



3.12

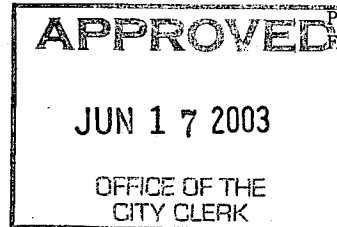
OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

CITY OF SACRAMENTO
CALIFORNIA

926 J STREET
SUITE 300
SACRAMENTO, CA
95814-2709

June 9, 2003
F231NWF.DOC



PH 916-264-5168
FAX 916-448-3139

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: EMERGENCY ORDINANCE AMENDING TITLE 18 OF THE SACRAMENTO CITY CODE RELATED TO DEVELOPMENT FEES IN NORTH NATOMAS

LOCATION AND COUNCIL DISTRICT: North Natomas, Council District 1

RECOMMENDATION:

Staff recommends that City Council adopt the attached ordinance to amend Chapter 18.52 of the City Code which imposes a Refundable Supplemental North Natomas Drainage Fee and a Refundable Buy-in Fee and declaring this ordinance to be an Emergency Ordinance to become effective immediately upon its adoption.

CONTACT PERSON: Thomas P. Friery, City Treasurer, 264-5168

FOR COUNCIL MEETING OF: June 17, 2003

SUMMARY:

On March 25, 2003, City Council approved Ordinance No. 2003-006 and Resolution No. 2003-145 that imposed a Refundable Supplemental North Natomas Drainage Fee and a Refundable Buy-in Fee. The revenue generated from these fees is a source of reimbursement for completion of the North Natomas Comprehensive Drainage System – Community Facilities District No. 97-01. Adoption of the Emergency Ordinance provides for correction of a clerical oversight in the originally adopted version.

BACKGROUND:

On March 25, 2003, City Council approved Ordinance No. 2003-006 and Resolution No. 2003-145 that imposed a Refundable Supplemental North Natomas Drainage Fee and a Refundable Buy-in Fee. The fees are a source of funds for the equitable distribution of the financial obligation certain North Natomas landowners and the City incurred in order to finance the completion of the North Natomas Comprehensive Drainage System, through the sale of Community Facilities District No. 97-01 (CFD 97-01), Subordinate Series C bonds.

The fee was developed and structured to include all remaining development within the CFD 97-01 boundaries which had not yet been *issued* a building permit and would be payable at the time of issuance of the building permit. This structure was necessary to ensure the financial obligation for completing the CFD 97-01 improvements was equitably distributed to all benefiting parties and is consistent with the Council Report and resolution that established the fee amount.

The language in the fee ordinance that added Chapter 18.52.010. states:

“Supplemental Refundable North Natomas Drainage Fee. Each landowner within the North Natomas Community Plan area who, on or after March 1, 2003, *applies* for a building permit for lands within that area, shall pay a supplemental refundable North Natomas Drainage Fee (“Fee”) as a condition of issuance of the building permit...”

Through an administrative oversight, the language in the ordinance stated “applies for a building permit” instead of “issued a building permit.” The proposed ordinance would amend the language to more accurately reflect the intent of applying the Supplemental Refundable North Natomas Drainage Fee to all remaining development in North Natomas at the time of issuance of a building permit.

FINANCIAL CONSIDERATIONS:

This administrative correction ensures the City’s ability to implement the fees and collect revenue as intended in order to equitably distribute the financial obligation incurred for completing CFD 97-01 to all benefiting parties.

ENVIRONMENTAL CONSIDERATIONS:

None.

POLICY CONSIDERATIONS:

Because development in North Natomas could not continue without construction of the third phase of the Comprehensive Drainage System improvements, the city and certain private North Natomas landowners agreed upon an interim financing (CFD 97-01, Subordinate Series C bonds.) The adopted fees are a mechanism to ensure the financial obligation of the interim financing during the period the CFD 97-01, Subordinate Series C bonds are outstanding is equitably shared by all those developing in this time period and not just those advancing the funds necessary to complete the Comprehensive

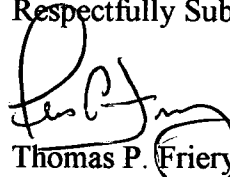
City Council
Ordinance Amendment
June 17, 2003

Drainage System. An emergency ordinance is being requested to ensure the Refundable Supplemental North Natomas Drainage Fee is applied as intended in order to maintain the integrity of the interim financing solution.

ESBD CONSIDERATIONS:

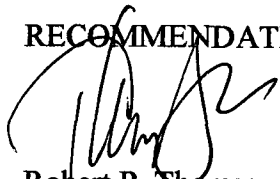
None at this time, as no goods or services are being procured with this action.

Respectfully Submitted,



Thomas P. Friery
City Treasurer

RECOMMENDATION APPROVED:

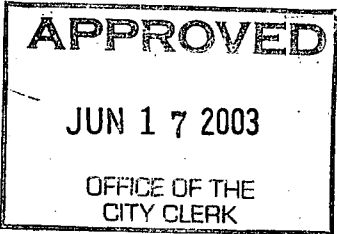


Robert P. Thomas
City Manager

TABLE OF CONTENTS

Page

Ordinance amending Title 18 of the Sacramento City Code relating to Development Fees in North Natomas, to amend language in Chapter 18.52 and declaring this ordinance to be an Emergency Ordinance to become effective immediately upon its adoption.	4
--	---



ORDINANCE NO. 2003-025

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AMENDING SECTION 18.52.010 OF CHAPTER 18.52 OF TITLE 18 OF THE SACRAMENTO CITY CODE RELATING TO DEVELOPMENT FEES IN NORTH NATOMAS, AND DECLARING THIS ORDINANCE TO BE AN EMERGENCY ORDINANCE TO BECOME EFFECTIVE IMMEDIATELY PURSUANT TO SECTION 32 OF THE CITY CHARTER

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

SECTION 1.

RECITALS:

- A. On March 25, 2003, City Council adopted Ordinance No. 2003-006 amending Title 18 of the Sacramento City Code relating to development fees in North Natomas, to add chapter 18.52, imposing a refundable supplemental North Natomas drainage fee, among other provisions.
- B. The refundable supplemental North Natomas drainage fee was enacted as part of the financing provisions contained in the North Natomas Comprehensive Drainage Community Facilities District No. 97-01, Subordinate Series C Bonds ("CFD 97-01, Subordinate Series C Bonds") which were issued to fund the third phase of improvements of the Comprehensive Drainage System in North Natomas.
- C. The city and certain private North Natomas landowners entered into agreements for the sale and purchase of the CFD 97-01, Subordinate Series C Bonds, including Investment Agreements the intent of which was to impose the refundable supplemental North Natomas drainage fee so that it would be paid by landowners prior to issuance of building permits as a means of repaying the parties who made the initial investment in the CFD 97-01, Subordinate Series C Bonds and as additional security for repayment of the bonds.
- D. It was the intent of the parties entering the Investment Agreements that the refundable supplemental North Natomas drainage fee be applied to all remaining development for which a building permit had not been issued.
- E. Through an administrative oversight, the language as stated in the adopted ordinance requires payment of the refundable supplemental North Natomas drainage fee at time of permit application, rather than at time of permit issuance, and thus impairs the city's ability to impose the fee in the intended manner

FOR CITY CLERK USE ONLY

ORDINANCE NO.: _____

DATE ADOPTED: _____

SECTION 2.

Section 18.52.010 of Chapter 18.52 of Title 18 of the Sacramento City Code is amended to read as follows:

18.52.10 Supplemental Refundable North Natomas Drainage Fee.

Each landowner within the North Natomas Community Plan area who, on or after March 1, 2003, ~~applies for~~ is issued a building permit for lands within that area, shall pay a supplemental refundable North Natomas Drainage Fee ("Fee") as a condition of issuance of the building permit, in an amount established by the City Council by resolution. The payor of the Fee, or the assignees of the payor, shall be reimbursed, with interest at a rate set by the City Council in the resolution establishing the amount of the Fee, at the time of issuance of further series bonds in North Natomas Drainage Community Facilities District No. 97-01. The proceeds of the Fee shall be utilized in accordance with the terms and provisions of the resolution establishing the amount of the Fee.

SECTION 3.

This ordinance is declared to be an emergency ordinance, to become effective immediately upon its adoption. The facts constituting the emergency are as follows: it was and is the purpose and intent to apply the supplemental refundable North Natomas Drainage Fee to all projects issued building permits after March 1, 2003, regardless of date of application for building permit. Ordinance No. 2003-006 was enacted as an urgency measure so that all new or pending projects that benefit from the third phase of improvements of the Comprehensive Drainage System in North Natomas would share in the financing of those improvements. There are several pending building permit applications and it is therefore necessary and appropriate that the ordinance take effect immediately so as to effectuate the Council's original intent in enacting the supplemental refundable North Natomas Drainage Fee.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

ORDINANCE NO.: _____

DATE ADOPTED: _____