REPORT TO COUNCIL
City of Sacramento

22

915 I Street, Sacramento, CA 95814-2671
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PUBLIC HEARING
November 29, 2005

Honorable Mayor and
Members of the City Council

Subject: Annexation No. 1 to the North Natomas Transportation Management Association (TMA) Community Facilities District No. 99-01 – Public Hearing

Location/Council District:

Annexation No. 1 to the North Natomas TMA Community Facilities District (CFD) No. 99-01 is located in North Natomas in Council District 1 (Attachment A, page 4).

Recommendation:

Adopt a Resolution: 1) establishing the CFD annexation, providing for Levy of Special Tax and calling for a Special Election.

Contact: Ron Wicky, Program Specialist, (916) 808-5628; Edward Williams, Development Engineering & Finance Manager, (916) 808-5440
Presenters: Ron Wicky, Program Specialist
Department: Development Services
Division: Development Engineering and Finance
Organization No: 4815

Summary:

This report proposes the annexation of territory into the existing CFD to fund transportation and air quality mitigation services in North Natomas. Adopting the attached Resolution will call for a special election on December 21, 2005 (Attachment B, page 5).

Committee/Commission Action: None

Background Information:

On June 29, 1999, City Council approved the Resolution to form CFD No. 99-01 that provides funding for transportation and air quality mitigation services in North Natomas by levying taxes on all developed properties.

The North Natomas Community Plan, adopted by City Council on May 3, 1994 envisioned a transportation systems management plan that would address transportation and air quality mitigation goals required for development of the area. To coordinate these efforts, a community based TMA was formed in February 1999, to assist the community in meeting its trip and emission reduction goals.

Through a contractual agreement between the City and the North Natomas TMA, this CFD provides a permanent funding mechanism for the TMA. The transportation and air quality mitigation services benefit both residents and employees in North Natomas.

This annexation will annex the Machado subdivision boundary into the existing TMA boundary.

Financial Considerations:

There is no impact to the General Fund. Only developed properties will be subject to the CFD tax as described in Exhibit C - Maximum Special Tax Rates. Any shortfalls in the TMA's revenue projections will be adjusted in their budget.

The maximum annual special tax rate levied on new residential properties for FY 2005/06 is $20.78 per single family parcel. The FY 2006/07 special tax will be adjusted with an annual escalation factor based on the Consumer Price Index, not to exceed 4%.

Environmental Considerations:

Under California Environmental Quality Act (CEQA) Guidelines, administration and annexation into a CFD do not constitute a project and therefore is exempt from review.

Policy Considerations:

The procedures under which this CFD annexation is being initiated are set forth in Title 5 of the Government Code, Sections 53311-53317.5, entitled "The Mello-Roos Community Facilities Act of 1982." Annexation into the North Natomas TMA District is consistent with the City's Strategic Plan in preserving and enhancing the City's neighborhoods and quality of life.

Emerging Small Business Development (ESBD):

None. No goods or services are being purchased.

Respectfully Submitted by: _____
Edward Williams
Manager, Development Engineering and Finance

Recommendation Approved:

_____
FOR ROBERT P. THOMAS
City Manager

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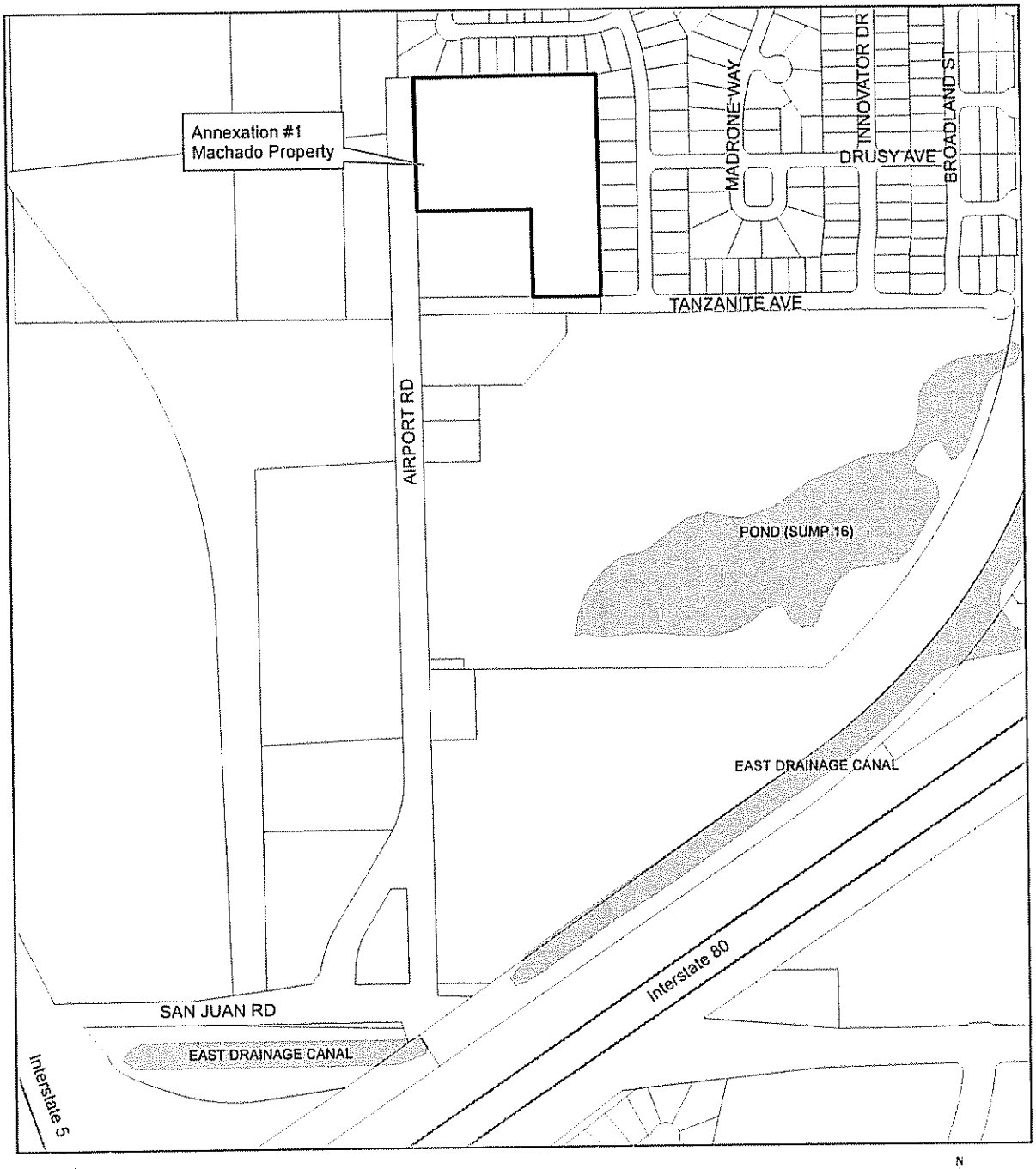
ATTACHMENT A

Location Map



Development Services

0 300 600 1,200 Feet

N W E S

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ATTACHMENT B

ANNEXATION NO. 1 TO THE NORTH NATOMAS TMA COMMUNITY FACILITIES DISTRICT (CFD) NO. 99-01 SCHEDULE

October 25, 2005	City Council – Resolution of Intention
October 26, 2005	Mail Notice of Hearing
November 29, 2005	**City Council - Hearing, Call for Special Election**
November 30, 2005	Mail Ballots
December 21, 2005	Ballots Due
January 10, 2006	City Council - Election Results & Pass for Publication Ordinance to Levy Tax
January 11, 2006	Record Notice of "Special Tax"
January 17, 2006	City Council - Adopt Ordinance to Levy Tax

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION ESTABLISHING ANNEXATION NO. 1 TO THE NORTH NATOMAS TRANSPORTATION MANAGEMENT ASSOCIATION COMMUNITY FACILITIES DISTRICT NO. 99-01; PROVIDING FOR THE LEVY OF A SPECIAL TAX FOR TRANSPORTATION AND AIR QUALITY MITIGATION SERVICES; AND CALLING A SPECIAL ELECTION ON THE QUESTION OF LEVYING THE SPECIAL TAX AND ESTABLISHING AN APPROPRIATIONS LIMIT

BACKGROUND:

A. The City Council has previously established the City of Sacramento North Natomas Transportation Management Association (TMA) Community Facilities District No. 99-01 (the District) in accordance with the Mello-Roos Community Facilities Act of 1982 (Gov. Code, 53311-53368.3) (the "Act") to finance Transportation and Air Quality Mitigation Services in North Natomas and related services within the District (the "Services") in accordance with the Act. Generally described in **Exhibit A** to this resolution, the Services are necessary to meet increased demands placed upon the City as a result of development within the District. The cost of the Services includes expenses incidental to provision of the Services (including planning costs); costs of environmental evaluations; costs to establish the District and Annexation No. 1, to determine the amount of any taxes, and to collect the taxes; and costs otherwise incurred in order to carry out the authorized purposes of the District.

B. On October 25, 2005, the City Council adopted Resolution No. 2005-764 (the "Resolution of Intention") declaring its intention to annex territory to the District and designating that territory as TMA Community Facilities District No. 99-01, Annexation No. 1 (Annexation No. 1).

C. The Resolution of Intention fixed a time and place for a public hearing at which the City Council would consider (1) the addition of Annexation No. 1 to the District; (2) the proposed rate, method of apportionment, and manner of collection of a special tax to finance providing the Services for Annexation No. 1; and (3) all other matters set forth in the Resolution of Intention.

D. A report on the proposal to add Annexation No. 1 to the District was prepared by the City's Development Engineering and Finance Manager of the Development Services Department in accordance with the Resolution of Intention. The City Council has reviewed the report, which is incorporated into this resolution and made a part of the record of the public hearing on the Resolution of Intention.

E. In accordance with the Resolution of Intention, the City Council convened a public hearing at 2:00 p.m. on Tuesday, November 29, 2005, in the City Council's regular meeting place: City Council Chambers, Sacramento City Hall, 915 I Street, first floor, Sacramento, California. At the hearing, the City Council considered the addition of Annexation No. 1 to 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 boundaries of Annexation No. 1, 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 following: the addition of Annexation No. 1 to the District, the levy of the special tax, the extent of the territory to be annexed, the types of Services proposed to be provided, 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. On the basis of all the foregoing, the City Council has determined to call an election within Annexation No. 1 to authorize the following: (1) the levy of a special tax on real property within Annexation No. 1 to pay for the Services proposed to be provided for Annexation No. 1 (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 Annexation No. 1.

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

Section 1. The City Council finds and determines that the Background Statements 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 Annexation No. 1 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 Annexation No. 1. The lien will continue in effect until the collection of the special tax ceases or the lien is canceled in accordance with law.

Section 3. The City Council determines and finds that written protests against the establishment of Annexation No. 1, the levy of the special tax, the extent of Annexation No. 1, and the types of Services to be provided do not constitute a majority protest under the Act. Accordingly, the City Council overrules all protests to the establishment of Annexation No. 1, to the levy of the special tax, the extent of Annexation No. 1, the types of Services to be provided, or the establishment of an appropriations limit for Annexation No. 1.

Section 4. The City Council determines and finds that all of its prior proceedings with respect to the addition of Annexation No. 1 to 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 territory comprised by Annexation No. 1 be added to the District and that the boundaries of Annexation No. 1 are as set forth in **Exhibit C** to this resolution.

Section 5. Except when funds are otherwise available, a special tax will be levied annually on real property within Annexation No. 1 in an amount sufficient to do the following, as appropriate: (a) pay for the Services; (b) repay funds advanced by the City for Annexation No. 1; and (c) repay advances of funds or reimburse the value or cost (whichever is less) of work provided in kind for Annexation No. 1 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 Annexation No. 1. **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 Annexation No. 1 to estimate the maximum amount that the landowner or resident will have to pay.

Section 6. In accordance with Government Code section 53317.3, the City Council intends to levy the special tax on property that is not otherwise exempt from the special tax and is acquired by a public entity through a negotiated transaction or by gift or devise.

Section 7. In accordance with Government Code section 53317.5, the City Council intends to treat the special tax levied against property that is acquired by a public entity through eminent domain proceedings as if it were a special annual assessment.

Section 8. In accordance with Government Code section 53340.1, the City Council intends to levy the special tax on the leasehold or possessory interests in property owned by a public agency and otherwise exempt from the special tax.

Section 9. A special election is ordered to be held, in accordance with the Act, applicable law, and this resolution, on **Wednesday, December 21, 2005**, in the territory comprised by Annexation No. 1. At the special election, the question of levying the special tax on real property within Annexation No. 1 and establishing an appropriations limit (as defined by article XIIIB, section 8, subdivision (h) of the California Constitution) in the amount of **$5,000** per fiscal year for Annexation No. 1 will be submitted to the landowners within Annexation No. 1 (who are the electors and persons qualified to vote at the special election).

Section 10. 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 will be held and conducted, the votes canvassed and the returns made, and the results ascertained and determined, all as provided in this

section 10. In all particulars not prescribed by this resolution, the special election will 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 Annexation No. 1 on the date of the special election will be qualified to vote on the proposition submitted at the special election.

(c) The special election will 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 is directed to deliver all ballots to the qualified electors, and all voted ballots must be received at the City Clerk's office **by 5:00 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 (+) in the blank space opposite the word "YES" on the ballot to the right of those proposition. To vote against levying the special tax and establishing the appropriations limit, a voter must mark a cross (+) in the blank space opposite the word "NO" on the ballot to the right of the proposition. A cross (+) 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 Wednesday, December 21, 2005**, at the City Clerk's office, Historic Sacramento City Hall, 915 I Street, first 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, January 10, 2005, at 2:00 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 11. 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 Annexation No. 1 in accordance with the Act, in the amount and for the purposes specified in this resolution, and the appropriations limit will be established for Annexation No. 1, as defined by article XIIIB, section 8, subdivision (h) of the California Constitution. 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 (including the repayment of funds advanced for Annexation No. 1).

Section 12. The Program Specialist, Special Districts, Development Services Department of the City, 1231 I Street, Sacramento, California 95814 (telephone 916-808-5628) will be responsible for preparing annually a current roll of special tax levy obligations by Sacramento County Assessor's parcel numbers, and will be responsible for estimating future special tax levies pursuant to Government Code section 53340.1.

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

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Exhibit A

City of Sacramento, California
North Natomas TMA Community Facilities District No. 99-01
(Transportation and Air Quality Services)

List of Authorized Services

Sacramento City Council Ordinance 99-008 provides that a Community Facilities District formed under the Act may provide within an area transportation services and air quality mitigation services, to assist in achievement of transportation management and air quality goals expressed in any applicable General Plan or Community Plan.

The authorized services for CFD No. 99-01 include:

1. Transportation services, including transit pass subsidies, bus shuttle service, guaranteed ride home programs, ridesharing matching, distribution of transit information such as routes, schedules, fares and related information, alternative mode allowances, parking reduction credits, carshare programs, transit service advocacy, transportation fairs and similar promotional events, and services related to any one or more of the matters specified in this subsection.

2. Air quality mitigation services, including electric equipment rebate programs, electric vehicle support services, vehicle tune-up rebate programs, low emission appliance rebate programs, air quality fairs and similar promotional events, and services related to any one or more of the matters specified in this subsection.

3. Bicycle services, including bicycle racks and lockers at public civic uses, bicycle racks on transit vehicles, bikeshare programs, electrified bicycle promotion, bicycle fairs and similar promotional events, and services related to any one or more of the matters specified in this subsection.

4. Funding of costs of formation and ongoing operation of the North Natomas TMA, costs of Community Facilities District (CFD) formation and annual administration, and any miscellaneous costs related to any of the matters described in this list of services including planning costs, engineering costs, legal costs, and administration costs.

5. Any other services that serve to advance the goals and objectives specified in the above and which the board of the TMA has approved and which are included within the transportation management plan adopted by the board.

The special taxes may also be levied to accumulate funds for the above authorized services.

Exhibit B

City of Sacramento, California
North Natomas TMA Community Facilities District No. 99-01
(Transportation and Air Quality Services)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Community Facilities District No. 99-01 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

2. Definitions

"**Act**" means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code, and further amended by City of Sacramento Ordinance No. 99-008, an ordinance amending Title 81 of the Sacramento City Code.

"**Administrative Expenses**" means the actual or estimated costs incurred by the City to form the CFD and to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports; and any other costs required to administer the CFD as determined by the City.

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

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

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

"**Authorized Services**" mean those services, as listed in the Resolution forming CFD 99-01.

"**Base Fiscal Year**" means the Fiscal Year beginning July 1, 1999 and ending June 30, 2000.

"**Building Square Feet**" means the square feet of any floor area used for sales as determined by the City at building permit issuance or special use permit issuance.

"**CFD**" means the North Natomas TMA Community Facilities District No. 99-01 of the City of Sacramento, California.

"**City**" means City of Sacramento, California.

"**Condominiums**" means a Developed Residential Parcel with an approved land use for condominiums (more than two attached dwelling units that are owned individually). Parcels that are open space, recreation, clubhouse etc, owned by a Condominium Association or Homeowners Association, are Tax-Exempt Parcels.

"**Commercial**" means the land uses classified under 'Retail-Commercial' in the North Natomas Community Plan as may be amended, including Neighborhood Convenience Commercial, Village Commercial, Community Commercial, Transit Commercial, Highway Commercial, and Regional Commercial.

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

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

"**Detached Residential Unit**" means a Developed Residential Parcel with an approved land use for a single family, detached residential dwelling unit, or a duplex (two units per lot).

"**Developed Residential Parcel**" means a residential Parcel, which has:

- A recorded final small lot map for residential uses permitting up to 2 units per lot, or
- A special use permit for development of Multi-Family Units or Condominiums.

"**Developed Non-Residential Parcel**" means a Parcel which has a special use permit or building permit for development of Office, Industrial, Commercial land uses, or Sports Complex (Arena or Stadium).

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

"**Industrial**" means a Parcel that is designated for Light Industrial, or Manufacturing, Research, and Development, as described in the North Natomas Community Plan, as may be amended.

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

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

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

"**Multi-Family Units**" means a Developed Residential Parcel with an approved land use for three or more attached residential units owned in common.

"**Net Acre**" is the area of a Parcel after dedication of all public uses and rights-of-way.

"**Office**" means a Parcel designated for office use.

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

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

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

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

"**Sports Complex (Arena or Stadium)**" means the City-owned parcels designated in the Community Plan as Sports Complex with Assessor's Parcel Numbers 225-0070-076, 225-0070-059, 225-0070-063, 225-0070-067, 225-0070-060, and their successors. The City has determined that any Parcels participating in the CFD may, upon Council approval, be classified as Taxable Parcels through private party fee ownership, lease, or other similar arrangements. The classification decision as to Taxable or Tax-Exempt status may be made annually. If a land use entitlement is granted for other than a permitted Sports Complex, parcel(s) receiving such entitlement will revert to Developed Residential or Developed Non-Residential Parcels. If transferred to a private owner, these Parcels will be treated like any other Taxable Parcel. At the time of formation, the Arena operator has elected not to participate in the CFD.

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

"**Taxable Parcel**" means any Parcel that is classified as a Developed Residential Parcel or Developed Non-Residential Parcel.

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

"**Tax-Exempt Parcel**" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below); (ii) Sports Complex Parcels while owned and operated by the City, and (iii) all other Parcels not defined as Developed Residential Parcels or Developed Non-Residential Parcels.

3. Duration of the Special Tax

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

4. Assignment of Maximum Annual Special Tax

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

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel.
2. Each Parcel further classified as a Detached Residential Unit, Multi-Family Units, Condominiums, Office, Commercial, Industrial, or Sports Complex (Arena or Stadium).

B. Assignment of Maximum Annual Special Tax.

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

C. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax rate assigned by following the procedures in Sections 4.A and 4.B. above.

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and/or is converted to Developed Residential Parcel, Developed Non-Residential Parcel, or Taxable Parcel upon Council approval, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to 4.A and 4.B above. Conversely, if a Taxable Parcel is converted to a Parcel that meets the definition of a Public Parcel, it shall become Tax-Exempt.

5. Calculating Annual Special Taxes

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

A. Compute the Annual Cost using the definition in Section 2 for the Fiscal Year.

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

- Calculate the Maximum Annual Special Tax Revenues by setting the tax rate for each Taxable Parcel at 100% of its Maximum Annual Special Tax shown in **Attachment 1**. Proportionately reduce the special tax for each Taxable Parcel until the tax levy is set at an amount sufficient to fund the Annual Costs.

C. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

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

6. Records Maintained for the CFD

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

- The current Parcel Number;
- The Parcel acreage (gross, gross developable or net); and
- Number of residential units per parcel.
- Square feet of building space for non-residential parcels that have a recorded special use permit.

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

7. Appeals

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

be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

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

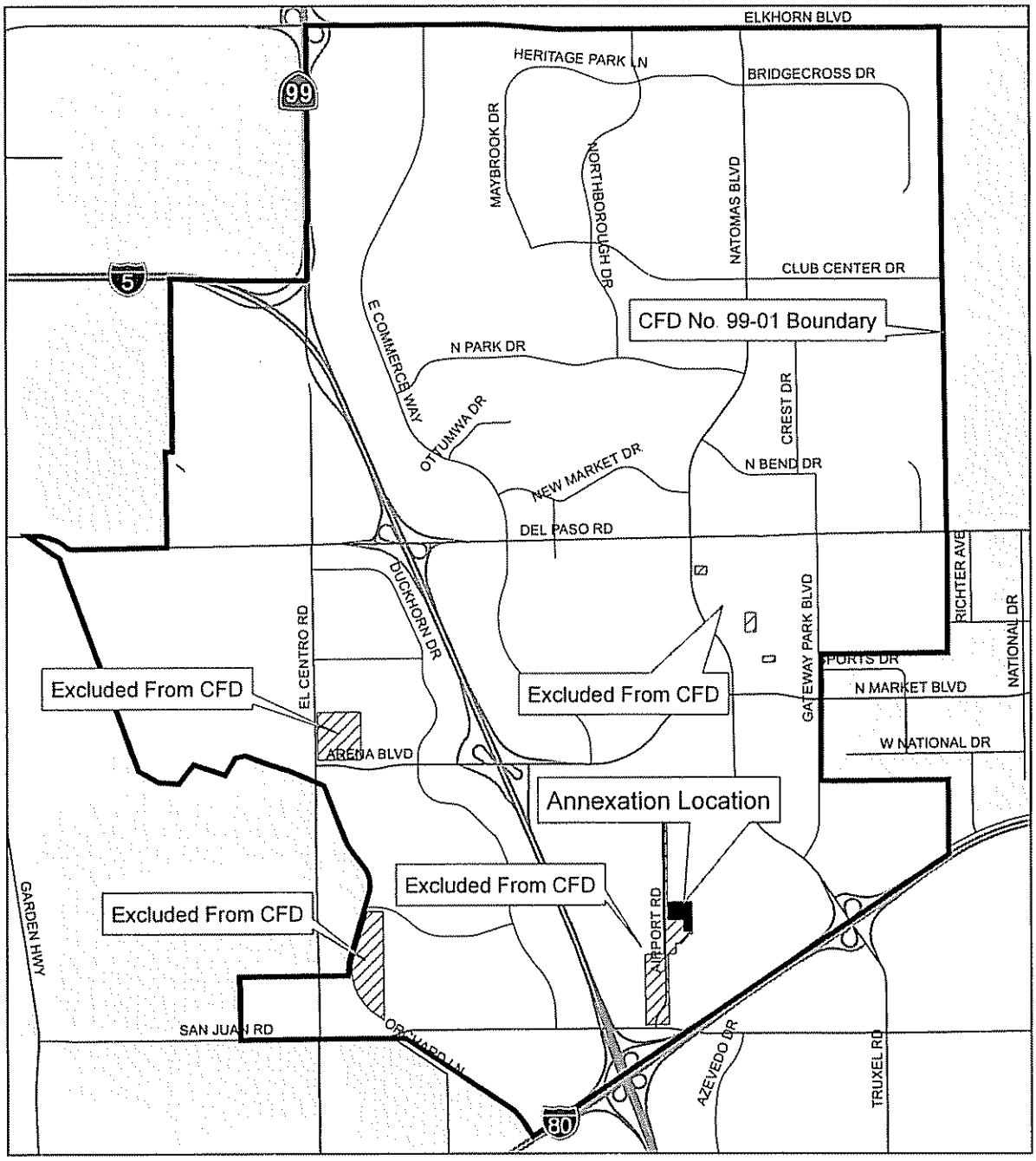
Attachment 1 to RMA Exhibit B

City of Sacramento CFD No. 99-01 Maximum Special Tax Rates

Base Year 1999-00 Land Use	Maximum Special Tax Rate [1]		Fiscal Year 2005-06 Maximum Special Tax Rate	
Developed Residential Parcels				
Detached Single Family Units	$18.00	Unit	$20.78	Unit
Multi-Family Units and Condominiums	$14.00	Unit	$16.16	Unit
Developed Non-Residential Parcels				
Office	$0.06	Bldg. Sq.ft.	$0.07	Bldg. Sq.ft.
Commercial	$0.10	Bldg. Sq.ft.	$0.12	Bldg. Sq.ft.
Industrial	$0.03	Bldg. Sq.ft.	$0.03	Bldg. Sq.ft.
Sports Complex [2] - Arena (84.2 acres) - Stadium Parcel (100 acres - undeveloped)	$200.00	Net Acre	$230.96	Net Acre

[1] Following the Base Year 1999-2000, the Maximum Special Tax Rates will escalate annually based upon the Consumer Price Index (CPI) prior year average, San Francisco, All Urban Consumers, (CPI-U), not to exceed 4%.

[2] The Sports Complex parcel(s) are owned by the City and thus exempt under the Mello-Roos Act. The City has by ordinance determined that its properties known as the "Sports Complex" may, upon council approval, be subject to the tax formula. The Arena is the only developed property at this time. Based upon the sublease agreement between the City, as sublessor, and the Arena operator, as sublessee, said sublessee holds authority to determine the participation of the leased Arena parcels in the District during the term of the sublease. The Arena operator has elected not to participate in the CFD at the time of formation.

EXHIBIT C

Annexation #1 to the North Natomas TMA Community Facilities District No. 99-01