

**Meeting Date:** 12/2/2014

**Report Type:** Public Hearing

**Report ID:** 2014-00690

**Title:** Railyards Maintenance Community Facilities District No. 2014-04 Public Hearing and Resolution of Formation (Noticed 11/20/2014)

**Location:** Districts 3 and 4

**Recommendation:** Conduct a public hearing and upon conclusion pass a Resolution establishing the Railyards Maintenance Community Facilities District No. 2014-04, providing for Levy of Special Tax, and calling for a Special Election on December 5, 2014.

**Contact:** Diane Morrison, Program Specialist, (916) 808-7535; Mark Griffin, Program Manager, (916) 808-8788, Department of Finance

**Presenter:** Diane Morrison, Program Specialist, (916) 808-7535, Department of Finance

**Department:** Finance

**Division:** Public Improvement Finance

**Dept ID:**

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Resolution of Formation
- 5-Exhibit A to Resolution of Formation (Hearing Report)
- 6-Exhibit B to Resolution of Formation (Rate of Method of Apportionment of Special Tax)
- 7-Exhibit C to Resolution of Formation (List of Authorized Services)
- 8-Exhibit D to Resolution of Formation (Area Map of Proposed Boundary Map)

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### **City Attorney Review**

Approved as to Form  
Michael W. Voss  
11/21/2014 11:10:25 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 11/14/2014 4:17:14 PM

**Description/Analysis**

**Issue:** Under the conditions of approval for the Railyards Development Project, the property owners are required, before recordation of any final-use parcel map, to annex the project area to the appropriate financing district for the maintenance of street landscaping, parks, open space, and other public improvements (collectively, Improvements) that are beyond those typically provided by the City.

Establishing the Railyards Maintenance Community Facilities District No. 2014-04 (District) will satisfy this requirement by authorizing the City to levy special taxes in an amount sufficient to provide maintenance funding.

**Policy Considerations:** The recommended action is consistent with City policy to implement special levy districts to fund the maintenance and repair of the amenities, facilities, and improvements within the Project that exceed City standard.

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

**Rationale for Recommendation:** The recommended actions in the attached Resolution of Formation 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 for each Assessor’s Parcel shall be the amounts shown below for Fiscal Year (FY) 2015-16.

|  |          |                   |
|--|----------|-------------------|
| <b>Developed Market Rate Residential</b> | \$260.00 | Per Dwelling Unit |
| <b>Developed Affordable Residential</b>  | \$ 0.00  | Per Dwelling Unit |
| <b>Non-Residential Uses</b>              |          |                   |
| Non-Residential Uses                     | \$ 0.19  | Per Building Area |
| <b>Other Land Use Parcels</b>            | \$ 0.42  | Per Land Sq Ft    |
| <b>Land Special Tax Rate</b>             | \$ 0.42  | Per Land Sq Ft    |

A detailed explanation of the proposed special tax is in the Rate and Method of Apportionment, which is attached to the Resolution as Exhibit C. No tax will be levied in FY 2014-15. The formation process sets the base tax by land use, which are the amounts shown above. An actual levy is anticipated for FY 2015-16.

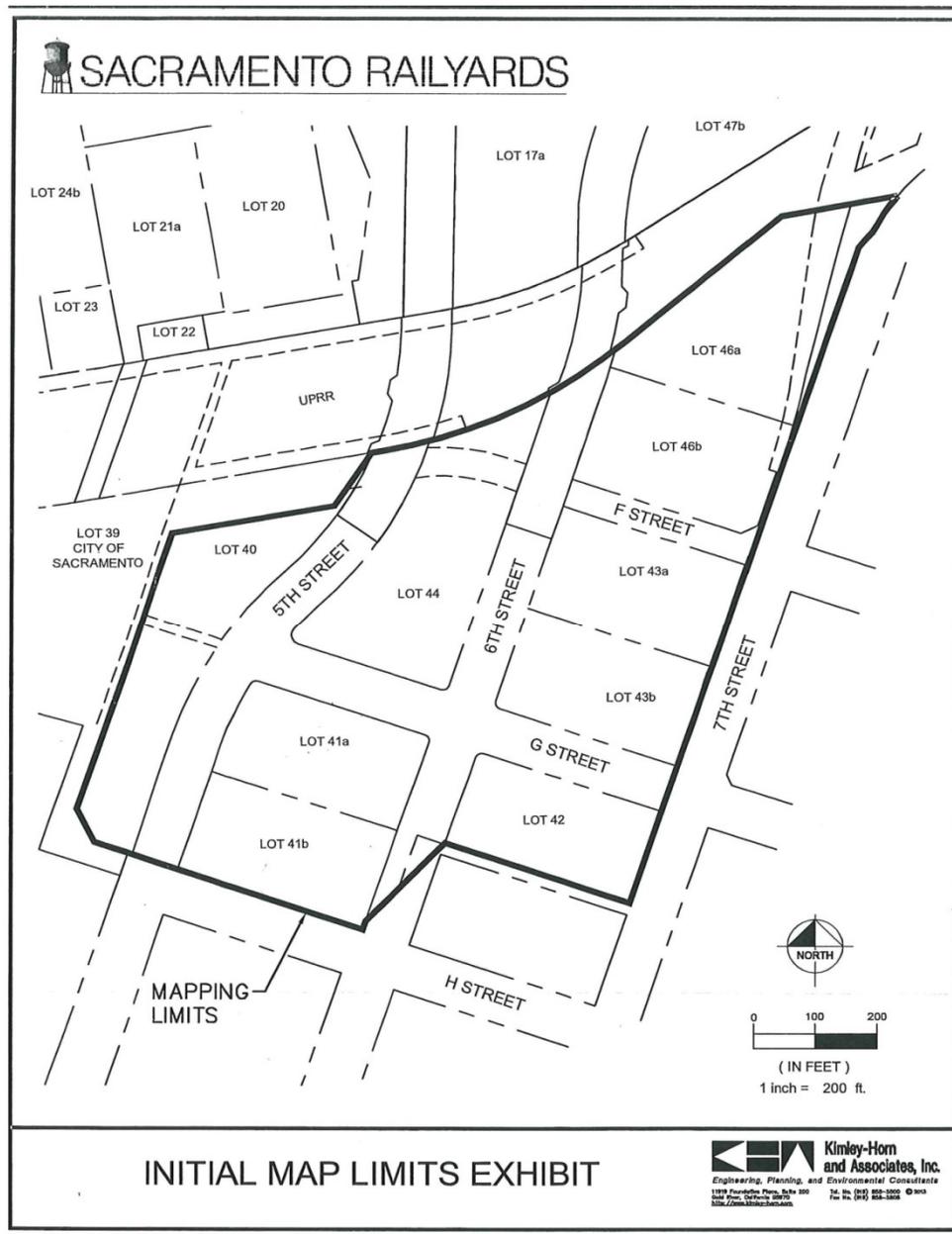
The maximum special tax may increase by the Consumer Price Index, but by no more than four percent annually.

**Local Business Enterprise (LBE):** Not applicable.

## Background

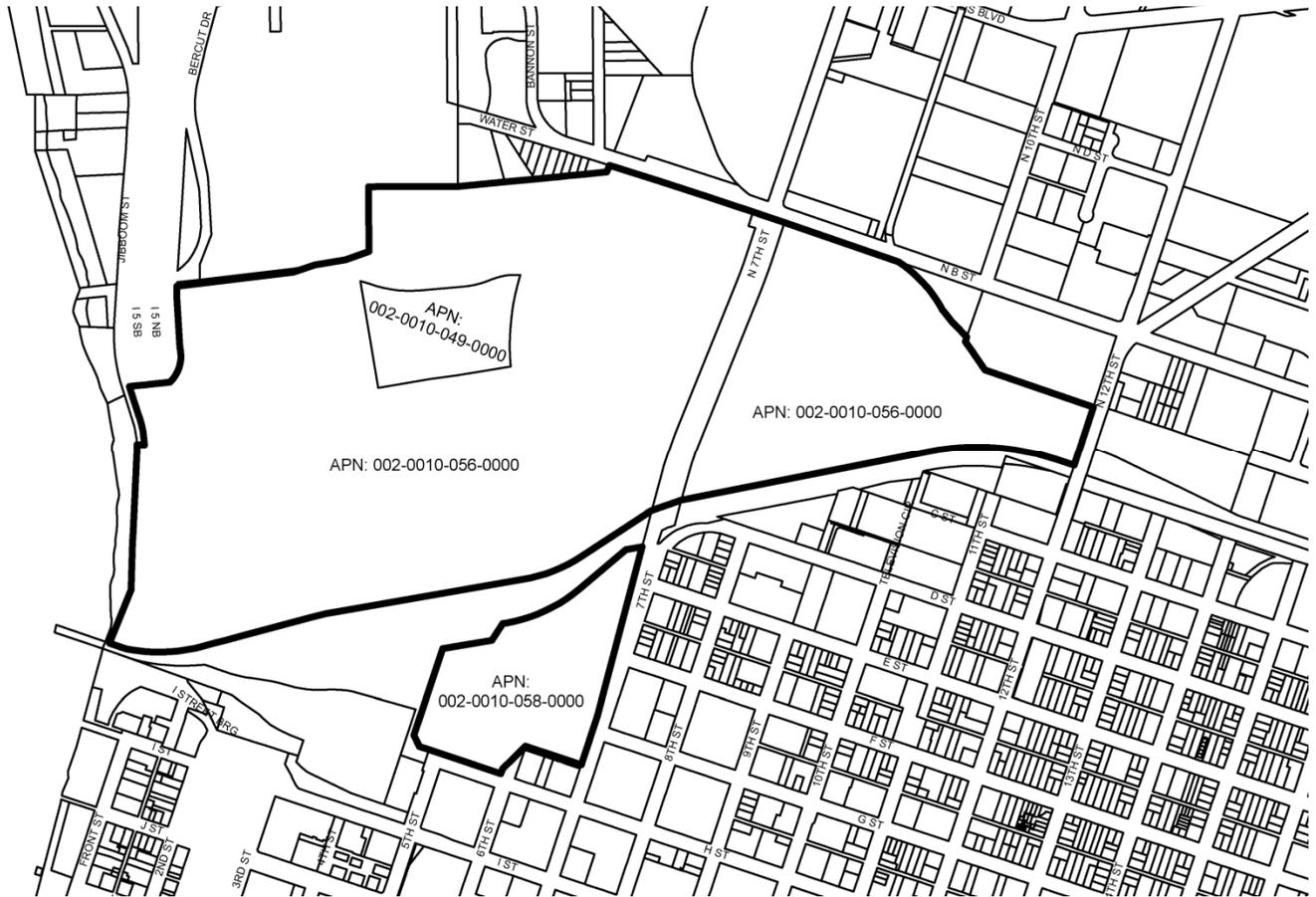
The Sacramento City Council approved the Railyards Specific Plan on December 11, 2007 (City Resolution No. 2007-908), subject to certain conditions, including the conditions of approval of the Sacramento Railyards tentative master parcel map (City Resolution No. 2007-912) requiring financing mechanisms for the maintenance of certain improvements.

IA Holdings, successor to S. Thomas Enterprises, has applied for a Final Map on the South of the Tracks Phase, which is located as shown below.



The initial map is expected to accommodate 200 dwelling units, 650,000 sq. ft. of non-residential, and the new County Courthouse.

The conditions of approval for improvements maintenance will be satisfied for the initial map with the formation of the District. In addition, to minimize the need to create new districts or to process annexations as additional maps are submitted, the District boundaries will encompass the entire Railyards Specific Plan area (Area) as shown below. The tax rates are also estimated on the high end to accommodate the uncertainties over the pace and configuration of the build out of the Railyards. Should rates prove to be more than necessary, the rates can be formally and permanently reduced by Council Resolution. If the rates are inadequate, new rates can be established for each relevant map.



The Railyards project is a mixed-use development of approximately 238 acres in the downtown area of the City of Sacramento. The project will involve the development of residential dwelling units, retail, mixed use, hotels, office, historic/cultural space and open space. The project will include low-, medium-, and high-rise single use and mixed use residential, retail, office and hotel structures. The project also provides cultural/recreational facilities including but not limited to the refurbished Central Shops buildings, numerous public parks and walkways, and a proposed performing arts and education center. The project will offer a network of public streets with vehicular, bicycle, and pedestrian access, aboveground and subgrade parking facilities and above surface and subsurface energy, water, wastewater and drainage infrastructure and facilities.

The project site is located generally east of the Sacramento River, south of the City Water Treatment Plant and North B Street, west of 12<sup>th</sup> Street, north and west of the Alkali Flat neighborhood, north of H Street between 5<sup>th</sup> and 7<sup>th</sup>, and northwest of 5<sup>th</sup> and I Street.

The City and S. Thomas Enterprises of Sacramento, LLC entered into a development agreement for the property (City Agreement No. 2008-0150 and Ordinance No. 2007-104).

As a result of a foreclosure on October 22, 2010 of certain loans made to S. Thomas Enterprises of Sacramento, LLC by an affiliate of IA Holdings, IA Holdings acquired fee title to the property and accepted and assumed some of Thomas's rights and duties under the development agreement for the property. The acceptance and assumption are more particularly set forth in that certain Consent to Assignment and Assumption of Railyards Development and Funding Agreements, dated February 28, 2011 by and between IA Holdings and the City (City Agreement No. 2011-0277).

## SCHEDULE OF PROCEEDINGS

### RAILYARDS MAINTENANCE COMMUNITY FACILITIES DISTRICT (CFD) NO. 2014-04

|                      |   |
|----------------------|---|
| Oct. 14, 2014        | City Clerk Certification of registered voters   |
| Oct. 22, 2014        | 100% Consent waivers due to City  |
| Oct. 28, 2014        | City Council <ul style="list-style-type: none"><li>o Adopt Resolution of Intention (sets hearing date)</li></ul>  |
| Oct. 29, 2014        | Mail Notice of Hearing and Record Boundary Map  |
| Nov. 23, 2014        | City Clerk publish notice of Public Hearing   |
| <b>Dec. 02, 2014</b> | <b>City Council</b> <ul style="list-style-type: none"><li>o <b>Conduct Public Hearing</b></li><li>o <b>Resolution of Formation</b></li><li>o <b>Resolution Calling Special Election</b></li></ul> |
| Dec. 03, 2014        | Mail Ballots  |
| Dec. 05, 2014        | Ballots Due   |
| Dec. 09, 2014        | City Council <ul style="list-style-type: none"><li>o Adopt Resolution Declaring Results of Special Election</li><li>o Pass for Publication Ordinance to Levy Tax</li></ul>                        |
| Dec. 10, 2014        | Record Notice of Special Tax  |
| Dec. 16, 2014        | City Council <ul style="list-style-type: none"><li>o Adopt Ordinance to Levy Special Tax</li></ul>  |

Adopted by the Sacramento City Council

**ESTABLISHING THE RAILYARDS MAINTENANCE COMMUNITY FACILITIES DISTRICT NO. 2014-04; PROVIDING FOR THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE MAINTENANCE SERVICES; AND CALLING A SPECIAL ELECTION ON THE QUESTION OF LEVYING THE SPECIAL TAX AND ESTABLISHING AN APPROPRIATIONS LIMIT**

**BACKGROUND**

- A. On October 28, 2014, the City Council adopted Resolution No. 2014-0353 (Resolution of Intention) declaring its intention to establish the Railyards Maintenance Community Facilities District No. 2014-04 (District) and describing the boundaries of the territory proposed for inclusion in the District.
- B. The City Council has duly considered the advisability and necessity of establishing a community facilities district and levying a special tax therein to pay for maintenance and related services to be provided within the District, all under the Mello-Roos Community Facilities Act of 1982 (Act) and chapter 3.124 of the Sacramento City Code (Chapter 3.124).
- C. The Resolution of Intention fixed a time and place for a public hearing at which the City Council would consider: (1) the establishment of the District; (2) the proposed rate, method of apportionment, and manner of collection of a special tax to finance providing the services for the District; and (3) all other matters set forth in the Resolution of Intention.
- D. The City's Public Improvement Finance Manager caused a report on the proposal to establish the District in accordance with the Resolution of Intention. The City Council has reviewed the report, which is incorporated into this resolution as Exhibit A and made a part of the record of the public hearing on the Resolution of Intention.
- E. In accordance with the Resolution of Intention, a public hearing was scheduled for 6:00 p.m. on Tuesday, December 2, 2014, in the City Council's regular meeting place: City Council Chambers, New City Hall, 915 I Street, first floor, Sacramento, California. At the hearing, the City Council considered the establishment of the District; the proposed rate, method of apportionment, and manner of collection of the special tax; and all other matters set forth in the Resolution of Intention. All persons interested in these matters, including all taxpayers, property owners, and registered voters within the District, were given an opportunity to appear and be heard, and the City Council heard and considered the testimony of all such interested persons for or against the following: the establishment of the District; the levy of the special tax; the extent of the District's territory; the types of services proposed to be provided within the District, and any other matters set forth in the Resolution of Intention. The special tax was not precluded by a majority protest under Government Code section 53339.6, and at the conclusion of the hearing the City Council was fully advised in the premises and was authorized to proceed as provided in this resolution.
- F. All owners of property within the proposed boundaries of the District have agreed to waive the following time limits and other requirements, but only with regard to proceedings to establish the District and conduct the special election: (a) all time limits specified in section 53326, subdivision (a), of the Act (pertaining to the election on the proposed special tax); (b) preparation of an

impartial analysis of the ballot measure that submits the special tax to the qualified electors of the District, as well as preparation of arguments for and against the measure; (c) the requirements in Elections Code section 4101 regarding the time to mail ballots to the qualified electors; (d) the requirements in section 53327.5 of the Act regarding “identification envelopes” for the return of mailed ballots; (e) any defects of notice or procedure in the conduct of the election, whether known or unknown, so long as the defects do not infringe the right to vote and have the ballots fairly counted.

- G. On the basis of all the foregoing, the City Council has determined to call an election within the District to authorize the following: (1) the levy of a special tax on real property within the District to pay for the services proposed to be provided for the District (the rate, method of apportionment, and manner of collection of the tax are more particularly described in Exhibit B to this resolution); and (2) the establishment of an appropriations limit for the District.

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

- Section 1 The City Council finds and determines that the recitals set forth above are true.
- Section 2 The City Council approves the Resolution of Intention and confirms all of its determinations and findings. The rate, method of apportionment, and manner of collection of the special tax for the District are set forth in Exhibit B to this resolution. Upon recordation of a notice of special-tax lien in accordance with Streets and Highways Code section 3114.5, a continuing lien to secure each levy of the special tax will attach to all nonexempt real property in the District. The lien will continue in perpetuity or until such time as the City determines it no longer needs the special-tax to fund authorized services of the District.
- Section 3 The City Council determines and finds that written protests against the establishment of the District, the levy of the special tax, the extent of the District, and the types of services to be provided as set forth in Exhibit C do not constitute a majority protest under the Act. Accordingly, the City Council overrules all protests to the establishment of the District, to the levy of the special tax, the extent of the District, the types of services to be provided, or the establishment of an appropriations limit for the District.
- Section 4 The City Council determines and finds that all of its prior proceedings with respect to the establishment of the District are valid and conform to the requirements of the Act. Accordingly, the City Council determines and orders, consistent with the Resolution of Intention and in accordance with the Act, that the boundaries of the District are as set forth in Exhibit D to this resolution and as recorded in the office of the Sacramento County Clerk/Recorder on October 31, 2014, in Book 117 of Maps of Assessment and Community Facilities Districts at Page 0020, Document BK 20141031PG0473.
- Section 5 Except when funds are otherwise available, a special tax will be levied annually on real property within the District in an amount sufficient to do the following, as appropriate: (a) pay for the services set forth in Exhibit C; (b) repay funds the City advances for the District; and (c) repay advances of funds or reimburse the value or cost (whichever is less) of work provided in kind for the District under agreements between the City and the persons or entities advancing the funds or providing the work (these agreements will not constitute debts or liabilities of the City). The special tax will be secured by recordation of a continuing lien against all nonexempt property in the District. Exhibit B to this resolution sets forth the rate, method of apportionment, and manner of collection of the special tax in sufficient detail to allow each landowner or resident within the

District to estimate the maximum amount that the landowner or resident will have to pay.

Section 6 A special election is ordered to be held, in accordance with the Act, applicable law, and this resolution, on **Friday, December 5, 2014**, in the territory comprised by the District. At the special election, the question of levying the special tax on real property within the District and establishing an appropriations limit (as defined by article XIIB, section 8, subdivision (h) of the California Constitution) for the District in the amount of **\$1,322,000** per fiscal year will be submitted to the landowners within the District (who are the electors and persons qualified to vote at the special election).

Section 7 The City Clerk is designated as the official to conduct the special election in accordance with the Act, applicable law, and the following provisions:

- (a) The special election shall be held and conducted, the votes canvassed and the returns made, and the results ascertained and determined, all as provided in this section. In all particulars not prescribed by this resolution, the special election shall be held and conducted and the votes received and canvassed in the manner provided by law for holding of general elections in the City and consistent with the Act.
- (b) All landowners within the District on the date of the special election will be qualified to vote on the proposition submitted at the special election.
- (c) The special election shall be conducted as a mailed-ballot election in accordance with Elections Code sections 4000, 4002, 4003, 4004, and 4108 and the City's prior proceedings under those sections, and there will be no polling places for the special election. The City Clerk shall deliver all ballots to the qualified electors, and all voted ballots must be received at the City Clerk's office **by 4:00 p.m. on the election day** to be counted. If, however, all qualified electors have voted before that date and time, then the election will be closed.
- (d) To vote for levying the special tax and establishing the appropriations limit, a voter must mark a cross (X) in the blank space opposite the word "YES" on the ballot to the right of the proposition. To vote against levying the special tax and establishing the appropriations limit, a voter must mark a cross (X) in the blank space opposite the word "NO" on the ballot to the right of the proposition. The cross (X) or similar mark may be marked with either pen or pencil.
- (e) The City Clerk shall commence the canvass of the returns of the special election at **5:00 p.m. on Friday, December 5, 2014**, at the City Clerk's office, 915 I Street, fifth floor, Sacramento, California, and at the conclusion of the canvass shall determine the results of the special election. If all the qualified voters have voted before that date and time, then the City Clerk shall close the special election and proceed to canvass the returns and determine the results.
- (f) The City Council shall meet at its regular meeting on **Tuesday, December 9, 2014, at 6:00 p.m.** at its usual meeting place and declare the results of the special election and shall cause to be spread upon its minutes a statement of the results of the special election as ascertained by the canvass.

Section 8 If two-thirds of the votes cast upon the question of levying the special tax and establishing the appropriations limit are cast in favor of levying the special tax and

establishing the appropriations limit, as determined by the City Council after reviewing the canvass of the returns of the election, then the City Council may levy the special tax within the territory of the District in accordance with the Act, in the amount and for the purposes specified in this resolution, and the appropriations limit, as defined by article XIII B, section 8, subdivision (h) of the California Constitution, will be established for the District. The special tax may be levied only at the rate and may be apportioned only in the manner specified in this resolution, subject to the Act, except that the special tax may be levied at a rate lower than the rate specified in Exhibit B. The special tax may be levied only so long as it is needed to pay for the services identified in Exhibit C (including the repayment of funds advanced for the District).

Section 9 The City's Manager of the Public Improvement Financing Division, Department of Finance, 915 I Street, 3<sup>rd</sup> Floor, Sacramento, California 95814 (telephone 916-808-8788) shall annually prepare a current roll of special-tax levy obligations by the Sacramento County Assessor's parcel numbers and shall estimate future special-tax levies in accordance with Government Code section 53340.2.

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

**Table of Contents:**

Exhibit A: Hearing Report

Exhibit B: Rate and Method of Apportionment of Special Tax

Exhibit C: List of Authorized Services

Exhibit D: Area Map of Proposed Boundary

*The Economics of Land Use*



## Hearing Report

# Railyards Maintenance Community Facilities District 2014-04 (Railyards Maintenance)

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc. (EPS)

November 2014

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# Table of Contents

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|    |  |    |
|----|--|----|
| 1. | INTRODUCTION .....   | 1  |
|    | Purpose .....  | 1  |
|    | Railyards Project.....   | 1  |
|    | Organization of the Report .....                                     | 4  |
| 2. | AUTHORIZED CFD SERVICES AND ANNUAL MAINTENANCE COSTS .....           | 5  |
|    | Authorized CFD Services .....  | 5  |
|    | Estimated Maintenance Costs in the Base Year .....                   | 5  |
| 3. | MAXIMUM ANNUAL SPECIAL TAXES AND REVENUE PROJECTIONS .....           | 8  |
|    | Maximum Annual Special Taxes and Tax Revenue Projections.....        | 8  |
|    | Overall Tax Burden Analysis .....                                    | 8  |
| 4. | STRUCTURE OF THE PROPOSED CFD .....                                  | 12 |
|    | Description of the CFD.....  | 12 |
|    | CFD Boundaries .....   | 12 |
|    | Base Year for Services Special Tax.....                              | 12 |
|    | Duration of the Special Tax .....                                    | 12 |
|    | Annual Costs Funded by the CFD .....                                 | 12 |
|    | Tax Escalation Factor for Special Tax.....                           | 14 |
|    | Classification and Assignment of Maximum Annual Special Tax .....    | 14 |
|    | Setting the Special Tax Levy for Taxable Parcels.....                | 14 |
|    | Manner of Collection.....  | 15 |
|    | Interpretations, Application, and Appeal of RMA and Procedures ..... | 15 |

Exhibits:

Exhibit A:     Boundary Map

Exhibit B:     List of Authorized Services

Exhibit C:     Rate, Method of Apportionment, and Manner of Collection of Special Tax

## List of Maps

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|       |  |   |
|-------|--|---|
| Map 1 | Railyards Specific Plan Land Uses..... | 2 |
| Map 2 | South of Tracks Phase .....            | 3 |

## List of Tables

---

|         |   |    |
|---------|---|----|
| Table 1 | Estimated Total Annual Maintenance Costs—FY 2015–16 .....             | 6  |
| Table 2 | Land Special Tax and Developed Special Tax—Base Year 2015–16 .....    | 9  |
| Table 3 | Comparison of Maximum Annual Special Taxes and Annual Costs.....      | 10 |
| Table 4 | Estimated Annual Taxes and Assessments for a Single-Family Unit ..... | 11 |
| Table 5 | Estimated Total Annual Maintenance Costs—FY 2015–16 .....             | 13 |

# 1. INTRODUCTION

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## Purpose

The City of Sacramento (City) retained Economic & Planning Systems, Inc. (EPS) to support its efforts to create a Mello-Roos Community Facilities District (CFD) to fund certain ongoing maintenance services in the Railyards Specific Plan (Railyards or Specific Plan). This report serves as the Hearing Report, as required by the Mello-Roos Act, and describes the annual maintenance costs to be funded, the structure of the CFD, and the maximum annual special taxes.

The Resolution of Intention (ROI) to form the CFD was considered by the City Council (Council) on October 28, 2014. The Resolution of Formation (ROF) will be considered by the Council on December 2, 2014. **Map 1** shows the proposed boundaries for the CFD.

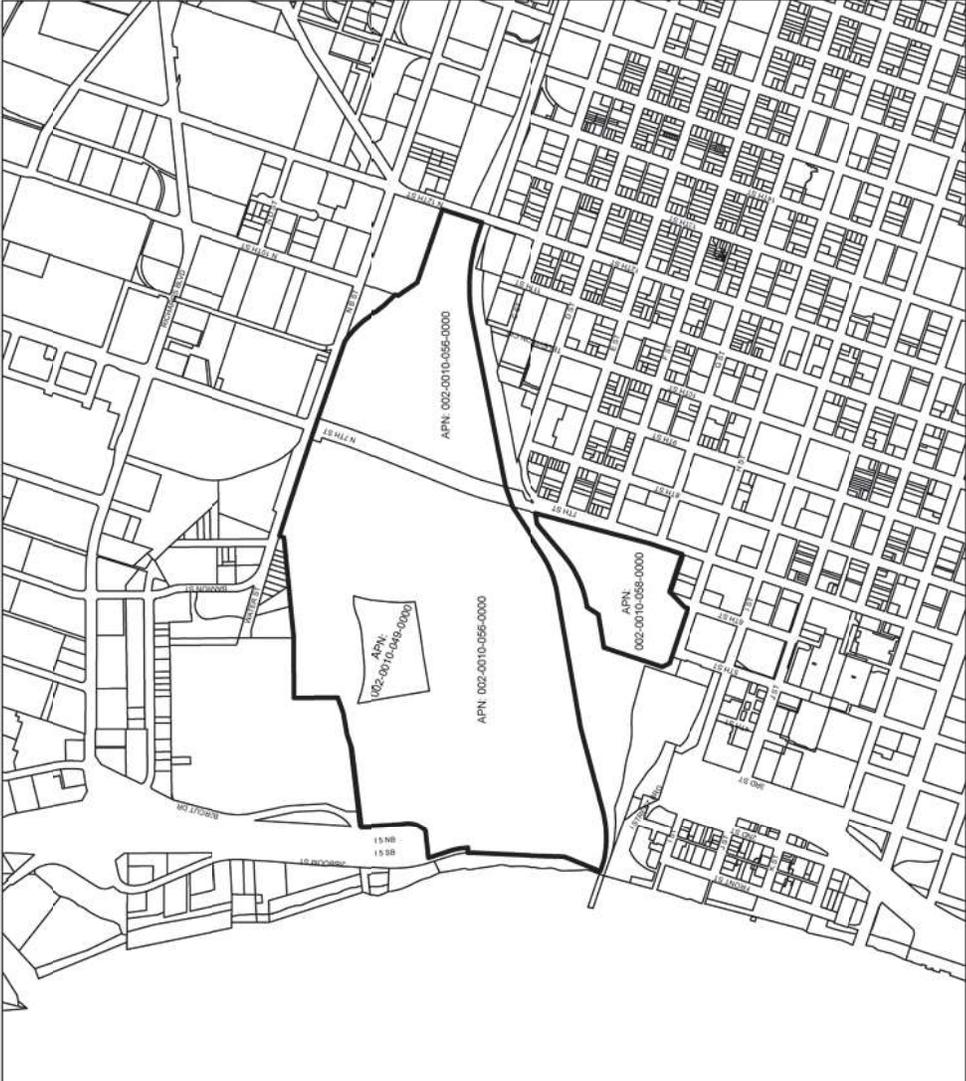
## Railyards Project

The Railyards Project (Project), which was approved by the Council on December 11, 2007, is a mixed-use, infill development project, envisioned to contain a mix of low-, medium-, and high-rise single and mixed-use residential retail, office, and hotel buildings. The Project also will include a mix of historic, cultural, open space, and recreational features. As illustrated in **Map 1**, the Project is east of the Sacramento River, bounded on the north by the City Water Treatment Plant and North B Street, on the south by I Street between 5<sup>th</sup> and 7<sup>th</sup> Streets and on the east by 12<sup>th</sup> Street.

The Project has entitlements to build as many as 12,100 dwelling units, as much as 4.3 million building square feet of nonresidential development, and up to 1,100 hotel rooms. Although this level of entitlement represents the maximum amount of development that may occur, it is possible that actual buildout of the Project could contain fewer residential units and less nonresidential building square footage.

The Project property owners, IA Holdings, have applied for a Final Map on the "South of the Tracks Phase," which is depicted in **Map 2**. This initial map is anticipated to include up to 200 dwelling units and approximately 650,000 square feet of nonresidential development, including the new Courthouse. Formation of the proposed CFD satisfies one condition of approval that a maintenance financing mechanism be established before recordation of a final map for the Project. While only a portion of the Project is seeking a final map at this time, the CFD spans the entire Project boundaries.

**MAP 1**  
**BOUNDARY MAP**  
**CITY OF SACRAMENTO**  
**RAILYARDS MAINTENANCE**  
**COMMUNITY FACILITIES DISTRICT NO. 2014-04**  
**COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**  
**SHEET 1 OF 1**



**CLERK'S MAP FILING STATEMENT.**

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

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

**CLERK'S CERTIFICATE.**

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

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

**COUNTY RECORDER'S FILING STATEMENT.**

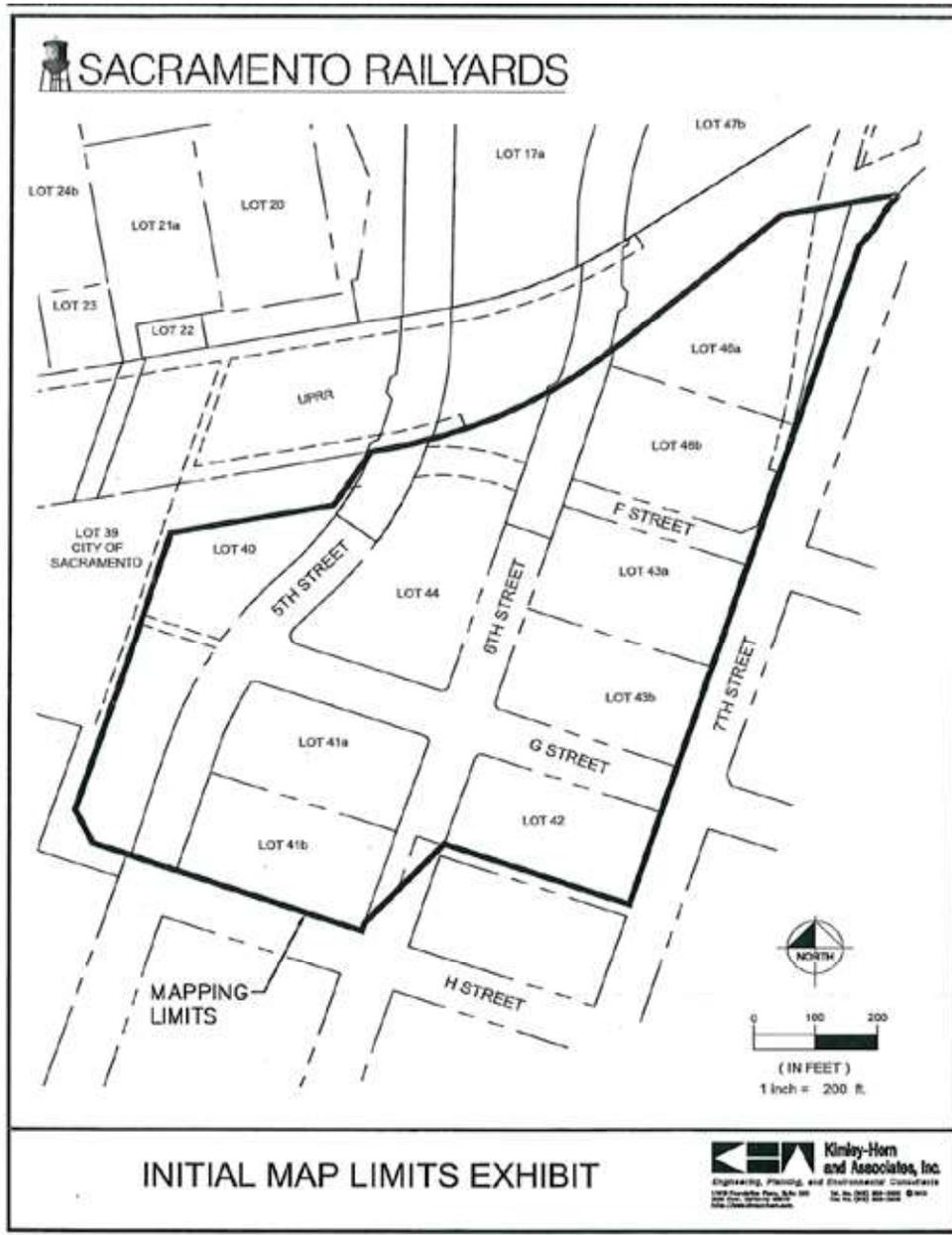
FILED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014 AT THE HOUR OF \_\_\_\_ O'CLOCK \_\_\_\_ M., IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

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

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



# Map 2



## Organization of the Report

This report consists of four chapters, including this introduction as **Chapter 1**. **Chapter 2** describes the annual maintenance costs to be funded in the CFD. **Chapter 3** describes how the maximum annual special tax was calculated, and **Chapter 4** describes the structure of the CFD and the Rate, Method of Apportionment, and Manner of Collection of Special Tax (RMA).

Three exhibits are attached to this report: **Exhibit A** is the CFD boundary map, **Exhibit B** is the List of Authorized Services, and **Exhibit C** is the RMA.

## 2. *AUTHORIZED CFD SERVICES AND ANNUAL MAINTENANCE COSTS*

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The CFD is being formed to fund certain operation and maintenance costs of public facilities in the Project to serve residents and employees in the Project. Authorized CFD services are discussed below.

### **Authorized CFD Services**

The authorized services to be funded from the levy and collection of annual special taxes include those set forth below, in addition to the costs associated with collecting and administering the special taxes and annually administering the CFD. The authorized services to be funded generally are described as these:

1. Inspection, repair, and maintenance, including utility costs, of roadway facilities, transit facilities, and bike and pedestrian paths.
2. Inspection, repair, and maintenance, including utility costs, of parks, parkways, bike trails, and open space.
3. Inspection, repair, and maintenance, including utility costs, of water-quality facilities, stormwater drainage facilities, water fountains, and other water features.
4. Capital repair and maintenance of the area known as the West Tunnel and appurtenances.
5. Miscellaneous costs related to any of the items described above, including planning, engineering, and legal and administration costs.
6. The levy of special taxes to accumulate funds for anticipated future repair or replacement costs of facilities maintained by the CFD, as determined by the CFD administrator.

The complete List of Authorized Services is included as **Exhibit B** to this report.

### **Estimated Maintenance Costs in the Base Year**

As shown in **Table 1**, the annual cost of providing the above-mentioned maintenance services is estimated to total \$1.28 million in the base fiscal year (Fiscal Year 2015–16). The annual maintenance cost estimates were prepared by Kimley Horn, Inc., and the City. The annual cost estimates include approximately \$48,000 to fund one-half of the cost to maintain the West Tunnel. The West Tunnel is located near the southwestern portion of the Project and will provide access under the railroad tracks for the general public to move between the existing California State Railroad Museum and the Historic Central Shops District, where a new museum will be located. Funding for the remaining one-half of the annual West Tunnel maintenance cost is assumed to come from the State of California.

**Table 1**  
**Railyards Maintenance CFD**  
**Estimated Total Annual Maintenance Costs - FY 2015-16**

| Item  | Formula              | Annual Amount      |
|---|----------------------|--------------------|
| <b>Annual Maintenance Costs [1]</b>                         |                      |                    |
| Transportation Facilities                                   | a                    | \$267,600          |
| Open Space and Plazas                                       | b                    | \$45,938           |
| Parks   | c                    | <u>\$715,531</u>   |
| <b>Subtotal</b>   | <b>d = a + b + c</b> | <b>\$1,029,068</b> |
| <b>City Contract Administration &amp; Contingency - 20%</b> | <b>e = (d x 0.2)</b> | <b>\$205,814</b>   |
| West Tunnel Maintenance Costs (at 50%) [2]                  | f                    | \$48,080           |
| <b>Total Annual Maintenance Costs</b>                       | <b>g = d + e + f</b> | <b>\$1,282,962</b> |

"cfd\_costs"

Sources: Kimley Horn and City of Sacramento

[1] From Kimley Horn detailed cost estimates with City adjustments to costs and contingencies.

[2] From City of Sacramento Public Works

Annual maintenance costs are anticipated to increase over time. As such, the CFD includes a tax escalation factor equal to the percentage change in the Consumer Price Index for the prior calendar year over the preceding year. In this manner, the annual special tax revenue collection is anticipated to keep pace with the annual maintenance costs.

### 3. *MAXIMUM ANNUAL SPECIAL TAXES AND REVENUE PROJECTIONS*

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As described in this chapter, the maximum annual special taxes per land square foot, per residential unit, and per nonresidential building square foot were calculated by the City.

#### **Maximum Annual Special Taxes and Tax Revenue Projections**

The maximum annual special taxes, which are shown in **Table 2**, were established considering both the initial phase and future state of Project development. **Table 3** shows estimates of annual special tax revenues from the Project under two development scenarios. Based on the Specific Plan land use plan, the Project is estimated to have approximately 82.47 developable acres (see **Attachment 2** of the RMA). Using a base-year maximum annual special tax of \$18,400 per acre (translated to \$0.42 per land square foot in the RMA), the Project would produce approximately \$1.52 million annually, or approximately 115 percent of the projected annual costs of \$1.32 million.

Although the Project is entitled for as many as approximately 12,100 residential units and as much as 4.3 million nonresidential square feet, it is uncertain whether that maximum buildout potential might be reached. To be conservative, the CFD analysis is based on assumptions of approximately 3,400 market-rate units, 600 affordable units, and up to 3.0 million square feet in the Project. Given the developed maximum special tax rates in **Table 2**, developed parcels in the Project are capable of generating approximately \$1.45 million annually, or approximately 110 percent of the projected annual costs of \$1.32 million.

#### **Overall Tax Burden Analysis**

As shown in **Table 4**, the estimated overall tax burden of the average residential unit in the CFD is 1.21 percent, before considering a potential CFD for Project infrastructure. The tax burden analysis is based on a hypothetical average value of \$400,000 for a for-sale residential dwelling unit in the CFD. If an infrastructure CFD were formed with an annual special tax of \$1,000 per unit, the overall tax burden would equal approximately 1.46 percent.

**Table 2**  
**Railyards Maintenance Community Facilities District 2014-04**  
**Land Special Tax and Developed Special Tax - Base Year 2015-16**

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

*att 1"*

[1] Developed Special Tax per Unit or Building Area is increased by the Tax Escalation Factor in each Fiscal Year after the Base Year, 2015-16. The Tax Escalation Factor is equal to the percentage change in the Consumer Price Index for the prior calendar year over the preceding calendar year, not to exceed 4% for any Fiscal Year.

**Table 3**  
**Railyards Maintenance CFD**  
**Comparison of Maximum Annual Special Taxes and Annual Costs**

| Land Use Designation                        | Special Tax<br>per Unit/<br>Bldg. Sq. Ft. | Undeveloped |                         | Developed               |                         |
|---|---|-------------|-------------------------|-------------------------|-------------------------|
|   |   | Acres       | Special Tax<br>Revenues | Units/<br>Bldg. Sq. Ft. | Special Tax<br>Revenues |
| Land - Acres                                | \$18,400                                  | 82.47       | \$1,517,448             |                         |                         |
| Market-Rate Residential - units             | \$260                                     |             |                         |                         |                         |
| Residential/Commercial Mixed-Use (RCMU)     |   |             |                         | 500                     | \$130,000               |
| Office/Residential Mixed-Use (ORMU)         |   |             |                         | 500                     | \$130,000               |
| Residential Mixed-Use (RMU)                 |   |             |                         | 2,400                   | \$624,000               |
| Transit Use (TU)                            |   |             |                         | 0                       | \$0                     |
| Subtotal Market Rate                        |   |             |                         | 3,400                   | \$884,000               |
| Affordable Residential - units [1]          | \$0                                       |             |                         | 600                     | \$0                     |
| Nonresidential - building sq. ft.           | \$0.19                                    |             |                         |                         |                         |
| Residential/Commercial Mixed-Use (RCMU)     |   |             |                         | 2,000,000               | \$380,000               |
| Office/Residential Mixed-Use (ORMU)         |   |             |                         | 900,000                 | \$171,000               |
| Residential Mixed-Use (RMU)                 |   |             |                         | 100,000                 | \$19,000                |
| Transit Use (TU)                            |   |             |                         | 0                       | \$0                     |
| Subtotal Nonresidential                     |   |             |                         | 3,000,000               | \$570,000               |
| <b>TOTAL Tax Revenues</b>                   |   |             | <b>\$1,517,448</b>      |                         | <b>\$1,454,000</b>      |
| <b>Annual Cost (Maint.&amp; Admin.) [2]</b> |   |             | <b>\$1,321,451</b>      |                         | <b>\$1,321,451</b>      |
| <b>Surplus/Shortfall</b>                    |   |             | <b>\$195,997</b>        |                         | <b>\$132,549</b>        |
| <b>Contingency %</b>                        |   |             | <b>14.8%</b>            |                         | <b>10.0%</b>            |

"CFDrev"

Source: City of Sacramento, Inland America, and EPS.

[1] Affordable residential units are tax-exempt.

[2] See Table 5 for CFD Annual Cost.

**Table 4**  
**Railyards Maintenance CFD**  
**Estimated Annual Taxes and Assessments for a Single-Family Unit (TRA 03-308)**

| Assumptions/Fee Type  | Tax Rate       | Amount         |
|---|----------------|----------------|
| <b>Assumptions</b>  |                |                |
| Estimated Finished Unit Selling Price [1]   |                | \$400,000      |
| <b>Ad Valorem Taxes</b>   |                |                |
| Countywide 1% [2]   | 1.0000%        | \$3,930        |
| Los Rios College GOB  | 0.0113%        | \$45           |
| Sacramento Unified School District General Obligation Bond                          | 0.1212%        | \$485          |
| <b>Total Ad Valorem Taxes on Low Range Selling Price</b>                            | <b>1.1325%</b> | <b>\$4,460</b> |
| <b>Annual Special Taxes/Assessments</b>   |                |                |
| Sacramento Core Library Services Tax  |                | \$12           |
| Sacramento Library Services Tax   |                | \$31           |
| Landscape and Lighting District (with Lights)                                       |                | \$77           |
| American River Flood Zone C   |                | \$8            |
| SAFCA O&M Assessment #1   |                | \$4            |
| Railyards Maintenance CFD No. 2014-04   |                | \$260          |
| <b>Total Annual Special Taxes/Assessments</b>                                       |                | <b>\$392</b>   |
| <b>Total Annual Taxes and Assessments</b>   |                | <b>\$4,852</b> |
| <b>Taxes and Assessments as a Percentage of Sales Price</b>                         |                | <b>1.21%</b>   |
| <b>Taxes and Assessments with Potential Infrastructure CFD</b>                      |                |                |
| Potential Future Railyards Infrastructure CFD                                       |                | \$1,000        |
| <b>Total Annual Taxes and Assessments (with Inf. CFD)</b>                           |                | <b>\$5,852</b> |
| <b>Taxes and Assessments as a Percentage of Sales Price with Infrastructure CFD</b> |                | <b>1.46%</b>   |

assess

Source: County of Sacramento; City of Sacramento; EPS.

[1] Estimated sales price based on conversations with the property owner. Placeholder estimate for calculation purposes only.

[2] Includes homeowners property tax exemption of \$7,000.

[3] Placeholder estimate for infrastructure CFD bonding capacity.

## 4. STRUCTURE OF THE PROPOSED CFD

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### Description of the CFD

Special taxes in the CFD will be assigned and levied according to the RMA. The attached exhibits are documents contained in the ROF, prepared for consideration by the Council and a vote of the qualified electorate. **Exhibit A** is the CFD boundary map, **Exhibit B** is the List of Authorized Services, and **Exhibit C** is the RMA.

The CFD is being formed to satisfy conditions of approval placed on the Project. The CFD will provide special tax revenues to fund annual costs to maintain roadway facilities; transit facilities; storm drainage facilities; park, parkway, and open space areas; and other authorized services.

### CFD Boundaries

The CFD boundary includes the entire area known as the Railyards Specific Plan. At CFD formation, there are three legal parcels that comprise the entire CFD boundary.

### Base Year for Services Special Tax

The base year is Fiscal Year 2015–16.

### Duration of the Special Tax

The special tax is intended to be levied and collected in perpetuity or until such time as the City determines it no longer needs the special tax to fund authorized services of the CFD. Because the special tax may be levied in perpetuity, there are no special tax prepayment provisions.

### Annual Costs Funded by the CFD

Each year, the CFD administrator will approve the CFD Annual Costs for the upcoming fiscal year. These Annual Costs are funded by the levy and collection of the special tax:

- The costs of authorized facilities and services to be incurred in the upcoming fiscal year.
- Administrative expenses for such fiscal year.
- Amounts that may be accrued for future repair or replacement costs of facilities maintained by the CFD, as determined by the CFD administrator.
- An amount equal to the amount of delinquencies in payment of the special tax levied in the previous fiscal year or anticipated for the current fiscal year.

**Table 5** shows the estimated total \$1.32 million in annual CFD costs for the Base Year: Fiscal Year 2015–16.

**Table 5**  
**Railyards Maintenance CFD**  
**Estimated Total Annual Maintenance Costs - FY 2015-16**

| Item   | Formula          | Annual Amount      |
|--|------------------|--------------------|
| <b>Annual Maintenance Costs</b>                  |                  |                    |
| Annual Maintenance Costs [1]                     | a                | \$1,029,068        |
| City Contract Administration & Contingency - 20% | b = (a x 0.2)    | <u>\$205,814</u>   |
| <b>Subtotal</b>                                  | <b>c = a + b</b> | <b>\$1,234,882</b> |
| West Tunnel Maintenance Costs (at 50%) [2]       | d                | \$48,080           |
| <b>Total Annual Maintenance Costs</b>            | <b>e = c + d</b> | <b>\$1,282,962</b> |
| CFD Administration (at 3% of Ann. Maint. Costs)  | f = (e x 0.03)   | \$38,489           |
| <b>Total Railyards CFD Annual Costs</b>          | <b>g = e + f</b> | <b>\$1,321,451</b> |

"ann\_costs"

Sources: Kimley Horn and City of Sacramento

[1] From Kimley Horn detailed cost estimates with City adjustments to costs and contingencies.

[2] From City of Sacramento Public Works.

## Tax Escalation Factor for Special Tax

The special tax increases by an annual percentage increase in the Consumer Price Index (CPI) (percentage change in the CPI for the prior calendar year over the preceding calendar year, beginning with the base year: Fiscal Year 2015–16).

## Classification and Assignment of Maximum Annual Special Tax

Before assigning the maximum annual special tax, each parcel in the CFD is classified as either a taxable parcel or a tax-exempt parcel.

### Taxable Parcels

**Section 5** of the RMA describes in detail the precise method for assigning the maximum annual special tax to taxable parcels in the CFD. Once classified as a taxable parcel, each taxable parcel is further classified as a developed parcel, final map parcel, or undeveloped parcel. Each developed parcel is further classified as a residential parcel, nonresidential parcel, mixed-use parcel, central shops parcel, or other land use parcel.

The maximum annual special taxes for the Base Year: Fiscal Year 2015–16 are shown in **Table 2**. The RMA assigns a land special tax to original parcels and to successor parcels as they may be created. Once a parcel becomes a developed parcel, RMA **Section 5** describes the assignment of special tax to residential, nonresidential, and mixed-use parcels. Residential units are assigned a special tax per unit, and nonresidential uses are assigned a special tax per building area (square footage), as defined in **Section 2** of the RMA. Affordable housing residential units are assigned a \$0.00 maximum annual special tax.

### Tax-Exempt Parcels

Tax-exempt parcels are not subject to the special tax. Tax-exempt parcels include tax-exempt public parcels and central shops parcels. A tax-exempt public parcel is any public parcel that is, or is intended to be, publicly owned and normally is exempt from the levy of general ad valorem taxes under California law. Central shops parcels are any parcels that are within the boundaries of the Central Shops Historic District of the Project. Tax-exempt public parcels that are converted to private use will become taxable as described in the RMA. If a privately owned parcel is converted to a public use parcel, the parcel will become tax-exempt.

## Setting the Special Tax Levy for Taxable Parcels

To determine the annual levy, the administrator will use the process presented in **Section 6** of the RMA and shown below:

- Step 1: Compute the annual costs using the definitions in **Section 2** of the RMA.
- Step 2: Compute 100 percent of the maximum annual special tax revenue for all developed parcels.

- Step 3: Compare the annual costs with the maximum annual special tax revenue calculated in Step 1.
- Step 4: If the annual costs are lower than the maximum annual special tax revenue for developed parcels, decrease proportionately the special tax levy for each developed parcel until the revenue from the special tax levy equals the annual costs.
- Step 5: If the annual costs are greater than the maximum annual special tax revenue for developed parcels, increase proportionately the special tax levy for each final map parcel until the revenue from the special tax levy equals the annual costs, or until the maximum annual special tax for final map parcels has been levied.
- Step 6: If additional monies are needed to satisfy annual costs after completing Step 5, levy the maximum annual special tax on each undeveloped parcel until revenue from the special tax levy equals the annual costs, or until the maximum annual special tax for undeveloped parcels has been levied.

## **Manner of Collection**

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. As specified in **Section 9** of the RMA, 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.

## **Interpretations, Application, and Appeal of RMA and Procedures**

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

Interpretations may be made by the Council for purposes of clarifying any vagueness or ambiguity as it relates to the special tax rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

Without Council approval, the CFD administrator may make minor, non-substantive administrative and technical changes to the provisions of the RMA that do not materially affect the RMA for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.



## EXHIBITS:

Exhibit A: Boundary Map

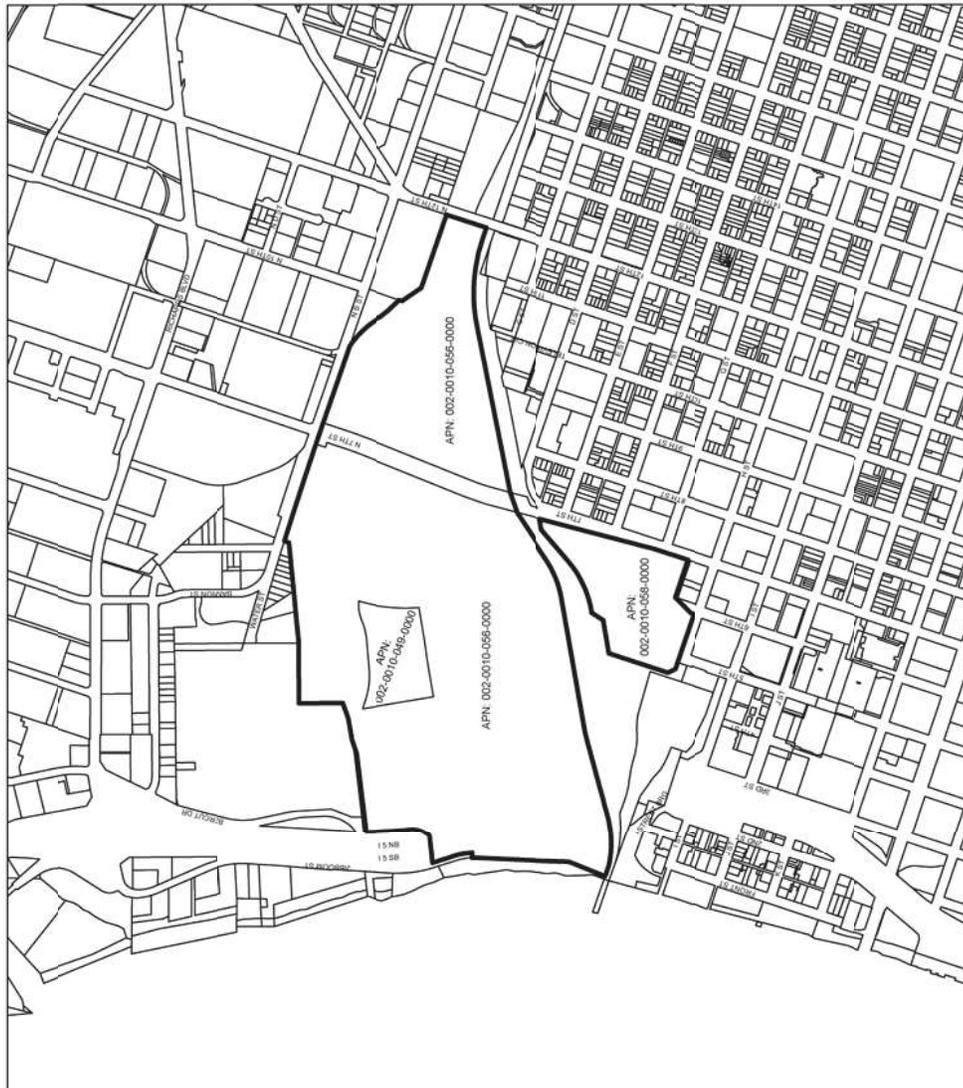
Exhibit B: List of Authorized Services

Exhibit C: Rate, Method of Apportionment, and  
Manner of Collection of Special Tax



EXHIBIT A:  
Boundary Map

EXHIBIT A  
 BOUNDARY MAP  
 CITY OF SACRAMENTO  
 RAILYARDS MAINTENANCE  
 COMMUNITY FACILITIES DISTRICT NO. 2014-04  
 COUNTY OF SACRAMENTO, STATE OF CALIFORNIA  
 SHEET 1 OF 1



CLERK'S MAP FILING STATEMENT.

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

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

CLERK'S CERTIFICATE.

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

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

COUNTY RECORDER'S FILING STATEMENT.

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

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

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





**EXHIBIT B:**  
**List of Authorized Services**

## Exhibit B

### List of Authorized Services

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

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

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



EXHIBIT C:  
Rate, Method of Apportionment, and  
Manner of Collection of Special Tax

## Exhibit C

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

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

---

### 1. Basis of Special Tax Levy

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

### 2. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**A. Classification of Parcels.** By June 30 of each Fiscal Year, using the Definitions in **Section 2**, above, the Parcel records of the Assessor's Secured Tax Roll as of January 1,

and other City development approval records, the CFD Administrator shall do the following:

1. Classify each Parcel as a Taxable Parcel or Tax-Exempt Parcel.
2. Classify each Taxable Parcel as a Developed Parcel, Final Map Parcel, or Undeveloped Parcel.
3. Classify each Developed Parcel as a Residential Parcel, Non-Residential Parcel, Mixed-Use Parcel, Central Shops Parcel, or Other Land Use Parcel.
4. Classify each Dwelling Unit on a Residential Parcel as a Market Rate Unit or an Affordable Unit.

**B. Assignment of the Land Special Tax to Original Parcels.** The CFD Administrator will assign the Land Special Tax to each Original Parcel by multiplying the Taxable Land Area assigned to the Parcel in **Section 4.A** times the Land Special Tax Rate in **Section 5.F**. Each Fiscal Year following the Base Year, the Land Special Tax for each Original Parcel is adjusted by the Tax Escalation Factor.

**C. Assignment of the Land Special Tax to Successor Parcels.** As Original Parcels are Subdivided into Successor Parcels, the Land Special Tax will be assigned to Successor Parcels by multiplying the Taxable Land Area assigned to the Parcel in **Section 4.A** times the Land Special Tax Rate shown in **Section 5.F** adjusted by the Tax Escalation Factor. The Land Special Tax is only levied on Undeveloped Parcels, Final Map Parcels, and Other Land Use Parcels.

**D. Assignment of Special Taxes to Developed Parcels** (via **Sections 5.D.1, 5.D.2** and **5.D.3**), The Special Tax assigned to Developed Parcels shall be the greater of the amounts assigned in **Sections 5.D.1, 5.D.2** and **5.D.3** or the Land Special Tax for the Final Map Parcel on which Development Approval was granted. The Land Special Tax for such a Final Map Parcel shall be calculated by multiplying the Taxable Land Area of the Final Map Parcel by the Land Special Tax Rate.

1. Assignment of the Developed Special Tax to Non-Residential Parcels. The Developed Special Tax is calculated by multiplying the Building Area assigned in **Section 4.B** or **Section 4.C** times the Developed Special Tax Rate for Non-Residential Uses, as shown in **Section 5.F** adjusted by the Tax Escalation Factor.

2. Assignment of Developed Special Tax to Residential Parcels. The Developed Special Tax is calculated by using the following steps:

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

Step 2: Sum the Developed Special Tax for each Dwelling Unit from in *Step 1* to derive the Developed Special Tax.

3. Assignment of Developed Special Tax to Mixed Use Parcels. The Developed Special Tax is calculated by using the following steps:

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

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

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

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

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

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

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

## 6. Calculating Annual Special Taxes

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

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

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

## 7. Records Maintained for the CFD

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

- The current County Assessor's Parcel Number.
- The amount of Total Land Area, Public Use Land Area, and Taxable Land Area for each Taxable Parcel

- The number of Affordable and Market Rate Dwelling Units for each Developed Parcel.
- The amount of Building Area of Non-Residential Use for each Developed Parcel.

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

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

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

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

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

## **9. Manner of Collection**

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

# Attachment 1

## List of Authorized Services

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

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

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

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

## Exhibit B

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

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

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### 1. Basis of Special Tax Levy

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

### 2. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**“Final Subdivision”** means a subdivision of property by recordation of a final map, Parcel map, or lot-line adjustment in accordance with the Subdivision Map Act (beginning with California Government Code section 66410) or recordation of a condominium plan in accordance with California Civil Code

section 4285 that creates individual lots for which building permits may be issued without further subdivision.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 5. Assignment of the Maximum Annual Special Tax

- A. Classification of Parcels. By June 30 of each Fiscal Year, using the Definitions in **Section 2**, above, the Parcel records of the Assessor's Secured Tax Roll as of January 1, and other City development approval records, the CFD Administrator shall do the following:
1. Classify each Parcel as a Taxable Parcel or Tax-Exempt Parcel.
  2. Classify each Taxable Parcel as a Developed Parcel, Final Map Parcel, or Undeveloped Parcel.
  3. Classify each Developed Parcel as a Residential Parcel, Non-Residential Parcel, Mixed-Use Parcel, Central Shops Parcel, or Other Land Use Parcel.
  4. Classify each Dwelling Unit on a Residential Parcel as a Market Rate Unit or an Affordable Unit.
- B. Assignment of the Land Special Tax to Original Parcels. The CFD Administrator will assign the Land Special Tax to each Original Parcel by multiplying the Taxable Land Area assigned to the Parcel in **Section 4.A** times the Land Special Tax Rate in **Section 5.F**. Each Fiscal Year following the Base Year, the Land Special Tax for each Original Parcel is adjusted by the Tax Escalation Factor.
- C. Assignment of the Land Special Tax to Successor Parcels. As Original Parcels are Subdivided into Successor Parcels, the Land Special Tax will be assigned to Successor Parcels by multiplying the Taxable Land Area assigned to the Parcel in **Section 4.A** times the Land Special Tax Rate shown in **Section 5.F** adjusted by the Tax Escalation Factor. The Land Special Tax is only levied on Undeveloped Parcels, Final Map Parcels, and Other Land Use Parcels.
- D. Assignment of Special Taxes to Developed Parcels (via **Sections 5.D.1, 5.D.2** and **5.D.3**), The Special Tax assigned to Developed Parcels shall be the greater of the amounts assigned in **Sections 5.D.1, 5.D.2** and **5.D.3** or the Land Special Tax for the Final Map Parcel on which Development Approval was granted. The Land Special Tax for such a Final Map Parcel shall be calculated by multiplying the Taxable Land Area of the Final Map Parcel by the Land Special Tax Rate.
1. Assignment of the Developed Special Tax to Non-Residential Parcels. The Developed Special Tax is calculated by multiplying the Building Area assigned in **Section 4.B** or **Section 4.C** times the Developed Special Tax Rate for Non-Residential Uses, as shown in **Section 5.F** adjusted by the Tax Escalation Factor.
  2. Assignment of Developed Special Tax to Residential Parcels. The Developed Special Tax is calculated by using the following steps:

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

Step 2: Sum the Developed Special Tax for each Dwelling Unit from in *Step 1* to derive the Developed Special Tax.

3. Assignment of Developed Special Tax to Mixed Use Parcels. The Developed Special Tax is calculated by using the following steps:

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

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

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

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

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

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

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

## 6. Calculating Annual Special Taxes

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

A. Compute the Annual Costs using the definition of Annual Costs in **Section 2**.

B. Calculate the Special Tax levy for each Taxable Parcel by the following steps:

Step 1: Compute 100 percent of the Maximum Annual Special Tax Revenue for all Developed Parcels.

Step 2: Compare the Annual Costs with the Maximum Annual Special Tax Revenue calculated in the previous step.

Step 3: If the Annual Costs are lower than the Maximum Annual Special Tax Revenue, decrease proportionately the Special Tax levy for each Developed Parcel until the revenue from the Special Tax levy equals the Annual Costs.

Step 4: If additional monies are needed to satisfy the Annual Costs after the third step has been completed, the Special Tax will be levied proportionately on Final Map Parcels, up to the Maximum Annual Special Tax.

Step 5: If additional monies are needed to satisfy the Annual Costs after the fourth step has been completed, the Special Tax will be levied on Undeveloped Parcels until the Special Tax revenue equals Annual Costs, or until 100 percent of the Maximum Annual Special Tax is levied.

C. Levy on each Taxable Parcel the amount calculated above.

D. Prepare the Tax Collection Schedule and, unless an alternative method of collection has been selected pursuant to **Section 9**, send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule will not be sent later than the date required by the Auditor for such inclusion.

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

## 7. Records Maintained for the CFD

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

The current County Assessor's Parcel Number.

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

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

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

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

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

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

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

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

## **9. Manner of Collection**

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

## Attachment 1

### List of Authorized Services

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

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

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

## Attachment 2

### Sacramento Railyards Acreage by Phase

Excludes Central Shops Historic Area

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

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

## **Exhibit C**

### **List of Authorized Services**

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

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

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

Exhibit D

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

SHEET 1 OF 1



CLERK'S MAP FILING STATEMENT:

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

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

CLERK'S CERTIFICATE:

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

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

COUNTY RECORDER'S FILING STATEMENT:

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

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

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

