tax base will increase as final maps are recorded and development occurs. Most of the property within the boundaries of the Finance Plan Area will be included within the boundaries of the CFD at formation with the following exclusions: Witter Historic Ranch, the mobilehome park, Elixir property, and miscellaneous small properties currently owned by Sing, Konandreas, Machado and Steele.

Following this introduction, Chapter II describes the maintenance services and the basis for funding in CFD No. 3. Chapter III discusses features of the North Natomas Mello-Roos CFD No. 3. This discussion covers both the calculation of the maximum annual special tax and the structure of the proposed CFD. Chapter IV presents a brief feasibility analysis of the financing plan.

In cooperation with the City of Sacramento, Economic & Planning Systems calculated the maximum annual special tax and developed the special tax formula for CFD No.3.

II. ANNUAL MAINTENANCE COSTS AND FINANCING STRATEGY

SUMMARY OF ANNUAL MAINTENANCE COSTS

Facilities and service levels consistent with those found in the rest of the City will be funded by existing Citywide funding sources, which includes revenue from North Natomas development. The proposed North Natomas CFD #3 will fund the maintenance of those facilities that are more extensive than or non-existent in the rest of the City. Figure 2 below lists the proposed maintenance services, their estimated annual cost *at buildout* and a note to whether this facility is unique to North Natomas or developed more extensively than that of the rest of the City.

Figure 2
Summary of Annual Maintenance Costs
For Primary Services
 1998\$

Standard-width roadway landscape corridors [1]	\$448,500	Unique
Additional roadway corridor landscaping [1A]	74,750	Unique
Drainage canal & swale landscape corridors [2]	\$138,000	Unique
Freeway landscape corridors	\$345,000	Unique
Light rail landscape corridor [3]	\$54,050	Unique
Median width above City standard [4]	\$62,100	More Extensive
Park acres in detention basins [5]	\$359,950	More Extensive
Agriculture Buffers [6]	\$25,300	Unique
Miscellaneous [7]	\$66,000	Unique
Administration	\$35,000	Unique
Total Annual Cost	\$1,608,650	

[1] Standard landscape corridors within major street right-of-way is up to 13 feet along each side of a 4-lane road and up to 14 feet along each side of a 6 or 8-lane road.

[1A] Represents 15 feet above standard corridor width in certain locations of E. Commerce, Truxel, Del Paso and El Centro Roads adjacent to residential development.

[2] Total landscaping acreage along canals based on average 60 foot corridor along E. Drain, 12 feet along W. Drain and 12 feet within each side of swale. The average width excludes 12 feet for off-street bikeway system.

- [3] Light rail corridor acreage excludes land associated with transit stations and corridors within parks or other public uses. This area will be maintained by CFD #3 prior to construction of light rail facilities.
- [4] Citywide L&L funds medians that are within City standards - 14 feet wide. The incremental cost for roadways that have 26 feet wide medians will be funded by the North Natomas CFD.
- [5] City staff is currently reviewing its policy for providing Quimby park credits for detention basins designed for park use. The percentage credit ranges based upon the level of park amenities. The 60% factor is used here to conservatively estimate the park acreage above Quimby to be maintained.
- [6] Maintenance of agricultural buffers may involve discing the land, weed abatement and litter control.
- [7] 5% of the total maintenance budget was added for miscellaneous maintenance and landscape capital improvements/replace/repair.

Source: City of Sacramento and EPS

Figure 3 shows the assumptions used to estimate the annual maintenance costs (1998\$). The \$1.6 million annual cost is the total estimated cost at buildout of the Plan Area. Since the actual landscape plans have not been submitted or approved, the cost estimate includes a 15% contingency.

Landscape improvements will be installed as development occurs. Maintenance of the landscaping may be a developer requirement until there is a sufficient tax base to support the maintenance cost. The annual maintenance cost and supporting tax base will increase as final maps are recorded and development occurs.

FINANCING STRATEGY

As mentioned earlier, the Community Plan envisions a new urban form for North Natomas that is unique in design as compared to the rest of the City. As a result, many of the landscape features are unique to North Natomas and funded exclusively by CFD No. 3. Those features unique to North Natomas include landscape corridors along major roads, drainage canals, swale, and freeway corridors. Minimal landscaping will occur within the light rail alignment with an irrevocable offer to dedicate (I.O.D.) prior to construction of light rail and along the northern and western edge of the Plan Area adjacent to the County currently designated as an agriculture buffer.

The roadway corridor width above City standard along East Commerce Way, Truxel Road, Del Paso Road and El Centro Road adjacent to residential development would otherwise be funded by the Neighborhood Landscape District. This cost is included in this community-wide district to encourage uniform landscaping and landscaping maintenance along the four major roads. As discussed in the calculation of the Maximum Annual Tax Allocation to

Figure 3
North Natomas CFD #3
Estimated Annual Landscape Maintenance Costs

Item	Linear Feet / Acres	Annual Cost Assumptions	1998\$ Estimate	15% Contingency	Total Estimate 1998\$
Standard Landscape Corridors along major roads [1]	60 acres	\$6,500 per acre	\$390,000	\$58,500	\$448,500
Additional Landscape Corridors along major roads [1A]	10 acres	\$6,500 per acre	\$65,000	\$9,750	\$74,750
Landscape Corridors along drainage canals & swale [2]	40 acres	\$3,000 per acre	\$120,000	\$18,000	\$138,000
Freeway Landscape Corridors	100 acres	\$3,000 per acre	\$300,000	\$45,000	\$345,000
Light Rail Landscape Corridor [3]	16 acres	\$3,000 per acre	\$47,000	\$7,050	\$54,050
Median Width Above City Standard [4]					
Linear Feet	40,800 linear feet				
Width in Feet	12 feet				
Square Feet	489,600 square feet	\$0.11 per sq. ft.	\$54,000	\$8,100	\$62,100
Estimated Park Acres in Drainage Detention Basins					
Estimated Total Detention Basin Land less Quimby park land [5]	290 acres				
remaining detention basin land	174 acres	funded by Citywide L&L/Gen. Fund			
estimated detention only basins	116 acres				
estimated parks in detention basins requiring funding from NN CFD	29 acres	funded by utility rates			
	87 acres	\$3,600 per acre	\$313,000	\$46,950	\$359,950
Agriculture Buffers [6]	220 acres	\$100 per acre [3]	\$22,000	\$3,300	\$25,300
Miscellaneous [7]		5% of maintenance budget	\$66,000	\$0	\$66,000
Subtotal Annual Maintenance Cost			\$1,377,000	\$196,650	\$1,573,650
Plus Administration					\$35,000
TOTAL ANNUAL COST					\$1,608,650

- [1] Standard landscape corridors within major street right-of-way is up to 13 feet along each side of a 4-lane road and up to 14 feet along each side of a 6 or 8-lane road. *landscaping*
- [1A] Additional landscape corridors represents 15 feet above standard corridor width in certain locations of E. Commerce, Truxel, Del Paso and El Centro.
- [2] Total landscaping acreage along canals based on average 60 foot corridor along E. Drain, 12 feet along W. Drain and 12 feet within each side of swale. The average width excludes 12 feet for off-street bikeway system.
- [3] Light rail corridor acreage excludes land associated with transit stations and corridors within parks or other public uses.
- [4] City-wide L&L funds medians that are within City standards - 14 feet wide. The incremental cost for roadways that have 26 feet wide medians will be funded by the North Natomas CFD.
- [5] City staff is currently reviewing its policy for providing Quimby park credits for detention basins designed for park use. The percentage credit ranges upon the level of park amenities. The 60% factor is used here to conservatively estimate the park acreage above Quimby to be maintained.
- [6] Maintenance of agricultural buffers may involve discing the land, weed abatement and litter control.
- [7] 5% of the total maintenance budget was added for miscellaneous maintenance and landscape capital improvements/replace/repair.

Source: City of Sacramento and EPS.

Land Uses, residential development, on average, will pay 15% more per acre as compared to non-residential development to compensate for the contribution that would otherwise be funded by residential development through the Neighborhood Landscape District.

Parks and roadway medians exist Citywide, but North Natomas will provide more park acres than required by normal Quimby dedication due to the design of and conjunctive use with drainage detention basins. The additional park land above that required by Quimby is planned for funding by this CFD.

The standard median width maintained by the Citywide L&L is 14 feet. In North Natomas, roadways with six or eight lanes will contain 26-foot wide medians. This 12-foot increment above the City standard will be maintained by CFD No. 3.

As stated earlier, the primary function of CFD #3 is to fund the maintenance of landscape corridors, parks and open space facilities unique to North Natomas or above City standards. The CFD's authorization, however, does not limit the funding of maintenance to those facilities unique to North Natomas or above City standard. The CFD may fund the maintenance of any park acres, medians and bikeways although subject to funding from existing Citywide sources. The CFD's authorization is broad due to the uncertainty of future funding availability from Citywide sources and the desires/needs of the North Natomas Community. To ensure that the necessary dollars are spent where needed in the Community, a committee of city staff, landowners and residents will be established to assist the City in developing the annual budget for CFD No. 3.

III. DESCRIPTION OF MELLO-ROOS CFD No. 3

As discussed in Chapter II, the North Natomas Mello-Roos CFD No. 3 will fund at buildout approximately \$1.6 million in annual maintenance costs (1998\$). This Chapter describes the community facilities district by explaining the calculation of the maximum annual cost, the calculation of maximum annual taxes by land uses and development status, and the method to set the annual levy for each taxable parcel.

Parcels within CFD No. 3 will pay an annual special tax based upon the Rate, Method of Apportionment and Manner of Collection of Special Tax shown in Exhibit A. The boundary map for CFD No. 3 is attached as Exhibit B. The list of eligible facilities and incidental expenses for the CFD is reproduced in this report as Exhibit C. The purpose of the CFD is to fund the annual maintenance described in Chapter II.

CFD BOUNDARIES

Exhibit B shows the proposed boundary map for CFD No. 3. Most of the property within the boundaries of the Finance Plan Area will be included within the boundaries of the CFD at formation with the following exclusions: Witter Historic Ranch, the mobilehome park, Elixir, and miscellaneous small properties currently owned by Sing, Konandreas, Machado and Steele. Any adjacent property within the County that annexes to the City (and added to the North Natomas Finance Plan Area) shall be required to annex to CFD #3 according to City policy.

ANNUAL COSTS TO BE FUNDED IN THE CFD

The annual cost will be determined each year by estimating the cost of maintenance based upon installed eligible improvements and administration as recommended by the committee. According to Figure 2, the annual cost is approximately \$1.6 million (1998\$) at buildout, including annual administration. The tax formula must provide revenue to pay for the annual cost in any year. In years when less money is needed, the tax levy may be less than the maximum authorized rates.

The Annual Costs funded by the levy of the special tax will be determined by subtracting other available revenues, such as City funding or grants from the Annual Costs. The City will then apply the special tax formula included as Exhibit A to this report to determine the special tax levy for each parcel.

MAXIMUM ANNUAL SPECIAL TAX ALLOCATION TO LAND USES

The tax rates have been set up to levy the special tax on developed and undeveloped property at various stages. In most cases, the landscape improvements in an area will not be constructed until development in the same area occurs. Therefore, property that has received a final small lot map, a special permit or large lot final map can develop and will benefit from the landscape improvements that need to be maintained. These parcels have a tax assigned to them. Parcels with an approved tentative map or tentative master parcel map or without any entitlements are different as they are undeveloped and have no tax assigned to them.

The total annual maintenance cost was allocated equally among all developable acres, with two minor adjustments. First, the non-residential tax rates were reduced by almost 10% to off-set a small percentage of the total cost that provides greater benefit to residential development (i.e. soundwalls and landscape corridors above City standard width adjacent to residential development). Second, a tax rate was calculated for the Sports Complex to reflect that the site is not developed as intensely as other non-residential projects.

The development status of each taxable parcel is grouped into land use categories. The tax was assigned to detached residential units (Land Use Category 1) and duplex/condominiums (Land Use Category 2) based upon the target average density per acre in the Community Plan. On average, residential development (detached units, duplexes and condominiums) pay 15% more per acre than non-residential and apartment projects. The special tax was assigned to each net acre of non-residential development and residential development with 3 or more attached units owned in common (i.e. apartments) or Land Use Category 3. The Sports Complex tax was estimated based on the methodology explained below for Land Use Category 4. The maximum tax was assigned to each developable acre of large lot final map parcels (Land Use Category 5) at 30% of the developed rate.

Figure 4 shows the maximum tax rates for the 1998-99 base tax year. Tax rates may escalate each year based upon the prior calendar year annual average of the San Francisco, All Urban Consumers, Consumer Price Index (CPI-U), not to exceed 4%.

SPORTS COMPLEX MAXIMUM ANNUAL TAX

EPS reviewed the estimated annual special tax for the Arena property relative to other non-residential parcels in the North Natomas Maintenance District (CFD #3). A special permit was issued for construction of the Arena which applies to four parcels totaling 83.37 acres. A disproportionate amount of Arena acres are utilized for parking, not buildings. Parking represents about 90% of the Arena site's acreage compared to other employment center type projects (60-70%).

As stated above, the benefit of this District is equal among developable acres. The Arena tax was reduced per acre to more closely reflect the benefit received from the CFD, resulting

Figure 4
City of Sacramento CFD No. 3
Maximum Special Tax Rates for Base Year 1998-99 (1)

Land Use Category/Description	Land Use Category Definition	Base Year Maximum Special Tax Rate	Special Tax Calculated Per
<u>Developed Parcels</u>			
Land Use Category 1 Detached Residential Unit	Approved final small lot map	(1) \$52	Unit
Land Use Category 2 Duplex / Condominium	Approved final small lot map/ Special permit	\$32	Unit
Land Use Category 3 Other Residential / Non-Residential	Special permit	\$365	Net Acre
Land Use Category 4 (2) Sports Complex	Special permit	\$210	Net Acre
<u>Large Lot Final Map Parcels</u>			
Land Use Category 5 Residential / Non-Residential / Sports Complex (2)	Approved large lot final map/ Approved final master parcel map	\$80	Gross Developable Acre
<u>Undeveloped Parcels</u>			
		\$0	

(1) Following the Base Year 1998-99, the Maximum Special Tax Rates will escalate annually based upon the Consumer Price Index (CPI) (prior year annual average, San Francisco, All Urban Consumers (CPI-U), not to exceed 4%.

(2) Each Sports Complex parcel will be tax-exempt until controlled by a private party through fee ownership or lease.

Net Acre is the area of the parcel associated with residential and and non-residential uses after dedication of all right-of-way.

Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

in an annual tax of \$210 per net acre. If a subsequent special permit converted a portion of the acreage to a more intensive use, that acreage would convert Land Use Category 3 and pay the \$365 rate. Since the Stadium site has similar development characteristics as the Arena, the rate for the Arena is assigned to the Stadium.

Both the Arena and Stadium sites are owned by the City and require special consideration in the special tax formula. Therefore, both the Arena and Stadium will be defined as a Sports Complex use per the Community Plan and tax-exempt until controlled by a private party through fee ownership or lease. As a result, the Arena parcels would be taxable today with the current lease agreement. The Stadium is currently tax-exempt, since it is still owned and controlled by the City.

BOND AUTHORIZATION

No bonds will be issued.

DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

By June 30 of each year, the City shall prepare a list of the Parcels subject to the Special Tax using the records of the County Assessor as of January 1 and other City development approvals. The City will tax all parcels within the CFD except tax-exempt parcels as described in Section 4 of the Rate and Method of Apportionment.

TERMINATION OF THE SPECIAL TAX

The Special Tax will be levied and collected in perpetuity.

ASSIGNMENT OF MAXIMUM SPECIAL TAX

Section 4 of the Special Tax Formula describes in detail the precise method for assigning the Maximum Special Tax to parcels within the CFD. The following paragraph briefly summarizes these procedures.

Each year the Administrator uses the definitions contained in the Special Tax Formula to classify each Parcel as tax-exempt or taxable. Each taxable parcel is further classified as a Developed Parcel, Large Lot Final Map Parcel or Undeveloped Parcel. Finally, each Developed Parcel is defined by Land Use Category 1, 2, 3 (detached residential, duplex/condominium or other residential/non-residential) or 4 (Arena and Stadium parcels).

After classifying the Parcels, the Administrator assigns the Maximum Annual Tax using the Maximum Special Tax rates for each Land Use Category as shown in Figure 4 (Attachment 1 of the Special Tax Formula). The maximum annual tax shall not exceed the rates per dwelling unit or acre in the base year (FY 1998-99) shown in Figure 4, as adjusted by the annual escalation factor after the base year.

Land Use Category 4 means the City-owned parcels designated in the Community Plan as Sports Complex with Assessor's Parcel Numbers 225-0070-076, 225-0070-059, 225-0070-060, 225-0070-063 and 225-0070-067 and their successors. These Parcels shall be classified as a Tax Exempt Parcel until controlled by a private party through fee ownership, lease, or other similar arrangements. If a land use entitlement is granted for other than a permitted Sports Complex, parcel(s) receiving such entitlement will revert to Land Use Category 1, 2 or 3.

SETTING THE ANNUAL SPECIAL TAX LEVY FOR TAXABLE PARCELS

After computing the annual costs and determining the maximum annual special tax for each parcel, the City will then determine the levy for each parcel depending on how each parcel is classified. To determine the annual levy the City will use the following process described in Section 5 of the Special Tax Formula. That process can be summarized as follows:

- First, the City determines the Annual Cost for the Fiscal Year.
- Second, the City determines if sufficient special tax revenues are available by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are sufficient, the tax is reduced proportionately against Developed Parcels until the taxes are set at an amount sufficient to cover annual costs.
- Third, if revenues from taxing Developed Parcels at 100% are not sufficient, the City will then also tax Large Lot Final Map Parcels up to 100% of their maximums, as necessary.

MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ad valorem property taxes.

IV. FEASIBILITY ANALYSIS

The feasibility of the financing plan will be evaluated by the 2% tax burden test.

TWO PERCENT TAX BURDEN TEST

Existing City policy states that the total special taxes and special assessments when added to the ad valorem property taxes for an improved parcel shall not exceed 2% of the value of the property. Proposition 13 limited general property tax to 1% of the value of the property. Based upon the 2% rule, other ad valorem taxes, other bonded debt, special assessments and other special taxes should not exceed 1% of the value of the property. As it pertains to commercial, industrial or other parcels within the district, the City reserves the right to exceed the two percent (2%) limit if, in the City's sole discretion, it is fiscally prudent.

Figure 5 sums the ad valorem taxes, and existing and proposed estimated special taxes/assessments for infrastructure and services, including the estimated special taxes for CFD No. 3. The special assessments/taxes are separated into two general funding categories - infrastructure and services. Several of the special assessments/taxes have not been adopted and are designated as proposed which means that the actual special assessment/tax may vary from what is currently estimated.

EPS evaluated the 2% limit as it applies to single family residential property. For North Natomas, the burdens range from 1.6 percent in the Rio Linda/Grant School Districts to 1.9 percent within the Natomas Unified School District. Development west of I-5 in the Natomas Unified School District would likely have a similar tax structure. Thus the proposed special taxes are within the 2% guideline.

Figure 5
North Natomas CFD No. 3
Analysis of Taxes as a Percent of Sales Price

	Low Density Single Family			Existing/ Proposed
	Quadrant 1	Quadrant 2	Quadrant 2	
	Basin 6	Basin 1	Basin 1	
School District Tax Rate Area	Natomas USD	Natomas USD	Rio Linda/Grant	
Estimated Housing Price of Typical Unit	\$150,000	\$150,000	\$150,000	
Existing and Proposed Taxes & Assessments (1)				
Ad Valorem Special Taxes				
General Property Tax (1.0%) (1)	\$1,425	\$1,425	\$1,425	Existing
Natomas USD G.O. Bond (2)	\$415	\$415	\$0	Existing
Rio Linda USD G.O. Bond	\$0	\$0	\$77	Existing
Regional Sanitation	\$19	\$19	\$19	Existing
Subtotal Ad Valorem Taxes	\$1,858	\$1,858	\$1,521	
Special Assessments/Taxes for Infrastructure				
SAFCA A.D. #2	\$99	\$99	\$99	Existing
North Natomas CFD No. 1997-01 Special Tax (3)	\$90	\$90	\$90	Existing
Assessment District 88-03	\$160	\$0	\$0	Existing
NN CFD #2 Basin 6 - drainage only	\$450	\$0	\$0	Proposed
NN CFD #4 Basin 1 - drainage & other cap. imp.	\$0	\$500	\$500	Proposed
Subtotal	\$799	\$689	\$689	
Special Assessments/Taxes for Services				
Additional Library Services	\$22	\$22	\$22	Existing
Citywide Landscaping & Lighting District	\$55	\$55	\$55	Existing
North Natomas Landscape CFD #3	\$52	\$52	\$52	Proposed
Neighborhood Landscape Maintenance District	\$40	\$40	\$40	Proposed
Subtotal	\$169	\$169	\$169	
Subtotal Assessments & Special Taxes	\$968	\$858	\$858	
TOTAL	\$2,826	\$2,716	\$2,379	
Taxes & Assessments as % of Sales Price	1.88%	1.81%	1.59%	

- (1) Property tax based on 1% of home price including \$7,500 property tax exemption.
(2) Based on \$2.91 per \$1,000 A.V. for 1997-98. Rate will decline over time as assessed value increases compared to debt service.
(3) Parcels west of I-5 subject to \$60 annual tax.



EXHIBITS:

**EXHIBIT A: RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES**

EXHIBIT B: BOUNDARY MAP

EXHIBIT C: LIST OF AUTHORIZED SERVICES

EXHIBIT A:
RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX

Exhibit A

City of Sacramento, California
North Natomas
Community Facilities District No. 3

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Community Facilities District No. 3 (the "CFD") of the City of Sacramento (the "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 estimated costs incurred by the City to form the CFD and to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Annexation Parcel" means a Parcel which was not included within the boundaries of the CFD at the time of formation. Parcels are required to annex to the District based upon City policy.

"Annual Costs" means for each Fiscal Year, the total of 1) Authorized Services 2) Administrative Expenses; and 3) any amounts needed to cure actual or estimated delinquencies in Special Taxes for the current or previous Fiscal Year.

"Assessor" means the Assessor of the County of Sacramento.

"Authorized Services" mean those services, as listed in the Resolution forming the CFD adopted on _____.

"Base Fiscal Year" means the Fiscal Year beginning July 1, 1998 and ending June 30, 1999.

"CFD" means the North-Natomas Community Facilities District No. 3 of the City of Sacramento, California.

"City" means City of Sacramento, California.

"Council" means the City Council of the City of Sacramento acting for the CFD under the Act.

"County" means the County of Sacramento, California.

"Developed Parcel" means a Parcel which has:

- an approved final small lot map for residential uses permitting up to 2 units per lot,
 - an approved special use permit for residential use permitting 3 or more units per lot, or
 - an approved special use permit for Non-Residential Development or Sports Complex.
- Once classified as developed, no Parcel shall be removed from the developed classification unless the special use permit expires, is revoked, or is otherwise terminated.

"Fiscal Year" means the period starting July 1 and ending the following June 30.

"Gross Acres" means the entire area of a Parcel prior to dedication of major streets, schools, parks, open space and other public right-of-way.

"Gross Developable Acres" means the area of a Parcel associated with residential and non-residential uses after dedication of major streets, but prior to dedication of minor streets.

"Land Use Category 1" means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit.

"Land Use Category 2" means a Developed Parcel with an approved land use for a duplex (two units per lot) or condominium (more than two attached dwelling units which are owned individually).

"Land Use Category 3" means a Developed Parcel with an approved land use for other than Land Use Category 1 or 2 land uses such as three or more attached residential units owned in common, non-residential uses, or a combination thereof.

"Land Use Category 4" means the City-owned parcels designated in the Community Plan as Sports Complex with Assessor's Parcel Numbers 225-0070-076, 225-0070-059, 225-0070-060, 225-0070-063 and 225-0070-067 and their successors. These Parcels shall be classified as a Tax Exempt Parcel until controlled by a private party through fee ownership, lease, or other similar arrangements. If a land use entitlement is granted for other than a permitted Sports Complex, parcel(s) receiving such entitlement will revert to Land Use Category 1, 2 or 3.

"Land Use Category 5" means a Large Lot Final Map Parcel.

"Large Lot Final Map Parcel" means a Parcel which has:

- an approved large lot final map, or
- an approved final master parcel map.

"Master Parcel Map" means a map that subdivides large tracts of land into smaller parcels for the purpose of later selling or otherwise transferring the parcels for further subdivision

in accordance with City procedures, or for the purpose of securing financing, together with planning and construction of infrastructure elements, but not for the purpose of creating either individual residential lots for sale to end-user homeowners, and not for the purpose of allowing construction or other improvements on non-residential parcels.

"Maximum Annual Special Tax" means the greatest amount of Special Tax that can be levied against a Parcel calculated by multiplying the Maximum Annual Special Tax Rate times the relevant acres or units of the parcel.

"Maximum Annual Special Tax Rate" means the amount shown in Attachment 1 for a Fiscal Year that is used in calculating the Maximum Annual Special Tax for a Parcel based on its land use classification.

"Maximum Annual Special Tax Revenue" means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Annual Special Tax Rates.

"Net Acre" is the area of a Parcel associated with residential and non-residential uses after dedication of all public uses and rights-of-way.

"Non-Residential Development" means a Taxable Parcel designated for commercial, office, or light industrial as defined in the North Natomas Community Plan.

"Parcel" means any Assessor's parcel in the CFD based on the equalized tax rolls of the County as of March 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 March 1 of each Fiscal Year.

"Public Parcel" means any Parcel, in its entirety, that is or is intended to be publicly owned in the North Natomas Community Plan as adopted by the City--or as subsequently designated by the City--that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets; schools; parks; and public drainageways, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes as described below. Any such Parcel shall be a Tax-Exempt Parcel.

"Special Tax(es)" mean(s) any tax levy under the Act in the CFD.

"Tax Collection Schedule" means the document prepared by the City for the County Auditor-Controller to use in levying and collecting the Special Taxes each Fiscal Year.

"Taxable Parcel" means any Parcel that is not a Tax-Exempt Parcel.

"Tax Escalation Factor" means an annual percentage increase in the Maximum Annual Special Tax Rate based upon the Consumer Price Index (CPI) (prior calendar year annual average, San Francisco, All Urban Consumers (CPI-U) Index), not to exceed 4%.

"Tax-Exempt Parcel" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below) and (ii) Undeveloped Parcels. Certain non-developable privately-owned Parcels may also be exempt from the levy of Special Taxes as determined by the City such as common areas, wetlands, and open space.

"Undeveloped Parcel" means a Parcel which is not a Developed Parcel or a Large Lot Final Map Parcel.

3. Duration of the Special Tax

Parcels in the CFD will remain subject to the service tax in perpetuity.

4. Assignment of Maximum Annual Special Tax

A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions above, the parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the City shall cause:

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel;
2. Each Taxable Parcel is to be further classified as a Developed Parcel, Large Lot Final Map or Undeveloped Parcel. Once classified as developed, no Parcel shall be removed from the developed classification unless the special use permit expires, is revoked, or is otherwise terminated.
3. Each Developed Parcel will be classified as Land Use Category 1, 2, 3 or 4.
4. Each Large Lot Final Map Parcel will be classified as Land Use Category 5.

B. Assignment of Maximum Annual Special Tax.

Attachment 1 shows the Base Year Maximum Special Tax rates. Each Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased in accordance with the Tax Escalation Factor.

C. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and 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 shall be assigned according to the 4.A and 4.B above. Conversely, if a privately owned parcel is converted to a public use, it shall become tax-exempt.

5. Calculating Annual Special Taxes

The City shall compute the Annual Costs and determine the Maximum Annual Special Tax for each parcel based on the assignment of the Special Tax in Section 4. The City will then determine the tax levy for each parcel using the following process:

- A. Computes the Annual Cost using the definition in Section 2 for the Fiscal Year.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
 - Determine if sufficient special tax revenues are available by taxing each Developed Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than the Annual Costs, the tax is reduced proportionately against Developed Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
 - If revenues from taxing Developed Parcels at 100% of their Maximum Annual Special Tax are not sufficient, the City will then proportionately levy the tax on Final Map Parcels up to 100% of their Maximum Annual Special Tax until the tax levy is set at an amount sufficient to cover Annual Costs.
- C. Levy on each Taxable Parcel the amount calculated above.
- D. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

The City shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the parcels subject to the tax and their Special Tax assignments.

6. Records Maintained for the CFD

As development and subdivision of North Natomas takes place, the City will maintain a file containing records of the following information for each Parcel:

- The current Parcel Number;
- The Parcel acreage (gross, gross developable or net); and
- Number of residential units per parcel.

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

7. Appeals

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

Interpretations may be made by Resolution of 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 the CFD.

Attachment 1
City of Sacramento CFD No. 3
Maximum Special Tax Rates for Base Year 1998-99 (1)

Land Use Category/Description	Land Use Category Definition	Base Year Maximum Special Tax Rate	Special Tax Calculated Per
<u>Developed Parcels</u>			
Land Use Category 1 Detached Residential Unit	Approved final small lot map	(1) \$52	Unit
Land Use Category 2 Duplex / Condominium	Approved final small lot map/ Special permit	\$32	Unit
Land Use Category 3 Other Residential / Non-Residential	Special permit	\$365	Net Acre
Land Use Category 4 (2) Sports Complex	Special permit	\$210	Net Acre
<u>Large Lot Final Map Parcels</u>			
Land Use Category 5 Residential / Non-Residential / Sports Complex (2)	Approved large lot final map/ Approved final master parcel map	\$80	Gross Developable Acre
<u>Undeveloped Parcels</u>			
		\$0	

(1) Following the Base Year 1998-99, the Maximum Special Tax Rates will escalate annually based upon the Consumer Price Index (CPI) (prior year annual average, San Francisco, All Urban Consumers (CPI-U), not to exceed 4%.

(2) Each Sports Complex parcel will be tax-exempt until controlled by a private party through fee ownership or lease.

Net Acre is the area of the parcel associated with residential and non-residential uses after dedication of all right-of-way.

Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

EXHIBIT B:
BOUNDARY MAP

EXHIBIT C:
LIST OF AUTHORIZED SERVICES

Exhibit C

North Natomas CFD No. 3 List of Authorized Services

The authorized services include those set forth below in addition to the costs associated with collecting and administering the special taxes, and annually administering the District. The special taxes may be levied to pay for any authorized services or to accumulate funds for that purpose. The primary function of the CFD is to fund the maintenance of parks, landscape corridors, and open space facilities unique to North Natomas or above City standards. Notwithstanding the above funding objectives, the CFD's authorized services include the following:

1. The maintenance of landscaping, irrigation facilities, soundwalls and other appurtenances within or along freeway corridors, along east and west drainage canals, swale, and within and along public rights-of-way for medians and standard-width landscape corridors of four-lane and greater major roads. The maintenance of landscape corridors above standard-width will be authorized for sections of East Commerce Way, Truxel Road, Del Paso Road, and El Centro Road adjacent to residential development.
2. The maintenance of landscaping, recreation facilities, irrigation facilities, lighting and other appurtenances within neighborhood and community parks and designated conjunctive use park land within drainage detention basins.
3. The maintenance of landscaping, irrigation facilities, and other appurtenances within agriculture buffers.
4. The maintenance and repair of off-street bikeways, including bikeway bridges and structures.
5. The maintenance of landscaping, irrigation facilities, and other appurtenances within light rail alignment with an irrevocable offer to dedicate (I.O.D.) prior to construction of light rail facilities.
6. Miscellaneous maintenance and landscape capital improvements, repair and replacement.
7. CFD formation and annual administration costs of the District.
8. Miscellaneous cost related to any of the items described above including planning, engineering, legal and administration.



RESOLUTION NO.

Adopted by the Sacramento City Council

AMENDING THE REVENUE AND EXPENDITURE BUDGETS FOR THE NORTH NATOMAS LANDSCAPE MAINTENANCE CFD NO. 3, FUND 2230, FOR FISCAL YEAR (FY) 2011/12

BACKGROUND

- A.** On September 15, 1998, the property owners within the boundaries of the North Natomas Landscape Maintenance CFD No. 3 (CFD 3) (Exhibit A) voted to approve the formation of the district;
- B.** CFD 3 formation was approved by the City Council on June 9, 1998;
- C.** Property owners within the boundaries of CFD 3 are assessed a special tax to cover the cost of delivering maintenance services unique to North Natomas or above City service standards. This includes maintenance of open space and freeway buffers, street landscaped areas, parks, and off-street bikeways;
- D.** Special taxes to be collected in FY2011/12 total \$1,721,986.
- E.** Costs are estimated at \$2,058,609. There remain adequate funds for future requirements.

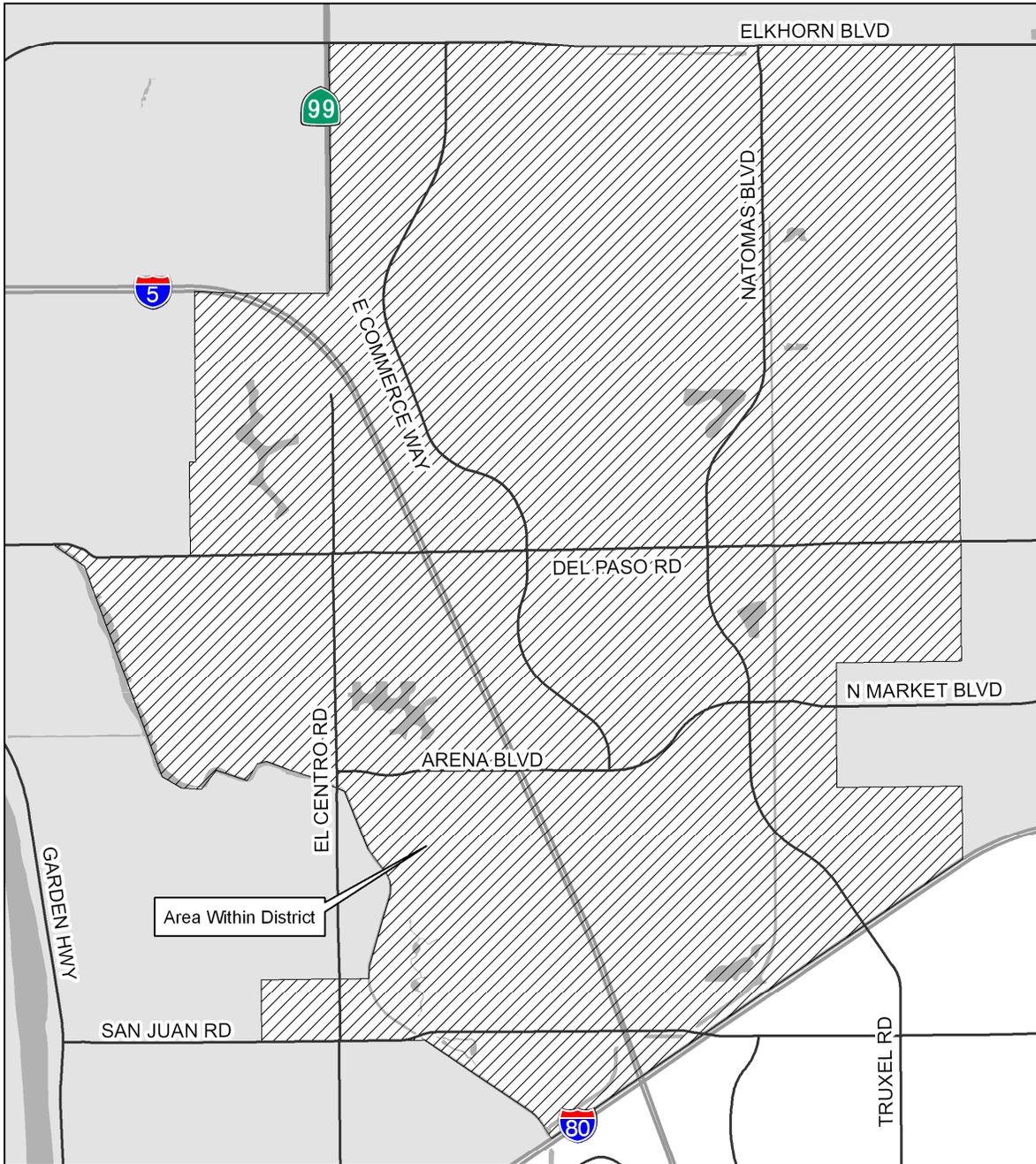
BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds and determines that the background statements A through E are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 3 to \$1,721,986 and \$2,058,609 respectively, and as shown on Exhibit B.

Table of Contents:

- Exhibit A: Location Map -1 Page
- Exhibit B: FY2010/11 Budget & Parcel Assessment -1 Page

North Natomas CFD #3



 **G.I.S.**
City of
Sacramento
Planning Department
BMueller, 01/09/06



**NORTH NATOMAS LANDSCAPE MAINTENANCE CFD NO. 3
FY2011/12 BUDGET**

Beginning Fund Balance	\$2,901,746
Total Special Tax to Property Owners	\$1,721,986
Maintenance Contract	
Transportation	\$ 340,000
Utilities	957,323
Parks	745,549
Administration	
Special Districts Administration (PIF)	5,053
Billing and Accounting	<u>10,684</u>
Total Expenditures	\$2,058,609
Ending Fund Balance (Contingency)	\$2,565,123