City of Sacramento
City Council

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

Meeting Date: **7/31/2012** **Report Type:** Public Hearing

Title: Three Amendments to City Agreement No. 162, a North Natomas Development Agreement (P12-006) (Noticed on 7-19-12)

Report ID: 2012-00575

Location: Area northeast of Del Paso Road and Interstate 5 (District 1)

Recommendation: Conduct a public hearing and upon conclusion 1) pass a Resolution determining that the project is exempt from review under the California Environmental Quality Act; 2) adopt an Ordinance approving a First Amendment to City Agreement No. 99-162 between the City and Natomas Creek LLC; 3) adopt an Ordinance approving a Second Amendment to City Agreement No. 99-162 between the City and Commerce Station LLC; and 4) adopt an Ordinance approving a Third Amendment to City Agreement No. 99-162 between the City and Natomas Towne Center LLC.

Contact: David Hung, Associate Planner, (916) 808-5530; Gregory Bitter, Principal Planner, (916) 808-7816, Community Development Department

Presenter: David Hung, Associate Planner, (916) 808-5530, Community Development Department

Department: Community Development Dept
Division: Planning
Dept ID: 21001221

Attachments:

01-Description/Analysis
02-Background.
03-Vicinity Map.
04-Resolution CEQA
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City Attorney Review

Approved as to Form
Joseph Cerullo
7/26/2012 10:23:57 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
7/24/2012 2:21:40 PM

Approvals/Acknowledgements

Department Director or Designee: Max Fernandez - 7/26/2012 8:23:45 AM

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Description/Analysis

Issue: On September 28, 1999, the City Council approved City Agreement No. 99-162 (Ordinance 99-050), a North Natomas Development Agreement between the City and Kern W. Schumacher, et al. (the "**Original Agreement**"). On May 26, 2009, the City Council approved the North Natomas Nexus Study and Financing Plan 2008 Update, which established a new procedure for adjusting the amount of the North Natomas Public Facilities Fee imposed by City Code section 18.24.050. At the same time, the City Council also amended the standard-form North Natomas Development Agreement to incorporate the new procedure and directed staff to offer the amendment to any landowner who was already a party to a Development Agreement. (See Resolution No. 2009-341.)

The applicant desires to amend its Development Agreement (City Agreement No. 99-162) to incorporate the new fee-adjustment procedure. Because the applicant has divided the ownership of the covered property over the years, this will require three separate amendments: a First Amendment to the Development Agreement for parcels currently owned by Natomas Creek LLC, a Second Amendment to the Development Agreement for parcels currently owned by Commerce Station LLC, and a Third Amendment to the Development Agreement for the parcel currently owned by Natomas Towne Center LLC.

The proposed amendments will allow the current property owners to benefit from the 2008 Update and to implement the Development Agreement during the future development within the Planned Unit Developments for the parcels.

Policy Considerations:

General Plan: The 2030 General Plan Update was adopted by City Council on March 3, 2009. The 2030 General Plan's goals, policies, and implementation programs define a roadmap to achieving Sacramento's vision to be the most livable city in America. The 2030 General Plan Update designations of the subject sites are Employment Center Mid Rise, Urban Center Low, Suburban Neighborhood High Density, and Suburban Neighborhood Medium Density. The project proposal is consistent with the goals and policies of the 2030 General Plan for the above mentioned land-use designations.

North Natomas Community Plan: The policies contained in the North Natomas Community Plan, found within Part 3 of the 2030 General Plan, are organized to mirror the structure of the citywide General Plan elements and are intended to supplement, but not repeat, citywide policies. Some of the goals and policies of the North Natomas Community Plan supported by this project are as follows:

- Financing Plan. (Policy NN.LU 1.4) The City shall ensure that the Financing Plan will provide assurance that all essential infrastructure and public facilities (necessary for public health, safety, welfare, and education) are in place and operational to serve each phase of development.
- Development Agreements. (Policy NN.LU 1.5) The City shall ensure that all phased drainage facilities be implemented in accordance with the Finance Plan. Development agreements formalizing financial commitments for the Comprehensive Drainage Plan must be in place prior to approval of any phased incremental development.

The proposed amendments are consistent with the North Natomas Nexus Study and Financing Plan 2008 Update. The amendments allow property owners to benefit from the 2008 Update and to implement the Development Agreement during development of the subject properties.

Smart Growth Principles: City Council adopted a set of Smart Growth Principles in December 2001 to encourage development patterns that are sustainable and balanced in terms of economic objectives, social goals, and use of environmental/natural resources. The proposed project makes development decisions predictable, fair, and cost-effective, and encourages citizen and stakeholder participation in development decisions.

Strategic Plan Implementation: The recommended action conforms with the City of Sacramento's Strategic Plan, specifically by adhering to goals that achieve sustainability, enhance livability, and expand economic development throughout the City.

Economic Impacts: None.

Environmental Considerations: The Community Development Department, Environmental Planning Services Division has reviewed this project and determined that this is exempt from the California Environmental Quality Act (CEQA). The activity is covered by the general rule that CEQA applies only to projects that have the potential to cause a significant effect on the environment. "Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." (Cal. Code Regs., tit. 14, §15061(b)(3).)

Sustainability: The City has adopted a Sustainability Master Plan to complement the City's General Plan. This was done to ensure that the City set the standard for the practices of sustainability within its own organization as well as becoming a model for any construction projects within the City. The project, by amending a Development Agreement for properties in North Natomas, has no effects on the Sustainability Master Plan.

Commission/Committee Action: On June 14, 2012, the Planning Commission forwarded to the City Council the recommendation for approval by a vote of ten ayes and zero nays (one vacancy).

Rationale for Recommendation: Staff recommends the Council approve the requested entitlements based on the findings listed in Attachments 4, 5, 7, and 9. The project meets policies and goals of the General Plan and will be an asset to the neighborhood.

Financial Considerations: This project has no fiscal considerations.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

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Background Information: On August 12, 1999, the Planning Commission approved the Tentative Parcel Map and Tentative Subdivision Map for the Schumacher Planned Unit Development (PUD) project and forwarded recommendation of approval to the City Council for a Development Agreement, a Community Plan Amendment, a Rezone, and the PUD Designations, Guidelines, and Schematic Plan for three Planned Unit Developments associated with the project (P98-041). On September 28, 1999, the City Council approved City Agreement No. 99-162 (Ordinance 99-050), a North Natomas Development Agreement between the City and Kern W. Schumacher, et al.; the City Council also approved the Planned Unit Development designations for Commerce Station PUD (Resolution 99-550), Natomas Creek PUD (Resolution 99-551) and Natomas Towne Center PUD (Resolution 99-552). The Natomas Towne Center PUD would subsequently be merged with the Creekside project and renamed to the Creekside PUD (P99-128). On May 26, 2009, the City Council approved the North Natomas Nexus Study and Financing Plan 2008 Update, which established a new procedure for adjusting the amount of the North Natomas Public Facilities Fee imposed by City Code section 18.24.050. At the same time, the City Council also amended the standard-form North Natomas Development Agreement to incorporate the new procedure and directed staff to offer offered the amendment to any landowner who was already a party to a Development Agreement. (See Resolution No. 2009-0341.)

Public/Neighborhood Outreach and Comments: The proposal was routed to the Creekside Natomas Neighborhood Association, the Heritage Park Owners Association, the Natomas Community Association, the North Natomas Alliance, the North Natomas Community Association, the Regency Park Neighborhood Association, the Terrace Park Neighborhood Association, WALKSacramento, and the Witter Ranch Community Alliance. Staff has not received any public comments at the writing of this report.

Development Agreement: The Council-adopted North Natomas Processing Protocols require all developers in the North Natomas Community Plan area to enter into a Development Agreement with the City. The City Council approved the standard-form North Natomas Development Agreement on August 9, 1994 (see Resolution No. 94-494). On September 28, 1999, the City Council approved City Agreement No. 99-162 (Ordinance No. 99-050) for a North Natomas Development Agreement between the City and Kern W. Schumacher, et al. that involves land designated under Natomas Creek PUD, Commerce Station PUD, and Towne Center PUD. The Town Center PUD would later be incorporated into the Creekside PUD.

By Resolution No. 2009-341 adopted on May 26, 2009, the City Council approved the North Natomas Nexus Study and Financing Plan 2008 Update, which among other things established a new procedure for adjusting the amount of the Public Facilities Fee imposed by Sacramento City Code section 18.24.050. The applicant desires to amend its Development Agreement to incorporate the new fee-adjustment procedure. Because the applicant has divided the ownership of the covered property over the years, this will require three separate amendments: a First Amendment to the Development

Agreement for parcels currently owned by Natomas Creek LLC (Attachment 6), a Second Amendment to the Development Agreement for currently parcels owned by Commerce Station LLC (Attachment 8), and a Third Amendment to the Development Agreement for the parcel currently owned by Natomas Towne Center LLC (Attachment 10).

The proposed amendments to the Development Agreement will allow the property owners to benefit from the 2008 Update and to implement the Development Agreement during future development within the PUDs for the parcels.

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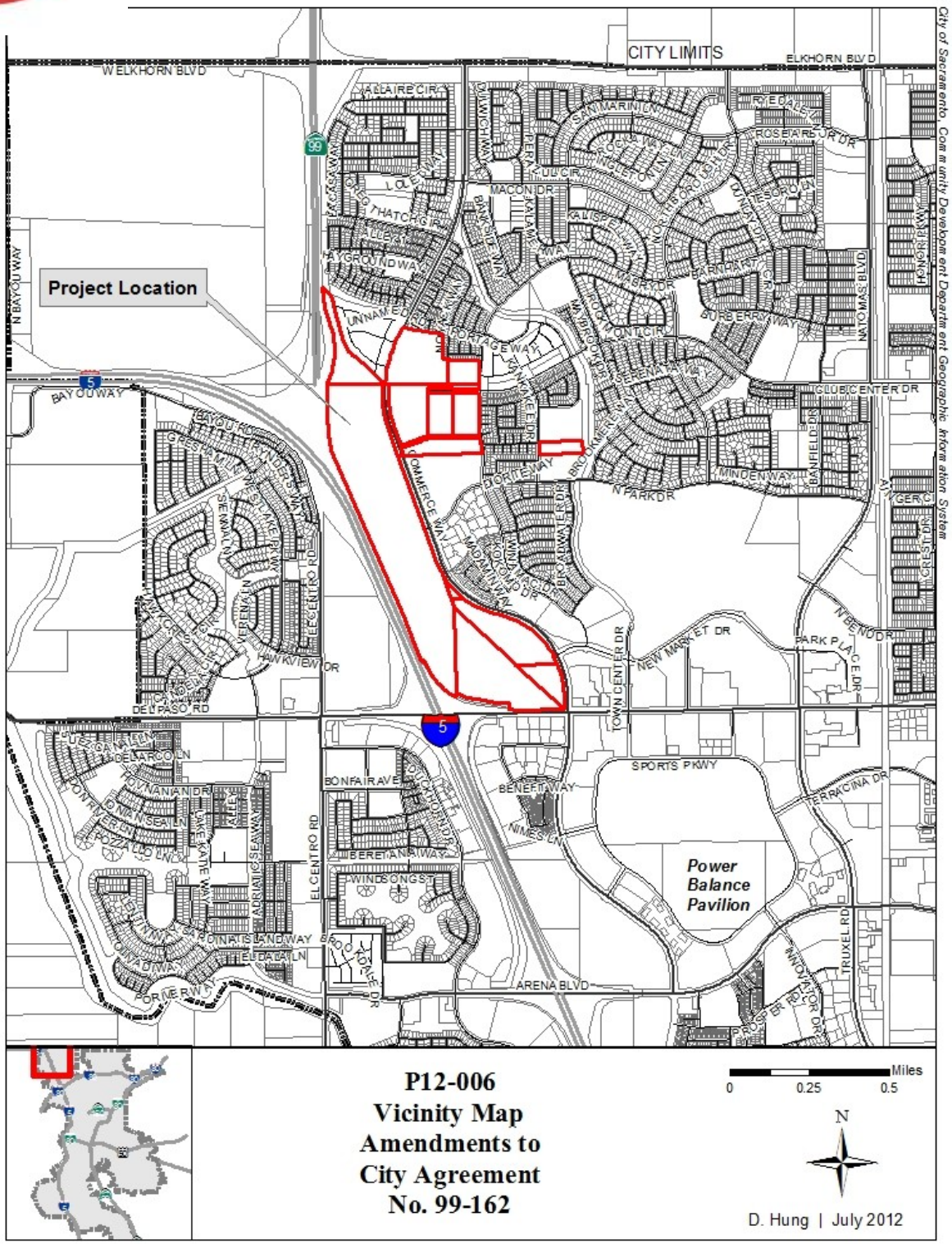
Vicinity Map



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RESOLUTION NO.

Adopted by the Sacramento City Council

DETERMINING PROJECT EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (P12-006)

BACKGROUND

A. On June 14, 2012, the City Planning Commission conducted a public hearing on, and forwarded to the City Council, a recommendation to approve three amendments to City Agreement No. 99-162, a North Natomas Development Agreement.

B. On July 31, 2012, the City Council conducted a public hearing, for which notice was given under City Code section 17.200.010(C)(1) and (2)(a), (b), and (c) (publication, posting, and mail (500 feet)); section 18.16.080(A)(1, 2, 3 and 4); and section 18.16.080(B)(1, 2, 3 and 4), and received and considered evidence concerning the three amendments.

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

Section 1. Based on the determination and recommendation of the City's Environmental Planning Services Manager and the oral and documentary evidence received at the hearing on the Project, the City Council finds that the Project is exempt from review under the California Environmental Quality Act, as follows: "The activity is covered by the general rule that CEQA applies only to projects [that] have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." (Cal. Code Regs., tit. 14, § 15061(b)(3).)

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ORDINANCE NO.

Adopted by the Sacramento City Council

APPROVING A FIRST AMENDMENT TO CITY AGREEMENT NO. 99-162 BETWEEN THE CITY OF SACRAMENTO AND NATOMAS CREEK LLC (APN: 201-0300-139-0000, 201-0300-153-0000, 225-0030-057-0000, 225-0030-058-0000, 225-0030-059-0000, 225-0040-057-0000, 225-2320-001-0000, 225-2320-002-0000, 225-2320-003-0000) (P12-006)

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. Incorporation of Agreement.

This ordinance incorporates the First Amendment to City Agreement No. 99-162 between the City and Natomas Creek LLC, ("**Landowner**"), a copy of which is attached to this ordinance as Exhibit A.

Section 2. Hearing before the Planning Commission.

On June 14, 2012, in accordance with Government Code section 65867 and Sacramento City Code chapter 18.16, the Planning Commission conducted a noticed public hearing on an application to amend City Agreement No. 99-162, a North Natomas Development Agreement (the "**Original Agreement**"). During the hearing, the Planning Commission received and considered evidence and testimony. After the hearing concluded, the Planning Commission forwarded to the City Council a recommendation to approve the proposed amendment.

Section 3. Hearing before the City Council; Findings.

On July 31, 2012, in accordance with Government Code section 65867 and Sacramento City Code chapter 18.16, the City Council conducted a noticed public hearing on the application to amend the Original Agreement. During the hearing, the City Council received and considered evidence and testimony concerning the proposed amendment. Based on the information in the application and the evidence and testimony received at the hearing, the City Council finds as follows:

(a) The proposed amendment to the Original Agreement is consistent with the City's general plan and the goals, policies, standards, and objectives of the North Natomas Community Plan.

(b) The proposed amendment will facilitate Landowner's development of the property subject to the amendment, which should be encouraged in order to meet important economic, social, environmental, or planning goals of the North Natomas Community Plan.

(c) Without the amendment, Landowner would be unlikely to proceed with development of the property subject to the amendment in the manner proposed.

(d) Landowner will incur substantial costs to provide public improvements, facilities, or services from which the general public will benefit.

(e) Landowner will participate in all programs established or required under the general plan or any applicable specific or community plan and all of its approving resolutions (including any mitigation-monitoring plan) and has agreed to the financial participation required under the applicable financing plan and its implementation measures, all of which will accrue to the benefit of the public.

(f) Landowner has made commitments to a high standard of quality and has agreed to all applicable land-use and development regulations.

Section 4. Approval and Authorization.

The City Council hereby approves the First Amendment to City Agreement No. 99-162. The City Council hereby authorizes the Director of the Community Development Department to sign on the City's behalf, on or after the effective date of this ordinance, the First Amendment to City Agreement No. 99-162.

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Exhibit A: First Amendment to City Agreement No. 99-162 – 24 pages

No fee required, as recording benefits the City of Sacramento, a government entity (Gov. Code, §§ 6103 & 27383).

When recorded, return document to—

Office of the City Clerk
Historic City Hall
915 "I" Street, First Floor
Sacramento, CA 95814

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

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First Amendment to City Agreement No. 99-162
North Natomas Development Agreement

This amendatory agreement, dated _____, 2012, for purposes of identification, is between the CITY OF SACRAMENTO, a California municipal corporation (the "**City**"); and NATOMAS CREEK LLC, a California limited-liability company (the "**Landowner**").

Background

A. The City and the Landowner's predecessors (Kern W. Schumacher, et al.) are parties to a North *Natomas Development Agreement* that is dated September 28, 1999; is designated as City Agreement No. 99-162; and was recorded with the Sacramento County Clerk/Recorder on February 23, 2000, in Book 20000223 at Page 0364 (the "**Original Agreement**").

B. The Landowner was assigned an interest in the Original Agreement for a portion of the Property as described in an *Assignment and Assumption Agreement* that is dated October 8, 2009, and was recorded with the Sacramento County Clerk/Recorder on November 3, 2009, in Book 20091103 at Page 0710 (the "**Assignment**").

C. Under the Original Agreement and the Assignment, the Landowner agrees to participate in, and to faithfully and timely comply with, the North Natomas Finance Plan as it is amended from time to time (the "**Finance Plan**").

D. On May 26, 2009, the Sacramento City Council approved the *North Natomas Nexus Study and Financing Plan 2008 Update*, which among other things establishes a new procedure for adjusting the amount of the Public Facilities Fee established by Sacramento City Code section 18.24.050. By entering into this amendatory agreement, the parties incorporate the new procedure into the Original Agreement.

With these background facts in mind, the City and the Landowner agree as follows:

1. **Amendment to Definition of "North Natomas Finance Plan."** The definition of "North Natomas Finance Plan" in article I of the Original Agreement is amended to read as follows in its entirety:

   North Natomas Finance Plan: the plan, as it may be amended from time to time, that establishes methods for financing Infrastructure through a combination of land transfers,

dedications, contributions, fees, assessment districts, community facilities districts, and other measures. As to the Public Facilities Fee, the North Natomas Finance Plan, as amended from time to time, will provide for adjusting the amount of the Public Facilities Fee in accordance with the principles set forth in the procedure attached hereto as Exhibit I and incorporated herein by reference.

2. **Addition of New Exhibit I.** The procedure for adjusting the Public Facilities Fee that is attached to this amendatory agreement as an exhibit is hereby added to, and made part of, the Original Agreement as Exhibit I.

3. **All Other Terms Remain in Force.** Except as amended by sections 1 and 2 above, all terms and conditions of the Original Agreement remain in full force.

4. **Effective Date.** This amendatory agreement takes effect on the effective date of the ordinance that approves it (Gov. Code, § 65868; Sacramento City Code, §§ 18.16.120 & 18.16.130).

5. **Recording.** Either party may record this amendatory agreement with the Sacramento County Clerk/Recorder.

6. **Counterparts.** The parties may execute this amendatory agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement.

7. **Entire Agreement.** This amendatory agreement sets forth the parties' entire understanding regarding the matters set forth above. It supersedes all prior or contemporaneous agreements, representations, and negotiations regarding those matters (whether written, oral, express, or implied) and may be modified only by another written agreement signed by all parties. This amendatory agreement will control if any conflict arises between it and the Original Agreement.

(*Signature page follows*)

City of Sacramento

By: _____
Max Fernandez
Director of Community Development
on behalf of John F. Shirey, City Manager
Date: _____, 2012

Approved as to Form
City Attorney

By: _____
Senior Deputy City Attorney

Natomas Creek LLC

By: KWS California LLC
a Nevada limited-liability company

Its: Sole member

By: KWS Companies Management Inc.
a Nevada corporation

Its: Manager

By: _____
Kern W. Schumacher
President
Date: _____, 2012

[Attach Certificates of Acknowledgment – Civil Code § 1189]

EXHIBIT I

Procedure for Adjusting the Public Facilities Fee and Revising the Inventory of Remaining Infrastructure to be Financed by that Fee

When amending the North Natomas Finance Plan, the City shall set the amount of the Public Facilities Fee (subsection A.1 in Sacramento City Code section 18.24.050) in accordance with the following procedure by using the estimated cost of the remaining facilities to be financed:

1. **Definitions.**

(a) "Agreement" means the development agreement to which this Exhibit I is attached.

(b) "Aggregate Costs" means the aggregate PFF Shares of PFF Facilities remaining to be completed, calculated using the then-current year's cost estimate, plus the cost to pay the administrative component of the PFF as specified in the Finance Plan.

(c) "CalTrans Index" means the Quarterly California Highway Construction Cost Index (Price Index for Selected Highway Construction Items) published by the California Department of Transportation, Division of Engineering Services – Office Engineer.

(d) "CEQA Mitigation Measure" means a requirement proposed, in accordance with the California Environmental Quality Act, to eliminate or substantially lessen the significant effects on the environment from the City's approval of a project on the Property.

(e) "Effective Date of this Exhibit" means the effective date of the amendatory agreement that adds this Exhibit I to the Agreement.

(f) "ENR Index" means the Engineering News Record Construction Cost Index for San Francisco.

(g) "Finance Plan" means the North Natomas Finance Plan, as amended.

(h) "Non-PFF Sources" means any funding for a Schedule One or Schedule Two Facility other than PFF funding. It includes but is not limited to federal funding, state funding, regional funding, grants, gifts, contributions, fees, reimbursements, the City's general fund, the City's Major Street Construction Tax, private funds, payments from the Greenbriar area, and payments from the Panhandle area upon annexation to the City. It does not include conditions of approval or CEQA Mitigation Measures imposed on any project the Landowner proposes for the Property, except as otherwise provided in section 7(b).

(i) "Funding Requirement" means the amount of the PFF that must be generated from remaining development so that the City will have adequate funding to construct the PFF Facilities remaining to be completed and to administer the PFF program. It is calculated as follows: *first*, calculate the Aggregate Costs; *second*, from the Aggregate Costs, subtract both the PFF revenues then available to complete the uncompleted PFF Facilities (including any

interest earned on those PFF revenues) and the amount of any reduction under section 9; and *third*, add the amount of outstanding PFF credits.

(j) "PFF" means the Public Facilities Fee established by subsection A.1 of Sacramento City Code section 18.24.050, as amended.

(k) "PFF Funding Obligation" means the maximum funding obligation of the PFF in a given year, determined in accordance with subsection 5 below.

(l) "PFF Share" means the portion of a PFF Facility's cost that is funded, in whole or part, by the PFF.

(m) "Property" means the real property identified in Exhibit A to the Agreement.

(n) "Schedule One" means the list of public improvements and segments of public improvements that is attached to, and made part of, this Exhibit I.

(o) "Schedule One Facility" means a public improvement or segment of a public improvement that is listed on Schedule One.

(p) "Schedule Two" means the list of public improvements and segments of public improvements that is attached to, and made part of, this Exhibit I.

(q) "Schedule Two Facility" means a public improvement or segment of a public improvement that is listed on Schedule Two.

(r) "Schedule Three" means the diagram of the "Boot" area that is attached to, and made part of, this Exhibit I.

(s) "Scope" means the location or physical description, or both, of a Schedule One Facility or a Schedule Two Facility, but not the PFF funding set forth for the facility in Schedule One or Schedule Two (the actual PFF funding for a facility or portion of a facility may be higher or lower than the dollar amount set forth in Schedule One or Schedule Two).

(t) "Transportation Facilities" means all public improvements and segments of public improvements listed in Schedule One other than the police substation, second fire station, library, freeway landscaping, and community center.

(u) "2008 Update" means the North Natomas Nexus Study and Financing Plan 2008 Update that the Sacramento City Council approved on May 26, 2009, by adopting Resolution No. 2009-341.

2. **Annual PFF Adjustment for Schedule One Facilities.**

(a) Each July 1, the City shall adjust the PFF in accordance with the difference between—

(1) the Funding Requirement for the then-current year; and

(2) the funding that would be available, after deducting revenue on hand (which includes interest and any reductions under section 9) and adding outstanding PFF credits, if the then-existing PFF were applied to remaining development.

In other words, the City shall adjust the PFF in accordance with the difference between the then-current year's cost estimate and an amount calculated by applying the then-existing PFF to remaining development.

(b) Example of an annual PFF adjustment for Schedule One Facilities:

As of April 1, 2010	Percentage Cost Changes		
	+3.257%	–6.000%	+6.000%
Costs Comparison			
Remaining Costs from April 1, 2009, Estimate	200,000,000	200,000,000	200,000,000
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
	+3.257%	–6.000%	+6.000%
Funding Requirement Calculation			
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
Less Cash on Hand April 1, 2010	–30,000,000	–30,000,000	–30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Existing Fee Calculation			
Revenue From Remaining Development Using 2009 Fees	200,000,000	200,000,000	200,000,000
Less Cash on Hand April 1, 2010	–30,000,000	–30,000,000	–30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
Resources Based with 2009 Fees	195,000,000	195,000,000	195,000,000
Fee Change Effective July 1, 2010			
Resources Based on 2009 Fees	195,000,000	195,000,000	195,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Fee Change $	+6,514,000	–12,000,000	+12,000,000
Fee Change %	+3.341%	–6.154%	+6.154%

(c) Unless the City determines that prevailing market conditions do not justify doing so (e.g., if development is lacking or the remaining development is limited), at least once every three years the City shall perform a comprehensive review and nexus study for the PFF, using the cost-adjustment procedures in subsections 3 and 4 to reallocate costs to remaining undeveloped land uses in accordance with Finance Plan policies and principles.

3. **Procedure for Adjusting Costs of Uncompleted Transportation Facilities.** The City shall use the following procedure to adjust the PFF Shares for all uncompleted Transportation Facilities:

(a) *Method of Adjustment*. Each year, the City shall determine the cost adjustment for uncompleted Transportation Facilities using either the Benchmark Change determined under subsection 3(b) or the percentage change in the index selected under subsection 3(c). If, for the year in question, the difference between the Benchmark Change and the percentage change in the selected index is five or more percentage points, then the City shall use the Benchmark Change to adjust costs for uncompleted Transportation Facilities. Otherwise, the City shall adjust costs for those facilities using the percentage change in the selected index.

(b) *Determination of Benchmark Change.* The City shall follow the following steps to determine the "Benchmark Change" for each year:

(1) *Step 1.* Before April 1, have a third-party professional engineering consultant who is under contract to the City estimate the cost to construct all uncompleted Transportation Facilities. The cost estimate will anticipate cost changes to the next July 1.

(2) *Step 2.* Determine the "Benchmark Estimate" of the cost to construct all uncompleted Transportation Facilities by adding an estimated contingency to the cost estimate from Step 1. The estimated contingency may not exceed 26% of the cost estimate.

(3) *Step 3.* Divide the Benchmark Estimate from Step 2 by the previous year's adjusted cost estimate for uncompleted Transportation Facilities (which was determined in accordance with this section 3) and express the resulting quotient as a decimal.

Illustration: If, for example, the Benchmark Estimate from Step 2 is $206,514,000 and the previous year's cost estimate for uncompleted Transportation Facilities is $188,275,000, then the resulting quotient (to nine decimal places) is 1.094258842 (i.e., $206,514,000 ÷ $188,725,000 = 1.094258842).

(4) *Step 4.* Subtract 1.0 from the resulting quotient in Step 3.

Illustration: If, for example, the quotient from Step 3 is 1.094258842, then subtracting 1.0 from that quotient yields a difference of 0.094258842 (i.e., 1.094258842 – 1.0 = 094258842).

(5) *Step 5.* Express the difference from Step 4 as a percentage by multiplying it by 100 and adding a percentage sign, and then round the percentage to the nearest thousandth. This rounded percentage is the Benchmark Change for the year.

Illustration: If, for example, the difference from Step 4 is 0.094258842, then multiplying that difference by 100 and rounding the product to the nearest thousandth yields a Benchmark Change of 9.426%.

(c) *Selection of Index.* Each year, the City shall adjust the cost of the Transportation Facilities remaining to be completed by using either the percentage change in the ENR Index or the percentage change in the CalTrans Index, according to the following criteria:

(1) If both indexes are positive on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the greater percentage change.

(2) If the change in one index is positive and the change in the other is negative on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the positive change.

(3) If the change for both indexes is negative on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the negative change that is closer to zero.

(4) Measurement of Percentage Change in an Index.

(A) The percentage change in the ENR Index is the year-over-year change as of each March.

(B) The percentage change in the CalTrans Index is the change between the 12-quarter average through quarter 1 of the then-current year and the 12-quarter average through quarter 1 of the prior year.

(d) *Precision*. The City shall carry out all calculations to three decimal places.

(e) *Sample Cost Adjustments for Uncompleted Transportation Facilities*:

Sample #1

Benchmark change of + 4.000%
ENR Index change of + 2.000%
CalTrans Index change of + 3.100%
Adjustment: plus 3.100%

Sample #2

Benchmark change of + 4.500%
ENR Index change of + 1.000%
CalTrans Index change of – 1.000%
Adjustment: plus 1.000%

Sample #3

Benchmark change of – 4.000%
ENR Index change of – 0.500%
CalTrans Index change of – 1.000%
Adjustment: minus 0.500%

Sample #4

Benchmark change of – 5.000%
ENR change of + 0.500%
Cal Trans Index change of + 0.000%
Adjustment: minus 5.000%

Sample #5

Benchmark change of +6.000%
ENR Index change of +1.000%
CalTrans Index change of –1.000%
Adjustment: plus 6.000%

Sample #6

Benchmark change of +6.000%
ENR change of +3.500%
CalTrans Index change of +7.000%
Adjustment: plus 7.000%

4. **Cost Adjustment for Police Substation, Second Fire Station, Library, Freeway Landscaping, and Community Center.** The PFF Shares of the police substation, second fire station, library, freeway landscaping, and community center listed in Schedule One will not exceed the amount established in the 2008 Update, except as follows: the City shall adjust the PFF Shares for the police substation, second fire station, library, freeway landscaping, and community center by using only the positive change in the ENR Index from March to March, effective each July 1. If, however, there are two consecutive years of decreases in the ENR Index, then, beginning with the second year of the decrease, the City shall decrease the PFF Shares for the police substation, second fire station, library, freeway landscaping, and community center by an amount equal to the decrease in the ENR Index for that second year.

5. **Annual Determination of the PFF Funding Obligation.** The Finance Plan shows for each Schedule One Facility not just its estimated cost but also its PFF Share. Each year, after adjusting costs in accordance with sections 2 through 4 above, the City shall determine the aggregate PFF share for all PFF Facilities, and that aggregate amount will be the PFF Funding Obligation for that year.

6. **Reduction of PFF Shares.**

   (a) The City may reduce the PFF Share of a Schedule One Facility only if one of the following events occurs:

      (1) The PFF Share of the estimated cost to construct the facility, as set forth in Schedule One, decreases as a result of the procedure in subsection 3 or 4.

      (2) The PFF Share of the actual cost to construct the facility is less than the PFF Share set forth for the facility in Schedule One, adjusted in accordance with the procedure in subsection 3 or 4.

      (3) The City secures and appropriates, from Non-PFF Sources, funding to replace all or part of the facility's PFF Share.

   (b) If the City reduces a PFF Share in accordance with subsection 6(a)(1) or 6(a)(2), then the City may use the reduced portion only to decrease the Funding Requirement.

   (c) If the City reduces a PFF Share in accordance with subsection 6(a)(3) and the reduction does not result from payments the City receives from the Greenbriar area or the Panhandle area, then the City shall use the reduced portion of the PFF Share as follows:

      (1) First, if there is an actual cost overrun on a completed Schedule One Facility when the PFF share is reduced, then the City shall use the reduced portion of the PFF share to reduce the cost overrun on that facility.

      (2) Second, if a Schedule One Facility is under construction when the PFF share is reduced and the City anticipates that the actual cost to construct that facility will exceed the facility's PFF Share shown on Schedule One (as the PFF Share has been adjusted from

year to year), then the City shall use the reduced portion of the PFF share to reduce the anticipated cost overrun on that facility.

(3) Third, if there are no actual or anticipated cost overruns on a Schedule One Facility when the PFF Share is reduced, then the City may use the reduced portion of the PFF Share either—

(A) to fund or to increase the Scope of Schedule One or Schedule Two Facilities; or

(B) to reduce the Funding Requirement.

(d) The City shall determine the reduced amount of a PFF Share in accordance with subsection 3 or 4 above, as appropriate.

7. Funding for Schedule Two Facilities.

(a) Except as provided in subsection 7(b), the only funding available for Schedule Two Facilities is—

(1) PFF funding available under subsection 6(c)(3)(A);

(2) funding from Non-PFF Sources; and

(3) fee revenues available under subsections 8(a) and 8(b).

(b) If, when approving a project on the Property, the City requires the construction or funding of a Schedule Two Facility, in whole or part, as a CEQA Mitigation Measure or a condition of approval, then the City shall timely construct or fund that facility at no cost to the Landowner, subject to the following: the City may require, as a CEQA Mitigation Measure or a condition of approval, that the Landowner construct or fund the overcrossing for Snowy Egret Way described in Schedule Two if—

(1) the Property consists of one or more of Sacramento County APNs 225-0070-059, 225-0070-060, 225-0070-063, 225-0070-067, and 225-0070-076; and

(2) the mitigated negative declaration, the environmental impact report, or any other relevant environmental document prepared for the Landowner's project proposes the construction or funding of the Snowy Egret Way as mitigation for the traffic impacts that will result from approval of the project

8. Funding from Greenbriar and the Panhandle.

(a) When the City begins to receive development-impact fees collected under the Panhandle Finance Plan to offset the cost of PFF-funded facilities that benefit the Panhandle area, the City may use those fees to fund or to increase the Scope of Schedule One Facilities and Schedule Two Facilities.

(b) When the City begins to receive development-impact fees collected under the Greenbriar Finance Plan to offset the cost of PFF-funded facilities that benefit the Greenbriar area, the City may use those fees to fund or to increase the Scope of Schedule One Facilities and Schedule Two Facilities.

9. Reduction of Funding Requirement.

(a) The City, in its discretion, may reduce the Funding Requirement in accordance with subsection 6(c)(3)(B).

(b) If the land-use designation for Sacramento County APN 225-0070-059, 225-0070-060, 225-0070-063, or 225-0070-067 (each, an "Arco Arena Parcel") is changed to allow uses different from the uses permitted for the Arco Arena Parcel under the North Natomas Community Plan as it existed on the effective date of the Agreement, then each year the City shall reduce the Funding Requirement by an amount equal to the increased portion of PFF that the City collects from the affected Arco Arena Parcel.

10. Scope of Schedule One and Schedule Two Facilties. The Scope of each Schedule One Facility is as described in Schedule One and the Finance Plan. The City may not revise the Scope except as provided in subsections 10(a), 10(b), and 10(c), or as required to comply with federal or state law. With respect to freeway overcrossings (unless sufficient PFF funding has been allocated already), the physical appearance, design enhancements, and landscaping must be substantially comparable to the freeway overcrossings and freeway interchanges at Truxel Road and Interstate 80, Arena Boulevard and Interstate 5, and Del Paso Road and Interstate 5 as they existed on the Effective Date of this Exhibit. With respect to other public roadways and streets, the scope must be based on the City's street-design standards that apply to the roadway or street under the Agreement.

(a) The City may increase the Scope of a Schedule One Facility in accordance with subsections 6(c)(3)(A), 8(a), and 8(b).

(b) The City may increase the Scope of a Schedule Two Facility in accordance with subsections 6(c)(3)(A), 7(a), 8(a), and 8(b).

(c) If the City receives development-impact fees collected under the Panhandle Finance Plan to offset the cost of PFF-funded facilities that benefit the Panhandle area, or if the City receives development-impact fees collected under the Greenbriar Finance Plan to offset the cost of PFF-funded facilities that benefit the Greenbriar area, then the City may use those fees and

any other Non-PFF Sources to fund in full a change in the Scope of a Schedule One Facility or a Schedule Two Facility.

11. **Adequate Funding for Schedule One Facilities.** The City may not cite, as a reason for increasing the amount of the PFF Funding Obligation, the loss of potential funding from Non-PFF Sources identified in the 2008 Update.

12. **Change in PFF Share for West El Camino/Interstate 80 Interchange Improvements.** The PFF Share for the West El Camino/Interstate 80 Interchange Improvements (the "Interchange Improvements") was determined to be 9% based upon an assumption in the City's traffic study that the area of Natomas commonly known as the "Boot," as shown on Schedule Three, would be developed with urban uses. If all urban development in the Boot ever becomes permanently prohibited by law, such as by the recording of perpetual open-space or conservation easements, then the following will apply notwithstanding anything to the contrary in this Exhibit I:

    (a) The City shall increase the entire Finance Plan area's share of the Interchange Improvements from 9% to 37% of the cost of the interchange as determined by the consultant under subsection 3(b), above.

    (b) The City shall adjust the PFF Share for the Interchange Improvements to reflect the increase to 37%, taking into account the development that has already taken place in the entire Finance Plan area, so that remaining development in the Finance Plan area pays only its fair share of the entire Finance Plan area's new 37% share of the cost of the Interchange Improvements.

    (c) To illustrate the adjustment described in subsections 12(a) and 12(b), the following example shows how the adjustment would be calculated if urban development becomes permanently prohibited in the Boot when the Finance Plan area is 60% built out:

		Current Finance Plan Share Scenario	Revised Finance Plan Share Scenario (if Development of the Boot is Prohibited)	
a	Interchange Cost	$22,465,000	$22,465,000	
b	Finance Plan Fair Share	9%	37%	
c	PFF Allocated Share of Cost	$2,021,850	$8,312,050	*(a*b)*
d	Base Share	$2,021,850	$2,021,850	
e	Incremental Share	N/A	$6,290,200	*(c-d)*
f	% Development Remaining	N/A	40%	
g	Incremental Adjusted Share	N/A	$2,516,080	*(e*f)*
h	PFF Funding Obligation	$2,021,850	$4,537,930	*(d+g)*

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
Bridges:							
B1	C	Bridge Cross Drive Over East Drain Canal (6)	Bridge Completed	$ 741,529	$ 741,529		$ -
B2	C	Club Center Drive at East Drain Canal (6)	Bridge Completed	$ 1,241,682	$ 1,241,682		$ -
B3	C	North Bend Drive Over East Drain Canal (6)	Bridge Completed	$ 731,657	$ 731,657		$ -
B4		Terracina Drive Over East Drain Canal (7)	Two (2) lane bridge 50 ft wide by 80 ft length. Bridge to include (2) 12' lanes, (2) 6' bike lanes, and (2) 5' sidewalks and a 4' painted median.	$ 1,172,093			$ 1,172,093
B5		Del Paso Road Over East Drain Canal	Six (6) lane bridge, 98 ft wide by 80 ft length. Bridge to include (6) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,541,030			$ 1,541,030
B6		Elkhorn Boulevard Over East Drain Canal	Six (6) lane bridge, 98 ft wide by 80 ft length. Bridge to include (6) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,541,030			$ 1,541,030
B7		Gateway Park Boulevard Over C-1 Canal	Four (4) lane bridge, 74 ft wide by 80 ft length. Bridge to include (4) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,953,488			$ 1,953,488
B8		El Centro Road Over West Drain Canal	Four (4) lane bridge, 74 ft wide by 80 ft length. Bridge to include (4) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,163,635			$ 1,163,635
		Subtotal Bridges:		**$ 10,086,145**	**$ 2,714,868**	**$ -**	**$ 7,371,277**
Interchanges:							
	P	Truxel	Truxel Interchange overcrossing, auxiliary lanes between Truxel and Northgate, and a two (2) lane Eastbound exit at Northgate completed. PFF funding is 33.2% of the total cost for the overcrossing and 100% for the auxiliary lanes.	$ 8,907,217		$ 7,206,227	$ 1,700,990
	C	Arena	Arena Interchange, auxiliary lane I-5 at Del Paso to I-80, a two (2) lane Southbound exit from I-5, and striping for Northbound exit for two (2) lanes completed. PFF funding is 100% of the total cost.	$ 22,817,789		$ 22,817,789	$ -
	P	Del Paso	Del Paso Interchange.	$ 861,460			$ 861,460
	P	Del Paso Interchange Auxiliary Lane	Construct an auxiliary lane at the south bound loop on-ramp to Interstate 80 and signalization. PFF funding is 100% of the total cost.	$ 1,665,294		$ 60,000	$ 1,605,294
		Elkhorn/SR 99 Interchange	Expand interchange to a 6 lane interchange to accommodate widening of Elkhorn Blvd from 2 to 6 lanes. PFF funding is 34.0% of the total cost.	$ 4,399,000			$ 4,399,000
	P	W. El Camino/I-80 Interchange	Widen overcrossing to four (4) lanes. PFF funding share was determined with 2008 PFF update. PFF funding is 9.0% of the total cost.	$ 2,022,000		$ 538,975	$ 1,483,025
		Subtotal Interchanges:		**$ 40,672,760**	**$ -**	**$ 30,622,991**	**$ 10,049,769**
Overcrossings:							
		Natomas Crossing Boulevard	PFF funding is 100% of the total cost to construct a 2 lane, 52 ft wide overcrossing over Interstate 5 to include approaches from East Commerce Way to Duckhorn Drive. This overcrossing assumes a 52' right of way with two 12' lanes, two 8' bike lanes/shoulders, and two 6' sidewalks with	$ 7,692,000			$ 7,692,000
		El Centro	PFF funding is 100% of the total cost to construct a 2 lane, 52 ft wide overcrossing over Interstate 5 to include approaches from Bayou Road to East Commerce Way. This overcrossing assumes a 52' right of way with two 12' lanes, two 8' bike lanes/shoulders, and two 6' sidewalks with barriers.	$ 7,692,000			$ 7,692,000

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
	P	Meister Way - w/ LRT Lanes	PFF funding is 17.5% of the total cost to construct a 2 lane overcrossing, 69 ft total width, over Highway 99 to include approaches from East Commerce Way to proposed east boundary of the Greenbriar development project. This overcrossing assumes a 69' right of way with two 12' vehicle lanes, 10' striped median, two 9' bike lanes/shoulders and two 6' sidewalks with barriers. Light rail tracks to be placed on separate overcrossing structure. Funding share determined with 2008 PFF update.	$ 1,412,456		$ 916,677	$ 495,779
		Subtotal Overcrossings:		**$ 16,796,456**	**$ -**	**$ 916,677**	**$ 15,879,779**
Total of Interchanges and Overcrossings (Freeways)				**$ 57,469,216**	**$ -**	**$ 31,539,668**	**$ 25,929,548**
Bikeways							
1	C	NORTHPOINTE SOUTH	12 feet wide for a distance of 5,367 feet. Bikeway constructed.	$ 263,845	$ 263,845		$ -
2	C	TOSCARO TRAIL **(4)**	Bikeway constructed.	**$ -**			$ -
3		ELKHORN BOULEVARD	12 feet wide for a distance of 15,371 feet.	$ 998,800			$ 998,800
4	C	EAST SIDE OF EAST DRAIN CANAL - SOUTH OF ELKHORN BLVD	12 feet wide for a distance of 7,224 feet. Bikeway constructed.	$ 329,831	$ 329,831		$ -
5	C	NORTHPOINTE NORTH	12 feet wide for a distance of 4,850 feet.Bikeway constructed.	$ 315,200	$ 144,017	$ 171,183	$ -
6	C	NORTHPOINTE SOUTH	12 feet wide for a distance of 4,763 feet. Bikeway constructed.	$ 309,500	$ 35,636	$ 273,864	$ -
7	C	EAST DRAIN CANAL DEL PASO RD TO BASIN 5	12 feet wide for a distance of 1,217 feet. Bikeway constructed.	$ 79,100		$ 79,100	$ -
8		EAST DRAIN CANAL AT BASIN 5	12 feet wide for a distance of 1,076 feet.	$ 69,900			$ 69,900
9		EAST DRAIN CANAL TRUXEL - ARENA	12 feet wide for a distance of 2,554 feet.	$ 166,000			$ 166,000
10	P	EAST DRAIN CANAL TRUXEL - SJ	12 feet wide for a distance of 6,048 feet.	$ 393,000		$ 259,300	$ 133,700
11		C1 CANAL WEST CITY	12 feet wide for a distance of 4,056 feet.	$ 263,600			$ 263,600
12		C1 CANAL COUNTY	12 feet wide for a distance of 5,077 feet.	$ 329,900			$ 329,900
13		C1 CANAL EAST CITY	12 feet wide for a distance of 252 feet.	$ 16,400			$ 16,400
14		WEST DRAIN CANAL SOUTH	12 feet wide for a distance of 3,298 feet.	$ 214,300			$ 214,300
15		WEST DRAIN CANAL	12 feet wide for a distance of 5,047 feet.	$ 328,000			$ 328,000
16	P	WESTLAKE - EAST/WEST	12 feet wide for a distance of 2,882 feet. Bikeway partially constructed.	$ 187,300		$ 124,782	$ 62,518
17	P	NORTH PARK DRIVE IN REGIONAL PARK	12 feet wide for a distance of 2,950 feet. Bikeway partially constructed.	$ 191,700	$ 82,184		$ 109,516
18	P	FISHERMAN'S LAKE	12 feet wide for a distance of 6,696 feet.	$ 435,100		$ 287,100	$ 148,000
19	P	EAST SIDE - STATE ROUTE 99	12 feet wide for an original distance of 8,644 feet. Bikeway partially constructed.	$ 561,700	$ 55,809		$ 505,891
20	P	SCHUMACHER, NORTH	12 feet wide for an original distance of 4,312 feet. Bikeway constructed.	$ 280,200	$ 176,715	$ 17,970	$ 85,515
21		EAST DRAIN CANAL, PARK PLACE	12 feet wide for a distance of 3,370 feet.	$ 219,000			$ 219,000
22	P	PARK 4A TRAIL	12 feet wide for a distance of 2,592 feet.	$ 168,400		$ 129,826	$ 38,574
23	C	NORTHBOROUGH I @ II	Bikeway constructed.	$ 165,133	$ 165,133		$ -
24	C	REGIONAL PARK NORTH/SOUTH	Bikeway constructed.	$ 168,700		$ 168,700	$ -
25	C	REGIONAL PARK EAST/WEST	Bikeway constructed.	$ 212,000		$ 212,000	$ -
26	C	REGIONAL PARK, NATOMAS BLVD	Bikeway constructed.	$ 70,400		$ 70,400	$ -
27	P	REGIONAL PARK AQUATIC CENTER	12 feet wide for a distance of 850 feet. Bikeway constructed.	$ 55,200		$ 42,847	$ 12,353
28		NATOMAS CROSSING EAST/WEST	12 feet wide for a distance of 485 feet.	$ 31,500			$ 31,500
29		GOLDENLAND SOUTH	12 feet wide for a distance of 1,084 feet.	$ 70,400			$ 70,400
30		GOLDENLAND NORTH	12 feet wide for a distance of 1,213 feet.	$ 78,800			$ 78,800

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
31		RIVERVIEW BASIN 7A NORTH/SOUTH	12 feet wide for a distance of 704 feet.	$ 45,700			$ 45,700
32		RIVERVIEW BASIN 7A EAST/WEST	12 feet wide for a distance of 1,029 feet.	$ 66,900			$ 66,900
33		WESTLAKE, NORTH/SOUTH	12 feet wide for a distance of 2,385 feet.	$ 155,000			$ 155,000
34		EAST SIDE TRUXEL ROAD - Arena Boulevard to Natomas Crossing Drive	8 feet wide for a distance of 2,523 feet.	$ 111,600			$ 111,600
34a	C	EAST SIDE TRUXEL ROAD - Del Paso Road to Arena Boulevard	8 feet wide for a distance of 3,453 feet. Bikeway constructed.	$ 93,269			$ 93,269
35	P	NORTHPOINTE - EAST SIDE	12 feet wide for a distance of 5,300 feet. Bikeway constructed.	$ 344,400	$ 246,221		$ 98,179
		Subtotal Bikeways:		**$ 7,789,779**	**$ 1,499,392**	**$ 1,837,072**	**$ 4,453,314**
Shuttles		**Shuttle Cost**	Contribution to funding of North Natomas Transportation Management Association Shuttles. Shuttles are ADA equipped and can hold 10-12 passengers.	**$ 1,341,144**	**$ -**	**$ 892,476**	$ 448,668
Total Bikes and Shuttles				**$ 9,130,923**	**$ 1,499,392**	**$ 2,729,548**	**$ 4,901,982**
Road Segments							
2	C	Club Center Drive	Segment completed	$ 555,555	$ 555,555		$ -
3	P	DEL PASO ROAD	Roadway Segment 3 from the City Limits on the West to El Centro Road. Widen a segment of Del Paso Road from the city limits on the West to El Centro Road to a 4 lane roadway (Roadway Segment 3). Roadway segment length of 3,042 feet; roadway width of 100 feet. City landscape quality level “B”. Roadway section type “A”.	$ 4,052,093	$ 1,872,261		$ 2,179,832
4	C	DEL PASO ROAD	Roadway Segment 4 from El Centro Road to I-5 SB Off-Ramp. Widen a segment of Del Paso Road to a six (6) roadway from El Centro Road to the Southbound Off-ramp of Interstate 5 (Roadway Segment 4). Roadway segment length of 650 feet; roadway width of 136 feet. City landscape quality level “B”. Roadway section type “B”.	$ 1,489,429		$ 1,489,429	$ -
5	C	DEL PASO ROAD - NORTH SIDE	Roadway Segment 5a from NB I-5 Off-Ramp to Truxel Road. A six (6) lane roadway segment of Del Paso Road from the northbound Interstate 5 off-ramp to the Truxel Road intersection. Roadway segment length of 2,815 feet; roadway width of 81 feet. City landscape quality level “B”. Roadway section type “B”.	$ 4,558,621	$ 613,831	$ 3,944,790	$ -
5	P	DEL PASO ROAD - NORTH SIDE	Roadway Segment 5b from NB I-5 Off-Ramp to Truxel Road. A six (6) lane roadway segment of Del Paso Road from the northbound Interstate 5 off-ramp to the Truxel Road intersection. Roadway segment length of 4,035 feet roadway width of 81 feet. City landscape quality level “B”. Roadway section type “B”.	$ 3,684,550	$ 155,069		$ 3,529,481
6	P	DEL PASO ROAD	Roadway Segment 6 from Truxel Road to East Drain Canal. A six (6) lane roadway segment of Del Paso Road from the intersection of Truxel Road to the East Drain Canal. Roadway segment length of 1,360 feet; roadway width of 136 feet. City landscape quality level “A”. Roadway section type “B”.	$ 1,866,901	$ 498,109		$ 1,368,792
7a	C	DEL PASO ROAD - NORTH SIDE	Segment completed	$ 2,643,318	$ 2,643,318		$ -

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
7b		DEL PASO ROAD - NORTH SIDE	Roadway Segment 7b from 300' West of City Limit on the East to the City Limit on the East. A six (6) lane roadway segment of Del Paso Road from 300 feet West of the east city limit to the east city limit. Roadway segment length of 300 feet; roadway width of 55 feet. City landscape quality level "B". Roadway section type "B".	$ 154,313			$ 154,313
7c	P	DEL PASO ROAD - SOUTH SIDE	Roadway Segment 7c from the East Drain Canal to the City Limit on the East. A six (6) lane roadway segment of the southside of Del Paso Road from the East Drain Canal to the city limit on the east. Roadway segment length of 4,110 feet; roadway width of 14 feet. City landscape quality level "B". Roadway section type "B".	$ 456,424	$ 91,536		$ 364,888
8	P	EAST COMMERCE WAY	Roadway Segment 8 from Elkhorn Blvd to Club Center Drive. A four (4) lane roadway segment of East Commerce Way from Elkhorn Boulevard to the Club Center Drive intersection. Roadway segment length of 5,690 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A". Partially complete.	$ 6,026,665	$ 2,866,893		$ 3,159,771
9	P	EAST COMMERCE WAY	Roadway Segment 9 from Club Center Drive to Del Paso Road. A six (6) lane roadway segment of East Commerce Way from its intersect with Club Center Drive to its intersection with Del Paso Road. Roadway segment length of 6,560 feet; roadway width of 136 feet. City landscape quality level "B". Roadway section type "B". Partially complete.	$ 8,142,228	$ 4,095,206		$ 4,047,022
10		EAST COMMERCE WAY	Roadway Segment 10 from Arena Blvd to Natomas Crossing Drive. A six (6) lane roadway segment of East Commerce Way from Arena Boulevard to Natomas Crossing Drive. Roadway segment length of 2,770 feet; roadway width of 136 feet. City landscape quality level "B". Roadway section type "B". Partially complete.	$ 3,329,327			$ 3,329,327
11		EAST COMMERCE WAY	Roadway Segment 11 from Natomas Crossing Drive to San Juan Road. A six (6) lane roadway segment of East Commerce Way from Natomas Crossing Drive to San Juan Road. Roadway segment length of 3,120 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A". Partially complete.	$ 3,302,398			$ 3,302,398
12		EL CENTRO ROAD	Roadway Segment 12 from Del Paso Road to Arena Blvd. A four (4) lane roadway segment of El Centro Road from East Commerce Way to Arena Boulevard. Roadway segment length of 4,580 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A". Partially complete.	$ 6,331,029			$ 6,331,029
13	P	EL CENTRO ROAD	Roadway Segment 13 from Arena Blvd to San Juan Road. A four (4) lane roadway segment of El Centro Road from Arena Boulevard to San Juan Road. Roadway segment length of 5,690 feet; roadway width of 100 feet. City landscape quality level "C". Roadway section type "A". Partially complete.	$ 7,262,281	$ 925,082		$ 6,337,199

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
14a		ELKHORN BOULEVARD	Roadway Segment 14a from SR-99 to East Commerce Way & Natomas Blvd to City Limit on East. A six (6) lane roadway segment of Elkhorn Boulevard from its intersection with State Route 99 to East Commerce Way and then from Natomas Boulevard to the City limits on the east. Roadway segment length of 5,550 feet; roadway width of 121 feet. City landscape quality level "C". Roadway section type "B".	$ 7,073,566			$ 7,073,566
14b		ELKHORN BOULEVARD	Roadway Segment 14b from East Commerce Way to Natomas Blvd. A four (4) lane roadway segment of Elkhorn Boulevard from East Commerce Way to its intersection Natomas Boulevard. Roadway segment length of 6,600 feet; roadway width of 100 feet. City landscape quality level "C". Roadway section type "A".	$ 7,219,746			$ 7,219,746
15	P	GATEWAY PARK BOULEVARD	Roadway Segment 15 from Del Paso Rd to Arena Blvd. A four (4) lane roadway segment of Gateway Park Boulevard from Del Paso Road to Arena Boulevard. Roadway segment length of 3,470 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A".	$ 3,657,397	$ 1,404,808		$ 2,252,589
16a	P	GATEWAY PARK DRIVE	Roadway Segment 16a from Arena Blvd to Truxel Road. A four (4) lane roadway segment of Gateway Park Boulevard from Arena Boulevard to Truxel Road. Roadway segment length of 2,494 feet; roadway width of 57 feet. City landscape quality level "B". Roadway section type "A".	$ 1,699,638	$ 1,055,390		$ 644,248
19	C	NATOMAS CROSSING DRIVE[6]	Segment completed	$ 610,766	$ 610,766		$ -
20	C	ARENA BOULEVARD	Segment completed	$ 1,714,776	$ 1,714,776		$ -
21		ARENA BOULEVARD	Landscaping for Roadway Segment 21 from Duckhorn Drive to I-5. Landscaping a portion of a six (6) lane roadway segment of Arena Boulevard from Duckhorn Drive to Interstate 5 complete. Roadway segment length of 1,000 feet; roadway width of 136 feet. City landscape quality level "B". Roadway section type "B". Roadway costs for this segment are included as part of the Arena Boulevard interchange cost.	$ 353,585			$ 353,585
22		ARENA BOULEVARD	Landscaping for Roadway Segment 22 from I-5 to East Commerce Way. Landscaping a portion of an eight (8) lane roadway segment of Arena Boulevard from Interstate 5 to East Commerce Way complete. Roadway segment length of 1,000 feet; roadway width of 158 feet. City landscape quality level "B". Roadway section type "C". Roadway costs for this segment are included as part of the Arena Blvd Interchange cost.	$ 353,585			$ 353,585
23a	C	NATOMAS BOULEVARD	Roadway Segment 23a from Elkhorn Blvd to 650' North of Club Center Dr. Frontage improvements for a four (4) lane roadway segment of Natomas Boulevard from Elkhorn Boulevard to 650 feet North of Club Center Drive complete. Roadway segment length of 4,640 feet; roadway width of 42 feet. City landscape quality level "B". Roadway section type "D".	$ 3,593,709	$ 3,593,709		$ -

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
23b	P	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 23b from Elkhorn Blvd to 650' North of Club Center Dr. The frontage improvements for a four (4) lane roadway segment of Natomas Boulevard from Elkhorn Boulevard to 650 feet North of Club Center Drive. Roadway segment length of 4,640 feet; roadway width of 50 feet. City landscape quality level "B". Roadway section type "D".	$ 2,779,756	$ 1,376,303		$ 1,403,453
23c	P	NATOMAS BOULEVARD	Segment completed	$ 443,004	$ 443,004		$ -
23d	P	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 23d from 650' North of Club Center Dr. to Club Center Dr. The frontage improvements for a four (4) lane roadway segment of Natomas Boulevard from 650 feet North of Club Center Drive to Club Center Drive. Roadway segment length of 650 feet; roadway width of 21 feet. City landscape quality level "B". Roadway section type "D".	$ 192,869	$ 112,157		$ 80,711
24b	P	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 24b from Club Center Dr. to North Park Dr. The frontage improvements for a six (6) lane roadway segment of Natomas Boulevard from Club Center Drive to North Park Drive. Roadway segment length of 2,000 feet; roadway width of 32 feet. City landscape quality level "B". Roadway section type "E".	$ 501,827	$ 282,968		$ 218,859
25a	C	NATOMAS BOULEVARD	Segment completed	$ 3,944,308	$ 3,944,308		$ -
25b	C	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 25b from North Park Dr. to 600' North of Del Paso Rd. The frontage improvements for a six (6) lane roadway segment of Natomas Boulevard from North Park Drive to 600 feet North of Del Paso Road. Roadway segment length of 3,790 feet; roadway width of 62 feet. City landscape quality level "A". Roadway section type "B".	$ 2,525,477	$ 367,477	$ 2,158,000	$ -
33		LIBRARY STREET[4]	Roadway Segment 33 from Del Paso Rd. to New Market Dr. A two (2) lane roadway segment of Library Street from Del Paso Road to New Market Drive. Roadway segment length of 990 feet; roadway width of 88 feet. No landscaping.	$ 1,207,243			$ 1,207,243
39	P	EL CENTRO ROAD	Roadway Segment 39 from Del Paso Rd to Bayou Rd. A four (4) lane roadway segment of El Centro Road from Del Paso Road to Bayou Road. Roadway segment length of 2,300 feet; roadway width of 100 feet. City landscaping quality level "B". Roadway section type "A".	$ 2,388,681	$ 1,073,757		$ 1,314,924
40	C	Interstate 5 Water Main Crossing	Segment completed	$ 1,499,480	$ 1,499,480		$ -
16b	P	GATEWAY PARK BOULEVARD	Roadway Segment 16b from Truxel Rd to N. Freeway Blvd. Six (6) lane roadway segment of Gateway Park Boulevard from Truxel Road to North Freeway Boulevard for a length of 896 feet complete. Roadway width of 93 feet. City landscaping quality level "B". Roadway section type "B".	$ 803,355	$ 657,974		$ 145,381
41	P	Between Gateway Park Blvd. And West Promenade Circle	Roadway Segment 41 from Gateway Park Blvd to West Promenade Circle. Six (6) lane roadway segment of North Freeway Boulevard from Gateway Park Boulevard to West Promenade Circle for a length of 803 feet complete. Roadway width of 136 feet. City landscaping quality level "B". Roadway section type "B".	$ 975,579	$ 809,651		$ 165,928

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
42	P	West Promenade Circle and East Promenade Circle	Roadway Segment 42 from W. Promenade Cir. To E. Promenade Cir. Four (4) lane roadway segment of North Freeway Boulevard from West Promenade Circle to East Promenade Circle for a length of 1,247 feet complete. Roadway width of 100 feet. City landscaping quality level "B". Roadway section type "A".	$ 1,331,815	$ 1,118,200		$ 213,615
18		NATOMAS CROSSING DRIVE	Segment 18 from I-5 to East Commerce Way. Landscaping a portion of Natomas Crossing Drive from Interstate 5 to East Commerce Way. Roadway segment length is 880 feet; width is 70 feet. City landscaping quality level "B".	$ 107,110			$ 107,110
34	C	Landscaping at East Drain Canal	Segment completed	$ 230,634	$ 230,634		$ -
	C	Del Paso Road - South Side	Segment completed	$ 5,125,843	$ 5,125,843		$ -
	C	East Commerce Way	Segment completed	$ 5,478,968	$ 5,478,968		$ -
35	P	EAST COMMERCE WAY	Segment 35 from Del Paso Rd. to Arena Blvd. Landscaping the six (6) lane roadway segment of East Commerce Way from Del Paso Road to Arena Boulevard. Roadway segment length is 5,000 feet; roadway width is 136 feet. City landscaping quality level "B". Roadway section type "B".	$ 1,767,925	$ 106,308		$ 1,661,617
	C	GATEWAY PARK BOULEVARD (HALF-SECTION BUILT)	Segment completed	$ 1,230,967	$ 1,230,967		$ -
	C	ARENA BOULEVARD	Segment completed	$ 5,013,104	$ 5,013,104		$ -
36	P	ARENA BOULEVARD	Segment 36 from East Commerce way to City Limits on East. Landscaping for a six (6) lane segment of Arena Boulevard from East Commerce Way to the eastern city limit. Roadway segment length of 5,500 feet; roadway width of 136 feet. City landscaping quality level "B". Roadway section type "B".	$ 1,944,717		$ 355,000	$ 1,589,717
	C	Truxel Road	Segment completed	$ 9,690,289	$ 9,690,289		$ -
37	P	TRUXEL ROAD	Segment 37 from Del Paso Rd. to Gateway Park Blvd (minus 1900'). Landscaping for an eight (8) lane roadway segment of Truxel Road from Del Paso Road to Gateway Park Boulevard, minus 1,900 feet. Roadway segment length of 5,600 feet; roadway width of 158 feet. City landscaping quality level "B". Roadway section type "C".	$ 1,980,076		$ 268,767	$ 1,711,309
38		NATOMAS CROSSING DRIVE	Segment 38 from Duckhorn Drive to Interstate 5. Landscaping the roadway segment of Natomas Crossing Drive from Duckhorn Drive to Interstate 5 for a length of 1,100 feet. Roadway width of 100 feet. City landscaping quality level "B". Roadway section type "A".	$ 274,183			$ 274,183
		Subtotal Roadways:		**$ 131,569,106**	**$ 61,257,700**	**$ 8,215,986**	**$ 62,095,419**
Freeway Landscaping			Includes freeway and drainage landscaping. Landscaping costs for road segments are included along with construction costs in the road segments PFF Funding amounts, unless otherwise noted in the facility's Description/Scope.	**$ 8,324,270**	**$ -**	**$ 1,114,196**	**$ 7,210,074**
Total Roadways and Freeway Landscaping:				**$ 139,893,376**	**$ 61,257,700**	**$ 9,330,182**	**$ 69,305,494**
Fully Funded Signals:							
2-Lane x 6-Lane							

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
2		Northbound SR-99 Off-Ramp and Elkhorn Boulevard	Traffic signal for 2-Lane x 6-Lane intersection. Remaining portion of total cost being funded by Panhandle area. PFF share is currently estimated at 92.3% of the total estimated cost. Partially funded by Panhandle.	$ 814,351			$ 814,351
4-Lane x 4-Lane							
6	C	El Centro Road and Del Paso Road	Traffic signal for a 2+-Lane x 8-Lane intersection. Traffic signal constructed.	$ 162,793	$ 162,793		$ -
4-Lane x 4-Lane							
7	P	El Centro Road and Del Paso Road	Traffic signal for a 4-Lane x 4-Lane intersection. Traffic signal partially constructed.	$ 400,465	$ 205,292		$ 195,173
8		El Centro Road and Snowy Egret Way	Traffic signal at a 4-Lane x 4-Lane intersection. Traffic signal constructed.	$ 400,465			$ 400,465
9	P	El Centro Road and Arena Boulevard **(6)**	Traffic signal at a 4-Lane x 4-Lane intersection. Traffic signal constructed. Signal to be phased.	$ 437,795		$ 168,454	$ 269,341
11	C	Gateway Park Boulevard and Arena Boulevard	Traffic signal at a 4-Lane x 4-Lane intersection. Traffic signal constructed.	$ 876,009		$ 876,009	$ -
4-Lane x 6-Lane							
12	P	East Commerce Way and Elkhorn Boulevard **(5)**	Traffic signal at a 4-Lane x 6-Lane intersection. Signal to be phased. Partially complete.	$ 461,766			$ 461,766
13	C	Natomas Boulevard and Elkhorn Boulevard	Traffic signal constructed.	$ -			$ -
14	C	Gateway Park Boulevard and Del Paso Road	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 181,390	$ 181,390		$ -
15	C	Snowy Egret Way and East Commerce Way	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 214,941		$ 214,941	$ -
16	C	Northgate Boulevard and Del Paso Road	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 241,000		$ 241,000	$ -
17		Natomas Crossing Drive and East Commerce Way	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 341,860			$ 341,860
4-Lane x 8-Lane							
18	C	Natomas Crossing Drive and Truxel Road	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 307,148	$ 307,148		$ -
19	C	Gateway Park Boulevard and Truxel Road	Traffic signal at a 4-Lane x 8-Lane intersection. Traffic signal constructed.	$ 256,513	$ 256,513		$ -
6-Lane x 6-Lane							$ -
20	C	Del Paso Road and East Commerce Way	Traffic signal at a 6-Lane x 6-Lane intersection. Traffic signal constructed.	$ 269,010	$ 269,010		$ -
32	C	Gateway Park Boulevard and North Freeway Boulevard (2+x4)	Traffic signal at a 6-Lane x 6-Lane intersection. Traffic signal constructed.	$ 172,655	$ 172,655		$ -
6-Lane x 8-Lane							
21	C	Del Paso Road and Truxel Road	Traffic signal at a 6-Lane x 8-Lane intersection. Traffic signal constructed.	$ 253,685	$ 253,685		$ -
Total Fully Funded Signals				**$ 5,791,846**	**$ 1,808,486**	**$ 1,500,404**	**$ 2,482,956**
2-Lane x 6-Lane							
40	C	Northborough Drive and Elkhorn Boulevard (2+x6)	Partial funding of traffic signal at a 2-Lane x 6-Lane intersection. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 34,114	$ 34,114		$ -

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
41	C	Elkhorn Boulevard and Sageview Drive (2x6)	Partial funding of traffic signal at a 2-Lane x 6-Lane intersection. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,768	$ 33,768		$ -
42		Club Center Drive and East Commerce Way (2+x6)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Club Center Drive and East Commerce Way. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300			$ 47,300
43	C	Natomas Blvd and Club Center Drive (2+x6)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Blvd and Club Center Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,768	$ 33,768		$ -
44		East Commerce Way and North Park Drive (2+/2x6) (8)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of East Commerce Way and North Park Drive. Traffic signal partially constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 51,300			$ 51,300
45	C	Natomas Blvd and North Park Drive	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Blvd and North Park Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,912	$ 33,912		$ -
46	C	Natomas Blvd and North Bend Drive	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Blvd and North Bend Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,912	$ 33,912		$ -
47	P	Natomas Blvd and New Market Drive	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Boulevard and New Market Drive. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300	$ 22,895		$ 24,405
48	C	Del Paso Road and Northborough Drive (2+x6)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Del Paso Road and Northborough Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,778	$ 33,778		$ -
49		Del Paso Road and North East Stadium Entrance	Partial funding for traffic signal at 2-Lane x 6-Lane intersection. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300	$ -		$ 47,300
50	P	Black Rock Drive and Del Paso Road (2+x6)	Partial funding for traffic signal at 2-Lane x 6-Lane intersection at Black Rock Drive and Del Paso Road. Traffic signal partially constructed - North leg of intersection not yet constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals	$ 31,800	$ 25,328		$ 6,472
51	C	Arena Boulevard and Duckhorn Drive(2+x6) **(9)**	Included in the cost for Arena Boulevard Overcrossing	$ -			$ -
52		East Commerce Way and Arena Entrance (2+x6)	Partial funding for traffic signal at 2-Lane x 6-Lane intersection at East Commerce Way and Arena Entrance. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300			$ 47,300
53		Arena Boulevard and Innovator Drive (2-/2x6)	Partial funding for traffic signal at 2-Lane x 6-Lane intersection at Arena Blvd and Innovator Drive. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 31,800			$ 31,800
		Signal Contingency		$ 47,300			$ 47,300
2-Lane x 8-Lane							
54		Truxel Road and Terracina Drive (2+/2x8)	Partial funding for traffic signal at 2-Lane x 8-Lane intersection at Truxel Road and Terracina Drive. Traffic signal constructed. Currently 20% is being funded for 2-Lane x 8-Lane traffic signals.	$ 49,900			$ 49,900
55		Truxel Road and Prosper Street (2x8)	Partial funding for traffic signal at 2-Lane x 8-Lane intersection at Truxel Road and Prosper Street. Traffic signal constructed. Currently 20% is being funded for 2-Lane x 8-Lane traffic signals.	$ 49,900			$ 49,900
Total Partially Funded Signals				**$ 654,452**	**$ 251,475**	**$ -**	**$ 402,977**

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
Total Signals				**$ 6,446,298**	**$ 2,059,960**	**$ 1,500,404**	**$ 2,885,933**
Public Facilities							
	C	Fire Station 1	Fire station is complete. Funding also includes apparatus necessary for outfitting the fire station.	$ 7,687,049		$ 2,034,466	$ 5,652,583
		Fire Station 2	Located at Westside of I-5/North Natomas. Provide funding contribution for a second fire station with a minimum building square footage of 8,000 square feet. Funding contribution also includes one ladder truck and one fire engine.	$ 9,600,000			$ 9,600,000
	P	Library	Located at Del Paso Road. Funding contribution for the North Natomas share (12,000 square feet) of 21,000 square foot total community library, including a share for library materials.	$ 10,126,271		$ 4,427,244	$ 5,699,027
		Police Substation	Located at Westside of I-5/North Natomas. Construct a 24,000 square foot police substation and provide funding for up to 120 police vehicles. North Natomas Area funding contribution is 31.4% of the total police substation cost and police vehicle cost.	$ 5,290,705			$ 5,290,705
		Community Center	Provide a funding contribution for the construction of one community center. Funding is not being provided for the costs of land acquisition, operation and maintenance, or ongoing utilities.	$ 8,136,328			$ 8,136,328
		Subtotal Public Facilities		**$ 40,840,353**	**$ -**	**$ 6,461,710**	**$ 34,378,643**
Planning Studies				**$ 17,231,226**	**$ 12,166,419**	**$ 5,064,807**	**$ (0)**
Total:				**$ 281,097,535**	**$ 79,698,340**	**$ 56,626,319**	**$ 144,772,877**

Note: P Denotes a partially completed project, C is a completed project

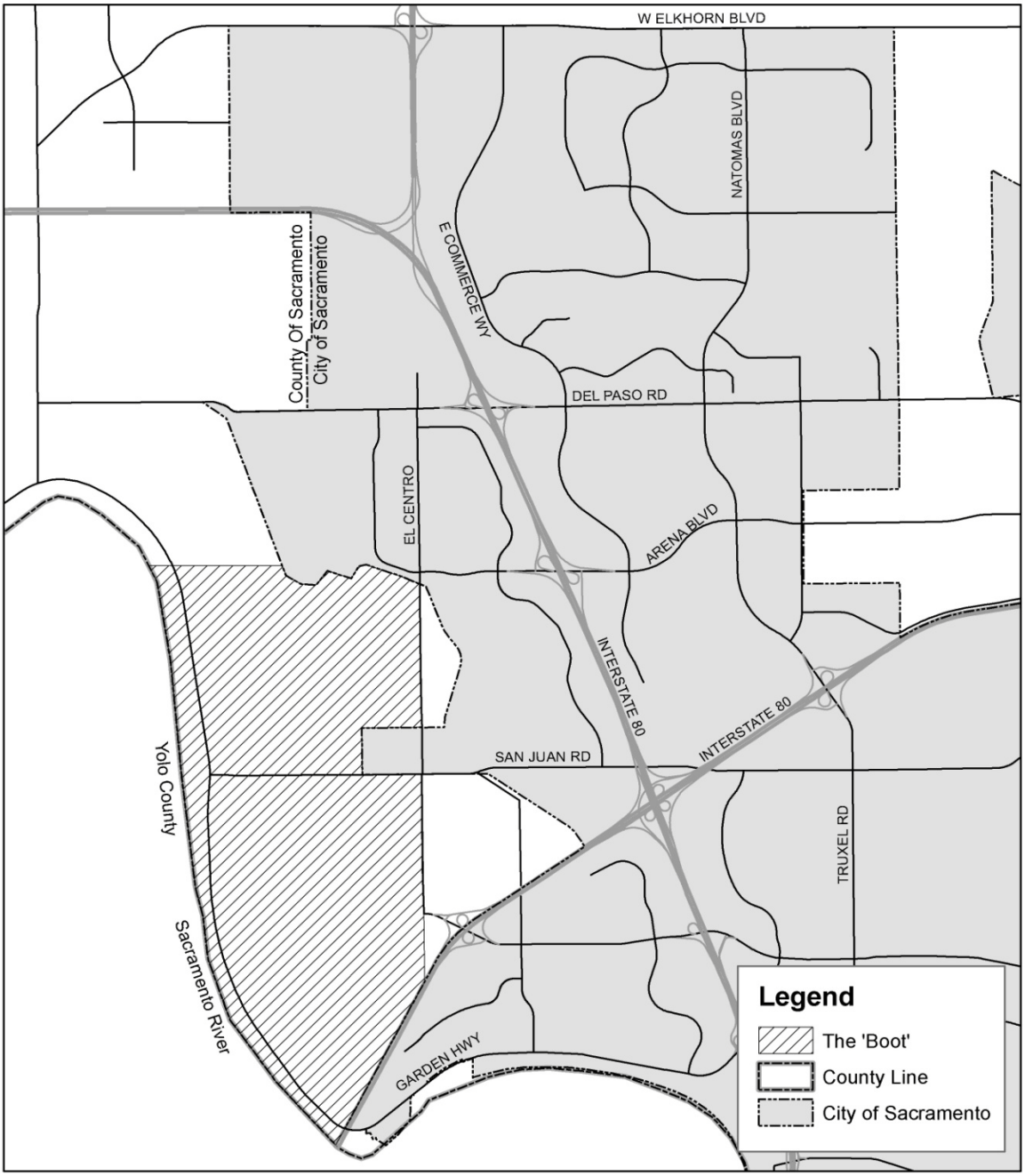
end of schedule

Schedule Two
Public Facility Fee (PFF) Removed Facilities

Item	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
Bridges:						
B10	Natomas Crossing Drive Over West Drain Canal	Four (4) lane bridge, 74 ft wide by 80 ft length. Bridge to include (4) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ -			$ -
Road Segments:						
17	Natomas Crossing Drive	Roadway Segment 17 from Duckhorn Drive to El Centro Road. A two (2) lane roadway segment. Roadway segment length of 4,180 feet; roadway width of 70 feet. City landscape quality level "B". Roadway section type "A".	$ -			$ -
Fully Funded Signals:						
4-Lane x 4-Lane						
10	El Centro Road and Natomas Crossing Drive	Traffic signal at a 4-Lane x 4-Lane intersection.	$ -			$ -
Overcrossings:						
	Snowy Egret Way	A 4 lane, 85 ft wide overcrossing over Intestate 5 to include approaches from East Commerce Way to El Centro Road. This overcrossing assumes an 85' right of way with (4) 12' lanes, 12' striped median, (2) 6' bike lanes/shoulders and (2) 6' sidewalks with barriers.	$ -			$ -

end of schedule

Schedule Three
The "Boot" Area



G.I.S.
City of Sacramento
Department of Finance
BMueller 05/14/09

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ORDINANCE NO.

Adopted by the Sacramento City Council

APPROVING A SECOND AMENDMENT TO CITY AGREEMENT NO. 99-162 BETWEEN THE CITY OF SACRAMENTO AND COMMERCE STATION LLC (APN: 225-0040-029-0000, 225-0040-055-0000, 225-0040-059-0000) (P12-006)

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. Incorporation of Agreement.

This ordinance incorporates the Second Amendment to City Agreement No. 99-162 between the City and Commerce Station LLC ("**Landowner**"), a copy of which is attached to this ordinance as Exhibit A.

Section 2. Hearing before the Planning Commission.

On June 14, 2012, in accordance with Government Code section 65867 and Sacramento City Code chapter 18.16, the Planning Commission conducted a noticed public hearing on an application to amend the City Agreement No. 99-162, a North Natomas Development Agreement (the "**Original Agreement**"). During the hearing, the Planning Commission received and considered evidence and testimony. After the hearing concluded, the Planning Commission forwarded to the City Council a recommendation to approve the proposed amendment.

Section 3. Hearing before the City Council; Findings.

On July 31, 2012, in accordance with Government Code section 65867 and Sacramento City Code chapter 18.16, the City Council conducted a noticed public hearing on the application to amend the Original Agreement. During the hearing, the City Council received and considered evidence and testimony concerning the proposed amendment. Based on the information in the application and the evidence and testimony received at the hearing, the City Council finds as follows:

(a) The proposed amendment to the Original Agreement is consistent with the City's general plan and the goals, policies, standards, and objectives of the North Natomas Community Plan.

(b) The proposed amendment will facilitate Landowner's development of the property subject to the amendment, which should be encouraged in order to meet important economic, social, environmental, or planning goals of the North Natomas Community Plan.

(c) Without the amendment, Landowner would be unlikely to proceed with development of the property subject to the amendment in the manner proposed.

(d) Landowner will incur substantial costs to provide public improvements, facilities, or services from which the general public will benefit.

(e) Landowner will participate in all programs established or required under the general plan or any applicable specific or community plan and all of its approving resolutions (including any mitigation-monitoring plan) and has agreed to the financial participation required under the applicable financing plan and its implementation measures, all of which will accrue to the benefit of the public.

(f) Landowner has made commitments to a high standard of quality and has agreed to all applicable land-use and development regulations.

Section 4. Approval and Authorization.

The City Council hereby approves the Second Amendment to City Agreement No. 99-162, a copy of which is attached to this ordinance as Exhibit A. The City Council hereby authorizes the Director of the Community Development Department to sign on the City's behalf, on or after the effective date of this ordinance, the Second Amendment to City Agreement No. 99-162.

Table of Contents:

Exhibit A: Second Amendment to City Agreement No. 99-162 – 24 pages

No fee required, as recording benefits the City of Sacramento, a government entity (Gov. Code, §§ 6103 & 27383).

When recorded, return document to—

Office of the City Clerk
Historic City Hall
915 "I" Street, First Floor
Sacramento, CA 95814

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

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Second Amendment to City Agreement No. 99-162
North Natomas Development Agreement

This amendatory agreement, dated _____, 2012, for purposes of identification, is between the CITY OF SACRAMENTO, a California municipal corporation (the "**City**"); and COMMERCE STATION LLC, a California limited-liability company (the "**Landowner**").

Background

A. The City and the Landowner's predecessors (Kern W. Schumacher, et al.) are parties to a North Natomas Development Agreement that is dated September 28, 1999; is designated as City Agreement No. 99-162; and was recorded with the Sacramento County Clerk/Recorder on February 23, 2000, in Book 20000223 at Page 0364 (the "**Original Agreement**").

B. The Landowner was assigned an interest in the Original Agreement for a portion of the Property as described in an *Assignment and Assumption Agreement* that is dated October 8, 2009, and was recorded with the Sacramento County Clerk/Recorder on November 10, 2009, in Book 20091110 at Page 1140 (the "**Assignment**").

C. Under the Original Agreement and the Assignment, the Landowner agrees to participate in, and to faithfully and timely comply with, the North Natomas Finance Plan as it is amended from time to time (the "**Finance Plan**").

D. On May 26, 2009, the Sacramento City Council approved the *North Natomas Nexus Study and Financing Plan 2008 Update*, which among other things establishes a new procedure for adjusting the amount of the Public Facilities Fee established by Sacramento City Code section 18.24.050. By entering into this amendatory agreement, the parties incorporate the new procedure into the Original Agreement.

With these background facts in mind, the City and the Landowner agree as follows:

1. **Amendment to Definition of "North Natomas Finance Plan."** The definition of "North Natomas Finance Plan" in article I of the Original Agreement is amended to read as follows in its entirety:

   North Natomas Finance Plan: the plan, as it may be amended from time to time, that establishes methods for financing Infrastructure through a combination of land transfers,

dedications, contributions, fees, assessment districts, community facilities districts, and other measures. As to the Public Facilities Fee, the North Natomas Finance Plan, as amended from time to time, will provide for adjusting the amount of the Public Facilities Fee in accordance with the principles set forth in the procedure attached hereto as Exhibit I and incorporated herein by reference.

2. **Addition of New Exhibit I.** The procedure for adjusting the Public Facilities Fee that is attached to this amendatory agreement as an exhibit is hereby added to, and made part of, the Original Agreement as Exhibit I.

3. **All Other Terms Remain in Force.** Except as amended by sections 1 and 2 above, all terms and conditions of the Original Agreement remain in full force.

4. **Effective Date.** This amendatory agreement takes effect on the effective date of the ordinance that approves it (Gov. Code, § 65868; Sacramento City Code, §§ 18.16.120 & 18.16.130).

5. **Recording.** Either party may record this amendatory agreement with the Sacramento County Clerk/Recorder.

6. **Counterparts.** The parties may execute this amendatory agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement.

7. **Entire Agreement.** This amendatory agreement sets forth the parties' entire understanding regarding the matters set forth above. It supersedes all prior or contemporaneous agreements, representations, and negotiations regarding those matters (whether written, oral, express, or implied) and may be modified only by another written agreement signed by all parties. This amendatory agreement will control if any conflict arises between it and the Original Agreement.

(*Signature page follows*)

City of Sacramento

By: _____
Max Fernandez
Director of Community Development
on behalf of John F. Shirey, City Manager
Date: _____, 2012

Approved as to Form
City Attorney

By: _____
Senior Deputy City Attorney

Commerce Station LLC

By: KWS California LLC
a Nevada limited-liability company

Its: Sole member

By: KWS Companies Management Inc.
a Nevada corporation

Its: Manager

By: _____
Kern W. Schumacher
President
Date: _____, 2012

[Attach Certificates of Acknowledgment – Civil Code § 1189]

EXHIBIT I

Procedure for Adjusting the Public Facilities Fee and Revising the Inventory of Remaining Infrastructure to be Financed by that Fee

When amending the North Natomas Finance Plan, the City shall set the amount of the Public Facilities Fee (subsection A.1 in Sacramento City Code section 18.24.050) in accordance with the following procedure by using the estimated cost of the remaining facilities to be financed:

1. **Definitions.**

(a) "Agreement" means the development agreement to which this Exhibit I is attached.

(b) "Aggregate Costs" means the aggregate PFF Shares of PFF Facilities remaining to be completed, calculated using the then-current year's cost estimate, plus the cost to pay the administrative component of the PFF as specified in the Finance Plan.

(c) "CalTrans Index" means the Quarterly California Highway Construction Cost Index (Price Index for Selected Highway Construction Items) published by the California Department of Transportation, Division of Engineering Services – Office Engineer.

(d) "CEQA Mitigation Measure" means a requirement proposed, in accordance with the California Environmental Quality Act, to eliminate or substantially lessen the significant effects on the environment from the City's approval of a project on the Property.

(e) "Effective Date of this Exhibit" means the effective date of the amendatory agreement that adds this Exhibit I to the Agreement.

(f) "ENR Index" means the Engineering News Record Construction Cost Index for San Francisco.

(g) "Finance Plan" means the North Natomas Finance Plan, as amended.

(h) "Non-PFF Sources" means any funding for a Schedule One or Schedule Two Facility other than PFF funding. It includes but is not limited to federal funding, state funding, regional funding, grants, gifts, contributions, fees, reimbursements, the City's general fund, the City's Major Street Construction Tax, private funds, payments from the Greenbriar area, and payments from the Panhandle area upon annexation to the City. It does not include conditions of approval or CEQA Mitigation Measures imposed on any project the Landowner proposes for the Property, except as otherwise provided in section 7(b).

(i) "Funding Requirement" means the amount of the PFF that must be generated from remaining development so that the City will have adequate funding to construct the PFF Facilities remaining to be completed and to administer the PFF program. It is calculated as follows: *first*, calculate the Aggregate Costs; *second*, from the Aggregate Costs, subtract both the PFF revenues then available to complete the uncompleted PFF Facilities (including any

interest earned on those PFF revenues) and the amount of any reduction under section 9; and *third*, add the amount of outstanding PFF credits.

(j) "PFF" means the Public Facilities Fee established by subsection A.1 of Sacramento City Code section 18.24.050, as amended.

(k) "PFF Funding Obligation" means the maximum funding obligation of the PFF in a given year, determined in accordance with subsection 5 below.

(l) "PFF Share" means the portion of a PFF Facility's cost that is funded, in whole or part, by the PFF.

(m) "Property" means the real property identified in Exhibit A to the Agreement.

(n) "Schedule One" means the list of public improvements and segments of public improvements that is attached to, and made part of, this Exhibit I.

(o) "Schedule One Facility" means a public improvement or segment of a public improvement that is listed on Schedule One.

(p) "Schedule Two" means the list of public improvements and segments of public improvements that is attached to, and made part of, this Exhibit I.

(q) "Schedule Two Facility" means a public improvement or segment of a public improvement that is listed on Schedule Two.

(r) "Schedule Three" means the diagram of the "Boot" area that is attached to, and made part of, this Exhibit I.

(s) "Scope" means the location or physical description, or both, of a Schedule One Facility or a Schedule Two Facility, but not the PFF funding set forth for the facility in Schedule One or Schedule Two (the actual PFF funding for a facility or portion of a facility may be higher or lower than the dollar amount set forth in Schedule One or Schedule Two).

(t) "Transportation Facilities" means all public improvements and segments of public improvements listed in Schedule One other than the police substation, second fire station, library, freeway landscaping, and community center.

(u) "2008 Update" means the North Natomas Nexus Study and Financing Plan 2008 Update that the Sacramento City Council approved on May 26, 2009, by adopting Resolution No. 2009-341.

2. **Annual PFF Adjustment for Schedule One Facilities.**

(a) Each July 1, the City shall adjust the PFF in accordance with the difference between—

(1) the Funding Requirement for the then-current year; and

(2) the funding that would be available, after deducting revenue on hand (which includes interest and any reductions under section 9) and adding outstanding PFF credits, if the then-existing PFF were applied to remaining development.

In other words, the City shall adjust the PFF in accordance with the difference between the then-current year's cost estimate and an amount calculated by applying the then-existing PFF to remaining development.

(b) Example of an annual PFF adjustment for Schedule One Facilities:

As of April 1, 2010	Percentage Cost Changes		
	+3.257%	–6.000%	+6.000%
Costs Comparison			
Remaining Costs from April 1, 2009, Estimate	200,000,000	200,000,000	200,000,000
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
	+3.257%	–6.000%	+6.000%
Funding Requirement Calculation			
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
Less Cash on Hand April 1, 2010	–30,000,000	–30,000,000	–30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Existing Fee Calculation			
Revenue From Remaining Development Using 2009 Fees	200,000,000	200,000,000	200,000,000
Less Cash on Hand April 1, 2010	–30,000,000	–30,000,000	–30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
Resources Based with 2009 Fees	195,000,000	195,000,000	195,000,000
Fee Change Effective July 1, 2010			
Resources Based on 2009 Fees	195,000,000	195,000,000	195,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Fee Change $	+6,514,000	–12,000,000	+12,000,000
Fee Change %	+3.341%	–6.154%	+6.154%

(c) Unless the City determines that prevailing market conditions do not justify doing so (e.g., if development is lacking or the remaining development is limited), at least once every three years the City shall perform a comprehensive review and nexus study for the PFF, using the cost-adjustment procedures in subsections 3 and 4 to reallocate costs to remaining undeveloped land uses in accordance with Finance Plan policies and principles.

3. **Procedure for Adjusting Costs of Uncompleted Transportation Facilities.** The City shall use the following procedure to adjust the PFF Shares for all uncompleted Transportation Facilities:

(a) *Method of Adjustment*. Each year, the City shall determine the cost adjustment for uncompleted Transportation Facilities using either the Benchmark Change determined under subsection 3(b) or the percentage change in the index selected under subsection 3(c). If, for the year in question, the difference between the Benchmark Change and the percentage change in the selected index is five or more percentage points, then the City shall use the Benchmark Change to adjust costs for uncompleted Transportation Facilities. Otherwise, the City shall adjust costs for those facilities using the percentage change in the selected index.

(b) *Determination of Benchmark Change.* The City shall follow the following steps to determine the "Benchmark Change" for each year:

(1) *Step 1.* Before April 1, have a third-party professional engineering consultant who is under contract to the City estimate the cost to construct all uncompleted Transportation Facilities. The cost estimate will anticipate cost changes to the next July 1.

(2) *Step 2.* Determine the "Benchmark Estimate" of the cost to construct all uncompleted Transportation Facilities by adding an estimated contingency to the cost estimate from Step 1. The estimated contingency may not exceed 26% of the cost estimate.

(3) *Step 3.* Divide the Benchmark Estimate from Step 2 by the previous year's adjusted cost estimate for uncompleted Transportation Facilities (which was determined in accordance with this section 3) and express the resulting quotient as a decimal.

Illustration: If, for example, the Benchmark Estimate from Step 2 is $206,514,000 and the previous year's cost estimate for uncompleted Transportation Facilities is $188,275,000, then the resulting quotient (to nine decimal places) is 1.094258842 (i.e., $206,514,000 ÷ $188,725,000 = 1.094258842).

(4) *Step 4.* Subtract 1.0 from the resulting quotient in Step 3.

Illustration: If, for example, the quotient from Step 3 is 1.094258842, then subtracting 1.0 from that quotient yields a difference of 0.094258842 (i.e., 1.094258842 – 1.0 = 094258842).

(5) *Step 5.* Express the difference from Step 4 as a percentage by multiplying it by 100 and adding a percentage sign, and then round the percentage to the nearest thousandth. This rounded percentage is the Benchmark Change for the year.

Illustration: If, for example, the difference from Step 4 is 0.094258842, then multiplying that difference by 100 and rounding the product to the nearest thousandth yields a Benchmark Change of 9.426%.

(c) *Selection of Index.* Each year, the City shall adjust the cost of the Transportation Facilities remaining to be completed by using either the percentage change in the ENR Index or the percentage change in the CalTrans Index, according to the following criteria:

(1) If both indexes are positive on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the greater percentage change.

(2) If the change in one index is positive and the change in the other is negative on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the positive change.

(3) If the change for both indexes is negative on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the negative change that is closer to zero.

(4) Measurement of Percentage Change in an Index.

(A) The percentage change in the ENR Index is the year-over-year change as of each March.

(B) The percentage change in the CalTrans Index is the change between the 12-quarter average through quarter 1 of the then-current year and the 12-quarter average through quarter 1 of the prior year.

(d) *Precision*. The City shall carry out all calculations to three decimal places.

(e) *Sample Cost Adjustments for Uncompleted Transportation Facilities*:

Sample #1

Benchmark change of + 4.000%
ENR Index change of + 2.000%
CalTrans Index change of + 3.100%
Adjustment: plus 3.100%

Sample #2

Benchmark change of + 4.500%
ENR Index change of + 1.000%
CalTrans Index change of – 1.000%
Adjustment: plus 1.000%

Sample #3

Benchmark change of – 4.000%
ENR Index change of – 0.500%
CalTrans Index change of – 1.000%
Adjustment: minus 0.500%

Sample #4

Benchmark change of – 5.000%
ENR change of + 0.500%
Cal Trans Index change of + 0.000%
Adjustment: minus 5.000%

Sample #5

Benchmark change of +6.000%
ENR Index change of +1.000%
CalTrans Index change of –1.000%
Adjustment: plus 6.000%

Sample #6

Benchmark change of +6.000%
ENR change of +3.500%
CalTrans Index change of +7.000%
Adjustment: plus 7.000%

4. **Cost Adjustment for Police Substation, Second Fire Station, Library, Freeway Landscaping, and Community Center.** The PFF Shares of the police substation, second fire station, library, freeway landscaping, and community center listed in Schedule One will not exceed the amount established in the 2008 Update, except as follows: the City shall adjust the PFF Shares for the police substation, second fire station, library, freeway landscaping, and community center by using only the positive change in the ENR Index from March to March, effective each July 1. If, however, there are two consecutive years of decreases in the ENR Index, then, beginning with the second year of the decrease, the City shall decrease the PFF Shares for the police substation, second fire station, library, freeway landscaping, and community center by an amount equal to the decrease in the ENR Index for that second year.

5. **Annual Determination of the PFF Funding Obligation.** The Finance Plan shows for each Schedule One Facility not just its estimated cost but also its PFF Share. Each year, after adjusting costs in accordance with sections 2 through 4 above, the City shall determine the aggregate PFF share for all PFF Facilities, and that aggregate amount will be the PFF Funding Obligation for that year.

6. **Reduction of PFF Shares.**

   (a) The City may reduce the PFF Share of a Schedule One Facility only if one of the following events occurs:

      (1) The PFF Share of the estimated cost to construct the facility, as set forth in Schedule One, decreases as a result of the procedure in subsection 3 or 4.

      (2) The PFF Share of the actual cost to construct the facility is less than the PFF Share set forth for the facility in Schedule One, adjusted in accordance with the procedure in subsection 3 or 4.

      (3) The City secures and appropriates, from Non-PFF Sources, funding to replace all or part of the facility's PFF Share.

   (b) If the City reduces a PFF Share in accordance with subsection 6(a)(1) or 6(a)(2), then the City may use the reduced portion only to decrease the Funding Requirement.

   (c) If the City reduces a PFF Share in accordance with subsection 6(a)(3) and the reduction does not result from payments the City receives from the Greenbriar area or the Panhandle area, then the City shall use the reduced portion of the PFF Share as follows:

      (1) First, if there is an actual cost overrun on a completed Schedule One Facility when the PFF share is reduced, then the City shall use the reduced portion of the PFF share to reduce the cost overrun on that facility.

      (2) Second, if a Schedule One Facility is under construction when the PFF share is reduced and the City anticipates that the actual cost to construct that facility will exceed the facility's PFF Share shown on Schedule One (as the PFF Share has been adjusted from

year to year), then the City shall use the reduced portion of the PFF share to reduce the anticipated cost overrun on that facility.

(3) Third, if there are no actual or anticipated cost overruns on a Schedule One Facility when the PFF Share is reduced, then the City may use the reduced portion of the PFF Share either—

(A) to fund or to increase the Scope of Schedule One or Schedule Two Facilities; or

(B) to reduce the Funding Requirement.

(d) The City shall determine the reduced amount of a PFF Share in accordance with subsection 3 or 4 above, as appropriate.

7. Funding for Schedule Two Facilities.

(a) Except as provided in subsection 7(b), the only funding available for Schedule Two Facilities is—

(1) PFF funding available under subsection 6(c)(3)(A);

(2) funding from Non-PFF Sources; and

(3) fee revenues available under subsections 8(a) and 8(b).

(b) If, when approving a project on the Property, the City requires the construction or funding of a Schedule Two Facility, in whole or part, as a CEQA Mitigation Measure or a condition of approval, then the City shall timely construct or fund that facility at no cost to the Landowner, subject to the following: the City may require, as a CEQA Mitigation Measure or a condition of approval, that the Landowner construct or fund the overcrossing for Snowy Egret Way described in Schedule Two if—

(1) the Property consists of one or more of Sacramento County APNs 225-0070-059, 225-0070-060, 225-0070-063, 225-0070-067, and 225-0070-076; and

(2) the mitigated negative declaration, the environmental impact report, or any other relevant environmental document prepared for the Landowner's project proposes the construction or funding of the Snowy Egret Way as mitigation for the traffic impacts that will result from approval of the project

8. Funding from Greenbriar and the Panhandle.

(a) When the City begins to receive development-impact fees collected under the Panhandle Finance Plan to offset the cost of PFF-funded facilities that benefit the Panhandle area, the City may use those fees to fund or to increase the Scope of Schedule One Facilities and Schedule Two Facilities.

(b) When the City begins to receive development-impact fees collected under the Greenbriar Finance Plan to offset the cost of PFF-funded facilities that benefit the Greenbriar area, the City may use those fees to fund or to increase the Scope of Schedule One Facilities and Schedule Two Facilities.

9. Reduction of Funding Requirement.

(a) The City, in its discretion, may reduce the Funding Requirement in accordance with subsection 6(c)(3)(B).

(b) If the land-use designation for Sacramento County APN 225-0070-059, 225-0070-060, 225-0070-063, or 225-0070-067 (each, an "Arco Arena Parcel") is changed to allow uses different from the uses permitted for the Arco Arena Parcel under the North Natomas Community Plan as it existed on the effective date of the Agreement, then each year the City shall reduce the Funding Requirement by an amount equal to the increased portion of PFF that the City collects from the affected Arco Arena Parcel.

10. Scope of Schedule One and Schedule Two Facilties. The Scope of each Schedule One Facility is as described in Schedule One and the Finance Plan. The City may not revise the Scope except as provided in subsections 10(a), 10(b), and 10(c), or as required to comply with federal or state law. With respect to freeway overcrossings (unless sufficient PFF funding has been allocated already), the physical appearance, design enhancements, and landscaping must be substantially comparable to the freeway overcrossings and freeway interchanges at Truxel Road and Interstate 80, Arena Boulevard and Interstate 5, and Del Paso Road and Interstate 5 as they existed on the Effective Date of this Exhibit. With respect to other public roadways and streets, the scope must be based on the City's street-design standards that apply to the roadway or street under the Agreement.

(a) The City may increase the Scope of a Schedule One Facility in accordance with subsections 6(c)(3)(A), 8(a), and 8(b).

(b) The City may increase the Scope of a Schedule Two Facility in accordance with subsections 6(c)(3)(A), 7(a), 8(a), and 8(b).

(c) If the City receives development-impact fees collected under the Panhandle Finance Plan to offset the cost of PFF-funded facilities that benefit the Panhandle area, or if the City receives development-impact fees collected under the Greenbriar Finance Plan to offset the cost of PFF-funded facilities that benefit the Greenbriar area, then the City may use those fees and

any other Non-PFF Sources to fund in full a change in the Scope of a Schedule One Facility or a Schedule Two Facility.

11. **Adequate Funding for Schedule One Facilities.** The City may not cite, as a reason for increasing the amount of the PFF Funding Obligation, the loss of potential funding from Non-PFF Sources identified in the 2008 Update.

12. **Change in PFF Share for West El Camino/Interstate 80 Interchange Improvements.** The PFF Share for the West El Camino/Interstate 80 Interchange Improvements (the "Interchange Improvements") was determined to be 9% based upon an assumption in the City's traffic study that the area of Natomas commonly known as the "Boot," as shown on Schedule Three, would be developed with urban uses. If all urban development in the Boot ever becomes permanently prohibited by law, such as by the recording of perpetual open-space or conservation easements, then the following will apply notwithstanding anything to the contrary in this Exhibit I:

    (a) The City shall increase the entire Finance Plan area's share of the Interchange Improvements from 9% to 37% of the cost of the interchange as determined by the consultant under subsection 3(b), above.

    (b) The City shall adjust the PFF Share for the Interchange Improvements to reflect the increase to 37%, taking into account the development that has already taken place in the entire Finance Plan area, so that remaining development in the Finance Plan area pays only its fair share of the entire Finance Plan area's new 37% share of the cost of the Interchange Improvements.

    (c) To illustrate the adjustment described in subsections 12(a) and 12(b), the following example shows how the adjustment would be calculated if urban development becomes permanently prohibited in the Boot when the Finance Plan area is 60% built out:

		Current Finance Plan Share Scenario	Revised Finance Plan Share Scenario (if Development of the Boot is Prohibited)	
a	Interchange Cost	$22,465,000	$22,465,000	
b	Finance Plan Fair Share	9%	37%	
c	PFF Allocated Share of Cost	$2,021,850	$8,312,050	*(a*b)*
d	Base Share	$2,021,850	$2,021,850	
e	Incremental Share	N/A	$6,290,200	*(c-d)*
f	% Development Remaining	N/A	40%	
g	Incremental Adjusted Share	N/A	$2,516,080	*(e*f)*
h	PFF Funding Obligation	$2,021,850	$4,537,930	*(d+g)*

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
Bridges:							
B1	C	Bridge Cross Drive Over East Drain Canal (6)	Bridge Completed	$ 741,529	$ 741,529		$ -
B2	C	Club Center Drive at East Drain Canal (6)	Bridge Completed	$ 1,241,682	$ 1,241,682		$ -
B3	C	North Bend Drive Over East Drain Canal (6)	Bridge Completed	$ 731,657	$ 731,657		$ -
B4		Terracina Drive Over East Drain Canal (7)	Two (2) lane bridge 50 ft wide by 80 ft length. Bridge to include (2) 12' lanes, (2) 6' bike lanes, and (2) 5' sidewalks and a 4' painted median.	$ 1,172,093			$ 1,172,093
B5		Del Paso Road Over East Drain Canal	Six (6) lane bridge, 98 ft wide by 80 ft length. Bridge to include (6) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,541,030			$ 1,541,030
B6		Elkhorn Boulevard Over East Drain Canal	Six (6) lane bridge, 98 ft wide by 80 ft length. Bridge to include (6) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,541,030			$ 1,541,030
B7		Gateway Park Boulevard Over C-1 Canal	Four (4) lane bridge, 74 ft wide by 80 ft length. Bridge to include (4) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,953,488			$ 1,953,488
B8		El Centro Road Over West Drain Canal	Four (4) lane bridge, 74 ft wide by 80 ft length. Bridge to include (4) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ 1,163,635			$ 1,163,635
		Subtotal Bridges:		**$ 10,086,145**	**$ 2,714,868**	**$ -**	**$ 7,371,277**
Interchanges:							
	P	Truxel	Truxel Interchange overcrossing, auxiliary lanes between Truxel and Northgate, and a two (2) lane Eastbound exit at Northgate completed. PFF funding is 33.2% of the total cost for the overcrossing and 100% for the auxiliary lanes.	$ 8,907,217		$ 7,206,227	$ 1,700,990
	C	Arena	Arena Interchange, auxiliary lane I-5 at Del Paso to I-80, a two (2) lane Southbound exit from I-5, and striping for Northbound exit for two (2) lanes completed. PFF funding is 100% of the total cost.	$ 22,817,789		$ 22,817,789	$ -
	P	Del Paso	Del Paso Interchange.	$ 861,460			$ 861,460
	P	Del Paso Interchange Auxiliary Lane	Construct an auxiliary lane at the south bound loop on-ramp to Interstate 80 and signalization. PFF funding is 100% of the total cost.	$ 1,665,294		$ 60,000	$ 1,605,294
		Elkhorn/SR 99 Interchange	Expand interchange to a 6 lane interchange to accommodate widening of Elkhorn Blvd from 2 to 6 lanes. PFF funding is 34.0% of the total cost.	$ 4,399,000			$ 4,399,000
	P	W. El Camino/I-80 Interchange	Widen overcrossing to four (4) lanes. PFF funding share was determined with 2008 PFF update. PFF funding is 9.0% of the total cost.	$ 2,022,000		$ 538,975	$ 1,483,025
		Subtotal Interchanges:		**$ 40,672,760**	**$ -**	**$ 30,622,991**	**$ 10,049,769**
Overcrossings:							
		Natomas Crossing Boulevard	PFF funding is 100% of the total cost to construct a 2 lane, 52 ft wide overcrossing over Interstate 5 to include approaches from East Commerce Way to Duckhorn Drive. This overcrossing assumes a 52' right of way with two 12' lanes, two 8' bike lanes/shoulders, and two 6' sidewalks with	$ 7,692,000			$ 7,692,000
		El Centro	PFF funding is 100% of the total cost to construct a 2 lane, 52 ft wide overcrossing over Interstate 5 to include approaches from Bayou Road to East Commerce Way. This overcrossing assumes a 52' right of way with two 12' lanes, two 8' bike lanes/shoulders, and two 6' sidewalks with barriers.	$ 7,692,000			$ 7,692,000

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
	P	Meister Way - w/ LRT Lanes	PFF funding is 17.5% of the total cost to construct a 2 lane overcrossing, 69 ft total width, over Highway 99 to include approaches from East Commerce Way to proposed east boundary of the Greenbriar development project. This overcrossing assumes a 69' right of way with two 12' vehicle lanes, 10' striped median, two 9' bike lanes/shoulders and two 6' sidewalks with barriers. Light rail tracks to be placed on separate overcrossing structure. Funding share determined with 2008 PFF update.	$ 1,412,456		$ 916,677	$ 495,779
		Subtotal Overcrossings:		**$ 16,796,456**	**$ -**	**$ 916,677**	**$ 15,879,779**
Total of Interchanges and Overcrossings (Freeways)				**$ 57,469,216**	**$ -**	**$ 31,539,668**	**$ 25,929,548**
Bikeways							
1	C	NORTHPOINTE SOUTH	12 feet wide for a distance of 5,367 feet. Bikeway constructed.	$ 263,845	$ 263,845		$ -
2	C	TOSCARO TRAIL **(4)**	Bikeway constructed.	**$ -**			$ -
3		ELKHORN BOULEVARD	12 feet wide for a distance of 15,371 feet.	$ 998,800			$ 998,800
4	C	EAST SIDE OF EAST DRAIN CANAL - SOUTH OF ELKHORN BLVD	12 feet wide for a distance of 7,224 feet. Bikeway constructed.	$ 329,831	$ 329,831		$ -
5	C	NORTHPOINTE NORTH	12 feet wide for a distance of 4,850 feet.Bikeway constructed.	$ 315,200	$ 144,017	$ 171,183	$ -
6	C	NORTHPOINTE SOUTH	12 feet wide for a distance of 4,763 feet. Bikeway constructed.	$ 309,500	$ 35,636	$ 273,864	$ -
7	C	EAST DRAIN CANAL DEL PASO RD TO BASIN 5	12 feet wide for a distance of 1,217 feet. Bikeway constructed.	$ 79,100		$ 79,100	$ -
8		EAST DRAIN CANAL AT BASIN 5	12 feet wide for a distance of 1,076 feet.	$ 69,900			$ 69,900
9		EAST DRAIN CANAL TRUXEL - ARENA	12 feet wide for a distance of 2,554 feet.	$ 166,000			$ 166,000
10	P	EAST DRAIN CANAL TRUXEL - SJ	12 feet wide for a distance of 6,048 feet.	$ 393,000		$ 259,300	$ 133,700
11		C1 CANAL WEST CITY	12 feet wide for a distance of 4,056 feet.	$ 263,600			$ 263,600
12		C1 CANAL COUNTY	12 feet wide for a distance of 5,077 feet.	$ 329,900			$ 329,900
13		C1 CANAL EAST CITY	12 feet wide for a distance of 252 feet.	$ 16,400			$ 16,400
14		WEST DRAIN CANAL SOUTH	12 feet wide for a distance of 3,298 feet.	$ 214,300			$ 214,300
15		WEST DRAIN CANAL	12 feet wide for a distance of 5,047 feet.	$ 328,000			$ 328,000
16	P	WESTLAKE - EAST/WEST	12 feet wide for a distance of 2,882 feet. Bikeway partially constructed.	$ 187,300		$ 124,782	$ 62,518
17	P	NORTH PARK DRIVE IN REGIONAL PARK	12 feet wide for a distance of 2,950 feet. Bikeway partially constructed.	$ 191,700	$ 82,184		$ 109,516
18	P	FISHERMAN'S LAKE	12 feet wide for a distance of 6,696 feet.	$ 435,100		$ 287,100	$ 148,000
19	P	EAST SIDE - STATE ROUTE 99	12 feet wide for an original distance of 8,644 feet. Bikeway partially constructed.	$ 561,700	$ 55,809		$ 505,891
20	P	SCHUMACHER, NORTH	12 feet wide for an original distance of 4,312 feet. Bikeway constructed.	$ 280,200	$ 176,715	$ 17,970	$ 85,515
21		EAST DRAIN CANAL, PARK PLACE	12 feet wide for a distance of 3,370 feet.	$ 219,000			$ 219,000
22	P	PARK 4A TRAIL	12 feet wide for a distance of 2,592 feet.	$ 168,400		$ 129,826	$ 38,574
23	C	NORTHBOROUGH I @ II	Bikeway constructed.	$ 165,133	$ 165,133		$ -
24	C	REGIONAL PARK NORTH/SOUTH	Bikeway constructed.	$ 168,700		$ 168,700	$ -
25	C	REGIONAL PARK EAST/WEST	Bikeway constructed.	$ 212,000		$ 212,000	$ -
26	C	REGIONAL PARK, NATOMAS BLVD	Bikeway constructed.	$ 70,400		$ 70,400	$ -
27	P	REGIONAL PARK AQUATIC CENTER	12 feet wide for a distance of 850 feet. Bikeway constructed.	$ 55,200		$ 42,847	$ 12,353
28		NATOMAS CROSSING EAST/WEST	12 feet wide for a distance of 485 feet.	$ 31,500			$ 31,500
29		GOLDENLAND SOUTH	12 feet wide for a distance of 1,084 feet.	$ 70,400			$ 70,400
30		GOLDENLAND NORTH	12 feet wide for a distance of 1,213 feet.	$ 78,800			$ 78,800

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
31		RIVERVIEW BASIN 7A NORTH/SOUTH	12 feet wide for a distance of 704 feet.	$ 45,700			$ 45,700
32		RIVERVIEW BASIN 7A EAST/WEST	12 feet wide for a distance of 1,029 feet.	$ 66,900			$ 66,900
33		WESTLAKE, NORTH/SOUTH	12 feet wide for a distance of 2,385 feet.	$ 155,000			$ 155,000
34		EAST SIDE TRUXEL ROAD - Arena Boulevard to Natomas Crossing Drive	8 feet wide for a distance of 2,523 feet.	$ 111,600			$ 111,600
34a	C	EAST SIDE TRUXEL ROAD - Del Paso Road to Arena Boulevard	8 feet wide for a distance of 3,453 feet. Bikeway constructed.	$ 93,269			$ 93,269
35	P	NORTHPOINTE - EAST SIDE	12 feet wide for a distance of 5,300 feet. Bikeway constructed.	$ 344,400	$ 246,221		$ 98,179
		Subtotal Bikeways:		**$ 7,789,779**	**$ 1,499,392**	**$ 1,837,072**	**$ 4,453,314**
Shuttles		**Shuttle Cost**	Contribution to funding of North Natomas Transportation Management Association Shuttles. Shuttles are ADA equipped and can hold 10-12 passengers.	**$ 1,341,144**	**$ -**	**$ 892,476**	$ 448,668
Total Bikes and Shuttles				**$ 9,130,923**	**$ 1,499,392**	**$ 2,729,548**	**$ 4,901,982**
Road Segments							
2	C	Club Center Drive	Segment completed	$ 555,555	$ 555,555		$ -
3	P	DEL PASO ROAD	Roadway Segment 3 from the City Limits on the West to El Centro Road. Widen a segment of Del Paso Road from the city limits on the West to El Centro Road to a 4 lane roadway (Roadway Segment 3). Roadway segment length of 3,042 feet; roadway width of 100 feet. City landscape quality level “B”. Roadway section type “A”.	$ 4,052,093	$ 1,872,261		$ 2,179,832
4	C	DEL PASO ROAD	Roadway Segment 4 from El Centro Road to I-5 SB Off-Ramp. Widen a segment of Del Paso Road to a six (6) roadway from El Centro Road to the Southbound Off-ramp of Interstate 5 (Roadway Segment 4). Roadway segment length of 650 feet; roadway width of 136 feet. City landscape quality level “B”. Roadway section type “B”.	$ 1,489,429		$ 1,489,429	$ -
5	C	DEL PASO ROAD - NORTH SIDE	Roadway Segment 5a from NB I-5 Off-Ramp to Truxel Road. A six (6) lane roadway segment of Del Paso Road from the northbound Interstate 5 off-ramp to the Truxel Road intersection. Roadway segment length of 2,815 feet; roadway width of 81 feet. City landscape quality level “B”. Roadway section type “B”.	$ 4,558,621	$ 613,831	$ 3,944,790	$ -
5	P	DEL PASO ROAD - NORTH SIDE	Roadway Segment 5b from NB I-5 Off-Ramp to Truxel Road. A six (6) lane roadway segment of Del Paso Road from the northbound Interstate 5 off-ramp to the Truxel Road intersection. Roadway segment length of 4,035 feet roadway width of 81 feet. City landscape quality level “B”. Roadway section type “B”.	$ 3,684,550	$ 155,069		$ 3,529,481
6	P	DEL PASO ROAD	Roadway Segment 6 from Truxel Road to East Drain Canal. A six (6) lane roadway segment of Del Paso Road from the intersection of Truxel Road to the East Drain Canal. Roadway segment length of 1,360 feet; roadway width of 136 feet. City landscape quality level “A”. Roadway section type “B”.	$ 1,866,901	$ 498,109		$ 1,368,792
7a	C	DEL PASO ROAD - NORTH SIDE	Segment completed	$ 2,643,318	$ 2,643,318		$ -

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
7b		DEL PASO ROAD - NORTH SIDE	Roadway Segment 7b from 300' West of City Limit on the East to the City Limit on the East. A six (6) lane roadway segment of Del Paso Road from 300 feet West of the east city limit to the east city limit. Roadway segment length of 300 feet; roadway width of 55 feet. City landscape quality level "B". Roadway section type "B".	$ 154,313			$ 154,313
7c	P	DEL PASO ROAD - SOUTH SIDE	Roadway Segment 7c from the East Drain Canal to the City Limit on the East. A six (6) lane roadway segment of the southside of Del Paso Road from the East Drain Canal to the city limit on the east. Roadway segment length of 4,110 feet; roadway width of 14 feet. City landscape quality level "B". Roadway section type "B".	$ 456,424	$ 91,536		$ 364,888
8	P	EAST COMMERCE WAY	Roadway Segment 8 from Elkhorn Blvd to Club Center Drive. A four (4) lane roadway segment of East Commerce Way from Elkhorn Boulevard to the Club Center Drive intersection. Roadway segment length of 5,690 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A". Partially complete.	$ 6,026,665	$ 2,866,893		$ 3,159,771
9	P	EAST COMMERCE WAY	Roadway Segment 9 from Club Center Drive to Del Paso Road. A six (6) lane roadway segment of East Commerce Way from its intersect with Club Center Drive to its intersection with Del Paso Road. Roadway segment length of 6,560 feet; roadway width of 136 feet. City landscape quality level "B". Roadway section type "B". Partially complete.	$ 8,142,228	$ 4,095,206		$ 4,047,022
10		EAST COMMERCE WAY	Roadway Segment 10 from Arena Blvd to Natomas Crossing Drive. A six (6) lane roadway segment of East Commerce Way from Arena Boulevard to Natomas Crossing Drive. Roadway segment length of 2,770 feet; roadway width of 136 feet. City landscape quality level "B". Roadway section type "B". Partially complete.	$ 3,329,327			$ 3,329,327
11		EAST COMMERCE WAY	Roadway Segment 11 from Natomas Crossing Drive to San Juan Road. A six (6) lane roadway segment of East Commerce Way from Natomas Crossing Drive to San Juan Road. Roadway segment length of 3,120 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A". Partially complete.	$ 3,302,398			$ 3,302,398
12		EL CENTRO ROAD	Roadway Segment 12 from Del Paso Road to Arena Blvd. A four (4) lane roadway segment of El Centro Road from East Commerce Way to Arena Boulevard. Roadway segment length of 4,580 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A". Partially complete.	$ 6,331,029			$ 6,331,029
13	P	EL CENTRO ROAD	Roadway Segment 13 from Arena Blvd to San Juan Road. A four (4) lane roadway segment of El Centro Road from Arena Boulevard to San Juan Road. Roadway segment length of 5,690 feet; roadway width of 100 feet. City landscape quality level "C". Roadway section type "A". Partially complete.	$ 7,262,281	$ 925,082		$ 6,337,199

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
14a		ELKHORN BOULEVARD	Roadway Segment 14a from SR-99 to East Commerce Way & Natomas Blvd to City Limit on East. A six (6) lane roadway segment of Elkhorn Boulevard from its intersection with State Route 99 to East Commerce Way and then from Natomas Boulevard to the City limits on the east. Roadway segment length of 5,550 feet; roadway width of 121 feet. City landscape quality level "C". Roadway section type "B".	$ 7,073,566			$ 7,073,566
14b		ELKHORN BOULEVARD	Roadway Segment 14b from East Commerce Way to Natomas Blvd. A four (4) lane roadway segment of Elkhorn Boulevard from East Commerce Way to its intersection Natomas Boulevard. Roadway segment length of 6,600 feet; roadway width of 100 feet. City landscape quality level "C". Roadway section type "A".	$ 7,219,746			$ 7,219,746
15	P	GATEWAY PARK BOULEVARD	Roadway Segment 15 from Del Paso Rd to Arena Blvd. A four (4) lane roadway segment of Gateway Park Boulevard from Del Paso Road to Arena Boulevard. Roadway segment length of 3,470 feet; roadway width of 100 feet. City landscape quality level "B". Roadway section type "A".	$ 3,657,397	$ 1,404,808		$ 2,252,589
16a	P	GATEWAY PARK DRIVE	Roadway Segment 16a from Arena Blvd to Truxel Road. A four (4) lane roadway segment of Gateway Park Boulevard from Arena Boulevard to Truxel Road. Roadway segment length of 2,494 feet; roadway width of 57 feet. City landscape quality level "B". Roadway section type "A".	$ 1,699,638	$ 1,055,390		$ 644,248
19	C	NATOMAS CROSSING DRIVE[6]	Segment completed	$ 610,766	$ 610,766		$ -
20	C	ARENA BOULEVARD	Segment completed	$ 1,714,776	$ 1,714,776		$ -
21		ARENA BOULEVARD	Landscaping for Roadway Segment 21 from Duckhorn Drive to I-5. Landscaping a portion of a six (6) lane roadway segment of Arena Boulevard from Duckhorn Drive to Interstate 5 complete. Roadway segment length of 1,000 feet; roadway width of 136 feet. City landscape quality level "B". Roadway section type "B". Roadway costs for this segment are included as part of the Arena Boulevard interchange cost.	$ 353,585			$ 353,585
22		ARENA BOULEVARD	Landscaping for Roadway Segment 22 from I-5 to East Commerce Way. Landscaping a portion of an eight (8) lane roadway segment of Arena Boulevard from Interstate 5 to East Commerce Way complete. Roadway segment length of 1,000 feet; roadway width of 158 feet. City landscape quality level "B". Roadway section type "C". Roadway costs for this segment are included as part of the Arena Blvd Interchange cost.	$ 353,585			$ 353,585
23a	C	NATOMAS BOULEVARD	Roadway Segment 23a from Elkhorn Blvd to 650' North of Club Center Dr. Frontage improvements for a four (4) lane roadway segment of Natomas Boulevard from Elkhorn Boulevard to 650 feet North of Club Center Drive complete. Roadway segment length of 4,640 feet; roadway width of 42 feet. City landscape quality level "B". Roadway section type "D".	$ 3,593,709	$ 3,593,709		$ -

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
23b	P	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 23b from Elkhorn Blvd to 650' North of Club Center Dr. The frontage improvements for a four (4) lane roadway segment of Natomas Boulevard from Elkhorn Boulevard to 650 feet North of Club Center Drive. Roadway segment length of 4,640 feet; roadway width of 50 feet. City landscape quality level "B". Roadway section type "D".	$ 2,779,756	$ 1,376,303		$ 1,403,453
23c	P	NATOMAS BOULEVARD	Segment completed	$ 443,004	$ 443,004		$ -
23d	P	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 23d from 650' North of Club Center Dr. to Club Center Dr. The frontage improvements for a four (4) lane roadway segment of Natomas Boulevard from 650 feet North of Club Center Drive to Club Center Drive. Roadway segment length of 650 feet; roadway width of 21 feet. City landscape quality level "B". Roadway section type "D".	$ 192,869	$ 112,157		$ 80,711
24b	P	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 24b from Club Center Dr. to North Park Dr. The frontage improvements for a six (6) lane roadway segment of Natomas Boulevard from Club Center Drive to North Park Drive. Roadway segment length of 2,000 feet; roadway width of 32 feet. City landscape quality level "B". Roadway section type "E".	$ 501,827	$ 282,968		$ 218,859
25a	C	NATOMAS BOULEVARD	Segment completed	$ 3,944,308	$ 3,944,308		$ -
25b	C	NATOMAS BOULEVARD - FRONTAGE IMPROVEMENTS	Roadway Segment 25b from North Park Dr. to 600' North of Del Paso Rd. The frontage improvements for a six (6) lane roadway segment of Natomas Boulevard from North Park Drive to 600 feet North of Del Paso Road. Roadway segment length of 3,790 feet; roadway width of 62 feet. City landscape quality level "A". Roadway section type "B".	$ 2,525,477	$ 367,477	$ 2,158,000	$ -
33		LIBRARY STREET[4]	Roadway Segment 33 from Del Paso Rd. to New Market Dr. A two (2) lane roadway segment of Library Street from Del Paso Road to New Market Drive. Roadway segment length of 990 feet; roadway width of 88 feet. No landscaping.	$ 1,207,243			$ 1,207,243
39	P	EL CENTRO ROAD	Roadway Segment 39 from Del Paso Rd to Bayou Rd. A four (4) lane roadway segment of El Centro Road from Del Paso Road to Bayou Road. Roadway segment length of 2,300 feet; roadway width of 100 feet. City landscaping quality level "B". Roadway section type "A".	$ 2,388,681	$ 1,073,757		$ 1,314,924
40	C	Interstate 5 Water Main Crossing	Segment completed	$ 1,499,480	$ 1,499,480		$ -
16b	P	GATEWAY PARK BOULEVARD	Roadway Segment 16b from Truxel Rd to N. Freeway Blvd. Six (6) lane roadway segment of Gateway Park Boulevard from Truxel Road to North Freeway Boulevard for a length of 896 feet complete. Roadway width of 93 feet. City landscaping quality level "B". Roadway section type "B".	$ 803,355	$ 657,974		$ 145,381
41	P	Between Gateway Park Blvd. And West Promenade Circle	Roadway Segment 41 from Gateway Park Blvd to West Promenade Circle. Six (6) lane roadway segment of North Freeway Boulevard from Gateway Park Boulevard to West Promenade Circle for a length of 803 feet complete. Roadway width of 136 feet. City landscaping quality level "B". Roadway section type "B".	$ 975,579	$ 809,651		$ 165,928

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
42	P	West Promenade Circle and East Promenade Circle	Roadway Segment 42 from W. Promenade Cir. To E. Promenade Cir. Four (4) lane roadway segment of North Freeway Boulevard from West Promenade Circle to East Promenade Circle for a length of 1,247 feet complete. Roadway width of 100 feet. City landscaping quality level "B". Roadway section type "A".	$ 1,331,815	$ 1,118,200		$ 213,615
18		NATOMAS CROSSING DRIVE	Segment 18 from I-5 to East Commerce Way. Landscaping a portion of Natomas Crossing Drive from Interstate 5 to East Commerce Way. Roadway segment length is 880 feet; width is 70 feet. City landscaping quality level "B".	$ 107,110			$ 107,110
34	C	Landscaping at East Drain Canal	Segment completed	$ 230,634	$ 230,634		$ -
	C	Del Paso Road - South Side	Segment completed	$ 5,125,843	$ 5,125,843		$ -
	C	East Commerce Way	Segment completed	$ 5,478,968	$ 5,478,968		$ -
35	P	EAST COMMERCE WAY	Segment 35 from Del Paso Rd. to Arena Blvd. Landscaping the six (6) lane roadway segment of East Commerce Way from Del Paso Road to Arena Boulevard. Roadway segment length is 5,000 feet; roadway width is 136 feet. City landscaping quality level "B". Roadway section type "B".	$ 1,767,925	$ 106,308		$ 1,661,617
	C	GATEWAY PARK BOULEVARD (HALF-SECTION BUILT)	Segment completed	$ 1,230,967	$ 1,230,967		$ -
	C	ARENA BOULEVARD	Segment completed	$ 5,013,104	$ 5,013,104		$ -
36	P	ARENA BOULEVARD	Segment 36 from East Commerce way to City Limits on East. Landscaping for a six (6) lane segment of Arena Boulevard from East Commerce Way to the eastern city limit. Roadway segment length of 5,500 feet; roadway width of 136 feet. City landscaping quality level "B". Roadway section type "B".	$ 1,944,717		$ 355,000	$ 1,589,717
	C	Truxel Road	Segment completed	$ 9,690,289	$ 9,690,289		$ -
37	P	TRUXEL ROAD	Segment 37 from Del Paso Rd. to Gateway Park Blvd (minus 1900'). Landscaping for an eight (8) lane roadway segment of Truxel Road from Del Paso Road to Gateway Park Boulevard, minus 1,900 feet. Roadway segment length of 5,600 feet; roadway width of 158 feet. City landscaping quality level "B". Roadway section type "C".	$ 1,980,076		$ 268,767	$ 1,711,309
38		NATOMAS CROSSING DRIVE	Segment 38 from Duckhorn Drive to Interstate 5. Landscaping the roadway segment of Natomas Crossing Drive from Duckhorn Drive to Interstate 5 for a length of 1,100 feet. Roadway width of 100 feet. City landscaping quality level "B". Roadway section type "A".	$ 274,183			$ 274,183
		Subtotal Roadways:		**$ 131,569,106**	**$ 61,257,700**	**$ 8,215,986**	**$ 62,095,419**
Freeway Landscaping			Includes freeway and drainage landscaping. Landscaping costs for road segments are included along with construction costs in the road segments PFF Funding amounts, unless otherwise noted in the facility's Description/Scope.	**$ 8,324,270**	**$ -**	**$ 1,114,196**	**$ 7,210,074**
Total Roadways and Freeway Landscaping:				**$ 139,893,376**	**$ 61,257,700**	**$ 9,330,182**	**$ 69,305,494**
Fully Funded Signals:							
2-Lane x 6-Lane							

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
2		Northbound SR-99 Off-Ramp and Elkhorn Boulevard	Traffic signal for 2-Lane x 6-Lane intersection. Remaining portion of total cost being funded by Panhandle area. PFF share is currently estimated at 92.3% of the total estimated cost. Partially funded by Panhandle.	$ 814,351			$ 814,351
4-Lane x 4-Lane							
6	C	El Centro Road and Del Paso Road	Traffic signal for a 2+-Lane x 8-Lane intersection. Traffic signal constructed.	$ 162,793	$ 162,793		$ -
4-Lane x 4-Lane							
7	P	El Centro Road and Del Paso Road	Traffic signal for a 4-Lane x 4-Lane intersection. Traffic signal partially constructed.	$ 400,465	$ 205,292		$ 195,173
8		El Centro Road and Snowy Egret Way	Traffic signal at a 4-Lane x 4-Lane intersection. Traffic signal constructed.	$ 400,465			$ 400,465
9	P	El Centro Road and Arena Boulevard **(6)**	Traffic signal at a 4-Lane x 4-Lane intersection. Traffic signal constructed. Signal to be phased.	$ 437,795		$ 168,454	$ 269,341
11	C	Gateway Park Boulevard and Arena Boulevard	Traffic signal at a 4-Lane x 4-Lane intersection. Traffic signal constructed.	$ 876,009		$ 876,009	$ -
4-Lane x 6-Lane							
12	P	East Commerce Way and Elkhorn Boulevard **(5)**	Traffic signal at a 4-Lane x 6-Lane intersection. Signal to be phased. Partially complete.	$ 461,766			$ 461,766
13	C	Natomas Boulevard and Elkhorn Boulevard	Traffic signal constructed.	$ -			$ -
14	C	Gateway Park Boulevard and Del Paso Road	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 181,390	$ 181,390		$ -
15	C	Snowy Egret Way and East Commerce Way	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 214,941		$ 214,941	$ -
16	C	Northgate Boulevard and Del Paso Road	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 241,000		$ 241,000	$ -
17		Natomas Crossing Drive and East Commerce Way	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 341,860			$ 341,860
4-Lane x 8-Lane							
18	C	Natomas Crossing Drive and Truxel Road	Traffic signal at a 4-Lane x 6-Lane intersection. Traffic signal constructed.	$ 307,148	$ 307,148		$ -
19	C	Gateway Park Boulevard and Truxel Road	Traffic signal at a 4-Lane x 8-Lane intersection. Traffic signal constructed.	$ 256,513	$ 256,513		$ -
6-Lane x 6-Lane							$ -
20	C	Del Paso Road and East Commerce Way	Traffic signal at a 6-Lane x 6-Lane intersection. Traffic signal constructed.	$ 269,010	$ 269,010		$ -
32	C	Gateway Park Boulevard and North Freeway Boulevard (2+x4)	Traffic signal at a 6-Lane x 6-Lane intersection. Traffic signal constructed.	$ 172,655	$ 172,655		$ -
6-Lane x 8-Lane							
21	C	Del Paso Road and Truxel Road	Traffic signal at a 6-Lane x 8-Lane intersection. Traffic signal constructed.	$ 253,685	$ 253,685		$ -
Total Fully Funded Signals				**$ 5,791,846**	**$ 1,808,486**	**$ 1,500,404**	**$ 2,482,956**
2-Lane x 6-Lane							
40	C	Northborough Drive and Elkhorn Boulevard (2+x6)	Partial funding of traffic signal at a 2-Lane x 6-Lane intersection. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 34,114	$ 34,114		$ -

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
41	C	Elkhorn Boulevard and Sageview Drive (2x6)	Partial funding of traffic signal at a 2-Lane x 6-Lane intersection. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,768	$ 33,768		$ -
42		Club Center Drive and East Commerce Way (2+x6)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Club Center Drive and East Commerce Way. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300			$ 47,300
43	C	Natomas Blvd and Club Center Drive (2+x6)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Blvd and Club Center Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,768	$ 33,768		$ -
44		East Commerce Way and North Park Drive (2+/2x6) (8)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of East Commerce Way and North Park Drive. Traffic signal partially constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 51,300			$ 51,300
45	C	Natomas Blvd and North Park Drive	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Blvd and North Park Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,912	$ 33,912		$ -
46	C	Natomas Blvd and North Bend Drive	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Blvd and North Bend Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,912	$ 33,912		$ -
47	P	Natomas Blvd and New Market Drive	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Natomas Boulevard and New Market Drive. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300	$ 22,895		$ 24,405
48	C	Del Paso Road and Northborough Drive (2+x6)	Partial funding of traffic signal at 2-Lane x 6-Lane intersection of Del Paso Road and Northborough Drive. Traffic signal constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 33,778	$ 33,778		$ -
49		Del Paso Road and North East Stadium Entrance	Partial funding for traffic signal at 2-Lane x 6-Lane intersection. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300	$ -		$ 47,300
50	P	Black Rock Drive and Del Paso Road (2+x6)	Partial funding for traffic signal at 2-Lane x 6-Lane intersection at Black Rock Drive and Del Paso Road. Traffic signal partially constructed - North leg of intersection not yet constructed. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals	$ 31,800	$ 25,328		$ 6,472
51	C	Arena Boulevard and Duckhorn Drive(2+x6) **(9)**	Included in the cost for Arena Boulevard Overcrossing	$ -			$ -
52		East Commerce Way and Arena Entrance (2+x6)	Partial funding for traffic signal at 2-Lane x 6-Lane intersection at East Commerce Way and Arena Entrance. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 47,300			$ 47,300
53		Arena Boulevard and Innovator Drive (2-/2x6)	Partial funding for traffic signal at 2-Lane x 6-Lane intersection at Arena Blvd and Innovator Drive. Currently 15% is being funded for 2-Lane x 6-Lane traffic signals.	$ 31,800			$ 31,800
		Signal Contingency		$ 47,300			$ 47,300
2-Lane x 8-Lane							
54		Truxel Road and Terracina Drive (2+/2x8)	Partial funding for traffic signal at 2-Lane x 8-Lane intersection at Truxel Road and Terracina Drive. Traffic signal constructed. Currently 20% is being funded for 2-Lane x 8-Lane traffic signals.	$ 49,900			$ 49,900
55		Truxel Road and Prosper Street (2x8)	Partial funding for traffic signal at 2-Lane x 8-Lane intersection at Truxel Road and Prosper Street. Traffic signal constructed. Currently 20% is being funded for 2-Lane x 8-Lane traffic signals.	$ 49,900			$ 49,900
Total Partially Funded Signals				**$ 654,452**	**$ 251,475**	**$ -**	**$ 402,977**

Schedule One
Public Facility Fee (PFF) Authorized Facilities

Item	Status	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
Total Signals				**$ 6,446,298**	**$ 2,059,960**	**$ 1,500,404**	**$ 2,885,933**
Public Facilities							
	C	Fire Station 1	Fire station is complete. Funding also includes apparatus necessary for outfitting the fire station.	$ 7,687,049		$ 2,034,466	$ 5,652,583
		Fire Station 2	Located at Westside of I-5/North Natomas. Provide funding contribution for a second fire station with a minimum building square footage of 8,000 square feet. Funding contribution also includes one ladder truck and one fire engine.	$ 9,600,000			$ 9,600,000
	P	Library	Located at Del Paso Road. Funding contribution for the North Natomas share (12,000 square feet) of 21,000 square foot total community library, including a share for library materials.	$ 10,126,271		$ 4,427,244	$ 5,699,027
		Police Substation	Located at Westside of I-5/North Natomas. Construct a 24,000 square foot police substation and provide funding for up to 120 police vehicles. North Natomas Area funding contribution is 31.4% of the total police substation cost and police vehicle cost.	$ 5,290,705			$ 5,290,705
		Community Center	Provide a funding contribution for the construction of one community center. Funding is not being provided for the costs of land acquisition, operation and maintenance, or ongoing utilities.	$ 8,136,328			$ 8,136,328
		Subtotal Public Facilities		**$ 40,840,353**	**$ -**	**$ 6,461,710**	**$ 34,378,643**
Planning Studies				**$ 17,231,226**	**$ 12,166,419**	**$ 5,064,807**	**$ (0)**
Total:				**$ 281,097,535**	**$ 79,698,340**	**$ 56,626,319**	**$ 144,772,877**

Note: P Denotes a partially completed project, C is a completed project

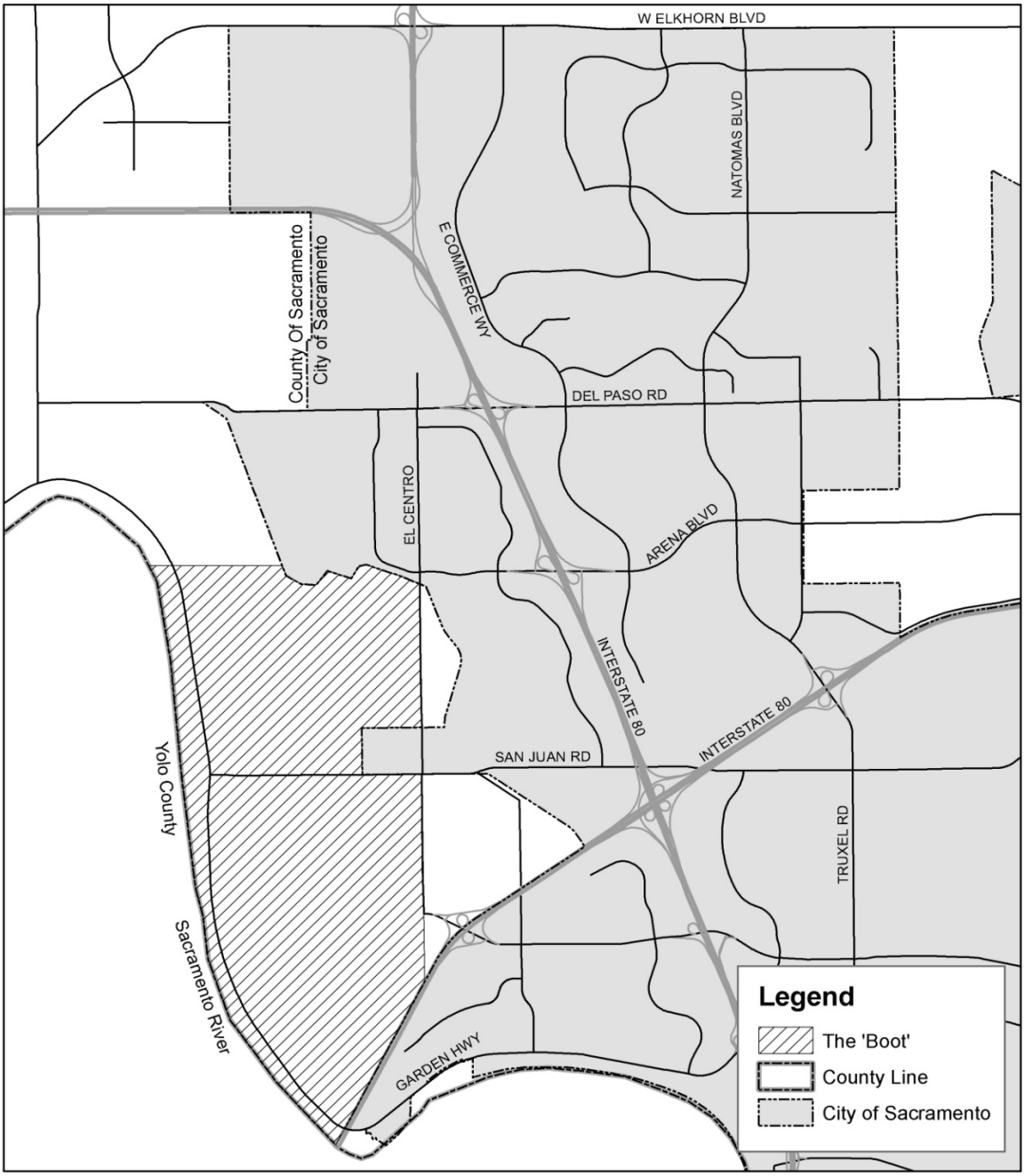
end of schedule

Schedule Two
Public Facility Fee (PFF) Removed Facilities

Item	Description	Project Scope	Total Cost	Reimb	City Expenditures	Remaining Cost
Bridges:						
B10	Natomas Crossing Drive Over West Drain Canal	Four (4) lane bridge, 74 ft wide by 80 ft length. Bridge to include (4) 12' lanes, (2) 6' bike lanes and, (2) 5' sidewalks and a 4' painted median.	$ -			$ -
Road Segments:						
17	Natomas Crossing Drive	Roadway Segment 17 from Duckhorn Drive to El Centro Road. A two (2) lane roadway segment. Roadway segment length of 4,180 feet; roadway width of 70 feet. City landscape quality level "B". Roadway section type "A".	$ -			$ -
Fully Funded Signals:						
4-Lane x 4-Lane						
10	El Centro Road and Natomas Crossing Drive	Traffic signal at a 4-Lane x 4-Lane intersection.	$ -			$ -
Overcrossings:						
	Snowy Egret Way	A 4 lane, 85 ft wide overcrossing over Intestate 5 to include approaches from East Commerce Way to El Centro Road. This overcrossing assumes an 85' right of way with (4) 12' lanes, 12' striped median, (2) 6' bike lanes/shoulders and (2) 6' sidewalks with barriers.	$ -			$ -

end of schedule

Schedule Three
The "Boot" Area



G.I.S.
City of Sacramento
Department of Finance
BMueller 05/14/09

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ORDINANCE NO.

Adopted by the Sacramento City Council

APPROVING A THIRD AMENDMENT TO CITY AGREEMENT NO. 99-162 BETWEEN THE CITY OF SACRAMENTO AND NATOMAS TOWNE CENTER LLC (APN: 201-0300-145-0000) (P12-006)

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. Incorporation of Agreement.

This ordinance incorporates the Third Amendment to City Agreement No. 99-162 between the City and Natomas Towne Center LLC ("**Landowner**"), a copy of which is attached to this ordinance as Exhibit A.

Section 2. Hearing before the Planning Commission.

On June 14, 2012, in accordance with Government Code section 65867 and Sacramento City Code chapter 18.16, the Planning Commission conducted a noticed public hearing on an application to amend City Agreement No. 99-162, a North Natomas Development Agreement (the "**Original Agreement**"). During the hearing, the Planning Commission received and considered evidence and testimony. After the hearing concluded, the Planning Commission forwarded to the City Council a recommendation to approve the proposed amendment.

Section 3. Hearing before the City Council; Findings.

On July 31, 2012, in accordance with Government Code section 65867 and Sacramento City Code chapter 18.16, the City Council conducted a noticed public hearing on the application to amend the Original Agreement. During the hearing, the City Council received and considered evidence and testimony concerning the proposed amendment. Based on the information in the application and the evidence and testimony received at the hearing, the City Council finds as follows:

(a) The proposed amendment to the Original Agreement is consistent with the City's general plan and the goals, policies, standards, and objectives of the North Natomas Community Plan.

(b) The proposed amendment will facilitate Landowner's development of the property subject to the amendment, which should be encouraged in order to meet important

economic, social, environmental, or planning goals of the North Natomas Community Plan.

(c) Without the amendment, Landowner would be unlikely to proceed with development of the property subject to the amendment in the manner proposed.

(d) Landowner will incur substantial costs to provide public improvements, facilities, or services from which the general public will benefit.

(e) Landowner will participate in all programs established or required under the general plan or any applicable specific or community plan and all of its approving resolutions (including any mitigation-monitoring plan) and has agreed to the financial participation required under the applicable financing plan and its implementation measures, all of which will accrue to the benefit of the public.

(f) Landowner has made commitments to a high standard of quality and has agreed to all applicable land-use and development regulations.

Section 4. Approval and Authorization.

The City Council hereby approves the Third Amendment to City Agreement No. 99-162, a copy of which is attached to this ordinance as Exhibit A. The City Council hereby authorizes the Director of the Community Development Department to sign on the City's behalf, on or after the effective date of this ordinance, the Third Amendment to City Agreement No. 99-162.

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Exhibit A: Third Amendment to City Agreement No. 99-162 – 24 pages

No fee required, as recording benefits the City of Sacramento, a government entity (Gov. Code, §§ 6103 & 27383).

When recorded, return document to—

Office of the City Clerk
Historic City Hall
915 "I" Street, First Floor
Sacramento, CA 95814

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

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Third Amendment to City Agreement No. 99-162
North Natomas Development Agreement

This amendatory agreement, dated _____, 2012, for purposes of identification, is between the CITY OF SACRAMENTO, a California municipal corporation (the "**City**"); and NATOMAS TOWNE CENTER LLC, a California limited-liability company (the "**Landowner**").

Background

A. The City and the Landowner's predecessors (Kern W. Schumacher, et al.) are parties to a North Natomas Development Agreement that is dated September 28, 1999; is designated as City Agreement No. 99-162; and was recorded with the Sacramento County Clerk/Recorder on February 23, 2000, in Book 20000223 at Page 0364 (the "**Original Agreement**").

B. The Landowner was assigned an interest in the Original Agreement for a portion of the Property as described in an *Assignment and Assumption Agreement* that is dated May 9, 2012, and was recorded with the Sacramento County Clerk/Recorder on May 25, 2012, in Book 20120525 at Page 0964 (the "**Assignment**").

C. Under the Original Agreement and the Assignment, the Landowner agrees to participate in, and to faithfully and timely comply with, the North Natomas Finance Plan as it is amended from time to time (the "**Finance Plan**").

D. On May 26, 2009, the Sacramento City Council approved the *North Natomas Nexus Study and Financing Plan 2008 Update*, which among other things establishes a new procedure for adjusting the amount of the Public Facilities Fee established by Sacramento City Code section 18.24.050. By entering into this amendatory agreement, the parties incorporate the new procedure into the Original Agreement.

With these background facts in mind, the City and the Landowner agree as follows:

1. **Amendment to Definition of "North Natomas Finance Plan."** The definition of "North Natomas Finance Plan" in article I of the Original Agreement is amended to read as follows in its entirety:

   North Natomas Finance Plan: the plan, as it may be amended from time to time, that establishes methods for financing Infrastructure through a combination of land transfers,

dedications, contributions, fees, assessment districts, community facilities districts, and other measures. As to the Public Facilities Fee, the North Natomas Finance Plan, as amended from time to time, will provide for adjusting the amount of the Public Facilities Fee in accordance with the principles set forth in the procedure attached hereto as Exhibit I and incorporated herein by reference.

2. **Addition of New Exhibit I.** The procedure for adjusting the Public Facilities Fee that is attached to this amendatory agreement as an exhibit is hereby added to, and made part of, the Original Agreement as Exhibit I.

3. **All Other Terms Remain in Force.** Except as amended by sections 1 and 2 above, all terms and conditions of the Original Agreement remain in full force.

4. **Effective Date.** This amendatory agreement takes effect on the effective date of the ordinance that approves it (Gov. Code, § 65868; Sacramento City Code, §§ 18.16.120 & 18.16.130).

5. **Recording.** Either party may record this amendatory agreement with the Sacramento County Clerk/Recorder.

6. **Counterparts.** The parties may execute this amendatory agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement.

7. **Entire Agreement.** This amendatory agreement sets forth the parties' entire understanding regarding the matters set forth above. It supersedes all prior or contemporaneous agreements, representations, and negotiations regarding those matters (whether written, oral, express, or implied) and may be modified only by another written agreement signed by all parties. This amendatory agreement will control if any conflict arises between it and the Original Agreement.

(*Signature page follows*)

City of Sacramento

By: _____
Max Fernandez
Director of Community Development
on behalf of John F. Shirey, City Manager
Date: _____, 2012

Approved as to Form
City Attorney

By: _____
Senior Deputy City Attorney

Natomas Towne Center LLC

By: KWS California LLC
a Nevada limited-liability company

Its: Sole member

By: KWS Companies Management Inc.
a Nevada corporation

Its: Manager

By: _____
Kern W. Schumacher
President
Date: _____, 2012

[Attach Certificates of Acknowledgment – Civil Code § 1189]

EXHIBIT I

Procedure for Adjusting the Public Facilities Fee and Revising the Inventory of Remaining Infrastructure to be Financed by that Fee

When amending the North Natomas Finance Plan, the City shall set the amount of the Public Facilities Fee (subsection A.1 in Sacramento City Code section 18.24.050) in accordance with the following procedure by using the estimated cost of the remaining facilities to be financed:

1. **Definitions.**

(a) "Agreement" means the development agreement to which this Exhibit I is attached.

(b) "Aggregate Costs" means the aggregate PFF Shares of PFF Facilities remaining to be completed, calculated using the then-current year's cost estimate, plus the cost to pay the administrative component of the PFF as specified in the Finance Plan.

(c) "CalTrans Index" means the Quarterly California Highway Construction Cost Index (Price Index for Selected Highway Construction Items) published by the California Department of Transportation, Division of Engineering Services – Office Engineer.

(d) "CEQA Mitigation Measure" means a requirement proposed, in accordance with the California Environmental Quality Act, to eliminate or substantially lessen the significant effects on the environment from the City's approval of a project on the Property.

(e) "Effective Date of this Exhibit" means the effective date of the amendatory agreement that adds this Exhibit I to the Agreement.

(f) "ENR Index" means the Engineering News Record Construction Cost Index for San Francisco.

(g) "Finance Plan" means the North Natomas Finance Plan, as amended.

(h) "Non-PFF Sources" means any funding for a Schedule One or Schedule Two Facility other than PFF funding. It includes but is not limited to federal funding, state funding, regional funding, grants, gifts, contributions, fees, reimbursements, the City's general fund, the City's Major Street Construction Tax, private funds, payments from the Greenbriar area, and payments from the Panhandle area upon annexation to the City. It does not include conditions of approval or CEQA Mitigation Measures imposed on any project the Landowner proposes for the Property, except as otherwise provided in section 7(b).

(i) "Funding Requirement" means the amount of the PFF that must be generated from remaining development so that the City will have adequate funding to construct the PFF Facilities remaining to be completed and to administer the PFF program. It is calculated as follows: *first*, calculate the Aggregate Costs; *second*, from the Aggregate Costs, subtract both the PFF revenues then available to complete the uncompleted PFF Facilities (including any

interest earned on those PFF revenues) and the amount of any reduction under section 9; and *third*, add the amount of outstanding PFF credits.

(j) "PFF" means the Public Facilities Fee established by subsection A.1 of Sacramento City Code section 18.24.050, as amended.

(k) "PFF Funding Obligation" means the maximum funding obligation of the PFF in a given year, determined in accordance with subsection 5 below.

(l) "PFF Share" means the portion of a PFF Facility's cost that is funded, in whole or part, by the PFF.

(m) "Property" means the real property identified in Exhibit A to the Agreement.

(n) "Schedule One" means the list of public improvements and segments of public improvements that is attached to, and made part of, this Exhibit I.

(o) "Schedule One Facility" means a public improvement or segment of a public improvement that is listed on Schedule One.

(p) "Schedule Two" means the list of public improvements and segments of public improvements that is attached to, and made part of, this Exhibit I.

(q) "Schedule Two Facility" means a public improvement or segment of a public improvement that is listed on Schedule Two.

(r) "Schedule Three" means the diagram of the "Boot" area that is attached to, and made part of, this Exhibit I.

(s) "Scope" means the location or physical description, or both, of a Schedule One Facility or a Schedule Two Facility, but not the PFF funding set forth for the facility in Schedule One or Schedule Two (the actual PFF funding for a facility or portion of a facility may be higher or lower than the dollar amount set forth in Schedule One or Schedule Two).

(t) "Transportation Facilities" means all public improvements and segments of public improvements listed in Schedule One other than the police substation, second fire station, library, freeway landscaping, and community center.

(u) "2008 Update" means the North Natomas Nexus Study and Financing Plan 2008 Update that the Sacramento City Council approved on May 26, 2009, by adopting Resolution No. 2009-341.

2. **Annual PFF Adjustment for Schedule One Facilities.**

(a) Each July 1, the City shall adjust the PFF in accordance with the difference between—

(1) the Funding Requirement for the then-current year; and

(2) the funding that would be available, after deducting revenue on hand (which includes interest and any reductions under section 9) and adding outstanding PFF credits, if the then-existing PFF were applied to remaining development.

In other words, the City shall adjust the PFF in accordance with the difference between the then-current year's cost estimate and an amount calculated by applying the then-existing PFF to remaining development.

(b) Example of an annual PFF adjustment for Schedule One Facilities:

As of April 1, 2010	Percentage Cost Changes		
	+3.257%	–6.000%	+6.000%
Costs Comparison			
Remaining Costs from April 1, 2009, Estimate	200,000,000	200,000,000	200,000,000
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
	+3.257%	–6.000%	+6.000%
Funding Requirement Calculation			
Aggregate Costs and Administration	206,514,000	188,000,000	212,000,000
Less Cash on Hand April 1, 2010	–30,000,000	–30,000,000	–30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Existing Fee Calculation			
Revenue From Remaining Development Using 2009 Fees	200,000,000	200,000,000	200,000,000
Less Cash on Hand April 1, 2010	–30,000,000	–30,000,000	–30,000,000
Plus Credits Outstanding April 1, 2010	25,000,000	25,000,000	25,000,000
Resources Based with 2009 Fees	195,000,000	195,000,000	195,000,000
Fee Change Effective July 1, 2010			
Resources Based on 2009 Fees	195,000,000	195,000,000	195,000,000
2010 Funding Requirement	201,514,000	183,000,000	207,000,000
Fee Change $	+6,514,000	–12,000,000	+12,000,000
Fee Change %	+3.341%	–6.154%	+6.154%

(c) Unless the City determines that prevailing market conditions do not justify doing so (e.g., if development is lacking or the remaining development is limited), at least once every three years the City shall perform a comprehensive review and nexus study for the PFF, using the cost-adjustment procedures in subsections 3 and 4 to reallocate costs to remaining undeveloped land uses in accordance with Finance Plan policies and principles.

3. **Procedure for Adjusting Costs of Uncompleted Transportation Facilities.** The City shall use the following procedure to adjust the PFF Shares for all uncompleted Transportation Facilities:

(a) *Method of Adjustment*. Each year, the City shall determine the cost adjustment for uncompleted Transportation Facilities using either the Benchmark Change determined under subsection 3(b) or the percentage change in the index selected under subsection 3(c). If, for the year in question, the difference between the Benchmark Change and the percentage change in the selected index is five or more percentage points, then the City shall use the Benchmark Change to adjust costs for uncompleted Transportation Facilities. Otherwise, the City shall adjust costs for those facilities using the percentage change in the selected index.

(b) *Determination of Benchmark Change.* The City shall follow the following steps to determine the "Benchmark Change" for each year:

(1) *Step 1.* Before April 1, have a third-party professional engineering consultant who is under contract to the City estimate the cost to construct all uncompleted Transportation Facilities. The cost estimate will anticipate cost changes to the next July 1.

(2) *Step 2.* Determine the "Benchmark Estimate" of the cost to construct all uncompleted Transportation Facilities by adding an estimated contingency to the cost estimate from Step 1. The estimated contingency may not exceed 26% of the cost estimate.

(3) *Step 3.* Divide the Benchmark Estimate from Step 2 by the previous year's adjusted cost estimate for uncompleted Transportation Facilities (which was determined in accordance with this section 3) and express the resulting quotient as a decimal.

Illustration: If, for example, the Benchmark Estimate from Step 2 is $206,514,000 and the previous year's cost estimate for uncompleted Transportation Facilities is $188,275,000, then the resulting quotient (to nine decimal places) is 1.094258842 (i.e., $206,514,000 ÷ $188,725,000 = 1.094258842).

(4) *Step 4.* Subtract 1.0 from the resulting quotient in Step 3.

Illustration: If, for example, the quotient from Step 3 is 1.094258842, then subtracting 1.0 from that quotient yields a difference of 0.094258842 (i.e., 1.094258842 – 1.0 = 094258842).

(5) *Step 5.* Express the difference from Step 4 as a percentage by multiplying it by 100 and adding a percentage sign, and then round the percentage to the nearest thousandth. This rounded percentage is the Benchmark Change for the year.

Illustration: If, for example, the difference from Step 4 is 0.094258842, then multiplying that difference by 100 and rounding the product to the nearest thousandth yields a Benchmark Change of 9.426%.

(c) *Selection of Index.* Each year, the City shall adjust the cost of the Transportation Facilities remaining to be completed by using either the percentage change in the ENR Index or the percentage change in the CalTrans Index, according to the following criteria:

(1) If both indexes are positive on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the greater percentage change.

(2) If the change in one index is positive and the change in the other is negative on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the positive change.

(3) If the change for both indexes is negative on March 1 of the year in question, then the City shall adjust the cost of the remaining Transportation Facilities using the index with the negative change that is closer to zero.

(4) Measurement of Percentage Change in an Index.

(A) The percentage change in the ENR Index is the year-over-year change as of each March.

(B) The percentage change in the CalTrans Index is the change between the 12-quarter average through quarter 1 of the then-current year and the 12-quarter average through quarter 1 of the prior year.

(d) *Precision*. The City shall carry out all calculations to three decimal places.

(e) *Sample Cost Adjustments for Uncompleted Transportation Facilities*:

Sample #1
Benchmark change of + 4.000%
ENR Index change of + 2.000%
CalTrans Index change of + 3.100%
Adjustment: plus 3.100%

Sample #2
Benchmark change of + 4.500%
ENR Index change of + 1.000%
CalTrans Index change of – 1.000%
Adjustment: plus 1.000%

Sample #3
Benchmark change of – 4.000%
ENR Index change of – 0.500%
CalTrans Index change of – 1.000%
Adjustment: minus 0.500%

Sample #4
Benchmark change of – 5.000%
ENR change of + 0.500%
Cal Trans Index change of + 0.000%
Adjustment: minus 5.000%

Sample #5
Benchmark change of +6.000%
ENR Index change of +1.000%
CalTrans Index change of –1.000%
Adjustment: plus 6.000%

Sample #6
Benchmark change of +6.000%
ENR change of +3.500%
CalTrans Index change of +7.000%
Adjustment: plus 7.000%

4. **Cost Adjustment for Police Substation, Second Fire Station, Library, Freeway Landscaping, and Community Center.** The PFF Shares of the police substation, second fire station, library, freeway landscaping, and community center listed in Schedule One will not exceed the amount established in the 2008 Update, except as follows: the City shall adjust the PFF Shares for the police substation, second fire station, library, freeway landscaping, and community center by using only the positive change in the ENR Index from March to March, effective each July 1. If, however, there are two consecutive years of decreases in the ENR Index, then, beginning with the second year of the decrease, the City shall decrease the PFF Shares for the police substation, second fire station, library, freeway landscaping, and community center by an amount equal to the decrease in the ENR Index for that second year.

5. **Annual Determination of the PFF Funding Obligation.** The Finance Plan shows for each Schedule One Facility not just its estimated cost but also its PFF Share. Each year, after adjusting costs in accordance with sections 2 through 4 above, the City shall determine the aggregate PFF share for all PFF Facilities, and that aggregate amount will be the PFF Funding Obligation for that year.

6. **Reduction of PFF Shares.**

(a) The City may reduce the PFF Share of a Schedule One Facility only if one of the following events occurs:

(1) The PFF Share of the estimated cost to construct the facility, as set forth in Schedule One, decreases as a result of the procedure in subsection 3 or 4.

(2) The PFF Share of the actual cost to construct the facility is less than the PFF Share set forth for the facility in Schedule One, adjusted in accordance with the procedure in subsection 3 or 4.

(3) The City secures and appropriates, from Non-PFF Sources, funding to replace all or part of the facility's PFF Share.

(b) If the City reduces a PFF Share in accordance with subsection 6(a)(1) or 6(a)(2), then the City may use the reduced portion only to decrease the Funding Requirement.

(c) If the City reduces a PFF Share in accordance with subsection 6(a)(3) and the reduction does not result from payments the City receives from the Greenbriar area or the Panhandle area, then the City shall use the reduced portion of the PFF Share as follows:

(1) First, if there is an actual cost overrun on a completed Schedule One Facility when the PFF share is reduced, then the City shall use the reduced portion of the PFF share to reduce the cost overrun on that facility.

(2) Second, if a Schedule One Facility is under construction when the PFF share is reduced and the City anticipates that the actual cost to construct that facility will exceed the facility's PFF Share shown on Schedule One (as the PFF Share has been adjusted from

year to year), then the City shall use the reduced portion of the PFF share to reduce the anticipated cost overrun on that facility.

(3) Third, if there are no actual or anticipated cost overruns on a Schedule One Facility when the PFF Share is reduced, then the City may use the reduced portion of the PFF Share either—

(A) to fund or to increase the Scope of Schedule One or Schedule Two Facilities; or

(B) to reduce the Funding Requirement.

(d) The City shall determine the reduced amount of a PFF Share in accordance with subsection 3 or 4 above, as appropriate.

7. Funding for Schedule Two Facilities.

(a) Except as provided in subsection 7(b), the only funding available for Schedule Two Facilities is—

(1) PFF funding available under subsection 6(c)(3)(A);

(2) funding from Non-PFF Sources; and

(3) fee revenues available under subsections 8(a) and 8(b).

(b) If, when approving a project on the Property, the City requires the construction or funding of a Schedule Two Facility, in whole or part, as a CEQA Mitigation Measure or a condition of approval, then the City shall timely construct or fund that facility at no cost to the Landowner, subject to the following: the City may require, as a CEQA Mitigation Measure or a condition of approval, that the Landowner construct or fund the overcrossing for Snowy Egret Way described in Schedule Two if—

(1) the Property consists of one or more of Sacramento County APNs 225-0070-059, 225-0070-060, 225-0070-063, 225-0070-067, and 225-0070-076; and

(2) the mitigated negative declaration, the environmental impact report, or any other relevant environmental document prepared for the Landowner's project proposes the construction or funding of the Snowy Egret Way as mitigation for the traffic impacts that will result from approval of the project

8. Funding from Greenbriar and the Panhandle.

(a) When the City begins to receive development-impact fees collected under the Panhandle Finance Plan to offset the cost of PFF-funded facilities that benefit the Panhandle area, the City may use those fees to fund or to increase the Scope of Schedule One Facilities and Schedule Two Facilities.

(b) When the City begins to receive development-impact fees collected under the Greenbriar Finance Plan to offset the cost of PFF-funded facilities that benefit the Greenbriar area, the City may use those fees to fund or to increase the Scope of Schedule One Facilities and Schedule Two Facilities.

9. Reduction of Funding Requirement.

(a) The City, in its discretion, may reduce the Funding Requirement in accordance with subsection 6(c)(3)(B).

(b) If the land-use designation for Sacramento County APN 225-0070-059, 225-0070-060, 225-0070-063, or 225-0070-067 (each, an "Arco Arena Parcel") is changed to allow uses different from the uses permitted for the Arco Arena Parcel under the North Natomas Community Plan as it existed on the effective date of the Agreement, then each year the City shall reduce the Funding Requirement by an amount equal to the increased portion of PFF that the City collects from the affected Arco Arena Parcel.

10. Scope of Schedule One and Schedule Two Facilties. The Scope of each Schedule One Facility is as described in Schedule One and the Finance Plan. The City may not revise the Scope except as provided in subsections 10(a), 10(b), and 10(c), or as required to comply with federal or state law. With respect to freeway overcrossings (unless sufficient PFF funding has been allocated already), the physical appearance, design enhancements, and landscaping must be substantially comparable to the freeway overcrossings and freeway interchanges at Truxel Road and Interstate 80, Arena Boulevard and Interstate 5, and Del Paso Road and Interstate 5 as they existed on the Effective Date of this Exhibit. With respect to other public roadways and streets, the scope must be based on the City's street-design standards that apply to the roadway or street under the Agreement.

(a) The City may increase the Scope of a Schedule One Facility in accordance with subsections 6(c)(3)(A), 8(a), and 8(b).

(b) The City may increase the Scope of a Schedule Two Facility in accordance with subsections 6(c)(3)(A), 7(a), 8(a), and 8(b).

(c) If the City receives development-impact fees collected under the Panhandle Finance Plan to offset the cost of PFF-funded facilities that benefit the Panhandle area, or if the City receives development-impact fees collected under the Greenbriar Finance Plan to offset the cost of PFF-funded facilities that benefit the Greenbriar area, then the City may use those fees and

any other Non-PFF Sources to fund in full a change in the Scope of a Schedule One Facility or a Schedule Two Facility.

11. **Adequate Funding for Schedule One Facilities.** The City may not cite, as a reason for increasing the amount of the PFF Funding Obligation, the loss of potential funding from Non-PFF Sources identified in the 2008 Update.

12. **Change in PFF Share for West El Camino/Interstate 80 Interchange Improvements.** The PFF Share for the West El Camino/Interstate 80 Interchange Improvements (the "Interchange Improvements") was determined to be 9% based upon an assumption in the City's traffic study that the area of Natomas commonly known as the "Boot," as shown on Schedule Three, would be developed with urban uses. If all urban development in the Boot ever becomes permanently prohibited by law, such as by the recording of perpetual open-space or conservation easements, then the following will apply notwithstanding anything to the contrary in this Exhibit I:

    (a) The City shall increase the entire Finance Plan area's share of the Interchange Improvements from 9% to 37% of the cost of the interchange as determined by the consultant under subsection 3(b), above.

    (b) The City shall adjust the PFF Share for the Interchange Improvements to reflect the increase to 37%, taking into account the development that has already taken place in the entire Finance Plan area, so that remaining development in the Finance Plan area pays only its fair share of the entire Finance Plan area's new 37% share of the cost of the Interchange Improvements.

    (c) To illustrate the adjustment described in subsections 12(a) and 12(b), the following example shows how the adjustment would be calculated if urban development becomes permanently prohibited in the Boot when the Finance Plan area is 60% built out:

		Current Finance Plan Share Scenario	Revised Finance Plan Share Scenario (if Development of the Boot is Prohibited)	
a	Interchange Cost	$22,465,000	$22,465,000	
b	Finance Plan Fair Share	9%	37%	
c	PFF Allocated Share of Cost	$2,021,850	$8,312,050	*(a*b)*
d	Base Share	$2,021,850	$2,021,850	
e	Incremental Share	N/A	$6,290,200	*(c-d)*
f	% Development Remaining	N/A	40%	
g	Incremental Adjusted Share	N/A	$2,516,080	*(e*f)*
h	PFF Funding Obligation	$2,021,850	$4,537,930	*(d+g)*

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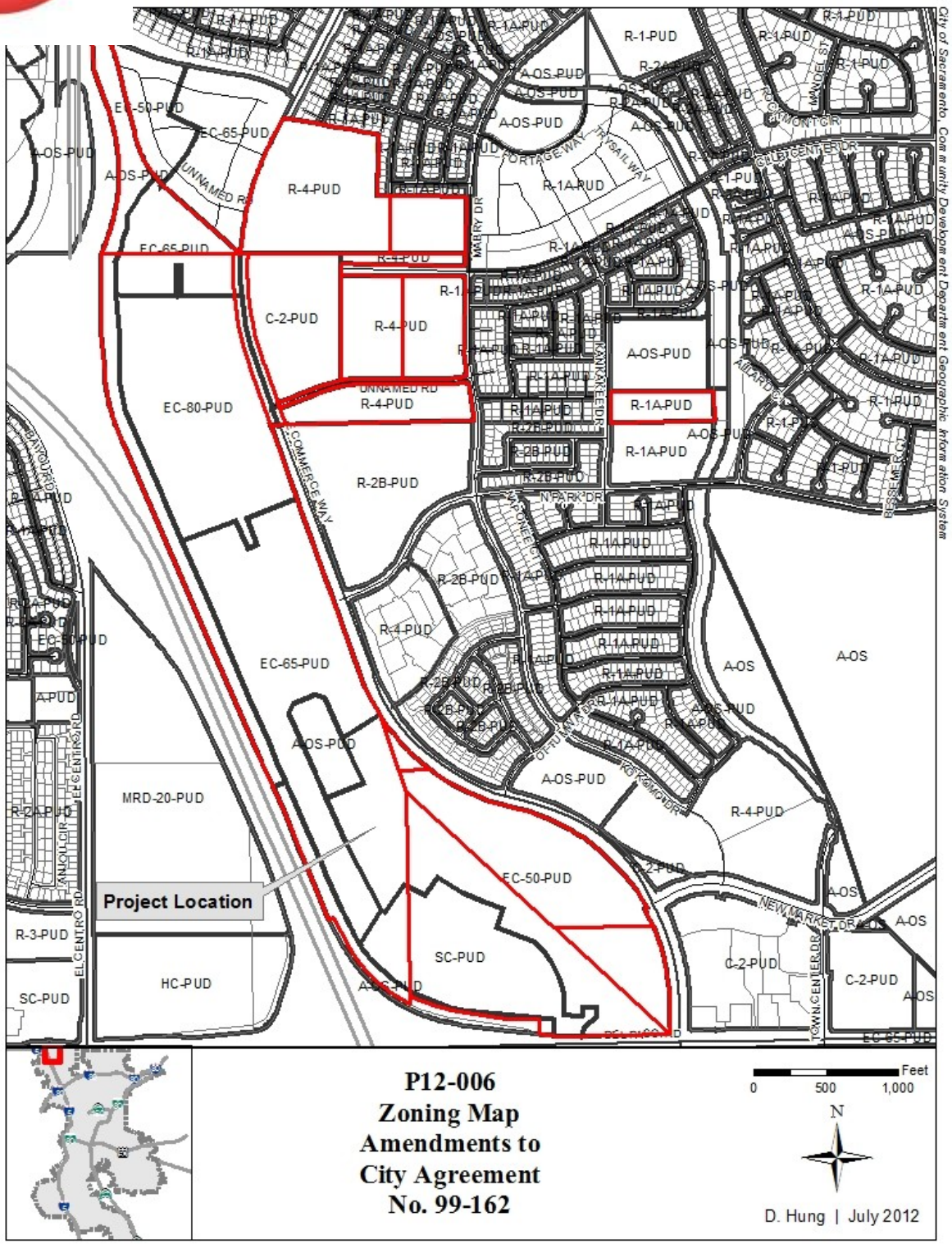
Zoning Map



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Ownership Map