

Meeting Date: 9/17/2013

Report Type: Consent

Report ID: 2013-00647

Title: Natomas Crossing Youth Services Community Facilities District No. 2013-01 Resolution of Intention

Location: District 1

Issue: As a condition of development, the owners of the Natomas Crossing Development Project have filed a petition requesting that the City Council establish a community facilities district pursuant to the Mello-Roos Communities Facilities Law of 1982.

Recommendation: Pass a Resolution of Intention to establish the Natomas Crossing Youth Services Community Facilities District No. 2013-01 and set a time and place for a public hearing on October 22, 2013.

Contact: Sheri Smith, Program Specialist, (916) 808-7204; Mark Griffin, Program Manager, (916) 808-8788, Department of Finance

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution
- 5-Exhibit C

City Attorney Review

Approved as to Form
Michael W. Voss
9/5/2013 1:10:03 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
John Colville
8/30/2013 9:26:55 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 9/4/2013 2:18:14 PM

Description/Analysis

Issue: Under the conditions of approval for the Natomas Crossing Development Project, the property owners are required, before recordation of the first final subdivision map, to initiate proceedings to create a community facilities district that will fund youth services and programs. Establishing the Natomas Crossing Youth Services Community Facilities District No. 2013-01 (District) will satisfy this requirement by authorizing the City to levy special taxes on non-residential properties, within the District boundaries, to provide funding for youth recreation programs and services within the North Natomas Community Plan Area.

Policy Considerations: The recommended action will create a funding mechanism to provide additional youth programs in Natomas such as: classes, camps, sports programs, enrichment programs, leadership training, and others as shown on Exhibit B to the Resolution.

Economic Impacts: This report does not have direct economic impacts.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA guidelines, formation of a district and continuing administrative activities do not constitute a project and are therefore exempt from review.

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

Committee/Commission Action: None

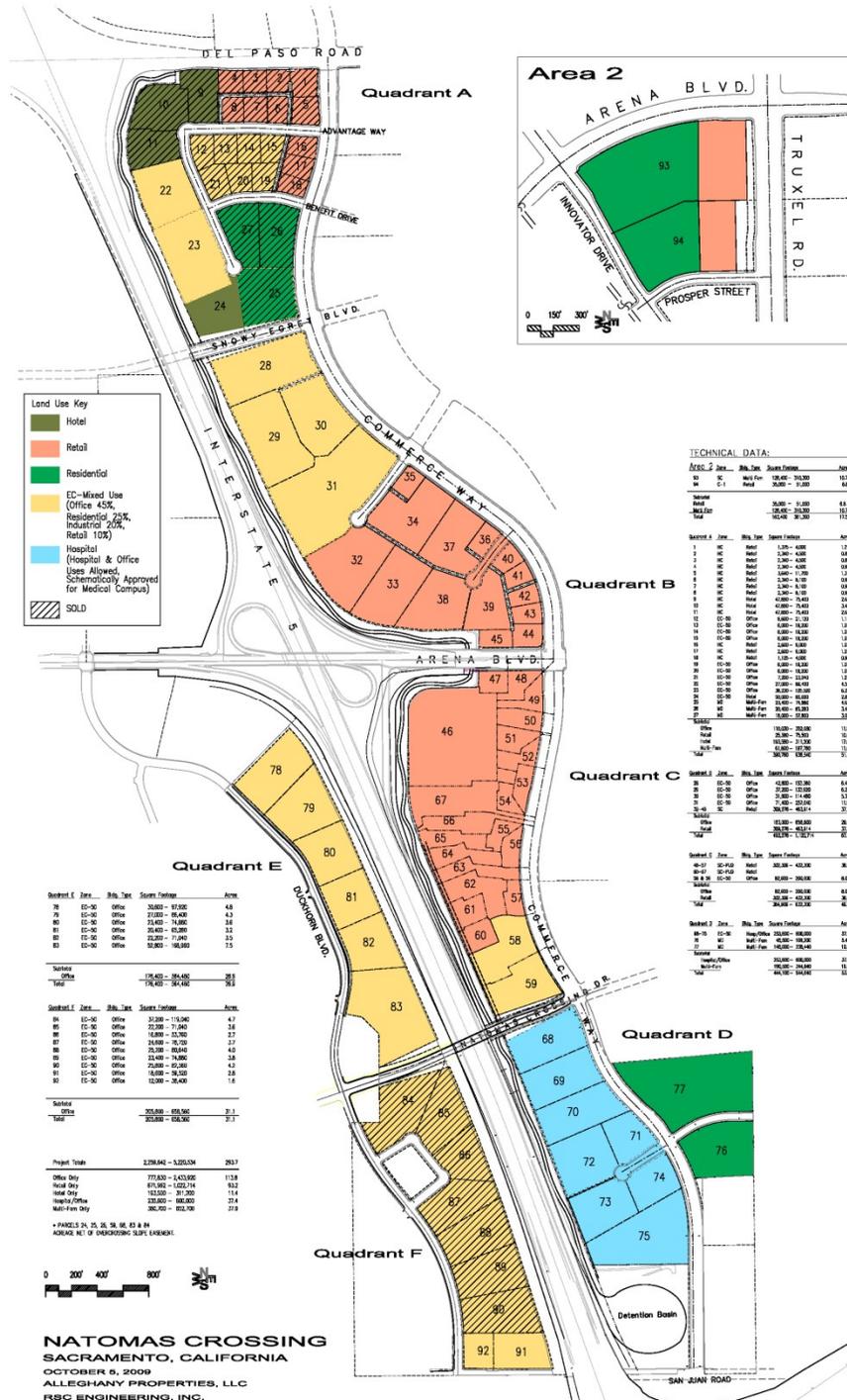
Rationale for Recommendation: The actions in the recommended Resolution are required by the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311-53368.3) for formation of a new district.

Financial Considerations: The property owners will pay all costs associated with the District. The maximum special tax per non-residential building square foot will be initiated for each building at building permit issuance with a four-year ramp-up period to the maximum tax. A detailed explanation, with tables, of the proposed special tax is provided in the Rate and Method of Apportionment, attached to the Resolution. At build-out of the development, the special tax generated is estimated to be \$200,000 per year.

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

Background

The Natomas Crossing Development Project is approximately 293 acres with a variety of commercial, office, and residential uses as shown on the land use schematic below. The portion of the project to be included in the boundaries of the District is a majority of the section between Interstate 5 and Commerce Way, detailed on Exhibit A to the Resolution, and will largely be dominated with non-residential development. Development within the District boundaries is intended to primarily consist of regional retail, hotels, hospital, office, and mixed-use buildings.



SCHEDULE OF PROCEEDINGS

NATOMAS CROSSING YOUTH SERVICES COMMUNITY FACILITIES DISTRICT (CFD) NO. 2013-01

Aug. 9, 2013	City Clerk Certification of registered voters
Aug. 29, 2013	100% Consent waivers due to City
Sept. 17, 2013	City Council <ul style="list-style-type: none">◦ Adopt Resolution of Intention (sets hearing date)
Sept. 18, 2013	Mail Notice of Hearing & Record Boundary Map
Oct. 13, 2013	City Clerk publish notice of Public Hearing
Oct. 22, 2013	City Council <ul style="list-style-type: none">◦ Conduct Public Hearing◦ Resolution of Formation◦ Resolution Calling Special Election
Oct. 23, 2013	Mail Ballots
Nov. 4, 2013	Ballots Due
Nov. 12, 2013	City Council <ul style="list-style-type: none">◦ Adopt Resolution Declaring Results of Special Election◦ Pass for Publication Ordinance to Levy Tax
Nov. 13, 2013	Record Notice of Special Tax
Nov. 19, 2013	City Council <ul style="list-style-type: none">◦ Adopt Ordinance to Levy Special Tax

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION OF INTENTION TO ESTABLISH NATOMAS CROSSING YOUTH SERVICES COMMUNITY FACILITIES DISTRICT NO. 2013-01 AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE YOUTH SERVICES

BACKGROUND

- A. The City Council has duly considered the advisability and necessity of establishing a community facilities district and levying a special tax therein to pay for the services to be provided within the district, under the Mello-Roos Community Facilities Act of 1982 (the "Act") and chapter 3.124 of the Sacramento City Code ("Chapter 3.124").
- B. The City Council has determined that the establishment of the district is consistent with Chapter 3.124 and follows the local goals and policies concerning the use of the Act that have been adopted by the City Council and are now in effect.
- C. The City Council is fully advised in this matter.

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

Section 1. Background statements A through C are accurate.

Section 2. The City Council hereby proposes to establish a community facilities district (the "District") under Chapter 3.124 and the Act. The boundaries of the territory proposed for inclusion in the District are shown on the map entitled "Natomas Crossing Youth Services CFD No. 2013-01" attached to this resolution as Exhibit A. A map showing the proposed territory to be included in the District (the "Boundary Map") is on file in the office of the City Clerk, is in the form required by section 3110 of the Streets and Highways Code, and is hereby approved. The City Clerk is directed to file a copy of the Boundary Map with the Sacramento County Clerk/Recorder within fifteen days hereafter, and in no event later than fifteen days before the hearing, for placement in the Book of Maps of Assessment and Community Facilities Districts, in accordance with section 3111 of the Streets and Highways Code.

Section 3. The name of the District is "Natomas Crossing Youth Services Community Facilities District No. 2013-01."

Section 4. The District is being formed solely to fund recreational programs and services within the North Natomas Community Plan Area. The District will not finance capital improvements or issue bonds. The services provided by the District are set forth in Exhibit B to this resolution, all of which are as authorized by the Act and by Chapter 3.124. The District will also finance all costs and expenses normally incidental to the

provision of recreational services, including but not limited to those for elections, contract supervision, planning, legal services, and City administration.

Section 5. Except where funds are otherwise available, a special tax sufficient to pay for the services, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied annually within the District. The tax is to be collected as a separately stated item on the county property-tax bill, but the City Council reserves the right to change the method of collection at any time. The special tax is to be apportioned according to land-use classes at the annual tax rate specified in Exhibit C to this resolution, the "Rate and Method of Apportionment of Special Tax." The rate shown in Exhibit C is the maximum rate. The rate may be increased for inflation under Chapter 3.124, as specified in Exhibit C. If tax collections at the stated rate exceed the amount required to pay the Special Tax Requirement (as defined in Exhibit C), then the rate may be reduced in accordance with the formula set forth in Exhibit C. The special tax will be levied and collected until the City Council determines that the need for the recreation programs and related services no longer exists.

Section 6. In accordance with Section 53317.3 of the Act, the City Council intends to continue levying the special tax on real property that is acquired by a public entity through a negotiated transaction or by gift or devise and is not otherwise exempt from the tax.

Section 7. In accordance with Section 53317.5 of the Act, the City Council intends to treat the obligation to pay the special tax levied against property that is acquired by a public entity through eminent-domain proceedings as if the tax were a special annual assessment.

Section 8. In accordance with Section 53340.1 of the Act, the City Council intends to levy the special tax on the leasehold or possessory interests in property that is owned by a public agency (and is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in the property.

Section 9. In accordance with Section 53325.7 of the Act, the City Council intends to establish an appropriations limit for the District, as defined by subdivision (h) of section 8 of article XIIIB of the California Constitution.

Section 10. At 6:00 p.m. on October 22, 2013, in the Council Chambers at New City Hall, 915 I Street, First Floor, Sacramento, California, the Council will hold a public hearing on the proposed establishment of the District, the territorial extent of the District, the types of services to be provided, the proposed levy of a special tax, and all other matters as set forth in this resolution. At the public hearing, any persons interested, including taxpayers, owners of property within the District, and any registered voters residing within the District, may appear and be heard, and the testimony of all interested persons for or against establishment of the proposed District, the territorial extent of the District, the types of services to be provided, the levy of the special tax within the District, or any other matters set forth herein will be heard and considered. Such protests may be made orally or in writing by any interested persons, except that protests pertaining to the regularity or sufficiency of the proceedings must be in writing and must clearly set forth the irregularities and defects to which the objection is made. The City Council may waive any irregularities in the form or content

of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests must be filed with the City Clerk on or before the time fixed for the public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of the public hearing. If, at the conclusion of the hearing, the City Council determines to proceed with establishing the District, then the question of levying the special tax will be submitted to the qualified electors in an election conducted under Section 53326 of the Act not less than 90 days nor more than 180 days thereafter, unless appropriate waivers pursuant to Section 53326 have been filed with the City Clerk. Since the tax will not be apportioned in any tax year on any portion of the property in residential use in that tax year, the qualified electors shall be landowners of the proposed District pursuant to Section 53326(c) of the Act. The special tax may be levied if at least two-thirds of the votes cast upon the question of levying the tax are in favor of levying the tax.

Section 11. The City Council directs the Public Improvement Finance Manager of the Finance Department to prepare the report required by Section 53321.5 of the Act and to file the report with the City Council at or before the time of the hearing.

Section 12. The City Clerk is directed to give notice of the hearing in accordance with Sections 53322 and 53322.4 of the Act, as follows:

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

Section 13. Exhibits A, B, and C are a part of this resolution

Table of Contents:

Exhibit A: Boundary Map of Proposed Boundary

Exhibit B: List of Authorized Services

Exhibit C: Rate and Method of Apportionment of Special Tax

Exhibit A

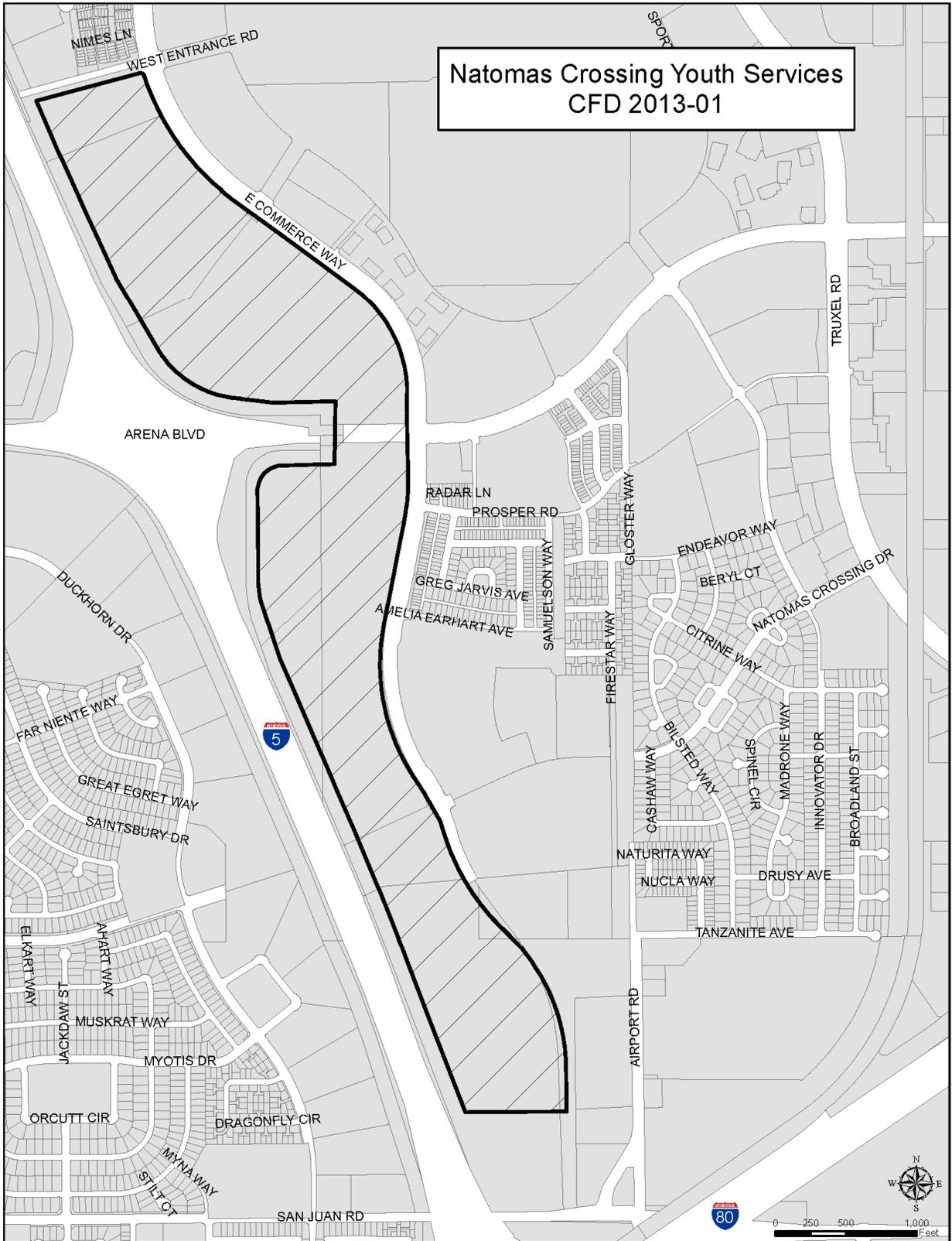


Exhibit B

List of Authorized Services

Natomas Crossing Youth Services Community Facilities District No. 2013-01

For financing of recreation and cultural programs and library services for youth:

- Classes and camps – e.g., sports/fitness, nature/science/outdoors, art, cultural/heritage, drama/dance/performing arts, therapeutic recreation, instructional sports clinics, multi-dimensional
- Sports leagues and programs – including a variety of different sports
- Enrichment, educational, and environmental programs
- Swimming programs
- Crime and gang prevention programs
- Health and nutrition support and feeding programs
- Licensed childcare
- Classes and activities – e.g., arts and crafts, cooking, wellness/exercise, nature/science/outdoors, dance, music, martial arts
- Job preparation and youth employment programs
- Life skills development
- Leadership training
- Volunteer service projects and mentoring programs
- Special events.

Services and programs may be offered after school, in the afternoon, in the evening, on weekends, during the summer, and during school break periods.

Services will be provided by the City of Sacramento Department of Parks and Recreation.

Services will be delivered within the North Natomas Community Plan Area.

Services will be provided in publicly accessible areas and within public facilities such as parks, community centers, schools, libraries, and other areas deemed appropriate for the activity by the Department of Parks and Recreation.

Exhibit C

To be inserted

*CITY OF SACRAMENTO, CALIFORNIA
NATOMAS CROSSING COMMUNITY FACILITIES DISTRICT
No. 2013-1 (YOUTH SERVICES)*

*RATE AND METHOD OF APPORTIONMENT AND
MANNER OF COLLECTION OF SPECIAL TAXES*

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in Community Facilities District No. 2013-1 (Youth Services) (CFD) of the City of Sacramento (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

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

“Administrative Expenses” means the actual or estimated costs incurred by the City to form the CFD and to determine, levy, and collect the Special Taxes, including compensation of City employees for administrative work performed in relation to the CFD, the fees of consultants and legal counsel, the costs of collecting installments of the Special Taxes on the general tax rolls or by other means, preparation of required reports, and any other costs required to establish or administer the CFD as determined by the City.

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

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

“Authorized Services” mean those services, as listed in **Attachment 2** to the RMA.

“Base Year” means the Fiscal Year following the Fiscal Year in which the Initial Building Permit is issued within the boundaries of the CFD.

“Building Permit” means the issuance of a City building permit for the construction of Residential Building, Mixed-Use Building or Nonresidential Building in the CFD.

"Building Square Foot(age)" means the square footage of any Nonresidential floor area as determined by the City at Building Permit issuance or special use permit issuance. The Building Square Footage does not include the floor area of a Tax-Exempt Building.

"CFD" means the Community Facilities District No. 2013-1 (Youth Services) of the City of Sacramento, Sacramento County, California.

"City" means the City of Sacramento in Sacramento County, California.

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

"County" means the County of Sacramento, California.

"County Assessor's Parcel" means a lot or Parcel with an assigned Assessor's Parcel Number in the maps used by the County Assessor in the preparation of the tax roll.

"Developed Parcel" means a Parcel for which a Building Permit or special use permit has been issued for a Nonresidential Building or Mixed-Use Building after January 1, 2013. A Developed Parcel may cease to be defined as such if a Building Permit on a Parcel is revoked, abandoned or otherwise does not result in vertical development on the Parcel.

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

"Initial Building Permit" means the first Building Permit issued for a Nonresidential Building or Mixed Use Building in the CFD.

"Maximum Annual Special Tax" means the greatest amount of Special Tax that can be levied against a Developed Parcel, calculated by multiplying the Maximum Annual Special Tax Rate per Building Square Foot by the Building Square Footage for each Nonresidential Building and Mixed-Use Building on a Developed Parcel.

"Maximum Annual Special Tax Revenue" means the greatest amount of Special Tax revenue that can be collected by levying the Maximum Annual Special Tax against all Taxable Parcels.

"Maximum Annual Special Tax Rate per Building Square Foot" means the amount shown in **Attachment 1** for a Fiscal Year that is assigned to a Building Square Foot of a Nonresidential Building or Mixed-Use Building. **Attachment 1** shows the Maximum Annual Special Tax Rate per Building Square Foot for each year in the first 4 years. The Maximum Annual Special Tax Rate per Building Square Foot is adjusted annually by the Tax Escalation Factor in each Fiscal Year following the Base Year. For each new taxable structure on a Parcel, the Maximum Annual Special Tax per Building Square Foot will be phased in over a 4-year period.

"Mixed-Use Building" means a structure that contains uses that are classified as Nonresidential Building and Residential Building. A Mixed-Use Building may be either a vertical mixed-use or horizontal mixed-use building.

"Nonresidential" means a use designated for commercial, retail, office, church, institutional (such as hospital), industrial, manufacturing, or other similar land uses on a Parcel.

"Nonresidential Building" means a structure, or portion of a structure, located on a Taxable Parcel with land uses designated for commercial, retail, office, church, institutional (such as hospital), industrial, manufacturing, or other similar land uses on a Parcel. A Nonresidential

Building that consists of a detached building, the use of which is subordinate and customarily incidental to that of the main building shall be considered a Tax-Exempt Building.

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

"Parcel Number" means the Assessor's Parcel Number for any Parcel based on the equalized tax rolls of the County as of January 1 of each Fiscal Year.

"Public Parcel" means any Parcel, in its entirety, that is publicly owned that is normally exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage ways, public landscaping, wetlands, greenbelts, and public open space. These parcels are exempt from the levy of Special Taxes. Any such Parcel will be a Tax-Exempt Parcel.

"Residential Building" means a structure, or portion of a structure, with land uses designated for residential uses such as single-family residential, multifamily residential, age-restricted single-family or multifamily uses, assisted living or congregate care facilities. Residential Buildings exclude uses classified under the definition of Nonresidential Building above.

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

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

"Tax Escalation Factor" means an annual percentage increase in the Maximum Annual Special Tax Rate per Building Square Foot following the Base Year, which is equal to the Consumer Price Index (CPI), prior calendar year average, San Francisco, All Urban Consumers (CPI-U) Index, not to exceed 2 percent per Fiscal Year. The Tax Escalation Factor will begin in the Fiscal Year following the Base Year. If the CPI is negative in any Fiscal Year, the tax escalation factor will be zero for that year.

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

"Tax-Exempt Building" means a Nonresidential Building that consists of a detached building, the use of which is subordinate and customarily incidental to that of the main building, or to the main use of the land. An example of such a building is one that is constructed to house backup power generators. A property owner must petition the City to have a Nonresidential Building designated as a Tax-Exempt Building.

"Tax-Exempt Parcel" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels are Public Parcels (subject to the limitations set forth in **Section 4**, below), Undeveloped Parcels, and Parcels with only 100-percent Residential Buildings. Parcels with Mixed-Use Buildings shall not be Tax-Exempt.

"Undeveloped Parcel" means a Parcel that is not a Developed Parcel.

3. Duration of the Special Tax

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

If the Special Tax ceases to be levied, the City will direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax, in addition, will identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

4. Assignment of Maximum Annual Special Tax

- A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions in **Section 2** above, the Parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the Administrator shall complete the following steps:
1. Classify each Parcel as a Developed Parcel or Tax-Exempt Parcel.
 2. Assign to each Developed Parcel the total Building Square Footage for all Nonresidential Buildings and Mixed-Use Buildings.
- B. Determination of Maximum Annual Special Tax. **Attachment 1** shows the Maximum Annual Special Tax per Building Square Foot for the Base Year. The Base Year is the Fiscal Year following the Fiscal Year in which the Initial Building Permit is issued. In each Fiscal Year following the Base Year, the Annual Special Tax Rate per Building Square Foot shall be adjusted by the Tax Escalation Factor. For each new taxable structure on a Parcel, the Maximum Annual Special Tax per Building Square Foot will be phased in over the 4 year period, as shown in **Attachment 1**.
- C. Assignment of Maximum Annual Special Tax. Using **Attachment 1**, the Administrator shall assign the Maximum Annual Special Tax to each Developed Parcel using the steps below:
1. Developed Parcels. The Administrator shall determine the total Building Square Footage for each Nonresidential Building and Mixed-Use Building in each Developed Parcel upon issuance of the first Building Permit for a Parcel. Any additional Building Permits issued for Nonresidential Buildings or Mixed Use Buildings will result in adding new Building Square Footage to that Building Square Footage previously assigned to the Developed Parcel.

The Maximum Annual Special Tax for each Developed Parcel equals the sum of the product derived by multiplying the Building Square Footage of **each** Nonresidential Building and Mixed-Use Building by the applicable Maximum Annual Special Tax Rate per Building Square Foot (as adjusted by the Tax Escalation Factor).

The table below shows the applicable Maximum Annual Special Tax Rate for two buildings, one built in Year 1 and one built in Year 2 using **Attachment 1**.

Tax Rate per Square Foot

	Building Permitted in Base Year	Building Permitted in Year 2
Base Year	0.005	
Year 2	0.01326	0.0051
Year 3	0.02705	0.01353
Year 4	0.05518	0.02759
Year 5	0.05629	0.05629
Year 6	0.05741	0.05741
Year 7	0.05856	0.05856

The following table is a sample that assumes a 2-percent Tax Escalation Factor each year. Actual special tax rates may differ because of CPI.

	Special Tax Rate for Year that Building Permit Is Issued									
	Base Year	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Ramp up-Year 1	0.00500	0.00510	0.00520	0.00531	0.00541	0.00552	0.00563	0.00574	0.00586	0.00598
Ramp up-Year 2	0.01300	0.01326	0.01353	0.01380	0.01407	0.01435	0.01464	0.01493	0.01523	0.01554
Ramp up-Year 3	0.02600	0.02652	0.02705	0.02759	0.02814	0.02871	0.02928	0.02987	0.03046	0.03107
Max Tax-Year 4	0.05200	0.05304	0.05410	0.05518	0.05629	0.05741	0.05856	0.05973	0.06093	0.06214

Once assigned to a Developed Parcel, the Maximum Annual Special Tax shall not cease to be assigned to a Taxable Parcel because of building vacancy.

- D. Loss of Building Square Footage. The Maximum Annual Special Tax assigned to a Taxable Parcel may be reassigned if the Building Square Footage on a Parcel is permanently removed or reduced because of permitted demolition or eliminated because of flood, fire, or other natural disaster.
- E. Conversion of Nonresidential Building to a Residential Building. If a Nonresidential Building is converted to a Residential Building, the Special Tax shall not apply to the Residential Building.
- F. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel ceases to be classified as a Public Parcel or Undeveloped Parcel and is converted to a taxable use, it shall become subject to the Special Tax if it meets the definitions of a Taxable Parcel. The Maximum Annual Special Tax for such a Parcel will be assigned according to **Section 4.A** and **Section 4.B** above. Conversely, if a Parcel is converted to a Public Parcel, it shall become a Tax-Exempt Parcel.

5. Calculating Annual Special Taxes

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

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

6. Records Maintained for the CFD

As development occurs in the CFD, the Administrator will maintain a file containing records of the following information for each Parcel:

- The current County Assessor's Parcel Number.
- Total Building Square Footage assigned by the Administrator to Developed Parcels.

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

7. Interpretation, Application, and Appeal of Special Tax Formula and Procedures

The Administrator will make every effort to correctly calculate the Special Tax for each Parcel. It will be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and their Special Tax assignments. Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Administrator appealing the levy of the Special Tax. The Administrator then will promptly review the appeal and, if necessary, meet with the applicant. If the Administrator verifies that the tax should be modified or changed, the Special Tax levy will be corrected, and if applicable in any case, a refund will be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, or any definition applicable to the CFD.

Without Council approval, the Administrator may make minor, non-substantive administrative and technical changes to the provisions of this Exhibit that do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax for purposes of the

administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

8. Prepayment of the Special Tax Obligation

The Maximum Annual Special Tax for a Taxable Parcel may not be prepaid. The Special Tax is collected to fund Authorized Services in perpetuity, or until the Council determines that the Special Tax should no longer be collected.

9. Manner of Collection

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

Attachment 1
Community Facilities District No. 2013-1 (Youth Services)
Maximum Annual Special Tax Rate per Building Square Foot

Maximum Annual Special Tax Rate per Building Square Foot [1]				
Fiscal Year Following Issuance of Initial Building Permit for a Parcel				
Land Use	Fiscal Year 1	Fiscal Year 2	Fiscal Year 3	Fiscal Year 4
	[1]	[1]	[1]	[1]
Nonresidential Building	\$0.005	\$0.013	\$0.027	\$0.053
Mixed-Use Building	\$0.005	\$0.013	\$0.027	\$0.053

"max_tax"

[1] The Maximum Annual Special Tax Rate per Building Square Foot will be increased by the Tax Escalation Factor in each Fiscal Year following the Base Year.

Attachment 2
Youth Services Community Facilities District
Natomas Crossing Planned Unit Development

For financing of recreation and cultural programs and library services for youth:

- Classes and camps—e.g., sports/fitness, nature/science/outdoors, art, cultural/heritage, drama/dance/performing arts, therapeutic recreation, instructional sports clinics, multi-dimensional.
- Sports leagues and programs—including a variety of different sports.
- Enrichment, educational and environmental programs.
- Swimming programs.
- Crime and gang prevention programs.
- Health and nutrition support and feeding programs.
- Licensed childcare.
- Classes and activities—e.g., arts and crafts, cooking, wellness/exercise, nature/science/outdoors, dance, music, martial arts.
- Job preparation and youth employment programs.
- Life skills development.
- Leadership training.
- Volunteer service projects and mentoring programs.
- Special events.

Services and programs may be offered after school, in the afternoon, in the evening, on weekends, during the summer, or during school break periods.

Services will be provided by the City of Sacramento Department of Parks and Recreation.

Services will be delivered in the North Natomas Community Plan Area.

Services will be provided in publicly accessible areas and in public facilities such as parks, community centers, schools, libraries, and other areas deemed appropriate for the activity by the City of Sacramento Department of Parks and Recreation.