REPORT TO COUNCIL
City of Sacramento

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PUBLIC HEARING
December 13, 2005

Honorable Mayor and
Members of the City Council

Subject: Annexation No. 10 to the North Natomas Neighborhood Landscaping Community Facilities District No. 99-02 – Public Hearing

Location/Council District:

Annexation No. 10 to the North Natomas Neighborhood Landscaping Community Facilities District (CFD) No. 99-02 is located in North Natomas in Council District 1 (Exhibit C, page 19).

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 landscape maintenance services in North Natomas. Adopting the attached Resolution will call for a special election on December 28, 2005 (Attachment A, page 4).

Committee/Commission Action: None

Background Information:

On June 29, 1999, City Council approved formation of the North Natomas Neighborhood Landscaping CFD. Formation of the District provided a funding mechanism to maintain the landscaped areas adjacent to residential subdivisions for the tentative map areas of Northborough No's. 1 and 2, Parkway Plaza, Northpointe Park,

Gateway North, Natomas Crossing, Riverview, Cambay West, Northpoint North, Creekside, Heritage, Parkview, Natomas Creek Village 1 to 3 and Hamptons Village 1 to 3. The CFD established separate zones for each tentative map or combination of tentative maps where similar landscaping was present. It also required that as other tentative maps are approved in the North Natomas area, they would be required to annex to this CFD.

This proposed annexation will annex the tentative map area of the Hamptons Village 4 and 5 (Exhibit C, page 19).

Financial Considerations:

The current maximum tax rate will be $115.00 for this zone. Only "developed residential parcels" will be subject to the CFD tax. A "developed residential parcel" has been defined as a parcel that has a recorded final map for residential uses and the City has formally accepted the landscaping improvements. The property owners shall pay for all costs associated with this CFD. There will be no cost to the City.

The special tax for future years may 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 this 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: _____
Mark Griffin
Fiscal Manager, Development Services Department

Respectfully Submitted by: _____
Carol Shearly
Director of Planning, Development Services Department

Recommendation Approved:

_____
ROBERT P. THOMAS
City Manager

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ATTACHMENT A

ANNEXATION #10 TO THE NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT (CFD) NO. 99-02 SCHEDULE

November 8, 2005	City Council – Resolution of Intention
November 9, 2005	Mail Notice of Hearing
December 13, 2005	**City Council – Public Hearing, Call for Special Election**
December14, 2005	Mail Ballots
December 28, 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. 10 TO THE NORTH NATOMAS NEIGHBORHOOD LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 99-02; PROVIDING FOR THE LEVY OF A SPECIAL TAX FOR LANDSCAPING MAINTENANCE 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 Neighborhood Landscaping Community Facilities District No. 99-02 (the District) in accordance with the Mello-Roos Community Facilities Act of 1982 (Gov. Code, 53311-53368.3) (the "Act") to finance Landscaping Maintenance 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. 10, 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 November 8, 2005, the City Council adopted Resolution No. 2005-816 (the "Resolution of Intention") declaring its intention to annex territory to the District and designating that territory as North Natomas Neighborhood Landscaping Community Facilities District No. 99-02, Annexation No. 10 (Annexation No. 10).

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. 10 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. 10; and (3) all other matters set forth in the Resolution of Intention.

D. A report on the proposal to add Annexation No. 10 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, December 13, 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. 10 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. 10, 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. 10 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. 10 to authorize the following: (1) the levy of a special tax on real property within Annexation No. 10 to pay for the Services proposed to be provided for Annexation No. 10 (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. 10.

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. 10 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. 10. 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. 10, the levy of the special tax, the extent of Annexation No. 10, 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. 10, to the levy of the special tax, the extent of Annexation No. 10, the types of Services to be provided, or the establishment of an appropriations limit for Annexation No. 10.

Section 4. The City Council determines and finds that all of its prior proceedings with respect to the addition of Annexation No. 10 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. 10 be added to the District and that the boundaries of Annexation No. 10 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. 10 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. 10; and (c) repay advances of funds or reimburse the value or cost (whichever is less) of work provided in kind for Annexation No. 10 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. 10. **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. 10 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 28, 2005**, in the territory comprised by Annexation No. 10. At the special election, the question of levying the special tax on real property within Annexation No. 10 and establishing an appropriations limit (as defined by article XIIIB, section 8, subdivision (h) of the California Constitution) in the amount of **$15,000** per fiscal year for Annexation No. 10 will be submitted to the landowners within Annexation No. 10 (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. 10 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 28, 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. 10 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. 10, 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. 10).

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

North Natomas Neighborhood Landscaping CFD No. 99-02
List of Authorized Services

The authorized services include those set forth below in addition to the costs associated with collecting and administering the special taxes, and annually administering the District. The special taxes may be levied to pay for any authorized services or to accumulate funds for that purpose. The primary function of the CFD is to fund the maintenance of neighborhood landscape areas for subdivisions. The CFD will also serve as a backup funding source for homeowners associations that fail to provide adequate landscaping or drainage maintenance, in the areas where they have been required to provide such maintenance services, as determined by the City.

The CFD's authorized services include the following:

1. The repair and maintenance of landscaping, irrigation facilities, lighting, soundwalls, monuments and signs, and other appurtenances within and along public rights-of-way.

2. Costs of scheduled inspection of maintenance of landscaped areas.

3. Maintenance services as required to implement a Lake Management Plan within a residential subdivsion.

4. Utility bills associated with maintenance of landscaped areas.

5. CFD formation and annual administration costs.

6. Miscellaneous cost related to any of the items described above including planning, engineering, legal, and administration.

Exhibit B

City of Sacramento, California
North Natomas Neighborhood Landscaping
Community Facilities District No. 99-02

RATE AND METHOD OF APPORTIONMENT 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 (the "Act") applicable to the land in the North Natomas Community Facilities District No. 99-02 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

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

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

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

   "**Annual Costs**" means for each Fiscal Year, the total of 1) Authorized Landscape Maintenance Services 2) Authorized Drainage Maintenance Services, 3) 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 99-02.

   "**Base Drainage Maintenance Services Maximum Tax**" means the maximum special tax that can be levied for drainage maintenance services for any new Tax Zone created through annexation of a residential subdivision.

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

"Base Landscape Maintenance Services Maximum Tax" means the maximum special tax that can be levied for landscape maintenance services for any new Tax Zone created through annexation of a residential subdivision.

"**CFD**" means the North Natomas Neighborhood Landscape Services Community Facilities District No. 99-02 of the City of Sacramento, California.

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

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

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

"**Developed Residential Parcel"** means a residential Parcel, which has a recorded final small lot map for residential uses permitting up to 2 units per lot.

"Drainage Maintenance Services Tax" means the portion of the maximum special tax that is levied on a Taxable Parcel to fund drainage maintenance and associated costs. Residential parcels in certain subdivisions are required by the City to provide a backup funding source for the maintenance of drainage facilities in the event that the homeowners association fails to provide adequate drainage maintenance. This portion of the special tax is only levied if the City has determined that the subdivision homeowners association has failed to adequately provide the required drainage maintenance service.

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

"Landscape Maintenance Services Tax" means the portion of the Maximum Annual Special Tax that is levied on a Taxable Parcel to fund landscape maintenance and associated costs. The tax is levied on Parcels that do not have maintenance of landscaping provided by homeowners associations. However, the tax may also be used as a backup tax in the event that a homeowners association fails to adequately provide landscape maintenance and the City has to take over provision of services.

"**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.

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

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

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

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

"**Subdivision**" means a division of a Parcel into a set of Successor Parcels through the Subdivision Map Act process.

"**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 Undeveloped Parcel.

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

"**Tax-Exempt Parcel**" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (i) Public Parcels (subject to the limitations set forth in Section 4, below); and (ii) all other parcels not defined as Developed Residential Parcels or Undeveloped Parcels.

"**Tax Zone**" describes one or more subdivisions with similar landscaping maintenance features and annual maintenance costs that are grouped together as a Tax Zone. Each subdivision included in the CFD at formation is assigned a Tax Zone. As a subdivision is annexed into the CFD, it may either be annexed into an existing Tax Zone or be assigned a new Tax Zone. Tax Zones will be labeled in alphabetical sequence as new Tax Zones are created.

"Undeveloped Land Tax" means the maximum special tax that can be levied for landscape maintenance services for an Undeveloped Parcel.

"Undeveloped Parcel" means remaining land in subdivision designated for single family residential land uses permitting up to 2 units per lot in the tentative map.

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 Taxable Parcel to be further categorized by Tax Zone. The Tax Zone assigned to a Parcel is based on the same Tax Zone assigned to the Taxable Parcel's subdivision.
3. Each Taxable Parcel to be classified as to whether or not it is subject to the Landscape Maintenance Services Tax.
4. Each Taxable Parcel to be further classified as to whether or not it is subject to the Drainage Maintenance Services Tax.
5. Each Taxable Parcel to be further classified as to whether or not it is subject to the Undeveloped Land Tax.

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. Subdivisions annexing into the CFD shall have their Maximum Special Tax Rate and Tax Zone assigned at the time of annexation.

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, 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 privately owned parcel is converted to a public use, it shall become Tax-Exempt.

5. Calculating Annual Special Taxes

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

A. Compute the Annual Cost using the definition in Section 2 for the Fiscal Year. The City will allocate the Annual Costs for landscape maintenance and drainage maintenance for each Tax Zone. All administrative costs or other costs not related to the provision of landscape maintenance or drainage maintenance shall be allocated based on each Tax Zone's percentage of the total landscape maintenance costs and drainage maintenance costs.

B. For each Tax Zone, calculate the Landscape Maintenance Service Tax for each Developed Parcel necessary to fund the allocated landscape maintenance cost and administration cost by the following:

- Calculate the Maximum Annual Special Tax Revenues for the landscape maintenance portion of the Special Tax by setting the tax rate for each Developed Parcel at 100% of its Maximum Annual Special Tax shown in **Attachment 1**. If revenues are greater than the Annual Cost allocated to the Tax Zone for landscape maintenance and administration cost, the tax is reduced proportionately until the special tax is set at an amount sufficient to cover the allocated Annual Cost.

- If revenues from taxing Developed Parcels at 100% of the Maximum Annual Special Tax is not sufficient to fund allocated Annual Cost, levy the Undeveloped Land Tax up to 100% of its Maximum Annual Special Tax shown in **Attachment 1,** or until total special tax revenues equal Annual Cost.

C. For each Tax Zone, calculate the Drainage Maintenance Services Tax for each Taxable

Parcel necessary to fund the allocated drainage maintenance costs by the following:

- Calculate the Maximum Annual Special Tax Revenues for the drainage maintenance portion of the Special Tax by setting the tax rate for each Taxable Parcel subject the drainage maintenance portion of the Special Tax at 100% of its Maximum Annual Special Tax shown in **Attachment 1**. If revenues are greater than the Annual Cost allocated to the Tax Zone for drainage maintenance, the tax rate is reduced proportionately until the tax levy is set at an amount sufficient to cover the allocated Annual Cost.

D. Sum the Landscape Maintenance Services Tax and the Drainage Maintenance Services Tax calculated above to determine the Special Tax Levy for each Taxable Parcel in each Tax Zone.

E. 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;
- Number of residential units per parcel; and
- Tax Zone for the Parcel.

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

7. **Appeals**

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

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

8. **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, the City 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 its financial obligation.

Attachment 1
North Natomas CFD No. 99-02 Maximum Special Tax Rates

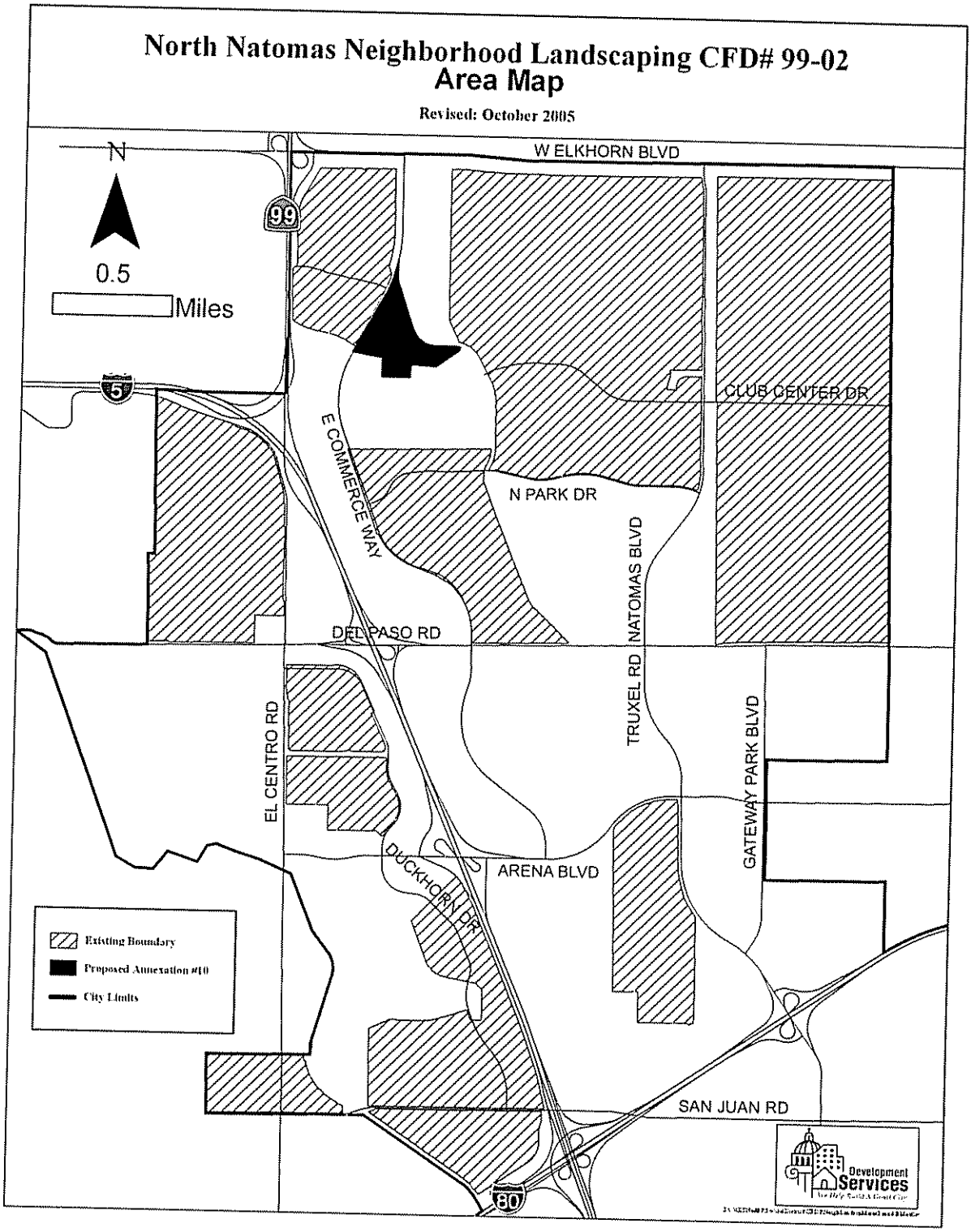
Subdivisions [2]	Tax Zone [1]	Base Year for Maximum Special Tax	Base Year Maximum Special Tax Rate [3], [4]	Estimated Fiscal Year 2005-06 Maximum Special Tax Rate [5]
Tax Zones at CFD Formation				
Natomas Park	A	1999-00		
Landscape Maintenance Services Tax			$35 per unit	$44 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$190 per gross acre	$240 per gross acre
Natomas Crossing	B	1999-00		
Landscape Maintenance Services Tax			$45 per unit	$57 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Gateway West	C	1999-00		
Landscape Maintenance Services Tax			$60 per unit	$76 per unit
Drainage Maintenance Services Tax - Gateway West			$150 per unit	$190 per unit
Drainage Maintenance Services Tax - other subdivisions			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexations				
Annexation No. 1 Westlake	D	2000-01		
Landscape Maintenance Services Tax			$70 per unit	$85 per unit
Drainage Maintenance Services Tax			$40 per unit	$49 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexation No. 2 River View	A	2000-01		
Landscape Maintenance Services Tax			$36 per unit	$44 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$198 per gross acre	$240 per gross acre
Annexation No. 3 Cambay West	E	2001-02		
Landscape Maintenance Services Tax			$80 per unit	$94 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexation No. 4 Natomas Park [7]	A	2001-02		
Landscape Maintenance Services Tax			$38 per unit	$44 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$206 per gross acre	$240 per gross acre
Annexation No. 4 Northpointe II	F	2001-02		
Landscape Maintenance Services Tax			$20 per unit	$23 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexation No. 5 Creekside	A	2002-03		
Landscape Maintenance Services Tax			$39 per unit	$44 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$214 per gross acre	$240 per gross acre

Attachment 1 (Continued)
North Natomas CFD No. 99-02 Maximum Special Tax Rates

Subdivisions [2]	Tax Zone [1]	Base Year for Maximum Special Tax	Base Year Maximum Special Tax Rate [3], [4]	Estimated Fiscal Year 2005-06 Maximum Special Tax Rate [5]
Annexation No. 6 Heritage	G	2002-03		
Landscape Maintenance Services Tax			$113 per unit	$127 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexation No.7 Parkview	H	2002-03		
Landscape Maintenance Services Tax			$58 per unit	$65 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexation No.8 Natomas Creek	I	2003-04		
Landscape Maintenance Services Tax			$12 per unit	$13 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexation No.9 The Hamptons I	J	2005-06		
Landscape Maintenance Services Tax			$115 per unit	$115 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Annexation No.9 The Hamptons II	J	2005-06		
Landscape Maintenance Services Tax			$115 per unit	$115 per unit
Drainage Maintenance Services Tax			$0 per unit	$0 per unit
Undeveloped Land Tax [6]			$0 per gross acre	$0 per gross acre
Base Landscape Maintenance Services Maximum Tax		1999-00	**$100 per unit**	**$127 per unit**
Base Drainage Maintenance Services Maximum Tax		1999-00	**$200 per unit**	**$253 per unit**
Undeveloped Land Tax		1999-00	**$310 per gross acre**	**$392 per gross acre**

1. Any new Tax Zone that is created will be labeled with an alphabetical letter. The new letter will follow sequence from the existing Tax Zone letters. For Annexations joining an existing Tax Zone, the existing Tax Zone that the annexation is joining will be used.
2. At time of District Formation, three project areas were identified with varying annual maintenance costs. Annexing subdivisions will either be added to an existing Tax Zone, or a new Tax Zone will be created. In no case may a new Tax Zone have a Maximum Annual Special Tax for Landscaping or Drainage Maintenance greater than the Base Maximum Annual Special Taxes (as may be adjusted by the Tax Escalation Factor) shown in the above table.
3. If landscape maintenance or drainage services are provided by a Homeowners Association, the maximum special tax rate for those parcels will be set to $0.
4. Following the Base Year for each tax zone or annexation, the Maximum Special Tax Rates will increase annually based upon the Consumer Price Index (CPI) (prior year annual average), San Francisco, All Urban Consumers (CPI-U), not to exceed 4%.
5. Estimated Fiscal Year 2003-04 Maximum Special Tax Rates assume maximum escalation at 4% annually from the base year.
6. The undeveloped land tax is a backup tax if revenues from taxing Developed Parcels at 100% of the Landscape Maintenance Services Tax is not sufficient to fund the allocated Annual Cost.
7. Includes Northborough Phase II, a subdivision of Natomas Park.

EXHIBIT C


North Natomas Neighborhood Landscaping CFD# 99-02
Area Map
Revised: October 2005
N
0.5
Miles
W ELKHORN BLVD
99
5
CLUB CENTER DR
E COMMERCE WAY
N PARK DR
NATOMAS BLVD
DEL PASO RD
TRUXEL RD
EL CENTRO RD
GATEWAY PARK BLVD
DUCKHORN DR
ARENA BLVD
SAN JUAN RD
80
Existing Boundary
Proposed Annexation #10
City Limits
Development Services