



APPROVED  
BY THE CITY COUNCIL

JAN 20 1997  
OFFICE OF THE  
CITY CLERK

1.10

DEPARTMENT OF  
PUBLIC WORKS

SPECIAL DISTRICTS  
DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
915 I STREET  
ROOM 200  
SACRAMENTO, CA  
95814-2608

PH 916-264-7113  
FAX 916-264-5573

January 17, 1997

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT  
NO. 97-01 RESOLUTION OF INTENTION**

**LOCATION AND COUNCIL DISTRICT:**

The proposed Community Facilities District (CFD) will include approximately 5,800 acres of the North Natomas Community Plan area located in Council District 1 (see map Exhibit A).

**RECOMMENDATION:**

This report recommends that the City Council adopt the following:

- Resolution of Intention to Establish a CFD and to Levy a Special Tax (Setting Hearing Date and Approve Boundary Map).
- Resolution of Intention to Issue Bonds Secured by a Special Tax.

**CONTACT PERSON:** Edward Williams, Associate Engineer, 264-5440.

**FOR COUNCIL MEETING OF:** January 28, 1997

**SUMMARY:**

This report presents a proposal to form a Mello-Roos Community Facilities District (CFD) pursuant to the Mello-Roos Community Facilities District Act of 1982 and the North Natomas Financing Plan adopted by City Council August 9, 1994. The proposed CFD will fund drainage improvements that will remove North Natomas from the internal 100 year flood plain and provide initial habitat mitigation.

City Council

North Natomas Drainage Community Facilities District No. 97-01 R.O.I.

January 28, 1997

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

In August 1994, City Council adopted the North Natomas Financing Plan which identified funding sources for backbone infrastructure and public facilities through buildout of the North Natomas Finance Plan area. A Mello-Roos CFD was identified as the primary funding source for the Comprehensive Drainage Plan.

In August of 1996 City Council approved a Resolution of Intention to form the Mello-Roos CFD (No. 97-01). On October 8, 1996, City Council approved formation of the District subject to required landowner special election. In November 1996, the City's design engineer consultant advised that the costs of the drainage improvements had increased beyond the financing capability of CFD 96-05. As a result of the increase, it is necessary to redo the CFD formation proceedings using the new cost estimate and revised special tax formula.

The boundary of the proposed CFD, as indicated in Exhibit A, includes approximately 5,800 acres of land including the existing Arco Arena Sports Complex and the proposed sports stadium site. Property excluded from the district include the existing trailer park, Elixir Industries, Witter Historic Ranch and other miscellaneous parcels.

Improvements to be funded through the CFD include:

- Drainage Facilities including levee and channel improvements, pumping plants, land acquisition, engineering, administration and legal costs.
- Acquisition of land to provide for initial habitat mitigation.

These facilities are more fully described in the Natomas Comprehensive Drainage Plan Pre-Design Report and the Financing Plan Report for CFD 97-01.

**CFD Special Election Proceedings**

The proposed district will be formed in compliance with the Community Facilities District Act of 1982. As part of the proceedings a special election is required. In a case where the vote is by landowners, rather than registered voters, each acre within the proposed district receives one (1) vote. A  $\frac{2}{3}$  majority is required to finalize the CFD formation. A schedule for the CFD proceedings is provided on Exhibit B.

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January 28, 1997

#### Property Owner Survey

All property owners were previously surveyed in May 1996 on whether or not they were in favor of forming a CFD for drainage. The survey indicated owners of 78% of the property were in favor of the CFD. The results of the survey are shown on Exhibit C.

#### **FINANCIAL CONSIDERATIONS:**

The improvements are proposed to be constructed in three (3) phases at a total cost of \$24.6 million and requiring an estimated \$32 million in special tax bonds. The itemized costs and full bond authorization of \$35 million are shown on Exhibit D.

#### City Participation

Annual bond payments will be funded by property owners within the CFD. The City is owner of the 100.4 acre proposed sports stadium site on Del Paso Road. Although the stadium parcel is included in the district, the special tax formula has been structured such that the property would not be subject to annual debt service. The property would, however, be required to pay a catch-up tax at such time when the property transfers ownership or develops. The City would be required to pay the Special Taxes that it would have paid if it had been classified as an Undeveloped Parcel for each year that Special Taxes were levied on Undeveloped Parcels.

#### Special Tax Formula

The Rate and Method of Apportionment of the Special Tax is attached as Exhibit C of the Resolution of Intention.

#### Maximum Special Tax Rate

The maximum special tax rates for developed parcels are shown on Exhibit E. The rates escalate 2.0% per year from year one. The rates for undeveloped parcels are shown on Exhibit E. These rates escalate 2.0% per year through the year 2010 and then hold constant for the duration of the district.

Parcels being annexed into the CFD in the future will be subject to a "catch-up tax." The catch-up is equal to the Special Tax that would have been paid if the parcel had been classified as an Undeveloped Parcel for each year that Special Taxes were levied on Undeveloped Parcels.

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#### Prepayment of Special Tax

Prepayment of the Special Tax will permanently satisfy a landowners Special Tax obligation. By selecting to prepay, a landowner can eliminate the future annual Special Tax liability for one or more parcels. Initial calculation of prepayment amounts (per acre) are indicated on Exhibit G.

#### **ENVIRONMENTAL CONSIDERATION:**

The Council's action initiating proceedings for the formation of this district will have no conceivable effect upon the environment since the action is preliminary in nature and does not irretrievably commit the City to any course of action. At the time that this district is presented to the Council for formation, however, the appropriate environmental document relating to the project to be constructed (the North Natomas Comprehensive Drainage Project) will be scheduled for consideration in connection with project approval.

#### **POLICY CONSIDERATIONS:**

The procedures under which this district is being formed are set forth in Title 5 of the Government Code Sections 53311 - 53317.5 entitled, "The Mello-Roos Community Facilities Act of 1982."

#### Continuing Disclosure

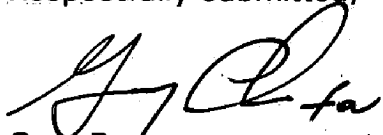
New Securities and Exchange Commission Rule 15c2-12(b)(5) created a requirement that certain third parties other than the City provide ongoing disclosure of specified categories of information, in an effort to protect the secondary bond market from a perceived lack of information. City staff has joined together with underwriters, bond counsel, and a representative group of landowners for the purpose of developing a set of policies regarding continuing disclosure and compliance with Rule 15c2-12, for presentation to the City Council for action. These issues will be resolved prior to bond issuance.

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January 28, 1997

**MBE/WBE:**

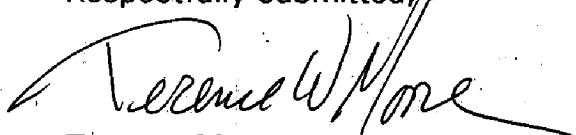
None. No goods or services are being purchased.

Respectfully submitted,



Gary Regents  
Engineering Division Manager

Respectfully submitted,



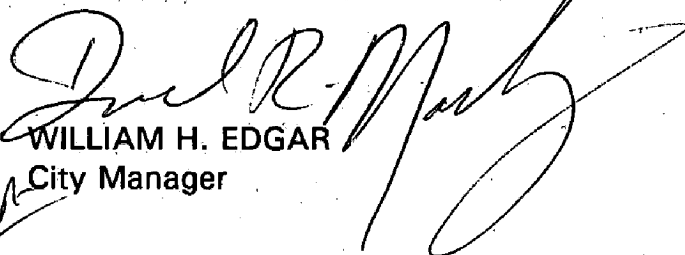
Terence Moore  
Manager, Special Projects

Respectfully submitted,



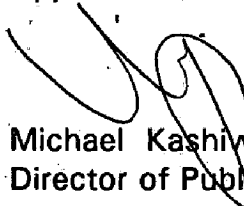
Gary Alm  
Manager, Real Estate Services and  
Special Districts

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR  
City Manager

Approved:



Michael Kashiwagi  
Director of Public Works

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MEMORANDUM OF PROCEEDINGS  
TO BE CONSIDERED BY THE  
CITY COUNCIL OF THE CITY OF SACRAMENTO  
ON TUESDAY, JANUARY 28, 1997  
IN CONNECTION WITH THE CITY OF SACRAMENTO  
NORTH NATOMAS DRAINAGE  
COMMUNITY FACILITIES DISTRICT NO. 97-01

It is in order for the City Council to consider the following items to initiate proceedings for the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 ("CFD 97-01"):

A. Items for Council Action:

1. Resolution Declaring its Intention to Establish a Community Facilities District and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (Resolution [R-1]).\*
2. Resolution Declaring its Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities in and for the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (Resolution [R-2]).

B. Items to be Filed with the City Clerk:

1. Original and three (3) copies of the Boundary Map.
2. Notices:
  - (a) Notice of Public Hearing of Resolution of Intention to Establish the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (Notice [N-1]).
  - (b) Notice of Public Hearing of Resolution of Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities in and for the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (Notice [N-2]).

\* Note the exhibits that must be attached to Resolution [R-1] before consideration by the City Council.

3. Affidavits:

- ✓ (a) Affidavit of Recording Boundary Map (Affidavit [A-1]).
- ✓ (b) Affidavit of Compliance with Requirement for Publishing Notice of Public Hearing on Resolution of Intention to Establish the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (Affidavit [A-2]).
- ✓ (c) Affidavit of Compliance with Requirement for Mailing Notice of Public Hearing on Resolution of Intention to Establish the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (Affidavit [A-3]).
- ✓ (d) Affidavit of Compliance with Requirement for Publishing Notice of Public Hearing of Resolution of Intention to Incur a Bonded Indebtedness for the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (Affidavit [A-4]).
- ✓ (e) Affidavit of Compliance with Requirement for Mailing Notice of Public Hearing on Resolution of Intention to Incur a Bonded Indebtedness for the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (Affidavit [A-5]).

C. Additional Instructions for the City Clerk:

1. Boundary Map:

On the original and three (3) copies of the Boundary Map:

- ✓ (a) Fill in the filing date in the Clerk's office, using the date of the Council meeting, and sign the Clerk's filing certificate.
- ✓ (b) Fill in the Council approval certificate using the date of the Council meeting, enter the resolution number (Resolution [R-1]), and sign the Council approval certificate.
- ✓ (c) Have the original Boundary Map filed for record in the office of the County Recorder of the County of Sacramento no later than fifteen (15) days prior to the date of the public hearing.

- (d) Ask the County Recorder to conform the three (3) copies of the Boundary Map with the recording data. Keep one (1) conformed copy in the City Clerk's file of proceedings and send two (2) conformed copies to our office for the transcript files.

2. Notices of Public Hearings:

✓ (a) Notice [N-1]:

- (1) In the first paragraph on page 1, fill in the blank the number of Resolution [R-1].
- (2) Attach Exhibit A to the Notice.
- (3) Sign the Notice.

✓ (b) Notice [N-2]:

- (1) In the first paragraph on page 1, fill in the blank the number of Resolution [R-2].
- (2) Sign the Notice.

- ✓ (c) Publication - After the Council meeting, please arrange to have the two Notices of Public Hearing [N-1] (together with Exhibit A) and [N-2] published once in the *Daily Recorder* at least seven (7) days prior to the public hearing. Please secure a proof of publication in triplicate, keep one copy in your file of proceedings and send two copies to our office.

- ✓ (d) Mailing - Please mail a copy of the two Notices of Public Hearing [N-1] (together with Exhibit A) and [N-2] by first-class mail, postage prepaid, to all property owners and registered voters within CFD 97-01 in accordance with the names and addresses as they appear on the records of the Sacramento County Treasurer-Tax Collector and the records of the Sacramento County Registrar of Voters, respectively, no later than fifteen (15) days prior to the public hearing.

3. Affidavits:

- (a) Please complete and sign, in triplicate, each of the five Affidavits [A-1] through [A-5] listed in Item B.3. above and have them notarized. Keep the originals in the City Clerk's file of proceedings and return two (2) copies of each affidavit to our office.



- ✓ 4. Please send two (2) certified copies of the adopted resolutions to our office.

If you have any questions regarding these instructions, please call:

Carlo Fowler, Bond Attorney (415) 773-5884  
or  
Amy Wong, Legal Assistant (415) 773-4262  
at  
ORRICK, HERRINGTON & SUTCLIFFE LLP

Proposed Boundaries of  
NORTH NATOMAS DRAINAGE  
COMMUNITY FACILITIES DISTRICT NO. 97-01  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD

0 FEET  
1000  
2000

MAP CLERK, SACRAMENTO, CA. DRAWN BY: LANDSCAPE ARCHITECT - TRANSPORTATION AND DEVELOPMENT DIVISION

COMMUNITY FACILITIES  
DISTRICT BOUNDARY

CLERK'S MAP FILING STATEMENT  
FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF  
SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA  
THIS \_\_\_\_ DAY OF \_\_\_\_, 19\_\_

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

CLERK'S CERTIFICATE  
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED  
BOUNDARIES OF THE NORTH NATOMAS DRAINAGE COMMUNITY  
FACILITIES DISTRICT, CITY OF SACRAMENTO, 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 \_\_\_\_, 19\_\_, BY ITS  
RESOLUTION NO. \_\_\_\_\_

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

COUNTY RECORDER'S FILING STATEMENT:  
FILED THIS \_\_\_\_ DAY OF \_\_\_\_, 19\_\_, AT THE HOUR OF  
\_\_\_\_ O'CLOCK \_\_\_\_, IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT  
DISTRICTS 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

EXHIBIT A

**SCHEDULE OF PROCEEDINGS  
NORTH NATOMAS DRAINAGE CFD No. 97-01**

14-Jan-97

<b>28-Jan-97</b>	<b>City Council - Initiate Formation of Mello-Roos CFD</b>
<b>04-Mar-97</b>	<b>City Council - Public Hearing on District Formation</b>
<b>03-Jun-97</b>	<b>Special Election to Establish District and Authorizing Bonds to be Issued</b>
<b>10-Jun-97</b>	<b>City Council - Ordinance To Levy Special Tax</b>
<b>03-Jul-97</b>	<b>Bond Sale</b>
<b>17-Jul-97</b>	<b>Bond Closing and Receive Bond Proceeds</b>

Figure 1  
North Natomas Drainage CFD 97-01  
Landowner Survey Results

EXHIBIT C

Owner	Gross Acres	CFD Survey	Yes	% Yes of Total
<b>East of I-5</b>				
<b>Quadrant 1</b>				
Alleghany Properties	520.88	Y	520.88	9.0%
B&B and Sons Enterprises	77.32		0	0.0%
Buzz Oates Enterprises II	82.02	Y	82.02	1.4%
Capitol Realtors Inc.	12.73		0	0.0%
City of Sacramento	100.41	Y	100.41	1.7%
Kings Arco Arena	83.37	Y	83.37	1.4%
SSA	3.85		0	0.0%
Sanwa Bank	99.21	Y	99.21	1.7%
State Ventures Inc.	20.78		0	0.0%
Quadrant Subtotal	1000.57		885.89	15.3%
<b>Quadrant 2</b>				
D.W. Ketscher Trust	255.31		0	0.0%
JMA Corp.	99.36	Y	99.36	1.7%
Kensington Square	112.83		0	0.0%
Kern W. Schumacher	553.04	Y	553.04	9.5%
Lewis Homes of Calif.	107.95	Y	107.95	1.9%
Valley Land Co.	934.27	Y	934.27	16.1%
Winncrest Homes	954.2	Y	954.2	16.4%
Allison Payne Smith	25.89		0	0.0%
Quadrant Subtotal	3042.85		2648.82	45.6%
Totals East of I-5	4043.42		3534.71	60.9%
<b>West of I-5</b>				
<b>Quadrant 3</b>				
Gateway Truxel Part.	139.7	Y	139.7	2.4%
Land Development Co.	451.14	N	0	0.0%
Ose Properties No.2	61.44	N	0	0.0%
Winncrest Homes	330.7	Y	330.7	5.7%
Quadrant Subtotal	982.98		470.4	8.1%
<b>Quadrant 4</b>				
Alleghany Properties	257.92	Y	257.92	4.4%
Gateway Truxel Part.	229.19	Y	229.19	3.9%
Witter Family Properties	174.79	N	0	0.0%
Dwight Moore Trust	116.83		0	0.0%
Quadrant Subtotal	778.73		487.11	8.4%
Totals West of I-5	1761.71		957.51	16.5%
<b>TOTAL AREA</b>	<b>5805.13</b>		<b>4492.22</b>	<b>77.38%</b>

**Figure 13**  
**North Natomas Drainage CFD No. 97-01**  
**Proposed Bond Issues (1)**

**Revised with Phasing of Facilities**

Item		1997 Bond Issue 1996\$		2001 Bond Issue 1996 & Inflated \$		2006 Bond Issue(s) 1996 & Inflated \$	Total Bond Issues 1996 & Inflated \$
<b>Purpose:</b>		<b>Levees, Channels &amp; Pump 6</b>		<b>Pump 8</b>		<b>Pumps 1 &amp; 3</b>	
Land funded through Mello-Roos CFD		\$74,000		\$0		\$621,000	\$695,000
Reimbursements		\$0		\$0		\$671,000	\$671,000
Construction Costs		\$9,407,000		\$2,860,000		\$4,320,000	\$16,587,000
Project Engineering & Admin	20%	\$1,881,000		\$572,000		\$864,000	\$3,317,000
Construction Proceeds 1996\$		\$11,362,000		\$3,432,000		\$6,476,000	\$21,270,000
Construction Proceeds Required (Inflated)	4%	\$11,362,000		\$4,015,000		\$9,217,000	\$24,594,000
Underwriter's Discount and Professional Services (2)	5.00%	\$790,000	5.00%	\$560,000	5.00%	\$560,000	\$1,910,000
Bond Reserve Fund	9.00%	\$1,420,000	9.00%	\$1,010,000	9.00%	\$1,010,000	\$3,440,000
Capitalized Interest	12.00%	\$1,890,000	6.00%	\$670,000	6.00%	\$670,000	\$3,230,000
Interest on Construction Drawdown (3)		(\$320,000)		(\$100,000)		(\$220,000)	(\$640,000)
<b>Total Bond Size (rounded)</b>		<b>\$15,780,000</b>		<b>\$4,900,000</b>		<b>\$11,240,000</b>	<b>\$31,920,000</b>
<b>Bond Authorization</b>							<b>\$35,000,000</b>

\*bond size\*

- (1) Does not include proposed notes anticipated to fund initial habitat land acquisition.  
(2) Professional services include bond counsel, special tax consultant, appraisal, official statement and bond printing.  
(3) Estimate used as balancing factor.

Source: EPS, Ensign and Buckley and City of Sacramento

## Maximum Special Tax Rates for Developed Parcels and Veteran Developed Parcels

Development Year	Fiscal Year Ending	Maximum Special Tax East of I-5			Maximum Special Tax West of I-5		
		Land Use Category:			Land Use Category:		
		1	2	3	1	2	3
		Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential	Detached Res. Unit	Duplex/ Condominium	Other Res./ Non-Residential
	June 30	per unit	per unit	per net acre (1)	per unit	per unit	per net acre (1)
1	1998	\$90.00	\$60.00	\$800.00	\$63.00	\$42.00	\$560.00
2	1999	\$91.80	\$61.20	\$816.00	\$64.26	\$42.84	\$571.20
3	2000	\$93.64	\$62.42	\$832.32	\$65.55	\$43.70	\$582.62
4	2001	\$95.51	\$63.67	\$848.97	\$66.86	\$44.57	\$594.28
5	2002	\$97.42	\$64.95	\$865.95	\$68.19	\$45.46	\$606.16
6	2003	\$99.37	\$66.24	\$883.26	\$69.56	\$46.37	\$618.29
7	2004	\$101.35	\$67.57	\$900.93	\$70.95	\$47.30	\$630.65
8	2005	\$103.38	\$68.92	\$918.95	\$72.37	\$48.24	\$643.26
9	2006	\$105.45	\$70.30	\$937.33	\$73.81	\$49.21	\$656.13
10	2007	\$107.56	\$71.71	\$956.07	\$75.29	\$50.19	\$669.25
11	2008	\$109.71	\$73.14	\$975.20	\$76.80	\$51.20	\$682.64
12	2009	\$111.90	\$74.60	\$994.70	\$78.33	\$52.22	\$696.29
13	2010	\$114.14	\$76.09	\$1,014.59	\$79.90	\$53.27	\$710.22
14	2011	\$116.42	\$77.62	\$1,034.89	\$81.50	\$54.33	\$724.42
15	2012	\$118.75	\$79.17	\$1,055.58	\$83.13	\$55.42	\$738.91
16	2013	\$121.13	\$80.75	\$1,076.69	\$84.79	\$56.53	\$753.69
17	2014	\$123.55	\$82.37	\$1,098.23	\$86.49	\$57.66	\$768.76
18	2015	\$126.02	\$84.01	\$1,120.19	\$88.22	\$58.81	\$784.14
19	2016	\$128.54	\$85.69	\$1,142.60	\$89.98	\$59.99	\$799.82
20	2017	\$131.11	\$87.41	\$1,165.45	\$91.78	\$61.19	\$815.81
21	2018	\$133.74	\$89.16	\$1,188.76	\$93.61	\$62.41	\$832.13
22	2019	\$136.41	\$90.94	\$1,212.53	\$95.49	\$63.66	\$848.77
23	2020	\$139.14	\$92.76	\$1,236.78	\$97.40	\$64.93	\$865.75
24	2021	\$141.92	\$94.61	\$1,261.52	\$99.34	\$66.23	\$883.06
25	2022	\$144.76	\$96.51	\$1,286.75	\$101.33	\$67.55	\$900.72
26	2023	\$147.65	\$98.44	\$1,312.48	\$103.36	\$68.91	\$918.74
27	2024	\$150.61	\$100.41	\$1,338.73	\$105.43	\$70.28	\$937.11
28	2025	\$153.62	\$102.41	\$1,365.51	\$107.53	\$71.69	\$955.86
29	2026	\$156.69	\$104.46	\$1,392.82	\$109.68	\$73.12	\$974.97
30	2027	\$159.83	\$106.55	\$1,420.68	\$111.88	\$74.59	\$994.47
31	2028	\$163.02	\$108.68	\$1,449.09	\$114.12	\$76.08	\$1,014.36
32	2029	\$166.28	\$110.86	\$1,478.07	\$116.40	\$77.60	\$1,034.65
33	2030	\$169.61	\$113.07	\$1,507.63	\$118.73	\$79.15	\$1,055.34
34	2031	\$173.00	\$115.33	\$1,537.79	\$121.10	\$80.73	\$1,076.45
35	2032	\$176.46	\$117.64	\$1,568.54	\$123.52	\$82.35	\$1,097.98
36	2033	\$179.99	\$119.99	\$1,599.91	\$125.99	\$84.00	\$1,119.94
37	2034	\$183.59	\$122.39	\$1,631.91	\$128.51	\$85.68	\$1,142.34
38	2035	\$187.26	\$124.84	\$1,664.55	\$131.08	\$87.39	\$1,165.18
39	2036	\$191.01	\$127.34	\$1,697.84	\$133.70	\$89.14	\$1,188.49
40	2037	\$194.83	\$129.88	\$1,731.80	\$136.38	\$90.92	\$1,212.26
41	2038	\$198.72	\$132.48	\$1,766.43	\$139.11	\$92.74	\$1,236.50
42	2039	\$202.70	\$135.13	\$1,801.76	\$141.89	\$94.59	\$1,261.23
43	2040	\$206.75	\$137.83	\$1,837.80	\$144.73	\$96.48	\$1,286.46

\*dev\_tax\*

(1) Net Acre is the area of the parcel associated with residential and and non-residential uses after dedication of all right-of-way.

Attachment 2  
North Natomas Drainage CFD No. 97-01  
Maximum Special Tax Rates for Undeveloped Parcels

**EXHIBIT F**

Fiscal Year Ending	Maximum Special Tax East of I-5		Maximum Special Tax West of I-5	
	Land Use Category:		Land Use Category:	
	4	5	4	5
	Final Map Parcels	Tentative Map Unmapped &	Final Map Parcels	Tentative Map Unmapped &
June 30	per gross developable acre (1)	per gross acre (2)	per gross developable acre (1)	per gross acre (2)
1998	\$650.00	\$500.00	\$460.00	\$350.00
1999	\$663.00	\$510.00	\$469.20	\$357.00
2000	\$676.26	\$520.20	\$478.58	\$364.14
2001	\$689.79	\$530.60	\$488.16	\$371.42
2002	\$703.58	\$541.22	\$497.92	\$378.85
2003	\$717.65	\$552.04	\$507.88	\$386.43
2004	\$732.01	\$563.08	\$518.03	\$394.16
2005	\$746.65	\$574.34	\$528.40	\$402.04
2006	\$761.58	\$585.83	\$538.96	\$410.08
2007	\$776.81	\$597.55	\$549.74	\$418.28
2008	\$792.35	\$609.50	\$560.74	\$426.65
2009	\$808.19	\$621.69	\$571.95	\$435.18
2010	\$824.36	\$634.12	\$583.39	\$443.88
2011	\$824.36	\$634.12	\$583.39	\$443.88
2012	\$824.36	\$634.12	\$583.39	\$443.88
2013	\$824.36	\$634.12	\$583.39	\$443.88
2014	\$824.36	\$634.12	\$583.39	\$443.88
2015	\$824.36	\$634.12	\$583.39	\$443.88
2016	\$824.36	\$634.12	\$583.39	\$443.88
2017	\$824.36	\$634.12	\$583.39	\$443.88
2018	\$824.36	\$634.12	\$583.39	\$443.88
2019	\$824.36	\$634.12	\$583.39	\$443.88
2020	\$824.36	\$634.12	\$583.39	\$443.88
2021	\$824.36	\$634.12	\$583.39	\$443.88
2022	\$824.36	\$634.12	\$583.39	\$443.88
2023	\$824.36	\$634.12	\$583.39	\$443.88
2024	\$824.36	\$634.12	\$583.39	\$443.88
2025	\$824.36	\$634.12	\$583.39	\$443.88
2026	\$824.36	\$634.12	\$583.39	\$443.88
2027	\$824.36	\$634.12	\$583.39	\$443.88
2028	\$824.36	\$634.12	\$583.39	\$443.88
2029	\$824.36	\$634.12	\$583.39	\$443.88
2030	\$824.36	\$634.12	\$583.39	\$443.88
2031	\$824.36	\$634.12	\$583.39	\$443.88
2032	\$824.36	\$634.12	\$583.39	\$443.88
2033	\$824.36	\$634.12	\$583.39	\$443.88
2034	\$824.36	\$634.12	\$583.39	\$443.88
2035	\$824.36	\$634.12	\$583.39	\$443.88
2036	\$824.36	\$634.12	\$583.39	\$443.88
2037	\$824.36	\$634.12	\$583.39	\$443.88
2038	\$824.36	\$634.12	\$583.39	\$443.88
2039	\$824.36	\$634.12	\$583.39	\$443.88
2040	\$824.36	\$634.12	\$583.39	\$443.88

\*undev\_tax

(1) Gross Developable Acre is the area of the parcel designated for residential and taxable non-residential uses after dedication of major streets, but prior to dedication of minor streets.

(2) Gross Acre is the entire area of the parcel prior to dedication of major streets, school, parks, and other right-of-way.

**Attachment 3**

**North Natomas Drainage CFD No. 97-01**

**Estimated Prepayment of Mello-Roos CFD**

(Amounts shown are subject to change annually)

	Column 1	Column 2	Column 3
	Prior to 1st Bond Sale	Between 1st & Last Bond Sale	After Last Bond Sale
	1996\$	Inflated \$	Inflated \$
Construction Cost - 1996 \$ [1]	\$24,775,000	\$24,775,000	\$24,775,000
Estimated Bonds - Inflated \$ [1]	n/a	\$35,000,000 authorization	\$32,050,000 estimated
East of I-5 Base Prepayment [2]			
Gross Acre	\$4,677	\$6,112	\$5,597
Gross Developable Acre	\$6,414	\$8,381	\$7,675
Net Acre	\$7,485	\$9,781	\$8,957
West of I-5 Base Prepayment [2]			
Gross Acre	\$3,189	\$4,167	\$3,816
Gross Developable Acre	\$4,373	\$5,715	\$5,233
Net Acre	\$5,103	\$6,669	\$6,107
<b>Initial CFD Acreage</b>			
Gross Acres [3]	5,827		
Gross Developable Acres [3]	4,249		
Net Acres [3]	3,641		

Notes: Assumes 7.5% reserve fund credit.

\*prepayment\*

- [1] Determined annually under Step 2 of the Prepayment formula described in Section 6.
- [2] Determined annually under Step 3 of the Prepayment formula described in Section 6. Add to these amounts the additional costs described under Steps 6 and 9 of Section 6 to arrive at the total Prepayment Amount.
- [3] Determined annually under Step 1 of the Prepayment formula described in Section 6.



APPROVED  
BY THE CITY COUNCIL

JAN 28 1997

OFFICE OF THE  
CITY CLERK**RESOLUTION NO. 97-035**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DECLARING ITS INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT**

**WHEREAS**, the City Council (the "Council") of the City of Sacramento (the "City") has duly considered the advisability and necessity of establishing a community facilities district in the area of the City commonly known as North Natomas and levying a special tax therein to pay for the acquisition and construction of certain public facilities in and for such community facilities district under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"); and

**WHEREAS**, the Council has determined that the establishment of such community facilities district is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the Council and are now in effect; and

**WHEREAS**, the Council is fully advised in this matter;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:**

Section 1. The above recitals are true and correct, and the Council so finds and determines.

Section 2. It is the intention of the Council to and the Council hereby proposes to establish a community facilities district under and pursuant to the terms and provisions of the Act, to be known and designated as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01" (the

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

"Community Facilities District"), with the boundaries of the territory proposed for inclusion in the Community Facilities District being more particularly described and shown on that certain map entitled "Proposed Boundaries of North Natomas Drainage Community Facilities District No. 97-01, City of Sacramento, County of Sacramento, State of California" on file in the office of the City Clerk of the City, a copy of which map is marked Exhibit A and is attached hereto and incorporated herein and made a part hereof; and the City Clerk of the City is hereby authorized and directed to record a copy of said map with the County Recorder of Sacramento County in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 3. It is the intention of the Council to finance the acquisition and construction of those certain public facilities hereinafter referred to with an estimated useful life of five (5) years or longer in and for the Community Facilities District under and pursuant to the Act (which are public facilities that the City is authorized by law to construct, own or operate and that are necessary to meet increased demands placed upon the City as a result of development occurring and anticipated to occur in the Community Facilities District), which public facilities are generally described as levees, channel improvements, pumping plants and all necessary appurtenances thereto and rights in real and personal property therefor and the acquisition of land for habitat mitigation (collectively, the "Facilities"). The cost of financing the acquisition and construction of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any taxes or the collection or payment of any taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities.

Section 4. It is the intention of the Council that, except where funds are otherwise available, a special tax sufficient to pay for the acquisition and construction of the Facilities, including the payment of interest on and principal of bonds to be issued to finance the acquisition and construction of the Facilities and including the repayment of funds advanced by

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DATE ADOPTED: \_\_\_\_\_

the City for the Community Facilities District and including the repayment under any agreement (which shall not constitute a debt or liability of the City) of advances of funds or the reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, which tax shall be secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied by the Council within the boundaries of the Community Facilities District, and for particulars as to the rate, method of apportionment and manner of collection of such special tax reference is made to Exhibit B, attached hereto and incorporated herein and made a part hereof, which sets forth the rate, method of apportionment and manner of collection of such special tax in sufficient detail to allow each landowner or resident within the Community Facilities District to estimate the maximum amount that such person will have to pay for the acquisition and construction of the Facilities, and which specifies the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied; provided, that in the case of any special tax to pay for the acquisition and construction of the Facilities that is to be levied against any parcel of land used for private residential purposes (which use commences on the date on which an occupancy permit for private residential use is issued), (1) such maximum special tax shall be specified as a dollar amount which shall be calculated and established not later than the date on which such parcel of land is first subject to the special tax because of its use for private residential purposes, (2) after Fiscal Year 2039-2040, such special tax shall no longer be levied or collected against such parcel of land, and (3) under no circumstances shall such special tax be increased as a consequence of delinquency or default by the owner of any other parcel of parcels of land within the Community Facilities District.

Section 5. It is the intention of the Council, pursuant to Section 53317.3 of the Government Code of the State of California, to continue to levy the special tax on property that is not otherwise exempt from the special tax and that is acquired by a public entity through a negotiated transaction, or by gift or devise.

Section 6. It is the intention of the Council, pursuant to Section 53317.5 of the Government Code of the State of California, to treat the obligation to pay the special tax levied against property that is acquired by a public entity

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DATE ADOPTED: \_\_\_\_\_

through eminent domain proceedings as if it were a special annual assessment.

Section 7. It is the intention of the Council, pursuant to Section 53340.1 of the Government Code of the State of California, to levy the special tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 8. It is the intention of the Council, pursuant to Section 53325.7 of the Government Code of the State of California, to establish an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the Community Facilities District.

Section 9. Notice is given that Tuesday, the 4th day of March, 1997, at the hour of 2:00 o'clock P.M., at the regular meeting place of the Council, City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, has been fixed by the Council as the time and place for a public hearing to be held by the Council to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of such special tax and all other matters as set forth in this resolution. At such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District and the levy of such special tax, or the extent of the Community Facilities District, or the acquisition or construction of any of the Facilities proposed therefor, or on any other matters set forth herein, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

any time before the conclusion of such public hearing. If the Council determines at the conclusion of such public hearing to proceed with the establishment of the Community Facilities District, the proposed voting procedure shall be by landowners voting in accordance with the Act.

Section 10. The Director of Public Works of the City is hereby directed and ordered to study the Community Facilities District and, at or before the time of such public hearing, to cause to be prepared and filed with the Council a report which shall contain a brief description of the Facilities by type which in his opinion will be required to adequately meet the needs of the Community Facilities District, together with an estimate of the cost for acquiring and constructing the Facilities and an estimate of the incidental expenses related thereto, and which such report shall further contain any other material that is related to the Facilities or the Community Facilities District, including an estimate of the fair and reasonable cost of any completed Facilities to be purchased by the Community Facilities District and the fair and reasonable costs of the incidental expenses to be repaid for the Community Facilities District. Such report shall, upon its presentation, be submitted to the Council for review, and shall be made a part of the record of the public hearing on this resolution of intention to establish the Community Facilities District.

Section 11. In the opinion of the Council, the public interest will not be served by allowing the property owners in the Community Facilities District to enter into a contract pursuant to Section 53329.5(a) of the Government Code of the State of California to do the work to be financed under the Act.

Section 12. Notice of the time and place of such public hearing shall be given by the City Clerk of the City in the following manner:

(a) A Notice of Public Hearing in the form required by the Act shall be published in the Daily Recorder, a newspaper of general circulation published in the area of the Community Facilities District, which such publication shall be made pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing; and

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

(b) A Notice of Public Hearing in the form required by the Act shall be mailed, first class postage prepaid, to each property owner and to each registered voter within the boundaries of the Community Facilities District, which such mailing to such property owners shall be made to such property owners at their addresses as shown on the records of the Sacramento County Treasurer-Tax Collector, and which such mailing to such registered voters shall be made to such registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters, or in either case as otherwise known to the City Clerk of the City, and which such mailing shall be completed at least fifteen (15) days prior to the date set for such public hearing.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**PASSED AND ADOPTED** by the City Council of the City of  
Sacramento this 28th day of January, 1997, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
Mayor of the City of Sacramento

**ATTEST:**

\_\_\_\_\_  
City Clerk of the City of Sacramento

[SEAL]

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

Proposed Boundaries of  
NORTH NATOMAS DRAINAGE  
COMMUNITY FACILITIES DISTRICT NO. 97-01  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD

0 FEET  
1000  
2000

MAP PREPARED BY: SACRAMENTO COUNTY ENGINEERING DIVISION - DRAINAGE AND CONSTRUCTION SECTION

COMMUNITY FACILITIES  
DISTRICT BOUNDARY

CLERK'S MAP FILING STATEMENT  
FILED IN THE OFFICE OF THE CITY CLERK, OF THE CITY OF  
SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA  
THIS \_\_\_\_ DAY OF \_\_\_\_, 19\_\_

CITY CLERK, CITY OF SACRAMENTO

CLERK'S CERTIFICATE  
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED  
BOUNDARIES OF THE NORTH NATOMAS DRAINAGE COMMUNITY  
FACILITIES DISTRICT, CITY OF SACRAMENTO, 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 \_\_\_\_, 19\_\_, BY ITS  
RESOLUTION NO. \_\_\_\_

CITY CLERK, CITY OF SACRAMENTO

COUNTY RECORDER'S FILING STATEMENT  
FILED THIS \_\_\_\_ DAY OF \_\_\_\_, 19\_\_, AT THE HOUR OF  
\_\_\_\_ O'CLOCK \_\_\_\_, IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT  
DISTRICTS 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

EXHIBIT A

20



## Exhibit B

City of Sacramento, California  
North Natomas Community Plan  
Community Facilities District No. 97-01

### 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. 97-01 (the "CFD") of 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 determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants, legal counsel, corporate bond-paying agents, fiscal agents, and bond trustees; the costs of collecting installments of the Special Taxes upon the general tax rolls; cost of arbitrage calculation and arbitrage rebates, 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. Later participation in the CFD requires annexation proceedings.

**"Annual Costs"** means, for any Fiscal Year, the total of (i) Debt Service for the Calendar Year commencing January 1 of such Fiscal Year through December 31 of the following Fiscal Year; (ii) Administrative Expenses for such Fiscal Year; (iii) any amounts needed to replenish any bond reserve fund for bonds of the City issued for the CFD to the level required under the documents pursuant to which such bonds were issued; (iv) an amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year and an amount for anticipated delinquencies for the current Fiscal Year; (v) pay-as-you-go expenditures for authorized facilities to be constructed or acquired by the CFD, less any credit from earnings on the bond reserve fund, less any reimbursements, less any grants/other project funding and/or less the application of any funds available from Prepayments as described in Section 6. The total Annual Costs shall be limited to those necessary to provide the Authorized Facilities.

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

**"Authorized Facilities"** means those improvements, as listed in Exhibit A to the Resolution of Formation, which can be financed by the CFD.

**"Base Fiscal Year"** means the Fiscal Year beginning July 1, 1997 and ending June 30, 1998.

**"Bond Year"** means the 12-month period ending on the second bond payment date of each calendar year as defined in the resolution authorizing the issuance of bonds.

**"Catch-up Special Tax"** means a one-time special tax assigned to Annexation Parcels as described in Section 4.

**"CFD"** means the North Natomas Community Facilities District No. 97-01, City of Sacramento, California.

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

**"City Stadium Parcel"** means the City-owned parcel with assessor's parcel number 225-0070-076 designated in the Community Plan as a sports stadium. This Parcel shall be classified into Land Use Category 5 until it is certified as a Developed Parcel by the City or is transferred to a private owner. For this Parcel, Developed Parcel means that an occupancy permit has been issued. Once the Parcel is a Developed Parcel, it will be treated as Land Use Category 3 and taxed the same as other Developed Parcels. The Parcel will not be considered an Undeveloped Parcel for the purpose of calculating the annual levy as described in Section 5. If transferred to a private owner, the Parcel will be treated like any other Taxable Parcel.

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

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

**"Debt Service"** means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds, notes or certificates of participation of the City for the CFD during that Fiscal Year or Bond Year, less any applicable credits that may be available from any other sources available to the City to pay principal and interest for the previous or current Fiscal Year or Bond Year.

**"Developed Parcel"** means a Parcel which has:

- an approved final small lot map for residential uses permitting up to 2 units per lot,
- an approved special use permit for residential use permitting 3 or more units per lot, or
- an approved special use permit for Non-Residential Development.

Once classified as developed, no Parcel shall be removed from the developed classification unless the special use permit expires, is revoked, or is otherwise terminated.

**"Development Year"** means, for each Developed Parcel, the Fiscal Year in which the Parcel changes classifications from Undeveloped Parcel to Developed Parcel.

**"Estimated Net Acre"** means the actual Net Acre of a Parcel(s) or an approximation of the Net Acres based upon the total Gross Developable Acres less an allowance for minor streets as indicated in the North Natomas Community Plan.

**"East of I-5 Parcel"** means a Parcel located on the east side of Interstate 5.

**"Final Map Parcel"** means a Parcel which has:

- an approved large lot final map, or
- an approved final master parcel map.

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

**"Gross Acre"** means the entire area of a Parcel prior to dedication of major streets, schools, parks, open space and other public right-of-way.

**"Gross Developable Acre"** means the area of a Parcel associated with residential and non-residential uses after dedication of major streets, but prior to dedication of minor streets.

**"Land Use Category 1"** means a Developed Parcel with an approved land use for a single family, detached residential dwelling unit.

**"Land Use Category 2"** means a Developed Parcel with an approved land use for a duplex (two units per lot) or condominium (more than two attached dwelling units which are owned individually).

**"Land Use Category 3"** means a Developed Parcel with an approved land use for other than Land Use Category 1 or 2 land uses such as three or more attached residential units owned in common, non-residential uses, or a combination thereof.

**"Land Use Category 4"** means a Final Map Parcel.

**"Land Use Category 5"** means a Tentative Map Parcel or an Unmapped Parcel.

**"Master Parcel Map"** means a map that subdivides large tracts of land into smaller parcels for the purpose of later selling or otherwise transferring the parcels for further subdivision in accordance with City procedures, or for the purpose of securing financing, together with planning and construction of infrastructure elements, but not for the purpose of creating either individual residential lots for sale to end-user homeowners, and not for the purpose of allowing construction or other improvements on non-residential parcels.

**"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 acres or units of the parcel.

**"Maximum Annual Special Tax Rate"** means the amount shown in either Attachments 1 or 2 for a Fiscal Year that is used in calculating the Maximum Annual Special Tax for a Parcel based on its land use classification.

**"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.

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

**"Non-Residential Development"** means a Parcel designated for commercial, office, light industrial or the sports complex as defined in the North Natomas Community Plan.

**"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.

**"Prepayment"** means the permanent satisfaction of all of the Special Tax obligation for one or more Parcels by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6. Prepayment may occur before or after the initial bond sale, with differing criteria.

**"Prepayment Parcel"** means a Parcel which has permanently satisfied all of the Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344 and described in Section 6.

**"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, except for Taxable parcels that are acquired by a public agency, in which case the Special Tax obligation for such parcels shall be required to be permanently satisfied pursuant to Sections 53317.3 and 53317.5 of the Government Code by the procedure described in Section 6.

**"Remediation Parcel"** means a Parcel within Assessor Parcel Numbers (APN) 225-015-14, 225-015-15, 225-015-18, 225-015-28, 225-015-30 and 225-015-032 that contain toxics and therefore require cleanup and abatement. A Remediation Parcel shall remain non-taxable until the City declares it to have been remediated. Once declared remediated, that Parcel shall become a Taxable Parcel.

**"Special Tax(es)"** mean(s) any tax levy under the Act 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 not a Tax-Exempt Parcel or a Remediation Parcel.

**"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) or (ii) any Prepayment Parcel. Certain non-developable privately-owned Parcels may also be exempt from the levy of Special Taxes as determined by the City such as common areas, wetlands, and open space.

**"Tentative Map"** means a tentative subdivision map defined under the California Subdivision Map Act and Title 40 of the Sacramento City Code.

**"Tentative Map Parcel"** means a Parcel which has an approved Tentative Master Parcel Map or an approved Tentative Map.

**"Undeveloped Parcel"** means a Parcel which is not a Developed Parcel.

**"Unmapped Parcel"** means a Parcel without an approved tentative master parcel map.

**"Veteran Developed Parcel"** means a Parcel which had been classified as a Developed Parcel for thirty years. After 30 years of being subject to the Special Tax as a Developed Parcel, the Veteran Developed Parcel is only subject to the Special Tax if there is a shortfall in the revenues generated from all other Taxable Parcels to pay for the Annual Cost of the CFD.

**"West of I-5 Parcel"** means a Parcel located on the west side of Interstate 5.

### 3. Termination of the Special Tax

The Special Tax will be levied and collected from Taxable Parcels in the CFD for as long as needed to pay the principal and interest on debt for the Bonds issued to fund authorized facilities. However, in no event shall the Special Tax be levied after Fiscal Year 2039-2040.

When all of the bonds issued to pay for authorized facilities have been retired, the Special Tax shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

### 4. Assignment of Maximum Annual Special Tax

A. **Classification of Parcels.** By May 1 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, Remediation Parcel, or a Taxable Parcel;

45. Water Service, 6" Diameter (Fire), to Construct	1	EA	\$ <u>1800.00</u>	\$ <u>1,800.00</u>
46. Water Service, 8" Diameter (Fire), to Construct	5	EA	\$ <u>2,000.00</u>	\$ <u>10,000.00</u>
47. Double Pumper Fire Hydrant Assembly, to Place	7	EA	\$ <u>2800.00</u>	\$ <u>19,600.00</u>
48. Existing Fire Hydrant, to Relocate	8	EA	\$ <u>910.00</u>	\$ <u>7,280.00</u>
49. Blow-Off, 4" Diameter to Place	1	EA	\$ <u>1300.00</u>	\$ <u>1,300.00</u>
50. Pedestrian Barricade, to Construct	4	EA	\$ <u>280.00</u>	\$ <u>1,120.00</u>
51. Retaining Wall, to Construct	390	LF	\$ <u>96.00</u>	\$ <u>37,440.00</u>
52. Water Valve Box, to Adjust to Grade	20	EA	\$ <u>340.00</u>	\$ <u>6,800.00</u>
53. Traffic Pull Box, to Adjust to Grade	6	EA	\$ <u>270.00</u>	\$ <u>1,620.00</u>
54. Water Meter, to Remove and Reset	3	EA	\$ <u>270.00</u>	\$ <u>810.00</u>
55. Mail Box, to Relocate	11	EA	\$ <u>95.00</u>	\$ <u>1,045.00</u>
56. Street Sign, to Relocate	2	EA	\$ <u>80.00</u>	\$ <u>160.00</u>
57. Traffic Signals, at Power Inn Road and Cucamonga Avenue, to Construct	1	JOB	\$ <u>LUMP SUM</u>	\$ <u>82,000.00</u>
58. Street Lighting System, to Modify and Install	1	JOB	\$ <u>LUMP SUM</u>	\$ <u>35,000.00</u>
59. Mast Arm Electroliers, to Install	6	EA	\$ <u>1,800.00</u>	\$ <u>10,800.00</u>
60. Preconstruction Photographs	1	JOB	\$ <u>LUMP SUM</u>	\$ <u>500.00</u>
			TOTAL	\$ <u>2,163,879.00</u>

If awarded the contract, the undersigned shall execute said contract and furnish the necessary bonds within ten (10) days after the notice of award of said contract and begin work within fifteen (15) days after the signing of the contract by the Contractor and the City or Notice to Proceed, whichever is applicable.

OCT 23 1990

By the  
Office of the City Clerk

In determining the amount bid by each bidder, City shall disregard mathematical errors in addition, subtraction, multiplication and division that appear obvious on the face of the Proposal. When such a mathematical error appears on the face of the Proposal, the City shall have the right to correct such error and to compute the total amount bid by said bidder on the basis of the corrected figure or figures.

When an item price is required to be set forth in the Proposal, and the total for the item set forth separately does not agree with a figure which is derived by multiplying the item price times the Engineer's estimate of the quantity of work to be performed for said item, the item price shall prevail over the sum set forth as the total for the item unless, in the sole discretion of the City, such a procedure would be inconsistent with the policy of the bidding procedure. The total paid for each such item of work shall be based upon the item price and not the total price. Should the Proposal contain only a total price for the item and the item price is omitted, the City shall determine the item price by dividing the total price for the item by Engineer's estimate of the estimated quantities of work to be performed as items of work.

If the Proposal contains neither the item price nor the total price for the item, then it shall be deemed incomplete and the Proposal shall be disregarded.

It is understood that this bid is based upon completion of the work within a period of One Hundred and Fifty (150) working days commencing on the date specified in the Notice To Proceed.

The amount of the liquidated damages to be paid by Contractor to City for failure to complete the entire work by the Completion Date (as extended, if applicable) will be Five Hundred Dollars (\$500.00) for each calendar day, continuing to the time at which the work is completed. Such amount is the actual cash value agreed upon as the loss to City resulting from Contractor's default.

The undersigned represents and warrants that the undersigned has examined the location of the proposed work and is familiar with the local conditions at the place where the work is to be done, and the undersigned has reviewed and understands the plans, specifications and other contract documents, and the undersigned is satisfied with all conditions for performance of the work.

The undersigned has checked carefully all of the above figures and understands that the City of Sacramento will not be responsible for any errors or omissions on the part of the undersigned in making up this bid.

This proposal will not be withdrawn for the periods specified in Section 3-2 of the City of Sacramento Standard Specifications for award of contract to respective low bidders. This proposal is submitted according to Sections 1, 2, and 3 of the City of Sacramento Standard Specifications.

**FILED**

OCT 23 1990

By the  
Office of the City Clerk

BID DEPOSIT ENCLOSED IN THE FOLLOWING FORM:

\$ Bidder's Bond not less than ten percent (10%) of amount bid.

       CERTIFIED CHECK  
       MONEY ORDER  
       CASHIER'S CHECK  
  X   BID BOND

Addendum No. 1 October 18, 1990

Addendum No. 2                                 

Addendum No. 3                                 

Addendum No. 4                                 

**FILED**

OCT 23 1990

By the  
Office of the City Clerk

Contractor's License:

Valid Contractor's License No: 8, Classification: A.

KW:jd:dc  
1217-S9.J

CONTRACTOR

TEICHERT CONSTRUCTION

By: Douglas E. Meyer  
(Signature)

Title: DOUGLAS E. MEYER  
DISTRICT MANAGER  
3011 Kreier Blvd.

Address: P.O. Box 15002  
Sacramento, Calif. 95851  
Sacramento, Calif. 95851

Telephone No: 386-6800

DATE BID OPENED	<u>10/23/90</u>
EMPLOYEE INITIALS	<u>DS</u>
MARK ONE BOX FOR EACH ITEM ONLY	
BID SECURITY	
<input type="checkbox"/> NONE REQUIRED	
<input checked="" type="checkbox"/> PROPERLY SIGNED	
BID DEPOSIT TYPE	
<input checked="" type="checkbox"/> BID BOND	
<input type="checkbox"/> CALIF. BANK CASHIER'S CHECK	
<input type="checkbox"/> CERTIFIED CHECK	
<input type="checkbox"/> CASH	
<input type="checkbox"/> CALIF. BANK MONEY ORDER	
AFTER AWARD OF BID	
<input type="checkbox"/> SECURITY RETURNED	
<input checked="" type="checkbox"/> SECURITY ACCEPTED	
EMPLOYEE INITIALS	<u>DS</u>
DATE	<u>2/11/91</u>

*addendum  
Acknowledged*



## DRUG-FREE WORKPLACE POLICY AND AFFIDAVIT

**BID MAY BE DECLARED NONRESPONSIVE IF THIS FORM (COMPLETED) IS NOT ATTACHED.**  
Pursuant to City Council Resolution CC90-498 dated 6/26/90 the following is required.

The undersigned contractor certifies that it and all subcontractors performing under this contract will provide a drug-free workplace by:

1. Publishing a "Drug-Free Workplace" statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Establishing a Drug-Free Awareness Program to inform employees about:
  - a. The dangers of drug abuse in the workplace.
  - b. The contractor's policy of maintaining a drug-free workplace.
  - c. Any available drug counseling, rehabilitation, and employee assistance program.
  - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Notify employees that as a condition of employment under this contract, employees will be expected to:
  - a. Abide by the terms of the statement.
  - b. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace.
4. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy on the "Drug-Free Workplace" statement.
5. Taking one of the following appropriate actions, within thirty (30) days of receiving notice from an employee or otherwise receiving such notice, that said employee has received a drug conviction for a violation occurring in the workplace:
  - a. Taking appropriate disciplinary action against such an employee, up to and including termination; or
  - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement or other appropriate agency.

\* I certify that any person employed by this company, corporation, or business has not been convicted of any criminal drug statute violation on any job site or project within three years of the date of my signature below.

EXCEPTION: \_\_\_\_\_ Yes \_\_\_\_\_ No  
Date Violation Type Place of Occurrence Was Employed By This Firm.  
If additional space is required use back of this form.

\* The above statement will also be incorporated as a part of each subcontract agreement for any and all subcontractors selected for performance on this project.

IN THE EVENT THIS COMPANY, CORPORATION, OR BUSINESS IS AWARDED THIS CONSTRUCTION CONTRACT, AS A RESULT OF THIS BID; THE CONTRACTOR WITH HIS/HER SIGNATURE REPRESENTS TO THE CITY THAT THE INFORMATION DISCLOSED IN THIS DOCUMENT IS COMPLETE AND ACCURATE. IT IS UNDERSTOOD AND AGREED THAT FALSE CERTIFICATION IS SUBJECT TO IMMEDIATE TERMINATION BY THE CITY.

The Representations Made Herein On This Document Are Made Under Penalty Of Perjury.

CONTRACTOR'S NAME: TEICHERT CONSTRUCTION

BY: Douglas E. Meyer Date: OCT 23 1990  
DOUGLAS E. MEYER Signature Title  
DISTRICT MANAGER

Effects of violations: a. Suspension of payments under the contract: b. Suspension or termination of the contract: c. Suspension or debarment of the contractor from receiving any contract from the City of Sacramento for a period not to exceed five years.

DESIGNATION OF SUBCONTRACTORS  
(including suppliers and truckers)

NAME AND LICENSE NUMBER OF SUBCONTRACTOR	LOCATION OF PLACE OF BUSINESS	DESCRIPTION OF WORK TO BE PERFORMED BY SUBCONTRACTOR	TOTAL DOLLAR AMOUNT OF CONTRACT	ENTER DB OR WBE STATUS AND CERTIFICATION NUMBER	SUBCONTRACTOR FEDERAL TAX I.D. #
WALT SMITH # 288 799	CLOVIS CA	BORE WORK	28,000.00	<input checked="" type="checkbox"/>	94-1585168
GRASON ELECTRIC # 165 459	SAC CA.	ELECTRICAL	123,400.00	<input checked="" type="checkbox"/>	94-1367884

**FILED**  
 OCT 23 1990  
 By the  
 Office of the City Clerk

TEICHERT CONSTRUCTION

BIDDER  
 BY Douglas E. Meyer  
 TITLE DISTRICT MANAGER  
 PHONE 386-6800  
 DATE OCT 23 1990  
 BIDDER'S FEDERAL TAX I.D. #: 68-0174245  
 BIDDER'S CONTRACTOR LICENSE #: 8

**FILED**

OCT 23 1990

By the  
Office of the City Clerk



RECEIVED A DIST. OCT 18 1990

DEPARTMENT OF  
PUBLIC WORKS

ENGINEERING DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

927 TENTH STREET  
ROOM 200  
SACRAMENTO, CA  
95814-2705

916-449-8220  
FAX 916-449-8678

CONSTRUCTION SECTION  
640 BERCUT DRIVE  
SUITE B  
SACRAMENTO, CA  
95814-0131

916-449-5282

JN:1217

October 16, 1990

To Whom It May Concern:

Enclosed is Addendum No. 1 to the Contract Specifications for the New Ramona Colony Street Assessment District project.

Please attach this addendum to the Contract Specifications and acknowledge acceptance by initialling Addendum No. 1 on the Sealed Proposal Form and submit the required information with your bid.

Sincerely,

THOMAS M. FINLEY  
Engineering Division Manager

TF:CQ:jd:dc  
1217A-S9.J

OCT 23 1990

By the  
Office of the City Clerk

State of California  
Department of Industrial Relations  
DIVISION OF OCCUPATIONAL SAFETY AND HEALTH  
MINING AND TUNNELING UNIT



# UNDERGROUND CLASSIFICATION

#28-03-91

for

New Ramona Colony Street Assessment District  
(Name of Tunnel or Mine)

as required by the *California Labor Code Section 7955* has been classified as

POTENTIALLY GASSY  
(Type of Classification)

City of Sacramento, Department of Public Works  
(Company Name)

of 927 10th Street, Rm 300, Sacramento, CA 95814  
(Mailing Address)

at Power Inn Road and Cucamonga, Sacramento  
(Location)

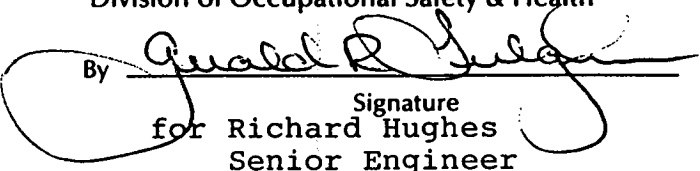
## NOTE

The Division shall be notified if sufficient quantities of flammable gas or vapors have been encountered underground. Classifications are based on the *California Labor Code Part 9, Tunnel Safety Orders and Mine Safety Orders*.

Division of Occupational Safety & Health

Date 9/18/90

By

  
Signature  
for Richard Hughes  
Senior Engineer

**This CLASSIFICATION Shall Be  
Conspicuously Posted At The Place Of  
Employment.**

CITY OF SACRAMENTO  
DEPARTMENT OF PUBLIC WORKS

City Clerk's Copy

CHANGE ORDER NO. 4  
(Place this number on all progress estimates).

Contract: CO91-003 Job No./CIP No.: 26AD Dated: 1/22/91 Budget: 663-ASD-26AD-4820

January 29, 1992

TO: Teichert Construction, Contractor

CONTRACT TITLE: New Ramona A/D

Upon mutual acceptance and execution of this document by the City of Sacramento, hereinafter referred to as "City", and your firm, hereinafter referred to as "Contractor", you are hereby directed to make the following change or changes for the consideration set forth below:

Description:

Extra costs for changes to the signal system at Power Inn Road and Cucamonga Avenue are as follows:

- |                                                                |             |
|----------------------------------------------------------------|-------------|
| 1. Install 1 1/2" conduit with conductors 60 LF at \$4.30/LF = | \$ 258.00   |
| 2. Install No. 5 pull box 1 EA at \$200.00/each =              | \$ 200.00   |
| 3. Install 1-B foundations 2 EA at \$605.00/each =             | \$1,210.00  |
| 4. Install larger 27-3-70 foundation 1 EA at \$790.00/each =   | \$ 790.00   |
| 5. Modify signal heads and brackets 3 hours at \$45.00/hour =  | \$ 135.00   |
| 6. Delete Type 18-3-70 foundation 1 EA at \$686.00/each =      | \$(-686.00) |

Total This Change Order = \$1,907.00

The total amount of this change order is \$1,907.00. This price reflects the City furnishing all of the required hardware and standards except for the signal heads already ordered.

Original contract amount..... \$2,163,879.00

Estimated:

- |                                                                    |                       |
|--------------------------------------------------------------------|-----------------------|
| 1. Net change by previous change orders.....                       | \$ <u>11,765.20</u>   |
| 2. Contract sum prior to this change order.....                    | <u>\$2,175,644.20</u> |
| 3. Contract sum will be <u>increased</u> by this change order..... | \$ <u>1,907.00</u>    |
| 4. New contract sum including all change orders.....               | <u>\$2,177,551.20</u> |

City Clerk's Copy

Teichert Construction

New Ramona A/D

January 2, 1992

Page 2

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore, the prices shown above. The time for performance of the contract will be changed by 0 calendar days (remain unchanged) by reason of the performance of the work required by this change order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this change order or the rescheduling of other project work made necessary by this change order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the contract between the City and Contractor for the project.

Approval Recommended By: John M. McCallister 1-7-92 Approved By: Port 3-2-92  
SNOTB Construction Manager Date Deputy Director of Public Works Date  
Approved By: A. K. Hawn 1/6/92 Approved By: Walter J. Sly 2-7-92  
Contractor Date City Manager Date

Attest: Valerie A. Burrows 2-14-92  
City Clerk Date

Purchase Order # \_\_\_\_\_ Modified \_\_\_\_\_ By: \_\_\_\_\_  
RH1-04 (Date)

Approved As Attest: to form: Sabuna M. Thompson 2/3/92  
City Attorney Date

CITY OF SACRAMENTO  
DEPARTMENT OF PUBLIC WORKS

CHANGE ORDER NO. 3  
(Place this number on all progress estimates).

Contract: CO91-003 Job No./CIP No.: 26AD Dated: 1/22/91 Budget: 663-ASD-26AD-4820

December 19, 1991

TO: Teichert Construction Company, Contractor

CONTRACT TITLE: New Ramona Colony A/D

Upon mutual acceptance and execution of this document by the City of Sacramento, hereinafter referred to as "City", and your firm, hereinafter referred to as "Contractor", you are hereby directed to make the following change or changes for the consideration set forth below:

Description:

Relocation of one each street light base, which includes excavation, anchor bolts and removal of existing base.

Lump Sum = \$1,755.60

Original contract amount..... \$2,163,879.00

Estimated:

1. Net change by previous change orders..... \$ 10,009.60
2. Contract sum prior to this change order..... \$2,173,888.60
3. Contract sum will be increased by this change order..... \$ 1,755.60
4. New contract sum including all change orders..... \$2,175,644.20

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore, the prices shown above. The time for performance of the contract will be changed by 0 calendar days (remain unchanged) by reason of the performance of the work required by this change order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this change order or the rescheduling of other project work made necessary by this change order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the contract between the City and Contractor for the project.

Approval Recommended By: Shirley H. O'Brien 12-23-91 Approved By: Scott J. Smith 1-2-92  
Construction Manager Date Deputy Director of Public Works Date  
Approved By: W. J. Slape 12/19/91 Approved By: Walter J. Slape 1-6-92  
Contractor Date City Manager Date

ATTEST:

Purchase Order # \_\_\_\_\_ Modified \_\_\_\_\_ By: \_\_\_\_\_

RH1-02

(Date)

Salvatore A. Burrows  
CITY CLERK

City Clerk's Copy CITY OF SACRAMENTO  
DEPARTMENT OF PUBLIC WORKS

4.1

CHANGE ORDER NO. 6  
(Place this number on all progress estimates).

COUNCIL ITEM

Contract: CO91-003 Job No./CIP No.: 26AD Dated: 1/22/91 Budget: 663-ASD-26AD-4820

April 7, 1992

TO: Teichert Construction, Contractor

CONTRACT TITLE: New Ramona Colony A/D

Upon mutual acceptance and execution of this document by the City of Sacramento, hereinafter referred to as "City", and your firm, hereinafter referred to as "Contractor", you are hereby directed to make the following change or changes for the consideration set forth below:

Description:

Extra work as follows:

1. Remove driveway on Power Inn Road at Station 10+52.  
Payment by time and material = \$ 619.33
2. Storm and gas conflict on Brighton Avenue on 6/6/91.  
Payment by T & M = \$ 867.81
3. Regrade curb and gutter subgrade on Ramona Avenue and reset curb and gutter forms on Ramona Avenue.  
Payment by T & M = \$ 950.37
4. Lower fire hydrant run on Ramona Avenue at Station 11+40.  
Payment by T & M = \$ 1,171.36
5. Down time because of obstructions on Brighton Avenue storm drain.  
Payment by T & M = \$ 925.24
6. Raise three each ditch drains on Brighton Avenue. Structural backfill and re-cut subgrade.  
Payment by T & M = \$ 1,612.19
7. Place culvert pipe in driveways on Brighton Avenue.  
Payment by T & M = \$ 1,080.37
8. Pave low areas on Ramona Avenue over storm drain.  
Payment by T & M = \$ 614.11
9. Place under sidewalk drain on Ramona Avenue.  
Payment by T & M = \$ 386.37
10. Construct cul-de-sac on Brighton Avenue.  
Payment by T & M = \$13,400.00
11. Conflict with drywell at Station 13+25 on Power Inn Road.  
Payment by T & M = \$ 2,143.03
12. Telephone conflict with telephone on Cucamonga Avenue.  
Payment by T & M = \$ 1,260.30
13. Relocate telephone cable on Cucamonga Avenue.  
Payment by T & M = \$ 2,476.04

Total T & M Costs = \$27,506.52

City Clerk's Copy



Original contract amount..... \$2,163,879.00

Estimated:

1. Net change by previous change orders..... \$ 24,105.45
2. Contract sum prior to this change order..... \$2,187,984.45
3. Contract sum will be increased by this change order..... \$ 27,506.52
4. New contract sum including all change orders..... \$2,215,490.97

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore, the prices shown above. The time for performance of the contract will be changed by 0 calendar days (remain unchanged) by reason of the performance of the work required by this change order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this change order or the rescheduling of other project work made necessary by this change order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the contract between the City and Contractor for the project.

Approval Recommended By: Jim Middlebrook 4-9-92 Approved By: Joe J. [Signature] 4/14-92  
SHOB Construction Manager Date Deputy Director of Public Works Date  
Approved By: A. L. Lawton 4/8/92 Approved By: John [Signature] 4-28-92  
Contractor Date City Manager Date  
Attest: Valerie A. Burrows 5-7-92  
City Clerk Date

Approved As To-Form: Sabrina M. Thompson 4/16/92  
City Attorney Date

Purchase Order # \_\_\_\_\_ Modified \_\_\_\_\_ By: \_\_\_\_\_  
RH2-03 (Date)

## CITY OF SACRAMENTO

## DEPARTMENT OF PUBLIC WORKS

CHANGE ORDER NO. 5

(Place this number on all progress estimates).

Contract: CO91-003Job No./CIP No.: 26ADDated: 1/22/91Budget: 663-ASD-26AD-4820January 29, 1992TO: Teichert Construction, ContractorCONTRACT TITLE: New Ramona Colony A/D

Upon mutual acceptance and execution of this document by the City of Sacramento, hereinafter referred to as "City", and your firm, hereinafter referred to as "Contractor", you are hereby directed to make the following change or changes for the consideration set forth below:

## Description:

For placement of fabric between the subgrade and AB from back of sidewalk to back of sidewalk to stabilize unsuitable material at \$2.25 per square yard.

Ramona Avenue from : Station 11+00 to 11+50 x 27'  
Station 11+50 to 13+15 x 54'  
Station 15+50 to 19+50 x 54'

Brighton Avenue from: Station 5+09 to 7+62 x 15'  
Station 16+75 to 17+50 x 15'  
Station 17+50 to 19+75 x 22'

Total This Change Order = \$ 10,433.25

Original contract amount..... \$2,163,879.00

## Estimated:

1. Net change by previous change orders.....	\$ <u>13,672.20</u>
2. Contract sum prior to this change order.....	<u>\$2,177,551.20</u>
3. Contract sum will be <u>increased</u> by this change order.....	\$ <u>10,433.25</u>
4. New contract sum including all change orders.....	<u>\$2,187,984.45</u>

Teichert Construction  
New Ramona Colony A/D (26AD)  
January 13, 1992

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore, the prices shown above. The time for performance of the contract will be changed by 0 calendar days (remain unchanged) by reason of the performance of the work required by this change order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this change order or the rescheduling of other project work made necessary by this change order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the contract between the City and Contractor for the project.

Approval Recommended By: Jim Mullins 1/17/92 Approved By: [Signature]  
S/1013 Construction Manager Date Deputy Director of Public Works Date  
Approved By: [Signature] 1/16/92 Approved By: Walter J. Hye 2-19-92  
Contractor Date City Manager Date  
Attest: Talene A. Burrows 2/19/92  
City Clerk Date

Approved As To Form: Sabrina M. Thompson 2/4/92  
City Attorney Date

Purchase Order # \_\_\_\_\_ Modified \_\_\_\_\_ By: \_\_\_\_\_  
RH1-05 (Date)

CITY COPY

CITY OF SACRAMENTO

City Clerk's Copy

41

DEPARTMENT OF PUBLIC WORKS

COUNCIL ITEM

CHANGE ORDER NO. 7

(Place this number on all progress estimates).

Contract: CO91-003

Job No./CIP No.: 26AD

Dated: 1/22/91

Budget: 663-ASD-26AD-4820

April 10, 1992

TO: Teichert Construction, Contractor

CONTRACT TITLE: New Ramona Colony Assessment District

Upon mutual acceptance and execution of this document by the City of Sacramento, hereinafter referred to as "City", and your firm, hereinafter referred to as "Contractor", you are hereby directed to make the following change or changes for the consideration set forth below:

Description:

1. Place AC behind sidewalk to conform to existing driveways and pavement areas.

955 SY at \$14.85/SY = \$ 14,181.75

2. BALANCING CHANGE ORDER - Quantities were adjusted to reflect actual field measurements per attached sheets.

Total Quantity Adjustment = \$ 10,454.40

Total This Change Order = \$ 24,636.15

Original contract amount..... \$2,163,879.00

Estimated:

1. Net change by previous change orders..... \$ 51,611.97
2. Contract sum prior to this change order..... \$2,215,490.97
3. Contract sum will be increased by this change order..... \$ 24,636.15
4. New contract sum including all change orders..... \$2,240,127.12

City Clerk's Copy

Teichert Construction

New Ramona Colony Assessment District (PN:26AD)

April 10, 1992

Page 2

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore, the prices shown above. The time for performance of the contract will be changed by 0 calendar days (remain unchanged) by reason of the performance of the work required by this change order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this change order or the rescheduling of other project work made necessary by this change order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the contract between the City and Contractor for the project.

Approval Recommended By: Jim Meddell 4/13/92 Approved By: Don 12-4-14

Construction Manager Date Deputy Director of Public Works Date

Approved By: AT Law 4/13/92 Approved By: Jack 4-28-92

Contractor Date City Manager Date

Attest: Valerie G. Burrows 5-7-92

City Clerk Date

Approved As To Form: Sabuna M. Thompson 4/16/92

City Attorney Date

Purchase Order # \_\_\_\_\_ Modified \_\_\_\_\_ By: \_\_\_\_\_

ST2-03 (Date)

## CITY OF SACRAMENTO

## DEPARTMENT OF PUBLIC WORKS

## PROJECT PARTIAL PAYMENTS

BID OPENING 10/22/90

JOB NAME: NEW RAMONA COLONY STREET ASSESSMENT

Contractor: TEICHERT CONSTRUCTION

Address: P.O. BOX 15002

SACRAMENTO, CA 95851

Phone: 916-396-6800

CITY JN: 26AD

FUNDING: 663-ASD-26AD-4820

Page 1

ITEM NO.	ITEM DESCRIPTION	UNIT	CONTRACT PRICES	ESTIM QUANT	AUTHORIZED AMOUNT	TOTAL WORK COMPLETED QUANTITY	\$ AMOUNT	QUANT CHANGE	AMOUNT CHANGE
1	CLEARING & GRUBBING	JOB	\$67,300.00	1.0	\$67,300.00	1.00	\$67,300.00	0.00	\$0.00
2	ROADWAY EXCAVATION	CY	\$6.00	18639.0	\$111,828.00	18639.00	\$111,828.00	0.00	\$0.00
3	FENCE TO RELOCATE	LF	\$7.00	200.0	\$1,400.00	395.00	\$2,765.00	195.00	\$1,365.00
4	PIT RUN BASE, TO PLACE	TON	\$16.00	1000.0	\$16,000.00	273.00	\$4,368.00	-727.00	(\$11,632.00)
5	AGG. BASE CI.2, TO PLACE	TON	\$9.00	19280.0	\$173,520.00	19857.00	\$178,713.00	577.00	\$5,193.00
6	ASPH CONCRETE, 4", TO CONST	TON	\$30.00	5015.0	\$150,450.00	5250.00	\$157,500.00	235.00	\$7,050.00
7	CURB & GUT NO. 4 TO CONST	LF	\$12.00	7800.0	\$93,600.00	8651.00	\$103,812.00	851.00	\$10,212.00
8	CURB NO. 14 TO CONST.	LF	\$16.00	230.0	\$3,680.00	193.00	\$2,928.00	-47.00	(\$752.00)
9	PCC S/W, 3 1/2", TO CONST	SF	\$2.80	35485.0	\$99,358.00	33368.00	\$93,430.40	-2117.00	(\$5,927.60)
10	D/W, 6" PCC, TO CONST	LF	\$32.00	997.0	\$31,904.00	1221.00	\$39,072.00	224.00	\$7,168.00
11	D/W, 3 1/2" PCC, TO CONST	LF	\$30.00	56.0	\$1,680.00	56.00	\$1,680.00	0.00	\$0.00
12	12" DRAIN PIPE TO PLACE	LF	\$43.00	3613.0	\$155,359.00	3639.00	\$156,477.00	26.00	\$1,118.00
13	15" DRAIN PIPE TO PLACE	LF	\$45.00	753.0	\$33,885.00	718.00	\$32,310.00	-35.00	(\$1,575.00)
14	18" DRAIN PIPE TO PLACE	LF	\$48.00	311.0	\$14,928.00	306.00	\$14,688.00	-5.00	(\$240.00)

Contractor: TEICHERT CONSTRUCTION  
 JOB NAME: NEW RAMONA COLONY STREET ASSESSMENT DISTRICT  
 CITY JN: 26AD

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ITEM NO.	ITEM DESCRIPTION	UNIT	CONTRACT PRICES	ESTIM QUANT	AUTHORIZED AMOUNT	TOTAL WORK COMPLETED QUANTITY	\$ AMOUNT	QUANT CHANGE	AMOUNT CHANGE
15	24" DRAIN PIPE TO PLACE	LF	\$31.00	306.0	\$9,486.00	305.00	\$9,455.00	-1.00	(\$31.00)
16	27" DRAIN PIPE TO PLACE	LF	\$32.00	364.0	\$11,648.00	372.00	\$11,904.00	8.00	\$256.00
17	30" DRAIN PIPE TO PLACE	LF	\$33.00	627.0	\$20,691.00	615.00	\$20,295.00	-12.00	(\$396.00)
18	33" DRAIN PIPE TO PLACE	LF	\$39.00	507.0	\$19,773.00	506.00	\$19,734.00	-1.00	(\$39.00)
19	36" DRAIN PIPE TO PLACE	LF	\$43.00	296.0	\$12,728.00	296.00	\$12,728.00	0.00	\$0.00
20	DRAIN MH#3 TO CONST	EA	\$1,500.00	16.0	\$24,000.00	16.00	\$24,000.00	0.00	\$0.00
21	DRAIN MH#3A TO CONST	EA	\$1,600.00	7.0	\$11,200.00	7.00	\$11,200.00	0.00	\$0.00
22	DRAIN MH#4 TO CONST	EA	\$2,300.00	10.0	\$23,000.00	10.00	\$23,000.00	0.00	\$0.00
23	DROP INLET, TYPE B, TO CONST	EA	\$1,100.00	33.0	\$36,300.00	33.00	\$36,300.00	0.00	\$0.00
24	DITCH BOX TO CONST	EA	\$1,100.00	14.0	\$15,400.00	14.00	\$15,400.00	0.00	\$0.00
25	8" VCP SEWER PIPE, TO PLACE	LF	\$39.00	3833.0	\$149,487.00	3848.00	\$150,072.00	15.00	\$585.00
26	10" VCP SEWER PIPE, TO PLACE	LF	\$41.00	2100.0	\$86,100.00	2099.00	\$86,059.00	-1.00	(\$41.00)
27	12" VCP SEWER PIPE, TO PLACE	LF	\$55.00	873.0	\$48,015.00	868.00	\$47,740.00	-5.00	(\$275.00)
28	18" VCP SEWER, PLACE Power Inn RD	LF	\$105.00	1700.0	\$178,500.00	1709.00	\$179,445.00	9.00	\$945.00
29	18" VCP SEWER, TO PLACE Cucamonga	LF	\$76.00	559.0	\$42,434.00	557.00	\$42,332.00	-2.00	(\$102.00)
30	COND. PIPE FOR 8" SEWER, 8&J	JOB	\$26,000.00	1.0	\$26,000.00	1.00	\$26,000.00	0.00	\$0.00

Contractor: TEICHERT CONSTRUCTION  
 JOB NAME: NEW RAMONA COLONY STREET ASSESSMENT DISTRICT  
 CITY JN: 2640

ITEM NO.	ITEM DESCRIPTION	UNIT	CONTRACT PRICES	ESTIM QUANT	AUTHORIZED AMOUNT	TOTAL WORK COMPLETED QUANTITY	\$ AMOUNT	QUANT	AMOUNT	CHANGE
31	COND. PIPE FOR 18" SEWER, B&J	JOB	\$37,101.60	1.0	\$37,101.60	1.00	\$37,101.60	0.00		(\$0.00)
32	SEWER MH TO CONST. Increased by CCO #1	EA	\$1,300.00	12.0	\$15,600.00	10.00	\$13,000.00	-2.00		(\$2,600.00)
33	SEWER MH TO-CONST. DEPTH < 8'	EA	\$2,200.00	20.0	\$44,000.00	22.00	\$48,400.00	2.00		\$4,400.00
34	SEWER MH TO-CONST. DEPTH > 8'	EA	\$1,200.00	7.0	\$8,400.00	7.00	\$8,400.00	0.00		\$0.00
35	16" WCP SEWER SRVC, TO CONST	EA	\$1,300.00	40.0	\$52,000.00	40.00	\$52,000.00	0.00		\$0.00
36	8" WCP SEWER SRVC, TO CONST	EA	\$2,200.00	1.0	\$2,200.00	1.00	\$2,200.00	0.00		\$0.00
37	8" DROP CONNECTION, TO CONST	EA	\$570.00	4.0	\$2,680.00	8.00	\$5,360.00	4.00		\$2,680.00
38	6" WATER, TO CONST	LF	\$33.00	70.0	\$2,310.00	45.00	\$1,495.00	-25.00		(\$825.00)
39	8" WATER, TO CONST	LF	\$24.00	1200.0	\$28,800.00	1165.00	\$27,960.00	-35.00		(\$840.00)
40	12" WATER, TO CONST	LF	\$33.00	1830.0	\$60,390.00	1770.00	\$58,410.00	-60.00		(\$1,980.00)
41	6" GATE VALVE, TO PLACE	EA	\$560.00	2.0	\$1,320.00	2.00	\$1,320.00	0.00		\$0.00
42	8" GATE VALVE, TO PLACE	EA	\$760.00	5.0	\$3,800.00	5.00	\$3,800.00	0.00		\$0.00
43	12" GATE VALVE, TO PLACE	EA	\$1,300.00	4.0	\$5,200.00	4.00	\$5,200.00	0.00		\$0.00
44	WATER SRVC, 2" DIA. DOMESTIC	EA	\$1,400.00	13.0	\$18,200.00	14.00	\$19,600.00	1.00		\$1,400.00
45	WATER SRVC, 6" DIA FIRE	EA	\$1,800.00	1.0	\$1,800.00	2.00	\$3,600.00	1.00		\$1,800.00
46	WATER SRVC, 8" DIA. FIRE	EA	\$2,000.00	5.0	\$10,000.00	5.00	\$10,000.00	0.00		\$0.00



Contractor: TEICHERT CONSTRUCTION  
 JOB NAME: NEW RAMONA COLONY STREET ASSESSMENT DISTRICT  
 CITY JN: 26AD

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ITEM NO.	ITEM DESCRIPTION	UNIT	CONTRACT PRICES	ESTIM QUANT	AUTHORIZED AMOUNT	TOTAL WORK COMPLETED QUANTITY	\$ AMOUNT	QUANT CHANGE	AMOUNT CHANGE
47	DOUBLE PUMPER FH ASSEMBLY TO PLACE	EA	\$2,900.00	7.0	\$19,600.00	6.00	\$16,800.00	-1.00	(\$2,800.00)
48	EXIST. FH TO RELOCATE	EA	\$910.00	8.0	\$7,280.00	8.00	\$7,280.00	0.00	\$0.00
49	4" BLOW-OFF, TO PLACE	EA	\$1,300.00	1.0	\$1,300.00	1.00	\$1,300.00	0.00	\$0.00
50	PEDESTRAIN BARRICADE, TO CONST	EA	\$280.00	4.0	\$1,120.00	4.00	\$1,120.00	0.00	\$0.00
51	RETAINING WALL, TO CONST	LF	\$96.00	390.0	\$37,440.00	353.00	\$33,888.00	-37.00	(\$3,552.00)
52	WTR VALVE BX, TO ADJ. TO GRAD	EA	\$340.00	20.0	\$6,800.00	23.00	\$7,920.00	3.00	\$1,020.00
53	TRAF PULL BX, TO ADJ. TO GRAD	EA	\$270.00	6.0	\$1,620.00	7.00	\$1,890.00	1.00	\$270.00
54	WATER METER, TO REM & RESET	EA	\$270.00	3.0	\$810.00	0.00	\$0.00	-3.00	(\$810.00)
55	MAIL BX, TO RELOCATE	EA	\$95.00	11.0	\$1,045.00	7.00	\$665.00	-4.00	(\$380.00)
56	STREET SIGN, TO RELOCATE	EA	\$80.00	2.0	\$160.00	0.00	\$0.00	-2.00	(\$160.00)
57	TRAFFIC SIGNALS, TO CONST Power Inn & Cucamonga	JOB	\$82,000.00	1.0	\$82,000.00	1.00	\$82,000.00	0.00	\$0.00
58	ST LIGHTING SYST, TO MOD & INS	JOB	\$35,000.00	1.0	\$35,000.00	1.00	\$35,000.00	0.00	\$0.00
59	MAST ARM ELECTROLIERS TO INSTALL	EA	\$1,800.00	6.0	\$10,800.00	6.00	\$10,800.00	0.00	\$0.00
60	PRECONSTRUCTION PHOTOGRAPHS	JOB	\$500.00	1.0	\$500.00	1.00	\$500.00	0.00	\$0.00
61	CCO #1- Relocate 200 LF of Fence	LS	\$3,995.00	1.0	\$3,995.00	1.00	\$3,995.00	0.00	\$0.00
62	CCO #2- Substitute Poles	LS	\$913.00	1.0	\$913.00	1.00	\$913.00	0.00	\$0.00

Contractor: TEICHERT CONSTRUCTION  
 JOB NAME: NEW RAMONA COLONY STREET ASSESSMENT DISTRICT  
 CITY JN: 26A0

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ITEM NO.	ITEM DESCRIPTION	UNIT	CONTRACT PRICES	ESTIM QUANT	AUTHORIZED AMOUNT	TOTAL WORK COMPLETED QUANTITY	\$ AMOUNT	QUANT CHANGE	AMOUNT CHANGE
63	CCO # 3- Relocate St Lght Base	EA	\$1,755.60	1.0	\$1,755.60	1.00	\$1,755.60	0.00	\$0.00
64	CCO # 4- Install 1 1/2" Conduit with Conductors	LF	\$4.30	60.0	\$258.00	60.00	\$258.00	0.00	\$0.00
65	CCO # 4- Install No. 5 Pull Box	EA	\$200.00	1.0	\$200.00	1.00	\$200.00	0.00	\$0.00
66	CCO # 4- Install 1-8 Foundations	EA	\$605.00	2.0	\$1,210.00	2.00	\$1,210.00	0.00	\$0.00
67	CCO # 4- Install Larger 27-3-70 foundation	EA	\$790.00	1.0	\$790.00	1.00	\$790.00	0.00	\$0.00
68	CCO # 4- Modify Signal Heads and Brackets	HRS	\$45.00	3.0	\$135.00	3.00	\$135.00	0.00	\$0.00
69	CCO # 4- Delete Type 18-3-70 Foundation	EA	(\$686.00)	1.0	(\$686.00)	1.00	(\$686.00)	0.00	\$0.00
70	CCO # 5- Placement of Fabric Btwn Subgrade and AB	LS	\$10,433.25	1.0	\$10,433.25	1.00	\$10,433.25	0.00	\$0.00
71	CCO # 6- Extra Work Items Paid By T&M at Various Locations	T&M	\$27,506.52	1.0	\$27,506.52	1.00	\$27,506.52	0.00	\$0.00
72	CCO # 7- Place AC Behind SW to Conform to Existing DWS	SY	\$14.85	955.0	\$14,181.75	955.00	\$14,181.75	0.00	\$0.00

CONTRACT AMOUNT PRIOR TO QUANTITY ADJUSTMENT \$2,229,672.72

CONTRACT AMOUNT AFTER QUANTITY ADJUSTMENT \$2,240,127.12

AMOUNT OF QUANTITY ADJUSTMENT \$10,454.40

**PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 17, 1991**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming among other things, compliance with certain covenants, the interest on the Bonds is excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes. In the opinion of Bond Counsel, such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although for purposes of computing federal alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. See "TAX EXEMPTION" herein.

**\$2,580,095.06**  
**LIMITED OBLIGATION IMPROVEMENT BONDS**  
**CITY OF SACRAMENTO**  
**NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02**  
**SACRAMENTO COUNTY, CALIFORNIA**

Dated: February 5, 1991

Due: September 2, as shown below

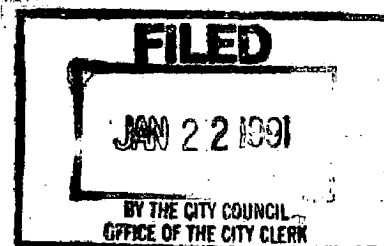
All of the construction and acquisition of improvements will be undertaken as provided by the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code). The Bonds are issued pursuant to provisions of the Improvement Bond Act of 1915 (Division 10 of said Streets and Highways Code).

The Bonds are issued as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof with the exception of one bond which may be in an odd amount due in 1992. Interest is payable on March 2, 1992, and semiannually thereafter on September 2 and March 2 of each year. Principal of and premium, if any, on the Bonds will be payable at the principal corporate trust office of Security Pacific National Bank, Los Angeles, California, Registrar and Paying Agent. Interest on the Bonds is payable by check or draft mailed by first class mail to the registered owners as shown on the Registrar's books as of the fifteenth day of the month preceding each interest payment date.

The Bonds are subject to redemption on any March 2 or September 2 prior to maturity upon 30 days' prior notice and upon payment of the principal and interest accrued thereon to the date of redemption or date of payment if surrendered earlier, plus a redemption premium of 3% of the principal amount of the Bonds to be redeemed.

Under the provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual Bond debt service will be billed by the County of Sacramento (the "County") to owners of property within the District against which there are unpaid assessments. Upon receipt by the City of Sacramento (the "City") from the County, these annual installments are to be paid into the Redemption Fund to be held by the City and used to pay debt service on the Bonds as it becomes due.

Unpaid assessments constitute fixed liens on the lots and parcels assessed within the District and do not constitute a personal indebtedness of the respective owners of such lots and parcels. Accordingly, in the event of delinquency, proceedings may be had only against the real property securing the delinquent assessment. Thus, the value of property within the District is a critical factor in determining the investment quality of the Bonds. See "Appendix B - The Appraisal" for the appraisal of Clark-Wolcott Company, Inc. regarding the value of the land and improvements within the District and the assumptions underlying that appraisal.



The City will establish a Special Reserve Fund and deposit therein Bond proceeds in the amount of 8.75 percent of the principal amount of the Bonds to provide for payment of the Bonds and the interest thereon as a result of any delinquent installments of assessments. **The City's obligation to advance funds to the Redemption Fund in the event of delinquent installments is limited to the balance in the Special Reserve Fund.** Additionally, the City has covenanted to initiate judicial foreclosure in the event of a delinquency as described herein.

Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

The information set forth in this Official Statement, including information under the heading "Bondowners' Risks", should be read in its entirety.

#### MATURITY SCHEDULE

<u>Maturity</u> <u>Date</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Maturity</u> <u>Date</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>
1992				2000			
1993				2001			
1994				2002			
1995				2003			
1996				2004			
1997				2005			
1998				2006			
1999							

The Bonds are offered when, as and if issued and delivered to the Underwriters subject to the approval of Sturgis, Ness, Brunsell & Sperry, a professional corporation, Emeryville, California, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery on or about February 5, 1991.

Stone & Youngberg

Donaldson, Lufkin & Jenrette Securities Corporation

Grigsby Brandford Powell Inc.

Merrill Lynch & Co.

## **CITY OF SACRAMENTO**

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### **MAYOR AND CITY COUNCIL**

Anne Rudin, Mayor  
Heather Fargo, District No. 1  
Lyla Ferris, District No. 2  
Josh Pane, District No. 3  
Thomas Chinn, District No. 4  
Joe Serna, Jr., District No. 5  
Kim Mueller, District No. 6  
Terry Kastanis, District No. 7  
Lynn Robie, District No. 8

### **CITY STAFF**

Walter J. Slipe, City Manager  
James P. Jackson, City Attorney  
Thomas P. Friery, City Treasurer  
Valerie A. Burrowes, City Clerk  
Betty Masuoka, Director of Finance  
Kenneth Nishimoto, Budget Manager  
Margaret Freeman, Revenue Manager

### **BOND COUNSEL**

Sturgis, Ness, Brunsell & Sperry  
a professional corporation  
Emeryville, California

### **ENGINEER OF WORK**

Melvin H. Johnson, Director of Public Works  
City of Sacramento, California

### **APPRAISER**

Clark-Wolcott, Inc.  
Sacramento, California

### **REGISTRAR AND PAYING AGENT**

Security Pacific National Bank  
Los Angeles, California

**TO WHOM IT MAY CONCERN:**

The purpose of this Official Statement is to supply information to prospective purchasers of \$2,580,095.06 principal amount of Limited Obligation Improvement Bonds, City of Sacramento, New Ramona Colony Street Assessment District No. 90-02 (the "Bonds") to be issued by the City of Sacramento (the "City") pursuant to the Improvement Bond Act of 1915 (the "Bond Law").

The information set forth herein has been furnished by sources which are believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in this Official Statement which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Furthermore, the information and expressions of opinion contained herein are subject to completion or amendment.

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The summaries and references to the Bond Law, the Bonds, the Resolution and to other statutes and documents referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such statute and document.

The Preliminary Official Statement is in a form deemed final within the meaning of Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (except for the omission of certain information permitted to be omitted therefrom pursuant to Rule 15c2-12), but is subject to revision, amendment and completion in a final Official Statement.

City of Sacramento

By: /s/Thomas P. Friery  
City Treasurer

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

## SUMMARY STATEMENT

**THIS SUMMARY IS SUBJECT IN ALL RESPECTS TO THE MORE COMPLETE INFORMATION IN THIS OFFICIAL STATEMENT, INCLUDING THE COVER PAGE AND APPENDICES HERETO AND THE OFFERING OF THE BONDS TO POTENTIAL INVESTORS IS MADE ONLY BY MEANS OF THE ENTIRE OFFICIAL STATEMENT.**

**Purpose** - Proceeds of the \$2,580,095.06 principal amount of Limited Obligation Improvement Bonds, City of Sacramento, Sacramento County, California, New Ramona Colony Street Assessment District No. 90-02 (the "Bonds"), together with investment earnings thereon, City contributions and paid assessments shall be used to finance the costs of the construction of sanitary sewer improvements, street lights, water mains, roadway and traffic improvements. Bond proceeds will also be used to establish a debt service reserve fund equal to 8.75 percent of the principal amount of the Bonds and to pay the costs of issuance of the Bonds. For a more detailed description of the Improvement Project, see the section herein entitled "The Improvement Project".

**Security for the Bonds** - The Bonds are issued upon and secured by the unpaid assessments, together with interest thereon, on parcels within the District. The unpaid assessments and interest and any penalties thereon represent fixed liens on the assessed parcels. They do not, however, constitute a personal indebtedness of the owners of such parcels.

Pursuant to the Improvement Bond Act of 1915, the installments of principal and interest sufficient to meet annual debt service on the Bonds will be billed by the County of Sacramento (the "County") to owners of parcels within the District against which there are unpaid assessments. Upon receipt by the City of Sacramento (the "City") from the County, these assessment installments are to be deposited into the Redemption Fund, which shall be held by the City and used to pay Bond principal and interest as they become due. The assessment installments billed against each parcel each year represent pro rata shares of the total principal and interest coming due that year, based on the percentage which the unpaid assessment against that parcel bears to the total of unpaid assessments levied to repay the Bonds.

The City will deposit an amount equal to 8.75 percent of the principal amount of the Bonds from Bond proceeds into a special reserve fund (the "Special Reserve Fund"). The Special Reserve Fund will be a source of available funds to advance to the Redemption Fund in the event of delinquent installments. **The City's obligation to advance funds to the Redemption Fund in the event of delinquent installments is limited to the balance in the Special Reserve Fund. Pursuant to the Resolution of Issuance the City has no obligation to replenish the Special Reserve Fund except to the extent that delinquent assessments are paid or proceeds from foreclosure sales are realized.** However, the determination by the City not to obligate itself to advance available funds to cure delinquencies will not prevent the City from, in its sole discretion, advancing such funds.

The City covenants with the owners of the Bonds that, in the event any assessment or installment thereof, including any interest thereon, is not paid when due, it will order, and cause to be commenced not later than October 1 in any year following the date of delinquency, and thereafter diligently prosecute to completion, Superior Court foreclosure proceedings upon the lien of any and all delinquent unpaid assessments and interest if the sum of uncured assessment delinquencies for the preceding fiscal year exceeds five percent (5%) of the assessment installments posted to the tax roll for that fiscal year, and if the amount of the Special Reserve Fund is less than the Reserve Requirement. The Reserve Requirement is defined in the Resolution Authorizing Issuance of Bonds (the "Resolution") as 8.75 percent of the original



proceeds of the Bonds less any amounts transferred therefrom to the Redemption Fund pursuant to Section 8884 of the Streets and Highways Code. Delinquency in payment of assessment installments does not result in an acceleration of the entire amount of the assessment; therefore, property may be sold at foreclosure sale for only the amount of delinquent installments. The City is not required to bid at the foreclosure sale.

For a more complete description of the security for the Bonds, see the section herein entitled **"Security for the Bonds"** herein.

**Redemption** - Any Bond may be called for redemption prior to maturity on any March 2 or September 2 upon payment of 103% percent of par value, plus accrued interest to the date of redemption or date of payment if surrendered earlier. See the section entitled **"The Bonds"** herein. The Bonds are also subject to refunding pursuant to Division 11 or Division 11.5 of the Streets and Highways Code.

**The District** - The District includes 64 parcels totaling approximately 100 acres. The assessments against 15 parcels were paid in full during the cash collection period leaving 49 parcels totaling approximately 86 assessed acres which represent security for the Bonds. The District is located approximately one half mile south of Highway 50, 3.25 miles east of Highway 99 and 5.25 miles east of Interstate 5. Primary access to the District is via the Power Inn Road exit off of Highway 50. The District is situated 4.5 miles southeast of the central business district and has proximity to freeways, the State Capitol buildings and Southern Pacific Railroad. The Regional Transit Light Rail System is located .75 miles north of the District with a station at Power Inn Road.

The District is located in an area known as the Power Inn Industrial Corridor which is considered a major industrial submarket for the Sacramento area. Typical development in the Power Inn area includes manufacturing facilities, warehouse/distribution outlets and retail/showroom multi-tenant complexes, including Proctor and Gamble Manufacturing Plant, Granite Construction Plant, Hunt-Wesson Foods, Safeway Stores Distribution, United Grocers/Safeway Distribution, American Steel industries, the Sacramento Army Depot, Western Kraft and Flemming Foods Distribution.

Of the 86 assessed acres of land in the District, approximately 46.6 acres are improved with buildings; the remaining 39.4 acres are unimproved. Improved parcels represent 35.4 percent of the aggregate assessment; undeveloped parcels represent 64.6 percent of the aggregate assessment. See **"The District"**.

Ownership of parcels in the District is diversified; there are no major owners in the District.

**The Appraisal** - A limited appraisal of the land and improvements in the District (the "Appraisal") has been prepared for the City by Clark-Wolcott, Inc. of Sacramento, California. In the opinion of the Appraiser, based on the assumptions described in the Appraisal, the estimated value of the land in the District with the public improvements installed with proceeds from the Bonds is \$11,773,083 which is approximately 4.6 times the aggregate assessment lien of \$2,580,095.06. The value of existing improvements (buildings) in the District are estimated to have a value of \$5,131,267 based on the square footages of the structures as set forth in the Assessor's commercial building records.

Therefore, the total estimated value of land and improvements in the District is estimated to be \$16,904,350, which is 6.6 times the aggregate assessment. The majority of parcels in the District have value-to-lien ratios ranging from 3 to 1 to 10 to 1. See **Table 3** for an analysis of the assessment, estimated value, land use and value-to-lien ratio for each parcel in the District. **Table 4** summarizes the value-to-lien ratios of parcels in the District.

The presence of toxic substances has been identified on Assessment Parcel No. 53. Pending further investigations, toxic substances may also affect Assessment Parcel Nos. 49, 50 and 51. Collectively these parcels have received an assessment of \$193,732.18 which represents 7.5 percent of the total assessment in the District. The combined appraised value of these parcels before taking into consideration the potential cost of removing the toxic substances is \$3,684,692 which represents 21.8 percent of the total appraised value in the District.

With respect to Parcel No. 53, the Regional Water Quality Control Board has advised the property owner that a full analysis of toxic problems on the site is necessary and that the site must be cleaned up. As the cost of the clean up for Parcel No. 53 (and Parcel Nos. 49, 50 and 51, if applicable) has not yet been determined, the figures shown under the headings "Appraised Land Value", "Total Estimated Value", and "Value-to-Lien Ratio" in Table 3 do not reflect said cost. Similarly, the breakdown of value-to-lien ratios shown in Table 4 may be affected. Depending upon the cost to clean up these sites, there may be an impact on the value of the parcels, their value-to-lien ratio, their marketability, and the willingness of the property owners to make full and punctual payment of the assessment installments on these parcels. Additional information concerning the identification of toxic substances in the District is available on request from the City Department of Public Works, Engineering Department. See **"Bondowners' Risks"**.

**A complete copy of the Appraisal, which describes the location of the District and development activity in the area, and which sets forth the final valuation conclusions of the Appraiser, is contained in Appendix B attached hereto. The Appraisal should be read in its entirety for an explanation of the Appraiser's methodology and the assumptions underlying and the conditions limiting the valuation conclusions contained in the Appraisal.**

**Bondowners' Risks** - Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance the owners will be able to pay the assessment installments or that they will pay such installments even though financially able to do so.

Timely payment of debt service on the Bonds depends upon the timely payment of unpaid assessment installments on land within the District. Should the assessment installments not be paid on time, the City will draw upon the Special Reserve Fund to cover delinquencies. The assessment installments are secured by a lien on the parcels within the District and the City has covenanted to commence foreclosure proceedings to sell parcels with delinquent installments for amounts sufficient to cover such delinquent installments in order to obtain funds to pay debt service on the Bonds and to replenish the Special Reserve Fund.

Because the City has not obligated itself to advance funds to pay Bond debt service in the event of delinquent assessment installments, failure by owners of the parcels to pay assessment installments when due, depletion of the Special Reserve Fund, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds, and owners of the Bonds would therefore be adversely affected.

The value of the land within the District is an important factor in determining the investment quality of the Bonds. Although substantial development in the District has occurred and new development is anticipated, it is possible that the remaining unimproved lands may not be developed and the actual value of the property is subject to future events which might render invalid the basic assumptions of the Appraiser in the Appraisal. Changes in general economic conditions, fluctuations in the real estate market, future building restrictions imposed by the City or other public agencies, the cost of removal of toxic substances which may affect four parcels, and other factors may adversely affect the value of land in the District.

For a more detailed discussion of certain of the investment qualities of this issue, see the section entitled **"Bondowners' Risks"** herein.



**\$2,580,095.06**  
**LIMITED OBLIGATION IMPROVEMENT BONDS**  
**CITY OF SACRAMENTO**  
**NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02**  
**(SACRAMENTO COUNTY, CALIFORNIA)**

**THE BONDS**

**Authority for Issuance**

The improvement proceedings for the City of Sacramento, New Ramona Colony Street Assessment District (the "District") are being conducted pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the "Act"). The Limited Obligation Improvement Bonds, City of Sacramento, New Ramona Colony Street Assessment District No. 90-02 (the "Bonds"), which represent the unpaid assessments levied against the property in the District, are issued pursuant to the provisions of the Improvement Bond Act of 1915 (Division 10 of the California Streets and Highways Code) (the "Bond Law") and a Resolution Authorizing Issuance of Bonds adopted by the City Council on \_\_\_\_\_, 1991 (the "Resolution").

**Description of the Bonds**

The \$2,580,095.06 principal amount of Bonds are dated February 5, 1991.

The Bonds will consist of serial bonds which will mature in various amounts on each September 2, commencing September 2, 1992 and ending September 2, 2006. Interest will be payable commencing on March 2, 1992, and semiannually thereafter on March 2 and September 2 of each year until maturity. The Bonds are issued only as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. Principal of and premium, if any, on the Bonds, and interest at maturity or upon the prior redemption thereof, will be payable at the principal corporate trust office of the Security Pacific National Bank, Los Angeles, California, Registrar and Paying Agent (the "Paying Agent"). Interest on the Bonds is payable by check or draft mailed to the registered owners thereof at the owners' address appearing on the register maintained by the Registrar as of the 15th day preceding the date of payment. Bonds will mature on the dates and in the amounts as set forth on the cover page of this Official Statement.

**Redemption of Bonds**

Any Bond may be called for redemption prior to maturity on any March 2 or September 2 upon payment of 103 percent of par value, plus accrued interest to the date of surrender or the date of redemption, whichever is earlier. No interest will accrue on a Bond beyond the March 2 or September 2 on which said Bond is called for redemption or upon surrender, whichever is earlier. Notice of redemption will be given by registered or certified mail or by personal service to the registered owner at least 30 days prior to the redemption date. The determination as to which Bond or Bonds are to be called will be made by the City Treasurer. Development of parcels within the District, transfers of property ownership, sale of any parcels and other similar circumstances, could result in prepayment of assessments. Such prepayment will result in redemption of all or a portion of the Bonds prior to their stated maturities. The Bonds are also subject to refunding pursuant to Division 11 or Division 11.5 of the Streets and Highways Code.

### **Purpose of the Bonds**

Proceeds from the sale of the Bonds will be used to finance the construction of sanitary sewer improvements, storm drains, water mains, street lights and roadway and traffic improvements (the "Improvement Project") as further described in the section herein entitled "The Improvement Project".

### **Establishment of Special Funds**

For administering the proceeds of the sale of Bonds and payment of interest and principal on the Bonds, the Resolution establishes five funds to be known as the Improvement Fund, the Redemption Fund, the Special Reserve Fund, the Investment Earnings Fund, and the Arbitrage Rebate Fund respectively, for the District.

#### **Improvement Fund**

Except as provided in the Resolution, a portion of the proceeds of the sale of the Bonds, together with all amounts paid on the assessments prior to issuance of the Bonds, shall be deposited in the Improvement Fund to be maintained by the City Treasurer. Disbursements from the Improvement Fund shall be made by the City Treasurer in accordance with the budget of estimated costs and expenses set forth in the Amended Engineer's Report approved by the City Council on November 27, 1990, (the "Engineer's Report") which report and budget are subject to modification by the City Council from time to time as prescribed by the Act.

#### **Redemption Fund**

The Redemption Fund shall be maintained by the City Treasurer. All payments of principal and interest installments on the assessments, together with penalties, if any, shall be deposited in the Redemption Fund, which shall be a trust fund for the benefit of the Bondowners. Payment of the Bonds at maturity, or at redemption prior to maturity, and all interest on the Bonds shall be made from the Redemption Fund.

#### **Special Reserve Fund**

The Special Reserve Fund shall be maintained by the City Treasurer. There shall be deposited into the Special Reserve Fund, initially, the amount of \$\_\_\_\_\_ (the "Reserve Requirement") from the proceeds of the sale of the Bonds. The Reserve Requirement is defined in the Resolution of Issuance as 8.75 percent of the original proceeds of the Bonds less any amounts transferred therefrom to the Redemption Fund pursuant to Section 8884 of the Streets and Highways Code. The Special Reserve Fund shall be administered as follows:

- a) During the term of the Bonds, the amount in the Special Reserve Fund shall be available for transfer into the Redemption Fund in accordance with Section 8808 of the Streets and Highways Code. The amount so advanced shall be reimbursed to the Special Reserve Fund from the proceeds of redemption or sale of the parcel for which payment of delinquent assessment installments was made from the Special Reserve Fund.
- b) If any assessment is prepaid before final maturity of the Bonds, the amount of principal which the assessee is required to prepay shall be reduced by an amount which is in the same ratio to the original amount of the Special Reserve Fund as the original amount of the prepaid assessment bears to the total amount of unpaid assessments originally securing the Bonds. This reduction in the amount of principal prepaid shall be balanced by a transfer from the Special Reserve Fund to the Redemption Fund in the same amount.

- c) The amounts deposited in the Special Reserve Fund shall never exceed the Reserve Requirement. Proceeds of investment of the Special Reserve Fund shall be deposited in the Investment Earnings Fund.
- d) When the amount in the Special Reserve Fund equals or exceeds the amount required to retire the remaining unamortized Bonds (whether by advance retirement or otherwise), the amount of the Special Reserve Fund shall be transferred to the Redemption Fund, and the remaining installments of principal and interest not yet due from assessed property owners shall be cancelled without payment.

#### **Investment Earnings Fund**

Proceeds of the investment of amounts in the Improvement Fund and the Special Reserve Fund shall be deposited in the Investment Earnings Fund. As of September 2 of each year during the term of the Bonds, the City Treasurer shall determine whether any portion of investment earnings must be rebated to the United States pursuant to Section 148 of the United States Internal Revenue Code and regulations adopted thereunder. Any amounts required to be rebated shall be transferred to the Arbitrage Rebate Fund, and the balance shall be transferred as follows:

- a) To the extent that the balance in the Special Reserve Fund is less than the Reserve Requirement, a transfer shall be made from the Investment Earnings Fund to the Special Reserve Fund.
- b) The remaining balance in the Investment Earnings Fund, if any, shall be transferred to the Improvement Fund until the Improvement Project is completed and the Improvement Fund is closed; thereafter the balance in the Investment Earnings Fund shall be transferred to the Redemption Fund to be used, in the discretion of the City Treasurer, as a credit upon the annual installments of assessments or for the advance retirement of Bonds.

The City Treasurer is authorized to retain independent attorneys, accountants and other consultants to assist in complying with federal tax law requirements.

#### **Arbitrage Rebate Fund**

Amounts in the Arbitrage Rebate Fund shall be invested in the same manner as amounts in the other funds and shall be held in trust for rebate to the United States at the times required by Section 148 of the United States Internal Revenue Code and regulations adopted thereunder.

## Annual Debt Service

Table 1 sets forth the annual debt service on the Bonds based on the maturity schedule and interest rates set forth on the cover page of this Official Statement.

**TABLE 1**

**\$2,580,095.06**  
**LIMITED OBLIGATION IMPROVEMENT BONDS**  
**CITY OF SACRAMENTO**  
**NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02**  
**ANNUAL DEBT SERVICE**

<u>Year Ending</u> <u>September 2</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1992	\$	\$	\$
1993			
1994			
1995			
1996			
1997			
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			

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(1) Represents interest from February 5, 1991 to September 2, 1992.



## SECURITY FOR THE BONDS

### General

The Bonds are issued upon and secured by the unpaid assessments together with interest thereon and the unpaid assessments together with interest thereon constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon. All the Bonds are secured by the monies in the Redemption Fund and the Special Reserve Fund created pursuant to the assessment proceedings and by the unpaid assessments levied. Principal of and interest on the Bonds are payable exclusively out of the Redemption Fund.

The unpaid assessments will be collected in annual installments, together with interest on the declining balances, on the tax roll on which general taxes on real property are collected and are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do said general taxes, and the properties upon which the assessments were levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes. See also the section herein below entitled "Covenant to Commence Superior Court Foreclosure".

The Special Reserve Fund will be established initially in the amount of 8.75 percent of the principal amount of Bonds issued. The Special Reserve Fund will be a source of available funds to advance to the Redemption Fund in the event of delinquent installments. **The City's obligation to advance funds to the Redemption Fund in the event of delinquent assessment installments is limited to the balance in the Special Reserve Fund. Pursuant to the Resolution of Issuance the City has no obligation to replenish the Special Reserve Fund except to the extent that delinquent assessments are paid or proceeds from foreclosure sales are realized.** However, the determination by the City not to obligate itself to advance available funds to cure delinquencies will not prevent the City from, in its sole discretion, advancing such funds.

The City has covenanted to commence judicial foreclosure in the event of a delinquency as described in the following subsection and thereafter to prosecute diligently to completion, court foreclosure proceedings upon the lien of any and all delinquent assessment and interest.

**Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Bonds.**

### Covenant to Commence Superior Court Foreclosure

Pursuant to Part 14 of Division 10 of the California Streets and Highways Code, as amended, in the event any assessment or installment thereof or any interest thereon is not paid when due, the City may order the institution of a court action to foreclose the lien of the delinquent unpaid assessment. In such an action, the property subject to the unpaid assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, the City covenants with the owners of the Bonds that, in the event any assessment or installment thereof, including any interest thereon, is not paid when due, it will order, and cause to be commenced not later than October 1 in any year following the date of delinquency, and thereafter diligently prosecute to completion, Superior Court foreclosure proceedings upon the lien of any and all delinquent unpaid assessments and interest if the sum of uncured assessment delinquencies for the preceding fiscal year exceeds five percent (5%) of the assessment installments posted to the tax roll for that fiscal year, and if the amount of the Special Reserve Fund is less than the Reserve Requirement. The Reserve Requirement is defined in the Resolution of Issuance as percent of the original proceeds of the Bonds less any amounts transferred therefrom to the Redemption Fund pursuant to Section 8884 of the Streets and Highways Code.

Prior to July 1, 1983, the statutory right of redemption from such a judicial foreclosure sale was limited to a period of one year from the date of sale. Legislation amended this statutory right of redemption to provide that before notice of sale of the foreclosed parcel can be given following court judgment of foreclosure, a redemption period of 120 days must elapse. Furthermore, if the purchaser at the sale is the judgment creditor, i.e. the City, an action may be commenced by the delinquent property owner within six months after the date of sale to set aside such sale. The constitutionality of the aforementioned legislation which amended the one-year redemption period has not been tested and there can be no assurance that, if tested, such legislation will be upheld.

In the event such Superior Court foreclosure or foreclosures are necessary, there may be a delay in payments to Bondowners pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale; it is also possible that no bid for the purchase of the applicable property would be received at the foreclosure sale. See the section herein entitled "Bondowners' Risks".

#### **Covenants with Respect to Arbitrage and Maintenance of Tax Exemption**

During the term of the Bonds, the City covenants and agrees that it will make no use of Bond proceeds which, if such use had been reasonably expected at the date the Bonds are issued, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the United States Internal Revenue Code of 1986 (the "Code"), and regulations of the Internal Revenue Service authorized thereby, and further will rebate to the United States any amounts actually earned as arbitrage in accordance with the provisions of that Code and those regulations.

The City will take all reasonable actions required to maintain the status of interest on the Bonds as excludable from gross income for federal income tax purpose and as exempt from the State of California personal income taxes.

#### **Bonds Create A Lien**

The assessment and each installment thereof and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same is paid. Such lien has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general taxes. To the best knowledge of the City there are no prior assessment liens in the District.

#### **Limited City Obligation Upon Delinquency**

The City's obligation to advance monies to pay Bond debt service in the event of delinquent assessment installments is limited to the balance in the Special Reserve Fund. A determination by the City not to obligate itself will not prevent the City from, in its sole discretion, advancing such funds. However, Bondowners should not rely upon the City to advance monies to the Redemption Fund if the Special Reserve Fund were ever depleted.

## THE IMPROVEMENT PROJECT

### Description

The following is a description of the Improvement Project as contained in the Engineer's Report prepared by the Public Works Department of the City of Sacramento:

The construction of street improvements, to include clearing, grubbing, excavation, grading, construction of pavement, curbs, gutters and sidewalks, including driveways, and installation of a street lighting system; on Cucamonga Avenue, currently an unimproved road, from the intersection of Cucamonga and Ramona Avenues to the intersection of Cucamonga Avenue and Power Inn Road; and on Ramona Avenue, currently an unimproved road, from the intersection of Ramona and Brighton Avenues to a point on Ramona Avenue 730 feet, more or less, west of intersection of Ramona Avenue and Power Inn Road; and the reconstruction of existing roadway on Brighton Avenue, currently an unimproved road, from the intersection of Brighton and Ramona Avenues to a point on Brighton Avenue 1,950-feet, more or less, from said intersection to its terminus; and sidewalk construction on portions of the west side of Power Inn Road from the intersection of Power Inn Road and Ramona Avenue to a point 300 feet, more or less, north of the intersection of Power Inn Road and Cucamonga Avenue; and the replacement of existing pavement on Hunt Street from the intersection of Hunt Street and Brighton Avenue to its terminus 220 feet, more or less, south of said intersection; and on Heinz Street from the intersection of Heinz Street and Brighton Avenue to its terminus 420 feet, more or less, south of said intersection; and the construction of water mains and related appurtenances, hydrants, and services, where required, along Brighton Avenue as described above and along Ramona Avenue from the intersection of Brighton and Ramona Avenues to a point 950 feet, more or less, southeasterly of said intersection; the construction of sanitary sewer mains with manholes and services, where required, in Brighton and Cucamonga Avenues, as herein previously described; in Ramona Avenue from the intersection of Ramona and Brighton Avenues to a point 140 feet, more or less, southeasterly of the intersection of Ramona and Cucamonga Avenues; in Power Inn Road from a point 300 feet, more or less, north of the intersection of Power Inn Road and Cucamonga Avenue; and in Hunt Street from the intersection of Hunt Street and Brighton Avenue to its terminus 220 feet, more or less, south of said intersection; and on Heinz Street from the intersection of Heinz Street and Brighton Avenue to its terminus 420 feet, more or less, south of said intersection; and the construction of a storm drainage collection system, including drop inlets, manholes, and services, where required, in Brighton Avenue from the intersection of Hunt Street and Brighton Avenue to the intersection of Ramona and Brighton Avenues; and in Ramona Avenues from the intersection of Brighton and Ramona Avenues to a point 650 feet, more or less, west of the intersection of Ramona Avenue and Power Inn Road; and in Cucamonga Avenue from the intersection of Cucamonga and Ramona Avenues to a point 450 feet, more or less, east of Ramona Avenue; and in Cucamonga Avenue from the intersection of Cucamonga Avenue and Power Inn Road to a point 750 feet, more or less, west of Power Inn Road; and in Hunt Street from the intersection of Brighton Avenue and Hunt Street to a point 40 feet more or less, south of said intersection; and in Heinz Street from the intersection of Heinz Street and Brighton Avenue to a point 375 feet, more or less, south of said intersection; and the construction of a signal at the intersection of Power Inn Road and Cucamonga Avenue.

Table 2 on the following page presents a summary of the Improvement Project Cost Estimate. A detailed cost estimate is shown in the Engineer's Report, a copy of which is available for inspection at the Office of the City Department of Public Works.

**TABLE 2**  
**CITY OF SACRAMENTO**  
**NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02**  
**IMPROVEMENT PROJECT COST ESTIMATE**

TOTAL CONSTRUCTION COST		\$2,163,879.00
Contingency (9%)		<u>192,877.17</u>
Total Construction and Contingency		\$2,356,756.17
Right-of-Way	\$240,658.30	
Appraisal Cost	75,800.00	
Property Agent Fees	15,000.00	
City Real Estate	25,000.00	
Closing Costs	<u>17,000.00</u>	
Total Right-of-Way-Related Costs		<u>\$ 373,458.30</u>
Total Construction, Contingency and Right-of-Way		\$2,730,214.47
Incidentals:		
Engineering and Project Management	\$238,896.00	
City A.D. Spreads & Documents	45,000.00	
Construction Staking & Inspection (7.5%)	<u>162,290.93</u>	
Total Incidental Engineering		\$ 446,186.93
Bond Printing Cost	4,500.00	
Bond Registration and Administration	90,000.00	
Special Dist. Info. & Reporting System	23,990.08	
Calif. Debt Advisory Commission Fee	269.80	
Bond Counsel Fee	40,470.23	
Allowance for Bond Discount (1)	67,450.39	
Allowance for Bond Reserve Fund (2)	<u>242,821.40</u>	
Total Incidental Bond-Related Costs		\$ 469,501.90
Contributions		
Less City Contribution	(\$147,998.69)	
Less County Contribution	(241,841.00)	
Less State Contribution	<u>( 480,000.00)</u>	
Total Contribution		<u>(\$ 869,839.69)</u>
Total Amount to be Assessed to Property Owners		\$2,776,063.61
Less Paid Assessments		<u>( 195,968.55)</u>
Unpaid Assessment and Bond Issue		<u>\$2,580,095.06</u>

- (1) Final amount of Bond Discount after cash collections: \$ \_\_\_\_\_  
(2) Final amount of Bond Reserve Fund after cash collections: \$225,758.32

## **NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02 METHOD OF SPREADING ASSESSMENTS**

The following describes the method of spreading assessments for the New Ramona Colony Street Assessment District:

### **Background Information**

A portion of Ramona Avenue just west of Power Inn Road was previously improved at the expense of the owner of several parcels in that locale. These improvements include street, curb, gutter, sidewalk, sewer, and storm drain collection facilities; water distribution facilities; and a street lighting system. Those parcels fronting the previously-constructed improvements are therefore excepted from assessments for the aforementioned improvements.

Several parcels are less than one-half acre in area. The small size of these lots greatly limits their developability, so that they derive less benefit from the proposed improvements. To compensate for this inequity, one-half of net area is used for these parcels when assessments are made on an area basis.

Several government-owned properties within the assessment district area are exempt from assessments. These include a small parcel (AD No. 5) owned by Sacramento Regional Transit District (SRTD) and several parcels (AD Nos. 15A, 15B, 16, 17 and 20) owned by the State of California. The State has contributed \$480,000 toward project costs.

Other funding sources are as follows:

The City of Sacramento will be funding entirely the design and construction of a traffic signal at the intersection of Power Inn Road and Cucamonga Avenue (\$150,000 is budgeted for this purpose).

The costs associated with the construction of the trunk sewer facilities and lateral upsizing will be funded by the Sacramento Regional County Sanitation District No. 1.

### **Construction Costs**

#### **1. Storm Drainage Collection System:**

- A. Costs related to the construction of these improvements are assessed to all benefitting parcels on the basis of net assessable area (where net assessable area is defined as the gross parcel area less land to be acquired and used as road right-of-way), except those parcels on Ramona Avenue which already have a storm drainage collection system and those parcels which front only Power Inn Road.
- B. AD Nos. 51-53 front Ramona Avenue and fall within the area served by the previously constructed drainage improvements. Some additional construction is needed for these parcels to tie into the existing storm drain collector; the costs of constructing these facilities are assessed equally to AD Nos. 51-53.
- C. Parcel No. 42, which fronts both Power Inn Road and Cucamonga Avenue will be assessed on the basis of one-third of the net assessable area. This parcel already has access to existing storm drainage facilities in Power Inn Road, so that it does not benefit as substantially as the other parcels in the assessment district.

2. Sewer Collection System:

- A. Costs related to the construction of the trunk sewer in Power Inn Road and a segment of Cucamonga Avenue are to be funded by the Sacramento Regional County Sanitation District (SRCSD). The sewer in Cucamonga Avenue is to serve as both a lateral and trunk sewer. SRCSD will fund that portion of the sewer costs over the cost to construct a lateral in this reach.
- B. Costs related to the construction of all lateral sewers and appurtenances are assessed to each benefitted parcel on an area basis. These costs consist of the "equivalent cost" of the sewer system required for the district itself and do not include any upsizing to achieve the required SRCSD's trunk capacity.
- C. Parcels along Ramona Avenue which already have sewer improvements are not assessed for any lateral sewer costs. These parcels are, however, assessed on an area basis for the construction work necessary to tie the existing sewer improvements into the proposed trunk sewer in Power Inn Road.

3. Water Distribution System:

- A. A 12-inch water line is to be constructed in Ramona and Brighton Avenues. It will extend from the termination of an existing 12-inch line in Ramona Avenue to an existing 8-inch line in Brighton Avenue. An 8-inch water line is to be constructed in Brighton Avenue, beginning where the proposed 12-inch line ends and terminating near the easterly end of Brighton Avenue.
- B. Parcels that at present lack access to a water line are assessed on an area basis for the 12-inch water line and all related appurtenances (AD Nos. 1, 2, 4, 5 and 66-69).
- C. All parcels receiving water services, including parcels addressed in paragraph 3B, are assessed on an area basis for the 8-inch water line.

4. Streets, Curbs, Gutters, and Sidewalks:

- A. Two-thirds of the costs related to the construction of these facilities on Cucamonga, Ramona, and Brighton Avenues are assessed to each benefitted parcel in proportion to the net assessable area. The remaining one-third of these construction costs are assessed to each benefitted parcel in proportion to front footage. Front footage for corner parcels is taken to the sum of the length of the shorter side and half the length of the longer side. Parcel No. 1, which fronts both Ramona and Brighton Avenues, is assessed on a one-half area as well as on a one-half frontage basis for this work. In addition to certain parcels along Ramona Avenue, one parcel on Power Inn Road (AD No. 22) does not front or gain access from the proposed street construction and is to be excepted from this assessment.
- B. Brighton Avenue roadwork consists of street reconstruction to the existing width. Since the existing width is approximately half of the roadway width of those streets being widened, Brighton Avenue parcels are assessed on a half-area basis for the two-thirds construction costs mentioned in Paragraph 4A. Since Brighton Avenue parcels receive no frontage improvements, they are exempted from the one-third construction costs attributable to the benefitted parcels.

- C. Costs related to curb, gutter and sidewalk construction on Power Inn Road are assessed directly to each benefitted parcel.
5. **Water, Sewer, and Storm Drain Service Stubs:**
- Costs related to the construction of these improvements are assessed to each benefitted parcel for the number of each type of service constructed.
6. **Driveway Construction:**
- Costs related to the construction of driveways are assessed to each benefitted parcel for each driveway to be constructed.
7. **Street Lighting System:**
- Costs related to the construction of the street lighting system are assessed to each benefitted parcel on an area basis. Those parcels on Power Inn Road and Ramona Avenue which already have street lighting, as well as Brighton Avenue parcels which do not benefit from the street lighting, are exempted from this assessment. Interior parcels are assessed on a one-third area basis.
- A.D. No. 1, which fronts both Brighton and Ramona Avenues, is assessed on a half-area basis.
8. **Traffic Signal at the intersection of Power Inn Road and Cucamonga Avenue:**
- Traffic signal costs are being funded by the City.

#### **Non-Construction Costs**

1. **Calculation of Right-of-Way Costs:**
- A. Those parcels which have not dedicated needed right-of-way are being appraised. Owners will be paid the appraised value of the needed right-of-way. These properties will be assessed the appraised value of the land needed plus related right-of-way acquisition costs. The latter costs include appraisal cost and property agent fees, both of which are assessed equally to each of the parcels in question.
- B. Right-of-way contingency and legal costs are assessed directly to those parcels which incur these costs. Real Estate staff time and closing costs are assessed to each parcel in the district from which right-of-way is needed based on its pro-rata share of the total construction cost.
- C. Appraised value of severance damages and such appraisal costs for Brighton Avenue parcels (from which R.O.W. is no longer needed) are assessed to all property owners on an area basis because all parcels in the district derive a benefit from the proposed construction improvements.
- D. Sewer easement costs are assessed on an area basis to all parcels benefitting from sewer construction work.

2. **Construction Contingency and Incidentals:**

This item includes construction contingency costs and construction incidentals, such as construction staking and inspection, and engineering. These costs are assessed to each parcel in proportion to the total construction dollars assessed to each parcel.

3. **Bond Counsel Fee:**

Costs for the bond counsel fee are assessed to each parcel in proportion to the total construction and right-of-way acquisition dollars assessed to that parcel.

4. **Bond Discount and Special Reserve Account:**

This item includes bond discount and special reserve costs. These costs are assessed to each parcel in proportion to the total cash assessment for each parcel. No assessment for this item will be made for parcels paying cash within the 30-day cash payment period.



## **THE DISTRICT**

### **General Description**

The District includes 64 assessed parcels totaling approximately 100 acres. The assessments against 15 parcels were paid in full during the cash collection period leaving 49 parcels totaling approximately 86 assessed acres which represent security for the Bonds. The District is located approximately one half mile south of Highway 50, 3.25 miles east of Highway 99 and 5.25 miles east of Interstate 5. Primary access to the District is via the Power Inn Road exit off of Highway 50. The District is situated 4.5 miles southeast of the central business district and has proximity to freeways, the State Capitol buildings and Southern Pacific Railroad. The Regional Transit Light Rail System is located .75 miles north of the District with a station at Power Inn Road.

The District is located in an area known as the Power Inn Industrial Corridor which is considered a major industrial submarket for the Sacramento area. Typical development in the Power Inn area includes manufacturing facilities, warehouse/distribution outlets and retail/showroom multi-tenant complexes, including Proctor and Gamble Manufacturing Plant, Granite Construction Plant, Hunt-Wesson Foods, Safeway Stores Distribution, United Grocers/Safeway Distribution, American Steel industries, the Sacramento Army Depot, Western Kraft and Flemming Foods Distribution.

### **The Appraisal**

A limited appraisal of the land and improvements in the District (the "Appraisal") has been prepared for the City by Clark-Wolcott, Inc. of Sacramento, California. In the opinion of the Appraiser, based on the assumptions described in the Appraisal, the estimated value of the land in the District with the public improvements installed with proceeds from the Bonds is \$11,773,083 which is approximately 4.6 times the aggregate assessment lien of \$2,580,095.06. The value of existing improvements (buildings) in the District are estimated to have a value of \$5,131,267 based on the square footages of the structures as set forth in the Assessor's commercial building records.

Therefore, the total estimated value of land and improvements in the District is estimated to be \$16,904,350, which is 6.6 times the aggregate assessment. The majority of parcels in the District have value-to-lien ratios ranging from 3 to 1 to 10 to 1. See Table 3 for an analysis of the assessment, estimated value, land use and value to lien ratio for each parcel in the District. Table 4 summarizes the value-to-lien ratios of parcels in the District.

A complete copy of the Appraisal, which describes the location of the District and development activity in the area, and which sets forth the final valuation conclusions of the Appraiser, is contained in Appendix B attached hereto. The Appraisal should be read in its entirety for an explanation of the Appraiser's methodology and the assumptions underlying and the conditions limiting the valuation conclusions contained in the Appraisal.

### **Presence of Toxic Substances on Certain Parcels**

The presence of toxic substances has been identified on Assessment Parcel No. 53. Pending further investigations, toxic substances may also affect Assessment Parcel Nos. 49, 50 and 51. Collectively these parcels have received an assessment of \$193,732.18 which represents 7.5 percent of the total assessment in the District. The combined appraised value of these parcels before taking into consideration the potential cost of removing the toxic substances is \$3,684,692 which represents 21.8 percent of the total appraised value in the District.

With respect to Parcel No. 53, the Regional Water Quality Control Board has advised the property owner that a full analysis of toxic problems on the site is necessary and that the site must be cleaned up. As the cost of the clean up for Parcel No. 53 (and Parcel Nos. 49, 50 and 51, if applicable) has not yet been determined, the figures shown under the headings "Appraised Land Value", "Total Estimated Value", and "Value-to-Lien Ratio" in Table 3 do not reflect said cost. Similarly, the breakdown of value-to-lien ratios shown in Table 4 may be affected. Depending upon the cost to clean up these sites, there may be an impact on the value of the parcels, their value-to-lien ratio, their marketability, and the willingness of the property owners to make full and punctual payment of the assessment installments on these parcels. Additional information concerning the identification of toxic substances in the District is available on request from the City Department of Public Works, Engineering Department. See **"Bondowner's Risks"**.

#### **Availability of Public Utilities**

The following entities provide public utilities to serve the parcels in the District:

Electricity:	Sacramento Municipal Utility District
Natural Gas:	Pacific Gas & Electric
Telephone Service:	Pacific Telesis
Water:	City of Sacramento
Sewage Collection and Treatment:	City of Sacramento and Sacramento Regional County Sanitation District

#### **Property Tax Status**

According to a recent check by the City, property taxes on all of the parcels in the District have been paid through and inclusive of the second installment of the 1989/90 tax year.

#### **Land Uses in the District**

There are approximately 86 assessed acres in the District; approximately 46.6 acres are improved with buildings, the remaining 39.4 acres are undeveloped. Improved parcels represent 35.4 percent of the aggregate assessment; undeveloped parcels represent 64.6 percent of the aggregate assessment. See **"The District"**.

All of the property in the District is zoned for industrial use. Most of the parcels located along Power Inn Road are used for warehouse and industrial uses. Examples of development within the District include American Steel Industries' distribution center, Rustic Brick Manufacturing Company's distribution center, AC&L mini-storage operation, a Recycling Industries facility, a wood processing operation, as well as other industrial buildings. There are also several office buildings in the District, including the offices of Luckenbill Enterprises and The Hofmann Company. Certain parcels are improved with older homes; it is expected that these homes will eventually be replaced with new industrial-related development.

TABLE 3  
CITY OF SACRAMENTO LIMITED OBLIGATION IMPROVEMENT BONDS  
NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02  
ASSESSMENT AND VALUATION DATA

ASSESSMENT					ESTIMATED	TOTAL	
PARCEL	PROPERTY OWNER	ASSESSMENT	% OF TOTAL ASSESSMENT	APPRAISED LAND VALUE(1)	IMPROVEMENT VALUE(1)	ESTIMATED VALUE(1)	VALUE TO LIEN RATIO
1	Tateishi	\$144,642.97	5.606%	\$358,281	\$0	\$358,281	2.5 to 1
2	Wisner	\$18,618.17	0.722%	\$72,188	\$0	\$72,188	3.9 to 1
3	Hart	\$78,243.66	3.033%	\$200,376	\$546,270	\$746,646	9.5 to 1
4	Tateishi	\$41,924.38	1.625%	\$162,261	\$0	\$162,261	3.9 to 1
6	Casselman	\$7,547.05	0.293%	\$58,757	\$8,000	\$66,757	8.8 to 1
7	Casselman	\$10,547.76	0.409%	\$58,295	\$0	\$58,295	5.5 to 1
8	Walker	\$16,743.20	0.649%	\$88,347	\$54,648	\$142,995	8.5 to 1
9	Marsalla	\$25,180.04	0.976%	\$105,529	\$74,120	\$179,649	7.1 to 1
10	Pesce	\$5,642.50	0.219%	\$14,850	\$0	\$14,850	2.6 to 1
11	Pesce	\$3,561.82	0.138%	\$38,594	\$0	\$38,594	10.8 to 1
13	Brown	\$6,355.71	0.246%	\$53,444	\$0	\$53,444	8.4 to 1
14	Brown	\$5,276.22	0.204%	\$34,680	\$0	\$34,680	6.6 to 1
19	Trejo	\$3,799.15	0.147%	\$33,220	\$0	\$33,220	8.7 to 1
21	American Industries	\$24,957.96	0.967%	\$264,627	\$0	\$264,627	10.6 to 1
22	American Industries	\$23,834.01	0.924%	\$415,562	\$750,750	\$1,166,312	48.9 to 1
23	Edelmayer & Haber	\$17,820.09	0.691%	\$233,264	\$78,320	\$311,584	17.5 to 1
24	Edelmayer & Haber	\$13,145.95	0.510%	\$180,338	\$0	\$180,338	13.7 to 1
25	Greule	\$18,705.51	0.725%	\$358,717	\$78,315	\$437,032	23.4 to 1
26	Rustic Brick Mfg Co	\$90,874.19	3.522%	\$316,768	\$53,160	\$369,928	4.1 to 1
27	Rustic Brick Mfg Co	\$18,830.91	0.730%	\$33,210	\$0	\$33,210	1.8 to 1
28	Williams	\$41,200.36	1.597%	\$127,304	\$0	\$127,304	3.1 to 1
29	Williams & Corsby	\$49,708.93	1.927%	\$140,721	\$0	\$140,721	2.8 to 1
30	Herrera	\$22,159.61	0.859%	\$76,629	\$0	\$76,629	3.5 to 1
31	Soper	\$51,939.31	2.013%	\$148,834	\$64,800	\$213,634	4.1 to 1
32	Geremia Brothers	\$6,463.72	0.251%	\$65,682	\$0	\$65,682	10.2 to 1
33	Geremia Brothers	\$23,277.59	0.902%	\$47,390	\$0	\$47,390	2.0 to 1
34	Geremia Brothers	\$25,902.82	1.004%	\$88,830	\$0	\$88,830	3.4 to 1
35	Lukenbill	\$95,962.15	3.719%	\$292,723	\$0	\$292,723	3.1 to 1
36	Lukenbill	\$76,255.08	2.956%	\$253,519	\$1,045,000	\$1,298,519	17.0 to 1
37	Williams	\$53,375.05	2.069%	\$141,635	\$0	\$141,635	2.7 to 1
41	Western Ku-Mac Co	\$91,590.55	3.550%	\$365,773	\$358,410	\$724,183	7.9 to 1
43	Stein	\$38,581.32	1.495%	\$533,174	\$0	\$533,174	13.8 to 1
49(2)	Lukenbill	\$11,699.91	0.453%	\$775,368	\$906,150	\$1,681,518	143.7 to 1

**TABLE 3**  
**CITY OF SACRAMENTO LIMITED OBLIGATION IMPROVEMENT BONDS**  
**NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02**  
**ASSESSMENT AND VALUATION DATA**

ASSESSMENT			% OF TOTAL	APPRAISED	ESTIMATED	TOTAL	VALUE TO
<u>PARCEL</u>	<u>PROPERTY OWNER</u>	<u>ASSESSMENT</u>	<u>ASSESSMENT</u>	<u>LAND VALUE(1)</u>	<u>IMPROVEMENT</u>	<u>ESTIMATED</u>	<u>LIEN RATIO</u>
					<u>VALUE(1)</u>	<u>VALUE(1)</u>	
50(2)	Sac Utilities	\$7,255.33	0.281%	\$342,382	\$0	\$342,382	47.2 to 1
51(2)	Sac Utilities	\$49,904.32	1.934%	\$144,130	\$255,600	\$399,730	8.0 to 1
52	Kelbro Corporation	\$46,378.33	1.798%	\$112,648	\$112,200	\$224,848	4.8 to 1
53(2)	Kelbro Corporation	\$124,872.62	4.840%	\$1,261,062	\$0	\$1,261,062	10.1 to 1
54	Kelbro Corporation	\$138,187.27	5.356%	\$468,488	\$0	\$468,488	3.4 to 1
58	Cross	\$10,648.24	0.413%	\$31,224	\$0	\$31,224	2.9 to 1
59	Cross	\$15,286.23	0.591%	\$27,844	\$0	\$27,844	1.8 to 1
60	Cross	\$321.00	0.012%	\$3,094	\$0	\$3,094	9.6 to 1
61	Kelbro Corporation	\$116,034.07	4.497%	\$378,536	\$0	\$378,536	3.3 to 1
62	Geremia Brothers	\$150,299.40	5.825%	\$544,500	\$78,000	\$622,500	4.1 to 1
63	Geremia Brothers	\$78,557.68	3.045%	\$265,716	\$217,800	\$483,516	6.2 to 1
64	Sperry	\$76,402.31	2.961%	\$272,250	\$449,724	\$721,974	9.4 to 1
66	Powell & Shaw	\$282,104.73	10.934%	\$833,085	\$0	\$833,085	3.0 to 1
67	Powell & Shaw	\$185,511.71	7.190%	\$532,194	\$0	\$532,194	2.9 to 1
68	Powell	\$105,854.07	4.103%	\$312,540	\$0	\$312,540	3.0 to 1
69	Powell	<u>\$28,110.10</u>	<u>1.089%</u>	<u>\$104,500</u>	<u>\$0</u>	<u>\$104,500</u>	<u>3.7 to 1</u>
<b>TOTALS</b>		<b>\$2,580,095.06</b>	<b>100.000%</b>	<b>\$11,773,083</b>	<b>\$5,131,267</b>	<b>\$16,904,350</b>	<b>6.6 to 1</b>

(1) Per Appraisal prepared by Clark-Wolcott Company, Inc.

(2) See subsection "The Appraisal" under the heading "The District" for a discussion of how certain toxic substances may have an impact on the values of these parcels.

TABLE 4  
CITY OF SACRAMENTO LIMITED OBLIGATION IMPROVEMENT BONDS  
NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02  
SUMMARY OF VALUE-TO-LIEN RATIOS

<u>VALUE-TO-LIEN RATIO</u>	<u># OF PARCELS</u>	<u>% OF TOTAL ASSESSMENT</u>
Between 1.30 to 1 and 2.49 to 1	3	2.2%
Between 2.50 to 1 and 2.99 to 1	6	17.4%
Between 3.00 to 1 and 9.99 to 1	28	66.1%
Between 10.00 to 1 and 24.99 to 1	9	12.6%
Over 25.00 to 1	3	1.7%
TOTALS	49	100.0%

## **BONDOWNERS' RISKS**

### **General**

In order to pay debt service on the Bonds, it is necessary that unpaid installments of assessment on land within the District are paid in a timely manner. Should the installments not be paid on time, the City has established a Special Reserve Fund which will be funded initially in the amount of 8.75 percent of the principal amount of Bonds. The Special Reserve Fund will be used to pay delinquent assessment installments should they occur. The assessments are secured by a lien on the parcels of land and the City has covenanted to institute foreclosure proceedings to sell land with delinquent installments for the amount of such delinquent installments in order to obtain funds to pay debt service on the Bonds.

Failure by owners of the parcels to pay installments of assessment when due, depletion of the Special Reserve Fund or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of assessment levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds, and Bondowners would therefore be adversely affected.

Amendments to the Improvement Bond Act of 1915 (the "Bond Law") enacted in 1988 and effective January 1, 1989 provide that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. "Minimum Price" as used in the Bond Law is the amount equal to the delinquent installments of principal or interest of the assessment or reassessment, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the Bond Law. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the Bondowners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Special Reserve Fund and a delay in payments of debt service on the Bonds.

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance the owners will be able to pay the assessment installments or that they will pay such installments even though financially able to do so.

In describing the District, its major landowners, their plans for development and the proposed improvements, current circumstances and facts have formed the basis for assumptions regarding, among other things, the value-to-lien ratios within the District, the proportionate share of debt service on the Bonds to be borne by various landowners and even the principal amount of unpaid assessments. While these assumptions are believed reasonable, given such facts and circumstances as of the date hereof, no assurance can be given that substantial adverse changes will not occur following the date hereof which erode or eliminate the value of such assumptions. Changes, for example, in the ownership of the land in the District, the development plans of landowners, bankruptcy of the landowners, inability to foreclose on property within the District, the possibility of substantial late payments of assessments or prepayment of assessment installments, may all have such effects. Prospective purchasers of the Bonds are encouraged to evaluate the likelihood of such changes in determining whether or not to invest in the Bonds.

### **Limited City Obligation Upon Delinquency**

Pursuant to the Bond Law, the City has elected not to be obligated to advance funds from the treasury of the City for delinquent assessment installments. The City's obligation to advance moneys to pay debt service on the Bonds in the event of delinquent assessment installments shall

not exceed the balance in the Special Reserve Fund. The City has no obligation to replenish the Special Reserve Fund except to the extent that delinquent assessments are paid or proceeds from foreclosure sales are realized. There is no assurance that the balance in the Special Reserve Fund will always be adequate to pay all delinquent installments and if during the period of delinquency there are insufficient funds in the Special Reserve Fund, a delay may occur in payments to the Bondowners. Notwithstanding the above, the City may, at its sole option and in its sole discretion, elect to advance available surplus funds of the City to pay for any delinquent installments pending sale, reinstatement, or redemption of the delinquent property. However, Bondowners should not rely upon the City to advance monies to the Redemption Fund if the Special Reserve Fund were ever depleted.

### **Land Values**

The value of land within the District is an important factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of assessment installments, the City's only remedy is to commence foreclosure proceedings in an attempt to obtain funds to pay the delinquent assessment. See **"Bondowners' Risks - Bankruptcy and Foreclosure"** herein.

The Appraisal, a copy of which is attached as Appendix B hereto, summarizes the Appraiser's opinion with respect to the value of the land within the District. The Appraisal should be read in its entirety for an explanation of the Appraiser's methodology and the assumptions underlying and the conditions limiting the valuation conclusions of the Appraiser.

Prospective purchasers of the Bonds should not assume that the property within the District could be sold for the appraised amount at a foreclosure sale for delinquent assessments. The actual value of the property within the District is subject to future events which might render invalid the basic assumptions of the Appraiser that the property within the District can be sold or developed and absorbed. Unforeseen events could prevent or delay the development or sale of the property within the District. Additionally, development in the District may be negatively affected by changes in general economic conditions, fluctuations in the real estate market and other factors.

### **Undeveloped Land**

Approximately 39.4 acres of a total of 86 assessed acres in the District, which represent security for the Bonds, are undeveloped. Parcels which are undeveloped represent 64.6 percent of the assessment. No assurance can be given that the unimproved property within the District will be developed, and in assessing the investment quality of the Bonds, prospective purchasers should evaluate the risks of noncompletion discussed below.

First, undeveloped land is less valuable than such land in a developed condition and provides less valuable security to the Bondowners should it be necessary for the City to foreclose due to the nonpayment of assessments.

Second, if the property within the District remains undeveloped, the number of likely purchasers at a foreclosure sale, in the event the City forecloses the lien of a delinquent unpaid assessment, is likely to be reduced. See **"Bondowners' Risks - Bankruptcy and Foreclosure"**.

Third, in addition to potentially reducing the ability and willingness of the landowners to pay assessment installments, a slowdown of the development process could adversely affect land values and reduce the proceeds received at a foreclosure sale in the event assessment installments are not paid when due.

### **Presence of Toxic Substances on Certain Parcels**

The presence of toxic substances has been identified on Assessment Parcel No. 53. Pending further investigations, toxic substances may also affect Assessment Parcel Nos. 49, 50 and 51. Collectively these parcels have received an assessment of \$193,732.18 which represents 7.5 percent of the total assessment in the District. The combined appraised value of these parcels before taking into consideration the potential cost of removing the toxic substances is \$3,684,692 which represents 21.8 percent of the total appraised value in the District.

With respect to Parcel No. 53, the Regional Water Quality Control Board has advised the property owner that a full analysis of toxic problems on the site is necessary and that the site must be cleaned up. As the cost of the clean up for Parcel No. 53 (and Parcel Nos. 49, 50 and 51, if applicable) has not yet been determined, the figures shown under the headings "Appraised Land Value", "Total Estimated Value", and "Value-to-Lien Ratio" in Table 3 do not reflect said cost. Similarly, the breakdown of value-to-lien ratios shown in Table 4 may be affected. Depending upon the cost to clean up these sites, there may be an impact on the value of the parcels, their value-to-lien ratio, their marketability, and the willingness of the property owners to make full and punctual payment of the assessment installments on these parcels. Additional information concerning the identification of toxic substances in the District is available on request from the City Department of Public Works, Engineering Department. See "The District".

### **Bankruptcy and Foreclosure**

The payment of assessments and the ability of the City to foreclose the lien of a delinquent unpaid assessment, as discussed in the section entitled "**Security for the Bonds – Covenant for Superior Court Foreclosure**" herein, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the law of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to crowded local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the assessments to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in delinquent assessment installments not being paid in full. Where property is encumbered by liens securing construction loans (and it can be expected that some of the parcels in the District, which are currently undeveloped, will be so encumbered when they start to develop), it is highly probable that bankruptcy of a property owner would delay foreclosure for an extended period of time. Such a delay would increase the likelihood of a delay or default in payment of the principal and interest on the Bonds.

### **Factors Which May Affect Land Development and Property Values**

Continued development in the District and property values may be affected by changes in general economic conditions, fluctuations in the real estate market, natural disasters and other factors. In addition, proposed development may be subject to future federal, state and local regulations. Approval may be required from various public agencies from time to time in connection with the layout and design of proposed development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such future regulations or obtain such approvals in a timely manner could delay or adversely affect development in the District as well as property values.



### **Future Debt Issuance**

The willingness and ability of owners of land within the District to pay the assessments could be affected by the levy of other taxes and assessments imposed upon the property in the future by the City or other public agencies whose boundaries overlap those of the District. In certain cases the levy of future assessments and taxes could occur without the consent of the owners of the land within the District in order to finance public improvements to be located inside of or outside of the District. Under certain circumstances, future debt issued by the City or other public agencies could be on a parity with the Bonds.

### **DEFEASANCE**

The Bonds and the original assessments shall remain in full force and effect and the Bonds shall be secured by the original assessments until (1) the Bonds mature, (2) assessments are prepaid and the Bonds are redeemed, (3) apportionment of the original assessments occurs pursuant to the Bond Law, or (4) the original assessments are superseded and supplemented by reassessments and refunding bonds issued pursuant to Division 11 or Division 11.5 of the Streets and Highways Code, at which time the refunding escrow shall become the security for any outstanding Bonds not exchanged for refunding bonds. Any proceeds of sale of any refunding bonds may be deposited in escrow or trust with a bank or trust company and shall be secured in accordance with the laws applicable to funds of the City and shall be invested in Federal Securities.

### **LEGAL OPINION**

All proceedings in connection with the issuance of the Bonds are subject to the approval of Sturgis, Ness, Brunsell & Sperry, a professional corporation, Emeryville, California, Bond Counsel ("Bond Counsel"). The opinion of Bond Counsel attesting to the validity of the Bonds, shall be supplied free of charge to the original purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond.

The statements of law and legal conclusions set forth in this Official Statement under the heading "**The Bonds**" herein have been reviewed by Bond Counsel. Bond Counsel's engagement is limited to a review of the legal procedures required for the authorization of the Bonds and the exemption of interest on the Bonds from income taxation. See "**Tax Exemption**" herein. The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including the Official Statement, not mentioned in this paragraph. Payment of Bond Counsel's fee in connection with the issuance of the Bonds is contingent upon the issuance and delivery of the Bonds.

### **TAX EXEMPTION**

In the opinion of Sturgis, Ness, Brunsell & Sperry, a professional corporation, Emeryville, California, Bond Counsel, subject, however, to the qualifications set forth below, the interest on the Bonds is not includable in the gross income of the bondowner for purposes of federal income taxes under existing statutes, regulations and court decisions. Interest on the Bonds is not a preference item for federal, individual or corporate alternative minimum taxes, but is included in adjusted net book income and adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Bonds is exempt from State of California personal income taxes, and the Bonds are exempt from all California taxes except estate and franchise taxes.

The federal tax-exempt status of Bond interest depends upon continuing compliance by the City with the arbitrage rebate covenant contained in the Resolution. Failure to comply with that covenant may cause interest on the Bonds to be declared taxable retroactive to their date of issuance. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Prospective purchasers of the Bonds should be aware that (i) section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of the Bondowner's interest expense allocated to interest on the Bonds, (ii) with respect to insurance companies subject to the tax imposed by section 831 of the Code, for taxable years beginning after December 31, 1986, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest payable with respect to the Bonds, (iii) for taxable years beginning after December 31, 1986 and before January 1, 1992, interest on the Bonds earned by some corporations could be subject to the environmental tax imposed by section 59A of the Code, (iv) for taxable years beginning after December 31, 1986, interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by section 884 of the Code, (v) passive investment income, including interest on the Bonds, may be subject to federal income taxation under section 1375 of the Code for subchapter S corporations that have subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such subchapter S corporation is passive investment income, and (vi) section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds.

#### **NO LITIGATION**

There is no action, suit, or proceeding known by the City to be pending at the present time restraining or enjoining the delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the execution or delivery thereof. A no litigation certificate executed by the City will be required to be delivered to the Underwriters simultaneously with the delivery of the Bonds.

#### **NO RATING**

The City has not, and does not contemplate making application to any rating agency for the assignment of a rating to the Bonds.

#### **UNDERWRITING**

The Underwriters have purchased the Bonds from the City at an aggregate discount of \$\_\_\_\_\_ from the total par value of Bonds as set forth on the cover page of this Official Statement. The public offering prices may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at a price lower than the offering price stated on the cover page hereof.

## MISCELLANEOUS

All quotations from, and summaries and explanations of, the Resolution and other statutes and documents contained herein do not purport to be complete, and reference is made to said documents, Resolution and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the City. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the City or the Underwriters. The information contained herein should not be construed as representing all conditions affecting the City or the Bonds.

The execution and delivery of this Official Statement have been authorized by the City.

CITY OF SACRAMENTO

By /s/Thomas P. Friery  
City Treasurer

**APPENDIX A**  
**ASSESSMENT DIAGRAM**

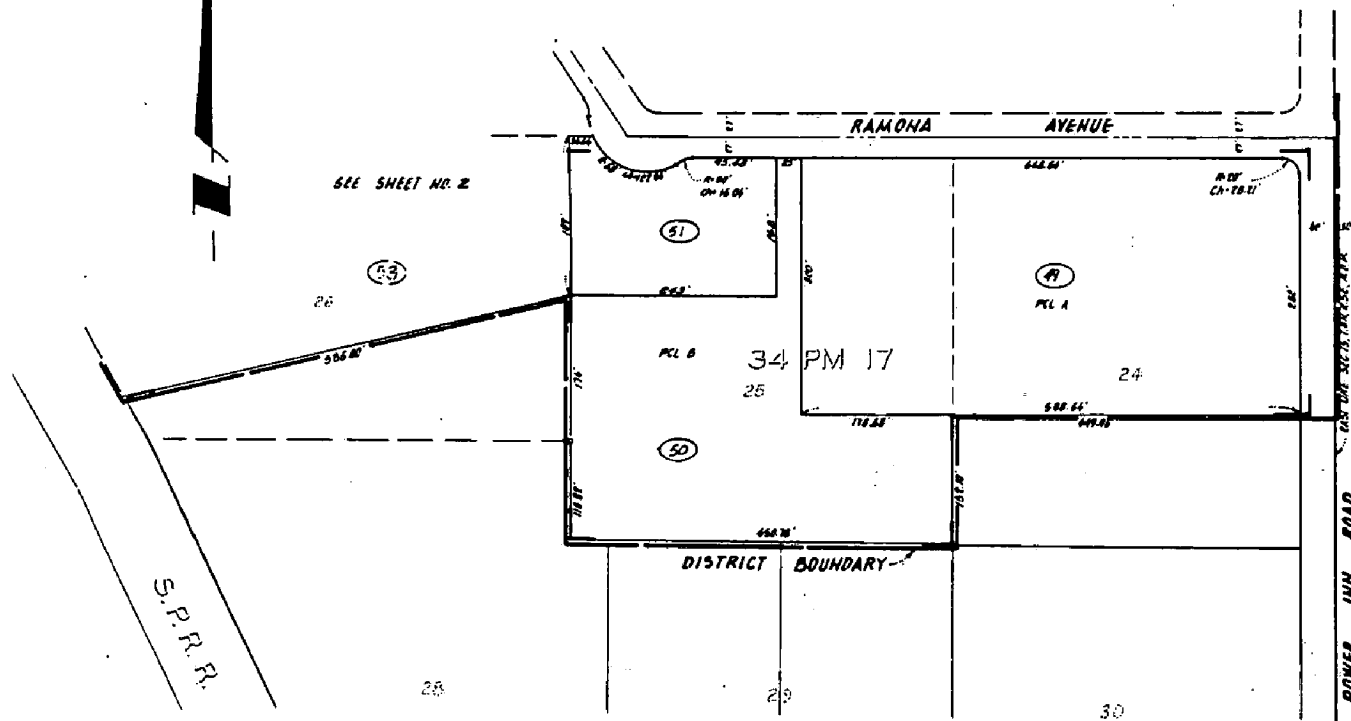
# ASSESSMENT DIAGRAM NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02

CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, CALIFORNIA

AUGUST, 1940

SCALE: 1"=100'

MORTON & PITALO, INC.



## LEGEND

- ASSESSMENT DISTRICT BOUNDARY
- ② ASSESSMENT PARCEL NUMBER
- 10 SUBDIVISION LOT NUMBER
- PARCEL MAP OR SUBDIVISION DOCUMENT
- PCL # PARCEL NUMBER

## NOTE

ALL DISTANCES ALONG CURVED LINES ARE CHORD MEASUREMENTS.

## CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO STATE OF CALIFORNIA THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1940

VALERIE BURKOWSKI  
CITY CLERK

## SUPERINTENDENT OF STREETS RECORDING STATEMENT

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF SACRAMENTO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1940

SUPERINTENDENT OF STREETS

## CLERK'S CERTIFICATE

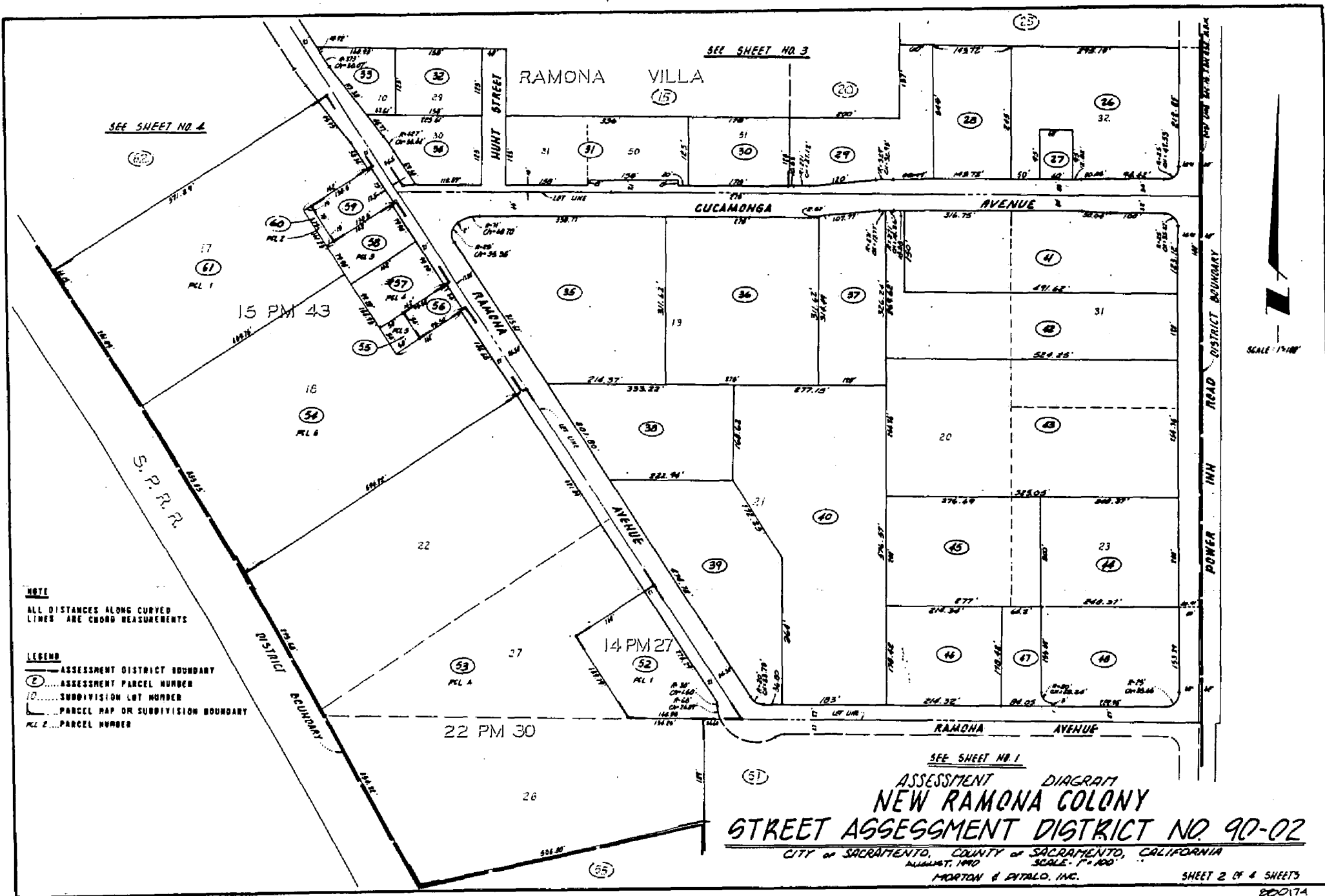
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, ON THE LOTS, PIECES AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS LEVIED ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 1940. SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF SACRAMENTO ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 1940. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

VALERIE BURKOWSKI  
CITY CLERK

## COUNTY RECORDER'S FILING STATEMENT

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1940, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT DISTRICTS 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



ASSESSMENT DIAGRAM  
**NEW RAMONA COLONY**  
**STREET ASSESSMENT DISTRICT NO. 90-02**  
 CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, CALIFORNIA  
 AUGUST, 1940 SCALE - 1"=100'  
 MORTON & PITLUD INC.

SCALE 1"=100'

SEE SHEET NO. 4

- LEGEND**
- ASSESSMENT DISTRICT BOUNDARY
  - (2) ASSESSMENT PARCEL NUMBER
  - (10) SUBDIVISION LOT NUMBER
  - PARCEL MAP OR SUBDIVISION BOUNDARY
  - PCL 2 PARCEL NUMBER

**NOTE**  
 ALL DISTANCES ALONG CURVED LINES ARE  
 CHORD MEASUREMENTS.

SEE SHEET NO. 2

SHEET 3 OF 4 SHEETS

880174





**APPENDIX B**  
**THE APPRAISAL**

# ***Clark - Wolcott***

**January 15, 1991**

**Stone & Youngberg  
One California Street  
San Francisco, California 94111**

**Attention: Mr. Scott Clinton**

**SUBJECT: Limited Appraisal  
New Ramona Colony Street Assessment District 90-02  
Sacramento, California**

**90/126**

**Dear Mr. Clinton:**

In response to your request and authorization, a limited appraisal has been prepared of the fee interest in the various properties involved in the New Ramona Colony Assessment District. During the preparation of this appraisal, the properties within the assessment district were inspected and an investigation made of relevant market indicators and conditions.

Based on the analysis of the data obtained from the inspection and investigation, we have estimated the market value of the fee interest as of *January 7, 1991*. A summary of the appraisal, our conclusions and estimate of value are described in the following limited scope appraisal report.

The report that follows sets forth in limited detail the descriptive and factual data, Assumptions and Limiting Conditions affecting the appraisal, and the findings and conclusions that lead to and support our estimate of value.

Respectfully submitted,

**CLARK-WOLCOTT COMPANY, INC.**

## **INTRODUCTION**

### **SCOPE AND FUNCTION OF APPRAISAL ASSIGNMENT**

This is a limited scope appraisal that involves the valuation of 49 parcels within the New Ramona Colony Street Assessment District 90-02 in the city of Sacramento, California. This appraisal involves the valuation of the individual sites and the contributory value of the building improvements, if any. The estimated values assume all construction work that is part of the assessment district has been completed. This appraisal is being prepared to assist in the bond underwriting process.

### **PROPERTY RIGHTS APPRAISED**

This appraisal is of the fee interest subject only to the Assumptions and Limiting Conditions contained herein, and to any exceptions, easements and rights-of-way of record.

### **DATE OF VALUATION**

Valuation of the various assessment parcels and improvements in this report is as of *January 7, 1991*.

## **DEFINITION OF MARKET VALUE**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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## **ASSUMPTIONS AND LIMITING CONDITIONS**

This Appraisal Report and Valuation contained herein are expressly subject to the following assumptions and/or conditions:

1. Title to the Fee Estate Interest in the property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Clark-Wolcott Company, Inc., has not examined title and makes no representations relative to the condition thereof.
2. Clark-Wolcott Company, Inc., has made no survey of property boundaries, and boundaries as they appear on the ground or as represented by the client or client representative, are assumed to be correct.

Maps, sketches, photographs and other exhibits depicting the appraisal property are intended for illustrating purposes to supplement the narrative description of the properties and are not intended nor should they be construed to represent an exact survey or location of property boundaries.

3. All factual data furnished by the property owner, owner's representative, or persons designated by the owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Clark-Wolcott Company, Inc., has no reason to believe that any of the data furnished contains any material error. Information and data referred to in this paragraph includes, without being limited to, lot and block numbers, Assessor's parcel numbers, land dimensions, acreage or area of the land, net farmable areas, usable areas, rent schedules, income data, historic operating expenses, budgets, and related data. Any material error in any of the above data has a substantial impact on the value reported. Thus, Clark-Wolcott Company, Inc., reserves the right to amend the value reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within ten days after the date of delivery of this report and should immediately notify Clark-Wolcott Company, Inc., of any questions or errors.
4. All information and data furnished by others in connection with the preparation of this report are accurate and correct, and Clark-Wolcott Company, Inc., has no reason to believe to the contrary unless such is specifically noted in the body of the report. Information included in this context refers to comparable rental and sales data, verification of factual data, and general market data.
5. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property. Unless otherwise noted in the body of the report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density or shape are being considered.
6. The appraisal has been prepared on the premise that there are no encumbrances or other matters not of record prohibiting utilization of the property under the appraiser's statement of highest and best use.
7. Unless otherwise noted in the body of the report, it is assumed that there are no mineral or sub-surface rights of value involved in this appraisal and that there are no air or development rights of value that may be transferred.

8. This report may not be duplicated in whole or in part without the specific written consent of Clark-Wolcott Company, Inc., nor may this report or copies hereof be transmitted to third parties without said consent, which consent Clark-Wolcott Company, Inc., reserves the right to deny. Exempt from this restriction are duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the owner of the property, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Clark-Wolcott Company, Inc. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Clark-Wolcott Company, Inc., shall have no accountability or responsibility to any such third party.
9. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Clark-Wolcott Company, Inc., to buy, sell, or hold the property at the value appraised. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
10. The real estate market is in a state of constant flux, as is the value of the U.S. dollar. Clark-Wolcott Company, Inc., can offer no assurances that the reported value will remain stable or improve in terms of current dollars. The passage of time or changing economic conditions could result in a change in value, as could a change in the relative value of the U.S. dollar. If the client believes such has occurred, an updated valuation may be in order.
11. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.
12. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did Clark-Wolcott Company, Inc., become aware of such during the appraiser's inspection. Clark-Wolcott Company, Inc., has no knowledge of the existence of such materials on or in the property unless otherwise stated. Clark-Wolcott Company, Inc., however, is not qualified to test for the presence of such substances or conditions. If the presence of such substances, such as asbestos, ureaformaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

If questions in these areas are critical to the decision process of the reader, the advice of competent engineering or environmental consultants should be obtained and relied upon. If engineering or environmental consultants retained should report negative factors, of a material nature, relative to the condition of the property, such negative information could have a substantial negative impact on the value reported in this appraisal. Accordingly, if negative findings are reported by engineering or environmental consultants, Clark-Wolcott Company, Inc., reserves the right to amend the value reported herein.

## **SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS**

- This is a limited appraisal and, as such, contains only the necessary and pertinent data required for the valuation analysis. All supporting data have been retained in the permanent Clark-Wolcott Company, Incorporated, appraisal file.
- The values reported in this limited appraisal include the estimated contributory values of the building improvements, if any, situated on the parcels. The contributory values are predicated on a dollar per square foot of building area. The square footages have been obtained from the Assessor's commercial building records and are assumed to be accurate. We have neither physically inspected the interiors of the improvements, nor have we physically measured the building structures.

**CERTIFICATION**

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. I have personally inspected the property which is the subject of this appraisal.
2. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
3. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
4. The professional fee for the appraisal service rendered is dependent solely upon completion of the service evidenced by delivery of this report and is in no way contingent upon the conclusions or value estimate reported.
5. To the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
6. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.
7. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the American Institute of Real Estate Appraisers including review by its duly authorized representatives.
8. The American Institute of Real Estate Appraisers conducts a program of continuing education for its designated members. As of the date of this report, the undersigned, Jill Clark, MAI, has completed the requirements of the continuing education program of the American Institute of Real Estate Appraisers.
9. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in this appraisal report.

By: Jill Clark Date: 1-15-91



## **PROJECT DESCRIPTION AND NEIGHBORHOOD CHARACTERISTICS**

The New Ramona Colony Street Assessment District is being established to fund various road and utility infrastructure improvements, including street paving and construction of curbs, gutters, sidewalks and street lights; construction of water and sewer lines; and construction of storm drainage facilities.

The various parcels within the assessment district are zoned for industrial purposes, and the improvements to be constructed will provide the necessary road and utility infrastructure for an industrial park-type development.

The property is situated in an older industrial area that is oriented primarily to industrial type uses consisting of tilt-up concrete warehouse facilities and corrugated metal industrial buildings. Several of the parcels in the area are vacant, and some are improved with smaller older, single-family residences. The neighborhood is generally bounded by State Highway 50 to the north, Redding Avenue to the west, 14th Avenue to the south and Power Inn Road to the west.

Additional developments in the general area include commercial uses situated along Power Inn Road and residential development to the west of Power Inn Road. However, the majority of land in the Power Inn Corridor is oriented to industrial uses. The area originally developed industrially in the mid-1960's; consequently, many of the structures are approaching the mid- to end stages of their economic lives.

The most significant aspect of the neighborhood is its freeway accessibility, provided via State Highway 50, which intersects with all other freeways serving the Sacramento area, including State Highway 99, Interstate 80 and Interstate 5. The other primary access route to the area is Power Inn Road, a four-lane thoroughfare which intersects with Highway 50 just north of the assessment district area.

## **HIGHEST AND BEST USE**

Highest and best use of the various parcels in the New Ramona Colony Street Assessment District is for industrial developments. This land use is consistent with the current industrial zoning of the property by the City of Sacramento, as well as with existing developments in the neighborhood.

## **VALUATION**

Valuation of the parcels within the assessment district is predicated on market data analysis and involves the estimated value of the land and the contributory value of the building improvements. Since this is a limited appraisal, neither the Cost Approach nor the Income Approach have been utilized to value the 49 parcels within the assessment district; consequently, the Market Data Approach has been used solely in estimating the contributory value of the improvements.

A survey of industrial sites in the Power Inn Corridor in which the assessment district is located, as well as other comparable industrial districts in the Sacramento area, indicate that fully improved industrial sites range in value from \$2.50 to \$5.00 per square foot. The range in values is dependent on location adjacent to primary thoroughfares, size and access characteristics. The value estimates rendered in this report are predicated on the size and location of the individual parcels.

The contributory value of the improvements is predicated on a price per square foot unit indicator. Sales of industrial improved properties including corrugated metal buildings and tilt-up concrete structures were researched, and the values varied depending on quality, condition, size and location.

The sizes of the improvements were abstracted from commercial building records prepared by the Sacramento County Assessor's Office. The physical conditions were determined from cursory street inspections.

Valuation of the assessment parcels is predicated on the assumption that all the improvements to be constructed within the New Ramona Colony Street Assessment District as described in the engineers report have been completed and the land is available for development to its highest and best use.

The following pages provide a summary of the various parcels appraised in this report, the estimated land values, the existing improvements and the contributory value of the improvements:

ASSESSMENT NUMBER	ASSESSOR PARCEL NO.	ACREAGE		ESTIMATED \$/SF	ESTIMATED LAND VALUE	IMPROVEMENTS	QUALITY	STRUCTURE SIZE/SF	ESTIMATED	ESTIMATED	TOTAL ESTIMATED VALUE
		PARCEL SIZE	SQUARE FEET						CONTRIBUTORY \$/SF OF IMPROVEMENTS	CONTRIBUTORY VALUE OF IMPROVEMENTS	
1	079-0242-001	3.290	143,312	\$2.50	\$358,281	Vacant		0	\$0.00	\$0.00	\$358,281
2	079-0242-002	0.663	28,875	2.50	72,188	Residential	No Value	0	0.00	0	\$72,188
3	079-0242-004	1.840	80,150	2.50	200,376	Corrugated Metal	Fair	38,418	15.00	548,270	\$748,646
4	079-0242-005	1.490	64,904	2.50	162,261	Vacant		0	0.00	0	\$162,261
5	079-0242-006	0.079	3,480	NO ASSMT	0			0	0.00	0	\$0
6	079-0251-003	0.490	21,368	2.75	58,757	Corrugated Metal	Poor	800	10.00	8,000	\$68,757
7	079-0251-012	0.487	21,198	2.75	58,295	Vacant		0	0.00	0	\$58,295
8	079-0251-015	0.738	32,128	2.75	88,347	Tilt-up Concrete	Fair	2,484	22.00	54,848	\$142,995
9	079-0251-014	0.892	38,374	2.75	105,529	Corrugated Metal	Poor	7,412	10.00	74,120	\$179,649
10	079-0251-008	0.124	5,400	2.75	14,850	Vacant		0	0.00	0	\$14,850
11	079-0251-009	0.322	14,034	2.75	38,594	Vacant		0	0.00	0	\$38,594
12	079-0251-010	0.446	19,434	NO ASSMT	0			0	0.00	0	\$0
13	079-0251-007	0.446	19,434	2.75	53,444	Vacant		0	0.00	0	\$53,444
14	079-0251-005	0.290	12,611	2.75	34,680	Vacant		0	0.00	0	\$34,680
15A	079-0251-011	6.610	287,932	NO ASSMT	0			0	0.00	0	\$0
15B	079-0260-001	12.680	560,182	NO ASSMT	0			0	0.00	0	\$0
16	079-0252-004	0.446	19,434	NO ASSMT	0			0	0.00	0	\$0
17	079-0252-003	0.446	19,434	NO ASSMT	0			0	0.00	0	\$0
18	079-0252-001	0.205	8,913	NO ASSMT	0			0	0.00	0	\$0
19	079-0252-002	0.277	12,080	2.75	33,220	Vacant		0	0.00	0	\$33,220
20	079-0270-001	4.500	196,020	NO ASSMT	0			0	0.00	0	\$0
21	079-0270-002	2.430	105,851	2.50	264,627	Vacant		0	0.00	0	\$264,627
22	079-0270-003	2.120	92,347	4.50	415,562	Corrugated Metal	Fair	50,050	15.00	750,750	\$1,166,312
23	079-0270-004	1.190	51,838	4.50	233,264	Corrugated Metal	Poor	7,832	10.00	78,320	\$311,584
24	079-0270-005	0.920	40,075	4.50	180,338	Corrugated Metal	No Value		0.00	0	\$180,338

ASSESSMENT NUMBER	ASSESSOR PARCEL NO.	ACREAGE		ESTIMATED \$/SF	ESTIMATED LAND VALUE	IMPROVEMENTS	QUALITY	STRUCTURE SIZE/SF	ESTIMATED	ESTIMATED	TOTAL ESTIMATED VALUE
		PARCEL SIZE	SQUARE FEET						CONTRIBUTORY \$/SF OF IMPROVEMENTS	CONTRIBUTORY VALUE OF IMPROVEMENTS	
25	079-0270-008	1.830	79,715	4.50	358,717	Corrugated Metal	Fair	5,221	15.00	78,315	\$437,032
26	079-0270-007	1.816	70,393	4.50	316,768	Corrugated Metal	Poor	\$5,316	10.00	53,160	\$369,928
27	079-0270-008	0.169	7,380	4.50	33,210	Vacant		0	0.00	0	\$33,210
28	079-0270-009	0.835	38,373	3.50	127,304	Vacant		0	0.00	0	\$127,304
29	079-0270-010	0.923	40,208	3.50	140,721	Residential	No Value	0	0.00	0	\$140,721
30	079-0260-006	0.503	21,894	3.50	76,629	Vacant		0	0.00	0	\$76,629
31	079-0260-005	0.976	42,524	3.50	148,834	Corrugated Metal	Fair	4,320	15.00	64,800	\$213,634
32	079-0260-003	0.503	21,894	3.00	65,682	Vacant		0	0.00	0	\$65,682
33	079-0260-002	0.311	13,540	3.50	47,390	Residential		0	0.00	0	\$47,390
34	079-0260-004	0.583	25,380	3.50	88,830	Vacant		0	0.00	0	\$88,830
35	079-0282-001	2.240	97,574	3.00	292,723	Tilt-Up Concrete	Incomplete	0	0.00	0	\$292,723
36	079-0282-002	1.940	84,506	3.00	253,519	Tilt-Up Concrete	Good	41,800	25.00	1,045,000	\$1,298,519
37	079-0282-003	0.929	40,467	3.50	141,635	Vacant		0	0.00	0	\$141,635
38	079-0282-015	1.080	47,045	NO ASSMT	0			0	0.00	0	\$0
39	079-0300-017	2.060	89,734	NO ASSMT	0			0	0.00	0	\$0
40	079-0282-016	2.940	128,066	NO ASSMT	0			0	0.00	0	\$0
41	079-0282-004	1.868	81,283	4.50	365,773	Tilt-Up Concrete	Poor	27,570	13.00	358,410	\$724,183
42	079-0282-014	1.570	68,389	NO ASSMT	0			0	0.00	0	\$0
43	079-0282-013	3.060	133,294	4.00	533,174	Vacant		0	0.00	0	\$533,174
44	079-0282-020	1.140	49,658	NO ASSMT	0			0	0.00	0	\$0
45	079-0282-021	1.270	55,321	NO ASSMT	0			0	0.00	0	\$0
46	079-0282-019	0.877	38,219	NO ASSMT	0			0	0.00	0	\$0
47	079-0282-018	0.242	10,552	NO ASSMT	0			0	0.00	0	\$0
48	079-0282-007	0.999	43,528	NO ASSMT	0			0	0.00	0	\$0
49	079-0300-008	4.450	193,842	4.00	775,368	Tilt-Up Concrete	Good	36,246	25.00	906,150	\$1,681,518

ASSESSMENT NUMBER	ASSESSOR PARCEL NO.	ACREAGE		ESTIMATED \$/SF	ESTIMATED LAND VALUE	IMPROVEMENTS	QUALITY	STRUCTURE SIZE/SF	ESTIMATED	ESTIMATED	TOTAL ESTIMATED VALUE	
		PARCEL SIZE	SQUARE FEET						CONTRIBUTORY \$/SF OF IMPROVEMENTS	CONTRIBUTORY VALUE OF IMPROVEMENTS		
50	079-0300-009	2.820	114,127	3.00	342,382	Vacant		0	0.00	0	\$342,382	
51	079-0300-001	0.945	41,180	3.50	144,130	Corrugated Metal	Fair	17,040	15.00	255,600	\$399,730	
52	079-0300-007	0.739	32,185	3.50	112,648	Corrugated Metal	Fair	7,480	15.00	112,200	\$224,848	
53	079-0300-006	9.650	420,354	3.00	1,261,062	Corrugated Metal	No Value	0	0.00	0	\$1,261,062	
54	079-0281-018	4.302	187,395	2.50	468,488	Vacant		0	0.00	0	\$468,488	
55	079-0281-017	0.062	2,700	NO ASSMT	0			0	0.00	0	\$0	
56	079-0281-007	0.124	5,400	NO ASSMT	0			0	0.00	0	\$0	
57	079-0281-016	0.323	14,088	NO ASSMT	0			0	0.00	0	\$0	
58	079-0281-015	0.261	11,354	2.75	31,224	Residential		0	0.00	0	\$31,224	
59	079-0281-005	0.232	10,125	2.75	27,844	Residential		0	0.00	0	\$27,844	
60	079-0281-014	0.026	1,125	2.75	3,094	Vacant		0	0.00	0	\$3,094	
61	079-0281-013	3.476	151,415	2.50	378,536	Vacant		0	0.00	0	\$378,536	
62	079-0281-003	5.000	217,800	2.50	544,500	Corrugated Metal	Fair	5,200	15.00	78,000	\$622,500	
63	079-0281-002	2.440	106,286	2.50	265,716	Tilt-Up Concrete	Fair	9,900	22.00	217,800	\$483,516	
64	079-0281-001	2.500	108,900	2.50	272,250	Tilt-Up Concrete	Fair	20,442	22.00	449,724	\$721,974	
65	079-0241-006	1.900	82,764	NO ASSMT	0			0	0.00	0	\$0	
66	079-0241-007	7.650	333,234	2.50	833,085	Vacant		0	0.00	0	\$833,085	
67	079-0241-003	4.887	212,878	2.50	532,194	Vacant		0	0.00	0	\$532,194	
68	079-0241-002	2.870	125,017	2.50	312,543	Vacant		0	0.00	0	\$312,543	
69	079-0241-001	0.872	38,000	2.75	104,500	Vacant		0	0.00	0	\$104,500	
TOTALS					\$11,773,083			285,531		\$5,131,267	\$16,904,350	
											ROUNDED TO:	\$16,900,000

**ADDENDA**

## **EXHIBIT A**

### **Qualifications of Appraiser**



## **QUALIFICATIONS OF**

### **JILL CLARK, MAI**

Ms. Clark began her appraisal career in November 1982 with the appraisal firm of Clark-Wolcott Company. Ms. Clark has been involved in the appraisal of a variety of different types of real estate including office buildings, apartments, real commercial, industrial buildings, various residential properties and assessment districts.

## **EDUCATION**

California Polytechnic State University, San Luis Obispo, California - Bachelor of Arts in Political Science and minors in Finance and Property Management and Computer Science

### **American Institute of Real Estate Appraisers**

Basic Valuation Procedures 1-B, February, 1983

Capitalization Theory and Techniques Part 2, April, 1983

Capitalization Theory and Techniques Part 3, July, 1983

Case Studies in Real Estate Valuation, June, 1984

Standards of Professional Practice, March, 1984

Valuation Analysis and Report Writing, June, 1985

Real Estate Appraisal Principles, September, 1986

American Institute of Real Estate Appraisers Comprehensive Exam, August, 1988

## **PROFESSIONAL AFFILIATIONS**

Member American Institute of Real Estate Appraisers, MAI Designation

Ms. Clark is also an affiliate member of the Sacramento Board of Realtors

## APPENDIX C

### THE CITY OF SACRAMENTO

The information in this section is presented as general background data. The Bonds are payable solely from the proceeds of payments upon unpaid assessments and other sources and described herein. The taxing power of the city, the State of California, or any political subdivision thereof is not pledged to the payment of the Bonds. See the section herein entitled "The Bonds".

Certain information in this section has been excerpted from the City's Annual Financial Report for the fiscal year ended June 30, 1989. Reference is hereby made to the complete Annual Financial Report including the notes thereto, a copy of which is available for inspection at the office of the City Department of Finance.

#### General

The City is located at the confluence of the Sacramento and American Rivers in the south central portion of the Sacramento Valley, a part of the State's Central Valley. Although Sacramento is approximately 75 air miles northeast of San Francisco, its temperature range is more extreme than that of most Northern California coastal cities, ranging from a daily average of 45 degrees Fahrenheit in January to 75 degrees Fahrenheit in July. Average elevation of the City is 30 feet above sea level.

#### Population

Sacramento's population as of January 1, 1990 was estimated to be 346,600. A comparison of the City's population growth to that of the County and the State is provided in Table 1.

TABLE 1  
POPULATION COMPARISON

<u>Year</u>	<u>City of Sacramento</u>	<u>County of Sacramento</u>	<u>State of California</u>
1960	191,667	502,778	15,717,204
1970	257,105	643,373	19,935,134
1980	275,741	783,381	23,667,837
1981	281,100	796,600	23,992,900
1982	285,400	818,600	24,469,500
1983	292,640	840,100	24,944,700
1984	303,400	858,500	25,415,300
1985	309,352	875,881	25,857,464
1986	322,542	905,473	26,636,961
1987	327,200	928,700	27,292,300
1988	334,500	961,300	27,996,000
1989	339,900	988,300	28,662,000
1990	346,600	1,026,800	29,473,000

Sources: U.S. Bureau of Census; State of California  
Department of Finance Population Research Unit

## Government

The City was incorporated in 1849, although it had been settled in the 1830's during which time Captain John A. Sutter acquired a 50,000-acre land grant. It was on Sutter's farm that the City was planned in 1848. The discovery of gold on the American River during that same year triggered the "Forty-Niner" gold rush which led to the development of Sacramento as the supply center for the northern mines of the Mother Lode. Although less publicized, the agricultural potential of the Sacramento Valley was just as important to the future of the City. In 1854, Sacramento became the location of the Capitol of the State. Today, State government employees and governmental-related activities contribute substantially to the City's economy.

In 1856, Sacramento was the western terminus of California's first railroad, which ran a distance of approximately 25 miles to Folsom. Shortly thereafter, it provided the starting point for the first transcontinental railroad, the Central Pacific, which later became the Southern Pacific. Prior to completion of that railroad, Sacramento was the western-most station for the Pony Express.

The City operates under a City Charter, adopted in 1921, that currently provides for a nine-member elected City Council including an elected Mayor. There are no other elected City officials. The City Council appoints the City Manager, City Attorney, City Clerk and City Treasurer to carry out its adopted policies. Sacramento was one of the first cities to utilize the Council-Manager form of government which has since become recognized as an efficient and effective method of providing municipal services.

Members of the City Council serve terms of four years. The Mayor is a chairperson of the City Council and is elected in at-large City elections. City Councilmembers are elected by eight individual districts.

At present the Mayor is Anne Rudin. Mrs. Rudin was re-elected Mayor in November 1987, having been, in 1983, the first woman to be elected to that position. Prior to her election as Mayor, she had served on the City Council for 12 years. Mrs. Rudin, a registered nurse, is a graduate of Temple University with degrees in nursing and education. She also holds a Master of Arts degree in Public Administration from the University of Southern California.

Councilmember Heather Fargo, elected in 1989, represents District 1. Ms. Fargo has worked for the California's Department of Parks and Recreation since 1975. She has an extensive history of community involvement, including as a founding board member and past president of the Natomas Community Association. Ms. Fargo received a Bachelor of Science degree in Environmental Planning and Management in 1975 from U.C. Davis.

Councilmember Lyla Ferris, elected in 1987, represents District 2. She is a former member of the Robla School District Board of Trustees. Ms. Ferris has an extensive record of community service, and is a part-time adult education teacher in the Grant Union High School District. She is a graduate of California State University, Sacramento, and is completing her Masters Degree requirements. Ms. Ferris serves as chair of the City Council's Personnel and Public Employees Committee.

Councilmember Josh Pane, elected in 1989, represents District 3. Mr. Pane is a graduate of California State University, Sacramento where he received a Bachelor of Arts degree in Government and International Relations. Prior to graduation, he spent two years studying in Florence, Italy under the CSUS International Program. Mr. Pane is an Investment Specialist for Bishop Hawk Commercial Real Estate.

Councilmember Thomas Chinn, re-elected in 1987 for a second term, represents District 4. Mr. Chinn, now retired from the position of Chief Mechanical Engineer with the Office of the State Architect, received a Bachelor of Science degree in Mechanical Engineering at the University of California at Berkeley, and Juris Doctor degree from the University of the Pacific, McGeorge School of Law.

Councilmember Joe Serna, Jr., re-elected in 1989 for a third term, represents District 5. Mr. Serna a Political Science Professor at California State University, Sacramento, is a graduate of Sacramento State College and attended graduate school at the University of California at Davis, School of Political Science. he currently serves as Chair of the City Council's Transportation and Community Development Committee.

Councilmember Kim Mueller, elected in 1987, represents District 6 and currently serves as Vice-Mayor. Ms. Mueller received her Bachelor's Degree at Pomona College in Claremont, California. She is the former president of a small business cooperative in Sacramento, and in the past has worked for State Assemblyman Lloyd Connelly. She is currently the Health and Safety Director for California Professional Firefighters. Ms. Mueller also serves as Chair of the City Council's Budget and Finance Committee.

Councilmember Terry Kastanis, re-elected in 1989 for a third term, represents District 7. Mr. Kastanis, the Assistant Dean of Learning Resources at Cosumnes River College, received a Bachelor of Science degree from the University of Utah and Master of Arts degrees in Secondary Education and Library Science from Sacramento State University and San Jose State University, respectively.

Councilmember Lynn Robie, re-elected in 1987 for a third term, represents District 8. Mrs. Robie, a registered nurse, is a graduate of Sacramento City College and the Kaiser School of Nursing and is the Coordinator of the Occupational Health Program of the Sacramento Lung Association. She currently serves as Chair of the City Council's Law and Legislation Committee.

The City Manager, Mr. Walter J. Slipe, was appointed to that position in March 1976. Prior to that appointment, he served as Assistant City Manager for Community Development from 1969 to 1976. He also served the City of Fresno, California, as Deputy City Manager for Community Development and as Senior Planner from 1962 to 1969.

The City Attorney, Mr. James P. Jackson was appointed in 1968 and has served continuously since that time. Prior to that appointment, he served as Assistant City Attorney from 1965 to 1968 and as Assistant City Attorney of the city of Santa Rosa from 1962 to 1965. Previously, he also served as an attorney for the State.

The City Treasurer, Mr. Thomas P. Friery, was appointed to that position in December 1978. Prior to that appointment, Mr. Friery was the Assistant Treasurer of the Washington Public Power Supply System from 1976 to 1978, a financial consultant to the State Legislature from 1974 to 1976, Senior Investment officer for the Regents for the University of California from 1969 until 1974, Assistant Investment Officer for the State from 1968 until 1969, and Senior Systems Programming Analyst for the Federal Reserve Bank of Cleveland from 1962 to 1968.

The City Clerk, Mrs. Valerie A. Burrowes, was appointed to that position effective August 21, 1989. Prior to that appointment, she served as the City Clerk for Moreno Valley, California, from 1986 to 1989. She also served as City Clerk/Treasurer for the City of Yuma, Arizona, from 1984 to 1986, and previously served the City of El Segundo, California, as the elected City Clerk from 1974 to 1984. She is a Certified Municipal Clerk and a past president of the City Clerk's Association of California.

## **Services and Facilities**

The City provides a number of municipal services, including administration, police, fire, library, recreation, parking and public works such as water production and distribution, refuse collection, storm drainage and sewer maintenance. A total of 3,919 permanent employees help provide these services. The Police Department has a total of 1,017 employees, of which 580 are sworn, 264 are career civilian, 22 are community services officers and 151 are other part-time personnel.

There are 21 fire stations within the City. The Fire Department provides fire prevention and fire fighting services. There are 471 employees, of which 446 are sworn employees. The City maintains a Class 2 fire rating.

## **Retirement Programs**

The City sponsors and administers a defined benefit contributory pension plan known as the Sacramento City Employees' Retirement System ("SCERS") for all City employees hired before January 29, 1977 (approximately 41% of employees). Employee contribution under this plan are generally frozen and the City, pursuant to a 1976 ballot measure, is responsible for the actuarially determined unfunded obligation of the plan. The City, based on Charter requirements as a result of the 1976 ballot measure mentioned above, is amortizing the unfunded obligation by contribution of 4.69% of total payroll effective July 1, 1988. The unfunded liability is to be amortized over the period ending June 30, 2007.

The total actual contribution made by the City to SCERS for the year ended June 30, 1989 was \$12,200,000. This contribution was in accordance with actuarial requirements and included \$5,900,000 toward the system's unfunded obligation. The actuarial unfunded obligation as of June 30, 1989 was \$50,800,000. Primarily as a result of more favorable investment earnings, the actual unfunded obligation was less than expected.

City employees hired after January 29, 1977 participate in a pension plan which is administered in accordance with a contract between the City and the Board of Administration of the Public Employees' Retirement System ("PERS") of the State, a state-wide retirement system governed and operated pursuant to the California Government Code. Rates charge contracting employers are based upon periodic actuarial studies. There was no actuarial unfunded obligation for the plan as of June 30, 1989. During fiscal year 1988-89, the City contributed \$279,000 to PERS as its actuarially determined pension contribution.

In June 1989, the voters passed Measure "M" amending the City Charter to permit the transfer of active safety employees of SCERS to PERS (579 employees). A majority of the affected employees voted in September, 1989 and approved the transfer which was made December 30, 1989. A cash transfer of \$103.3 million was made from SCERS to PERS in January 1990 which represented the actuarially determined proportionate and equitable market value of assets relating to these employees.

## **Labor Relations**

Under the terms of the Meyers-Milias-Brown Act, the City is required to meet and confer with its employees on all matters concerning wages, hours, and working conditions.

City employees are represented in 12 bargaining units by eight labor organizations. The Stationary Engineers, Local 39 of the International Union of Operating Engineers, is the largest labor organization representing approximately 51% of all City employees in a variety of classifications. The following is a listing of the bargaining units, recognized employee organizations and the expiration dates of current agreements.

<b><u>Bargaining Unit</u></b>	<b><u>Employee Organization</u></b>	<b><u>Expiration Date</u></b>
Operations and Maintenance, Office and Technical, Professional, Supervisory and Plant Operator	Stationary Engineers Local 19	June 25, 1993
Police	Sacramento Police Officers Association	June 25, 1993
Fire	Sacramento Area Firefighters Local 522	June 29, 1990
Building Trades and Craft	Sacramento-Sierra's Building and Construction Trades Council	June 25, 1990
Water and Sewer	Plumbers and Pipefitters Union Local 447	June 26, 1992
Traffic Engineering	Auto, Marine and Specialty Painters Union Local 1176	June 25, 1993
Engineering	Western Council of Engineers	June 25, 1993
Automotive/Equipment Mechanics	International Association of Machinists	June 25, 1993

In 1990, the City negotiated with seven of the eight labor organizations and entered into new agreements with five of the organizations. Negotiations are continuing with the other two organizations.

Since the adoption of a City Employer-Employee Relations Resolution in April 1970, the City has had a successful and positive employee relations program, including successful negotiations of cost-effective agreements over the years. There have been no major work stoppages by City employees during this period, except for a 14-day strike by firefighters in October 1970. Approximately 84% of all City employees are covered under negotiated agreements.

#### **General Fund Financial Summary**

The information contained in Table 2 is summarized from audited financial statements for fiscal years 1984-85 through 1988-89.

**TABLE 2**  
**CITY OF SACRAMENTO**  
**STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**FISCAL YEARS 1984-85 THROUGH 1988-89**  
**(in thousands)**

	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>
<b>Revenues:</b>					
Property Taxes	\$ 25,367	\$ 29,039	\$ 33,171	\$36,597	\$ 39,153
Sales and Use Tax	27,149	29,532	30,243	32,565	35,810
Utility Users Tax	19,531	21,916	23,564	25,287	24,987
Other Taxes	8,341	9,159	9,018	8,417	8,976
Licenses and Permits	3,145	3,329	3,474	3,227	3,684
Fines, Forfeitures and Penalties	1,166	1,386	1,250	1,668	1,775
Use of Money and Property	3,762	4,051	5,447	3,234	4,707
Intergovernmental Penalties Revenues	13,101	15,541	19,239	17,320	18,326
Charges for Current Services	7,288	8,710	8,015	10,290	12,716
Other Revenues	<u>1,050</u>	<u>1,277</u>	<u>848</u>	<u>3,096</u>	<u>4,309</u>
Total Revenues	109,900	123,940	134,269	141,701	154,443
<b>Expenditures:</b>					
General Government	10,728	13,865	15,656	26,611 (2)	21,652
Public Safety	60,900	67,570	73,472	77,673	83,028
Public Works	14,069	18,151	19,253	11,746 (2)	19,936
Culture and Leisure	18,146	20,842	23,113	23,796	24,763
Non-Department	4,860	6,550	10,663	6,911	6,592
Capital Improvements	<u>3,635</u>	<u>4,284</u>	<u>1,502</u>	<u>2,362</u>	<u>5,244</u>
Total Expenditures	112,338	131,262	143,659	149,099	161,215
Excess (Deficiency) of Revenues over Expenditures	(2,438)	(7,322)	(9,390)	(7,390)	(6,772)
<b>Other Financial Sources</b>					
(Uses):					
Transfers From Other Funds	9,950	20,471 (1)	7,839	7,483	7,563
Transfers to Debt Service Funds	(992)	(806)	(1,004)	(973)	(3,768)
Transfers to Other Funds	(3,644)	(125)	(1,364)	(233)	(872)
Proceeds From Long Term Debt	257	0	0	0	2,600
1983 Certificates of Participation Proceeds	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Financial Sources (Uses) Over Expenditures	3,133	12,210	(3,919)	(1,121)	(1,249)
Fund Balance Previously Reported	14,363	17,495	29,713	25,794	24,673
Equity Transfers in (Out)	(1)	0	0	0	(829)
Ending Fund Balance	<u>17,495</u>	<u>29,713</u>	<u>25,794</u>	<u>24,673</u>	<u>22,595</u>
<b>Less Reserves &amp; Designations:</b>					
Long Term Notes Receivable	(1,072)	(915)	(641)	(294)	(275)
Delinquent Special Assessments	(761)	(953)	(962)	(620)	(587)
Economic Uncertainties	(4,918)	(5,477)	(5,000)	(6,084)	(6,500)
COP (Restricted Cash)	(836)	(1,283)	(868)	(829)	(0)
Encumbrances	(2,425)	(5,606)	(1,786)	(2,808)	(2,573)
Capital Improvement Projects	(4,609)	(4,939)	(4,519)	(5,006)	(4,461)
COP (Debt Service)	(850)	0	0	0	0
Legal Services Contingency	0	0	0	(833)	(833)
Light Rail (Restricted Cash)	<u>0</u>	<u>(5,800)</u>	<u>(3,717)</u>	<u>(6,204)</u>	<u>(6,139)</u>
Fund Balance Available for Appropriation	\$ 2,024	\$ 4,740	\$ 7,501	\$ 1,995	\$ 1,227

(1) Increase reflects greater use of Type 3 transfers (resources) over Type 2 (decrease in expenditures)-actual amount of transfers was comparable in prior years.

(2) Facility Maintenance and Inspections was moved from Public Works Category to General Government Category.

Source: City of Sacramento Finance Department.

## DEBT STATEMENT

**TABLE 3**  
**CITY OF SACRAMENTO**  
**DIRECT AND OVERLAPPING BONDED DEBT STATEMENT**  
**1990-91 Assessed Valuation: \$12,960,762,094**  
**(after deduction of \$1,198,021,822 redevelopment tax allocation increment)**

<u>Direct and Overlapping Bonded Debt</u>	<u>Percent Applicable (1)</u>	<u>Debt as of October 1, 1990</u>
Sacramento County	32.533%	\$ 1,226,494
Sacramento County Board of Education	32.533	1,047,563
Sacramento County Authorities and Certificates of Participation	32.533	45,116,764
Sacramento-Yolo Port District	31.707	776,822
Sacramento Municipal Utility District	37.891	466,059
Sacramento County Regional Sanitation District	38.463	23,243,190
Elk Grove Unified School District (Various Issues)	21.427-21.857	936,844
Elk Grove Unified School District Community Facilities District No. 1	21.661	8,826,857
Sacramento City Unified School District and Certificates of Participation	78.811-78.866	2,026,837
Sacramento City Unified School District Community Facilities District No. 1	78.811	3,786,868
San Juan Unified School District	3.581	34,914
San Juan Unified School District Certificates of Participation	3.617	404,618
City of Sacramento	100.000	5,240,000
City of Sacramento Authority Bonds	100.000	23,015,000
City of Sacramento Certificates of Participation	100.000	178,820,000
City 1915 Act Bonds	100.000	79,077,994 (1)
Arcade Creek Recreation and Park District Certificates of Participation	1.425	4,417
<b>TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT</b>		<b>\$374,051,241 (2)</b>
Less: Sacramento Municipal Utility District (100% self-supporting)		466,059
Sacramento-Yolo Port District (1966-1972 issues) (100% self-supporting)		776,822
City of Sacramento self-supporting bonds		42,693,645
<b>TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT</b>		<b>\$330,114,715 (2)</b>

(1) Includes approximately \$2,780,000 1915 Act bonds to be sold.

(2) Excludes revenue, mortgage revenue and tax allocation bonds, non-bonded capital lease obligations, and tax and revenue anticipation notes.

<u>Ratios to 1990-91 Assessed Valuation:</u>		<u>Share of Authorized and Unsold General Obligation Bonds</u>	
Gross Direct Debt (\$207,075,000)	1.60%	Sacramento City Unified School District	\$2,569,239
Net Direct Debt (\$164,381,355)	1.27%	Sacramento-Yolo Port District	\$ 753,041
Total Gross Debt	2.89%	School Districts	\$ 179,753
Total Net Debt	2.55%		

State school building aid repayable as of June 30, 1990: \$7,019,662

Source: California Municipal Statistics, Inc.



## THE CITY'S ECONOMY

### Economic Structure

Three major job categories comprised 71.7% of Sacramento County's work force in 1988. They were government (30.8%), wholesale and retail trade (23.6%) and services (22.3%). During the five-year period from 1985 through 1989, Construction is expected to be the fastest growing job category, increasing by 36.0%, followed by a 35.2% increase in Finance Insurance and Real Estate. Table 4 provides a breakdown of jobs located in Sacramento County from 1985 to 1989 as estimated by the California Employment Development Department. The population of the City constitutes approximately 34.4% of the population of Sacramento County.

**TABLE 4**  
**WAGES AND SALARY JOBS LOCATED IN**  
**SACRAMENTO COUNTY BY INDUSTRY**  
Annual Averages  
(in thousands)

Industry	1985	1986	1987	1988	1989 Forecast
Total All Industries	381.7	400.6	422.4	437.7	462.0
Agriculture	2.8	2.7	2.9	3.4	2.7
Nonagriculture	378.9	397.9	419.5	434.3	459.3
Government	123.2	126.7	130.1	134.6	136.0
Federal	27.7	28.3	27.7	27.2	27.9
State & Local	95.5	98.4	102.4	107.4	108.1
Services	79.5	85.1	92.3	97.8	105.5
Retail Trade	73.1	76.3	80.3	81.7	87.5
Finance, Insurance & Real Estate	23.3	24.8	27.1	29.3	31.5
Wholesale Trade	19.0	19.3	20.2	21.6	21.8
Transportation & Public Utilities	16.2	16.2	17.0	17.0	18.0
Construction	20.3	22.8	24.4	23.8	27.6
Manufacturing	23.9	26.3	27.8	28.2	31.1
Durable Goods	10.3	15.4	16.0	11.9	13.3
Nondurable Goods	10.3	10.9	11.8	16.3	13.3
Mineral Extraction	0.4	0.3	0.3	0.3	0.3

Source: California Employment Development Department

Approximately seven percent of the civilian labor force in Sacramento County is involved in manufacturing. The electronics industry accounts for a major portion of employment. All major manufacturing categories, except food and food products and chemical and allied products, are predicted to grow at a moderate rate.

Tables 5 and 6, respectively, present the larger manufacturing and non-manufacturing employers in the Sacramento Metropolitan Area. The Sacramento Metropolitan Area encompasses the four counties of Sacramento, El Dorado, Placer and Yolo. Major private employers in the Sacramento Metropolitan Area include those in medical services, food processing, media services, aerospace and railroads. Major private employers, their products or services, and the number of employees are listed below. Major public sector employers of civilians include the military and the State government. Sacramento is currently the site of three military bases: McClellan Air Force Base, Mather Air Force Base and Sacramento Army Depot. Closure of Mather Air Force Base has been ordered. Although the exact date of closure has not been determined, the base is expected to close in 1994. Approximately 2,796 military positions will be affected by the closure. It is estimated that 1,655 of these military positions will be transferred to Beal Air Force Base in Yuba County, California. The remaining 1,141 military positions will be eliminated. Approximately 2,121 civilian positions will be affected by the closure of the base. Of these, 193 civilian positions are expected to be transferred to Beal Air Force Base. The remaining 1,928 civilian positions will be eligible for placement within the various departments and agencies of the federal government, some of which are located in the Sacramento area.

**TABLE 5**  
**SACRAMENTO METROPOLITAN AREA**  
**MAJOR MANUFACTURING EMPLOYERS**  
(as of January 22, 1990)

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Employment</u>
Aerojet	Rocket engines, related products	3,825
Hewlett-Packard	Electronic instruments	2,600
The Sacramento Bee	Daily newspaper	1,584
A. Teichert & Sons, Inc.,	Concrete and construction	1,500
Intel	Electronic instruments	1,450
Avantek	Microwave components	760
NEC	Computers	740
Granite Construction Co.	Concrete and construction	550
MicroScan Division of Baxter Healthcare Corp.	Microbiologic diagnostic systems	496
Pride Industries	Wood products	417
Formica Corporation	Formica and laminated plastics	405
Proctor and Gamble	Detergents, cleansers	400
Coherent Inc.	Laser components	380
Latham Lumber	Manufactured homes	350
System Integrators	Computer hardware and software	350
Michigan-California Lumber	Logging and timber	348
Kanowsky Furniture	Furniture	300
Mobil Chemical	Plastic products	300
Fleetwood Homes of Northern California Inc.	Manufactured housing	258
The Sacramento Union	Newspaper publishing	249
Gladding, McBean & Co.	Clay products	245
Cal Central Press	Commercial printing	246
Keyers Fibre	Paper products	245
Reynolds Metals Co.	Aluminum beverage can ends	235
Unify Corporation	Development software tools	200

Source: The Business Journal

**TABLE 6**  
**SACRAMENTO METROPOLITAN AREA**  
**MAJOR CIVILIAN NON-MANUFACTURING EMPLOYERS**  
(as of January 22, 1990)

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Employment</u>
Sutter Health	Medical services	6,100
Pacific Bell	Telephone service	4,742
Raleys	Supermarkets	3,100
Kaiser Medical Center	Medical services	2,844
Mercy Healthcare Sacramento	Medical services	2,800
Bank of America (Sacramento area)	Banking	2,490
Southern Pacific Transportation Co.	Railroad	2,000
JC Penney Co. Inc.	Department stores	1,500
Lucky Stores Inc.	Grocery stores	1,258
Electronic Data Systems Corporation	Computer & communications services	1,250
U.S. Computer Services	Data processing services	1,144
Eckaton	Health care services	1,135
USAA	Personal lines insurance	1,025
Roseville Community Hospital	Hospital	928
Pacific Gas and Electric	Public utility	912
MTS	Retail Sales	900

Source: The Business Journal

### Employment

From 1985 to 1989, total employment overall rose approximately 22.9% while the labor force increased approximately 21.1%, as shown in Table 7. As of January 1989, based on unadjusted data, unemployment in Sacramento County was 5.4%, comparable to 5.4% for the State and for the United States as of that date.

**TABLE 7**  
**SACRAMENTO COUNTY**  
**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT**  
(in thousands)

	1985	1986	1987	1988	1989 Forecast
Civilian Labor Force (1)	435,200	455,400	478,100	495,800	527,100
Employment	405,500	428,000	452,000	469,500	498,300
Unemployment	29,700	27,400	26,100	26,300	28,800
Unemployment Rate (2)	6.8%	6.0%	5.5%	5.2%	5.5%

- (1) Labor force by place of residence. Employment includes persons involved in labor-management trade disputes.
- (2) The unemployment rate is computed from unrounded data; therefore, it may differ from rates developed by using the rounded data in this table.

Source: California Employment Development Department

## Income

Effective buying income of City residents totaled \$4,967,134 during 1987, an increase of 56.5% since 1983. Although the 1988 buying income statistics are available, a change in the definition of the measure makes 1988 not-comparable to previous years. Table 8 shows a comparable record of effective buying income over the six-year period from 1983 through 1988.

**TABLE 8**  
**EFFECTIVE BUYING INCOME**  
(in thousands)

	<u>City of Sacramento</u>	<u>County of Sacramento</u>	<u>State of California</u>	<u>United States</u>
1983	3,174,592	9,543,249	284,288,701	2,329,209,922
1984	3,441,160	10,184,768	313,805,815	2,576,533,480
1985	3,989,368	11,534,824	346,280,970	2,800,258,883
1986	4,445,260	12,869,941	380,811,129	2,981,920,801
1987	4,967,134	14,501,760	426,008,347	3,202,847,131
1988	N/A	14,662,234	426,174,001	3,064,005,997

Source: Sales & Marketing Management Magazine "Survey of Buying Power".

Table 9 provides a comparative per-household income grouping of 1988.

**TABLE 9**  
**1988 COMPARATIVE PER-HOUSEHOLD**  
**EFFECTIVE BUYING INCOME (1)**

<u>Year</u>	<u>County of Sacramento</u>	<u>Sacramento MSA (2)</u>	<u>State of California</u>
\$50,000 and over	22.3%	22.0%	13.8%
\$35,000 to 49,999	18.4	18.1	16.4
\$20,000 to 34,999	24.5	24.6	28.8
\$10,000 to 19,999	20.0	20.3	23.5
under \$0,000	14.8	15.0	17.4
	100.0%	100.0%	100.0%

(1) Effective Buying Income (EBI) is disposable personal income, or gross income available after taxes.

(2) Sacramento Metropolitan Statistical Area includes El Dorado, Placer, Sacramento and Yolo Counties.

Source: Sales & Marketing Management Magazine "Survey of Buying Power".

## Commercial Activity

Commercial activity is an important contributor to Sacramento's economy. Between 1985 and 1989, taxable retail sales increased 29.1% from \$1,693,122,000 to \$2,185,038,000 while total taxable sales rose by 28.4% from \$2,493,152,000 to \$3,202,353,000. Table 10 shows the City's taxable transactions for 1985 to 1989.

**TABLE 10**  
**CITY OF SACRAMENTO**  
**TAXABLE TRANSACTIONS**  
(in thousands)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
RETAIL STORES					
Apparel stores	\$ 59,261	\$ 59,869	\$ 61,158	\$ 64,432	\$ 74,261
General merchandise stores	216,023	224,798	252,453	271,35	307,397
Drug stores	38,253	39,839	45,795	47,476	49,034
Food stores	170,532	183,956	168,304	174,396	183,629
Package liquor stores	18,659	19,349	17,339	19,026	18,369
Eating and drinking places	222,390	240,231	265,824	273,554	292,853
Home furnishings/appliances	69,862	75,129	79,044	83,040	98,592
Building materials/farm implements	164,442	180,162	191,808	206,077	239,956
Auto dealers and auto supplies	319,164	330,328	335,887	316,973	331,113
Service stations	164,926	133,101	148,537	151,346	165,205
Other retail stores	<u>249,570</u>	<u>275,918</u>	<u>312,058</u>	<u>374,505</u>	<u>424,629</u>
TOTAL	1,693,122	1,762,680	1,878,207	1,982,176	2,185,038
ALL OTHER OUTLETS	<u>800,030</u>	<u>810,267</u>	<u>926,406</u>	<u>1,031,761</u>	<u>1,017,315</u>
TOTAL, All Outlets	<u>\$2,493,152</u>	<u>\$2,572,947</u>	<u>\$2,804,613</u>	<u>\$3,013,937</u>	<u>\$3,202,353</u>

Source: State Board of Education

## **Building and Construction**

Table 11 presents building permit valuation for the City for the years 1985 through 1989. Although overall building permit valuation decreased by 18.7% during 1989, residential valuation increased by over 27%.

**TABLE 11**  
**CITY OF SACRAMENTO**  
**BUILDING PERMIT VALUATION AND NEW DWELLING UNITS**  
(dollars in thousands)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Residential Permit Value:					
New single dwelling	\$136,130	\$182,781	\$135,803	\$101,742	\$134,198
New multi dwelling	118,264	37,466	50,677	24,326	31,488
Additions, alterations	<u>21,598</u>	<u>20,142</u>	<u>25,117</u>	<u>23,550</u>	<u>24,942</u>
Total Residential	<u>275,992</u>	<u>240,389</u>	<u>211,597</u>	<u>149,618</u>	<u>190,629</u>
Nonresidential Permit Value:					
New commercial	61,885	25,919	43,420	212,766	131,647
New industrial	11,484	131,512	14,933	19,806	8,396
Other	28,365	13,438	15,394	24,492	13,617
Additions, alterations	<u>68,852</u>	<u>58,309</u>	<u>73,695</u>	<u>106,227</u>	<u>72,473</u>
Total Nonresidential	<u>170,586</u>	<u>229,178</u>	<u>147,442</u>	<u>363,291</u>	<u>226,132</u>
Total Valuation	<u>\$446,578</u>	<u>\$469,567</u>	<u>\$359,039</u>	<u>\$512,909</u>	<u>\$416,761</u>
Percent Change in Value	15.4%	5.15%	(23.5%)	42.9%	(18.7%)
Number of New Dwelling Units:					
Single Dwelling	2,172	2,825	1,799	1,326	1,589
Multi Dwelling	<u>3,964</u>	<u>933</u>	<u>1,461</u>	<u>769</u>	<u>706</u>
Total Units	<u>6,136</u>	<u>3,758</u>	<u>3,260</u>	<u>2,095</u>	<u>2,295</u>

Source: 1985-1988: City of Sacramento, Inspections Division  
1989: Economic Sciences Corp. "California Building Permit Activity".

## **Flood Risk Considerations**

Prior to the Spring of 1988, the Sacramento area was deemed to have a flood control system capable of protecting against floods with recurrence intervals of up to 125 years. New studies conducted by the U.S. Army Corps of Engineers (the "Corps") indicated that the flood control system protecting the Sacramento area may afford less than 70 years of flood protection.

The City, County and special flood districts are presently working with the State Department of Water Resources/Reclamation Board and the Corps to develop a flood control project aimed at providing the City and County with at least the 100-year level of flood protection required under the National Flood Insurance Program.

Pending the attainment of this objective, the City and County, in cooperation with the Federal Emergency Management Agency and the United States Congress, are developing land use policies designed to complement the flood control effort. In this regard, Congress had determined that, despite the risk of flooding, some development in areas lying within the newly identified 100-year floodplain may be permissible to preserve the political, institutional and economical relationships required for the City and County to sustain the overall flood control effort.

In developing an overall flood protection policy, the City and County Public Works Departments have determined that the risk to inhabitants posed by a levee break in the Sacramento River levee system is a risk the City and County should resolve first while concurrently addressing the other risks identified in the Corps of Engineers' new data. The Corps has determined that portions of the Sacramento River levee system protecting residents and property in the Natomas and Greenhaven areas of Sacramento require remedial work to correct latent construction defects. If allowed to remain in their present condition, these levees could fail under the pressure of high flows in the Sacramento River. Such a failure could cause significant property damage. More importantly, it could occur without sufficient warning to evacuate the thousands of residents currently occupying the area subject to flooding.

There is also the possibility of levee failure or overtopping along the American River. This risk is dependent primarily on flows in the American River watershed and resulting releases from Folsom Dam. The Corps has determined that Folsom can maintain safe releases in the face of storms up to about a 63-year level of frequency. Bigger storms could result in releases large enough to breach or overtop the levees protecting people and property in the lower American River area. The resulting flood could cause extensive property damage, however there should be sufficient time to evacuate residents and thereby reduce the risk to public safety.

Accordingly, the City, County, and special flood districts have adopted a policy that makes levee repairs along the Sacramento River the immediate and highest priority. Partial funding has been appropriated by Congress and construction has begun for the first stages of the repair work. The Corps anticipates that this work will be completed in stages by the end of 1992.

During this same period, an effort will be made to increase the storage capacity of Folsom Dam on an interim basis until a comprehensive flood protection program is implemented along the American River. This interim measure would permit more control over flows in the American River and, together with the levee stabilization effort, would provide 100-year flood protection for all areas of Sacramento except Natomas and portions of the Dry Creek and Arcade Creek basins. Attaining 100-year protection for these latter areas will require, in addition to the above measures, raising the height of portions of the existing levees protecting these areas, as well as construction of some new levees.

The New Ramona Assessment District is within the newly identified 100-year floodplain described above. All applicants for building permits within the floodplain, including owners of parcels in the District, are required to sign an agreement with the City acknowledging their understanding that their property may be subject to flooding. The agreement also waives any flood-related property damage claims asserting liability on the part of the City in issuing the building permit. The City requirement for execution of this agreement will remain in effect until 100-year protection is attained.

## **Agriculture**

Agriculture, continues to be an important factor in Sacramento's economy. Agricultural production and processing have been continually improved by the application of modern technological methods, keeping the industry's need for labor relatively low. This is demonstrated by the fact that although agricultural production and processing is a major factor in Sacramento's economic base, it ranks only ninth in the terms of the number of people employed, even when the highest seasonal employment figures are used. The area's agricultural production is important on a national basis, with one or more of the nearby nine counties leading the nation in the production of various crops. These crops have traditionally been almonds, apricots, honeydew and Persian melons, olives, peaches, persimmons, plums, dried basis prunes, safflower, ladino clover seed, sugar beets, tomatoes for processing, rice and walnuts. Table 12 provides a record of the value of agricultural production for the last five years in Sacramento County by product classification.



**TABLE 12**  
**SACRAMENTO COUNTY**  
**AGRICULTURAL PRODUCTION**  
(in thousands)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Field Crops	\$ 56,046	\$ 37,158	\$ 36,032	\$ 44,117	\$ 47,235
Livestock & poultry products	38,994	37,747	37,251	35,078	37,821
Livestock & poultry	35,555	38,894	40,151	35,478	40,438
Vegetable crops	11,474	13,092	13,585	16,051	18,310
Fruit & nut crop	26,129	27,800	27,431	37,610	40,494
Nursery products	19,425	22,949	21,853	22,541	27,138
Seed crops	3,602	4,317	4,176	3,722	5,231
Apiary products	145	120	95	90	102
 Total	 <u>\$191,370</u>	 <u>\$182,077</u>	 <u>\$180,574</u>	 <u>\$194,687</u>	 <u>\$216,769</u>

Source: Sacramento County Department of Agriculture.

### Community Facilities

The four-county, Sacramento Metropolitan Area offers 95 parks, 85 playgrounds, 45 theaters, and 19 golf courses. Recreational activities offered along the American and Sacramento Rivers include fishing, swimming, boating, biking, horseback riding and hiking. Varied cultural opportunities include 33 art galleries and museums, two major symphonies, three ballet companies, scores of movie theatres showing first run films and many theatre groups offering live stage plays year around.

Arco Arena, a 16,517 seat privately owned sports arena located in the North Natomas area of the City adjacent to Interstate 5, is currently the home of the Sacramento Kings of the National Basketball Association. A local development group has commenced construction of a separate stadium in the vicinity of Arco Arena. The group currently has a special permit to construct a stadium of 65,000 seats.

Media outlets in the four-county area consist of more than 30 newspapers, 8 television stations (4 network, 4 independents) and 30 radio stations.

### Education

Public school education within the City is available through eight elementary, two high school and six unified school districts. There are approximately 84 private schools in Sacramento County and 70 industrial, technical trade schools. School enrollment during the 1990-91 school year is approximately 49,000 in the City public schools.

The Los Rios Community College District serves the majority of the Sacramento County, as well as portions of El Dorado, Placer, Yolo and Solano Counties. The District maintains three campuses in the County: American River College, located in the northeastern unincorporated area of Carmichael; Sacramento City College, located in the City of Sacramento; and Cosumnes River College, located in the southern area of the City. Fall 1989-90 enrollment at the three campuses totaled approximately 53,000.

California State University, Sacramento, offers four-year programs in business administration, liberal arts, engineering, education and nursing, and masters degree programs in various fields. Spring 1989 enrollment totaled 24,494. Other higher education facilities located in Sacramento are McGeorge School of Law, a branch of the University of the Pacific; the Medical Center of the University of California, Davis; National University; Lincoln Law School; Golden Gate University; the University of Southern California (for public administration); and the University of Northern California (law).

### **Transportation**

The City's strategic location and broad transportation network have contributed to the City's economic growth. The city is traversed by the main east-west and north-south freeways serving northern and central California. Interstate 80 connects Sacramento with the San Francisco Bay Area, Reno, Nevada and points east. U.S. 50 carries traffic from Sacramento to the Lake Tahoe area. Interstate 5 is the main north-south route through the interior of California; it runs from Mexico to Canada. State 99 parallels Interstate 5 through central California and passes through Sacramento.

The Southern Pacific and Union Pacific railroads, both transcontinental lines, have a junction in Sacramento and are connected to the Atchison, Topeka and Santa Fe via the Central California Traction Company. Passenger rail service is provided by AMTRAK. Bus lines offering intercity as well as local service include Greyhound, Trailways and the Sacramento Regional Transit District. The District also provides light rail service within the City. The Port of Sacramento, located 79 nautical miles northeast of San Francisco, provides direct ocean freight service to all major United States and world ports. Via a deepwater channel, ships can reach Sacramento from San Francisco in less than eight hours. The major rail links serving Sacramento connect with the Port, and Interstate 80 and Interstate 5 are immediately adjacent to it.

Trucking services are offered through facilities of interstate common carriers operating terminals in the area and by contract carriers of general commodities. Greyhound Bus Lines and Continental Trailways Bus Company also provide passenger and package service through stations located in Sacramento.

The Sacramento Metropolitan Airport, commissioned in 1967 and owned and operated by the County of Sacramento, is located approximately 12 freeway miles north of downtown Sacramento. American Airlines, America West Airlines, Continental Airlines, Delta Airlines, Northwest Airlines, United Airlines and US Air are the major airlines which serve the airport. These, along with several commuter airlines, offer numerous scheduled flights daily to all principal cities on the West Coast as well as direct flights to other major United States cities, including New York and Chicago. During 1989, 3,733,594 revenue passengers were recorded at the Sacramento Metropolitan Airport. Executive Airport, located in Sacramento, is a full-service, 600-acre facilities serving general aviation.

### **Utilities**

The City is unique among large California cities in that it has an abundant water supply delivered by two rivers within its boundaries. The City has rights to approximately 900 cubic feet per second from the Sacramento and American Rivers through permits from the State Water Rights Board. These rights are supplemented with storage in Folsom Reservoir obtained by contract with the United States Bureau of Reclamation. The available supply is adequate to furnish the peak summer water demand for the population estimated to be within the service area by the year 2030. Currently, 111,785 residential and commercial water accounts are being served by the City through a 1,300-mile system of water mains. During fiscal year 1989-90, over 35.2

billion gallons of water were provided for domestic and industrial consumption. Two plants supply treated water to the service area south of the American River, portions of North Sacramento and the Natomas area. Water obtained from wells in the area north of the American River is of high quality and needs no treatment except for chlorination. Additionally, the City provides sewage collection services for most of the area. Sewage treatment is provided by the Sacramento Regional County Sanitation District.

The Sacramento Municipal Utility District ("SMUD") supplies electricity throughout Sacramento County. SMUD's electrical rates continue to among the lowest in the nation. In the past, SMUD has operated the Rancho Seco Nuclear Power Unit ("Rancho Seco"). On June 6, 1989 voters within the district passed "Measure K" calling for the shutdown of Rancho Seco. SMUD began a cold shut down of the plant within 72 hours of passage of Measure K and has proceeded to "mothball" the plant. When the plant was running at 92% capacity, it provided between 85% and 100+% of average summer day electrical demands of the district. SMUD will purchase from outside utility providers the power that had formerly been produced by Rancho Seco. Eventually, as many as 1,200 jobs will be lost as a result of the shutdown of Rancho Seco.

Pacific Gas and Electric Company ("PG&E") supplies natural gas throughout Sacramento County from sources in California, the Southwest and Canada. PG&E is one of the oldest public utility companies in California and is the largest in the United States. For many years it has provided adequate natural gas for the continually growing population in its area. Rates charged natural gas users in Sacramento are economical and special lower rates are available for industrial users under an interruptible service arrangement. Such users must have emergency facilities and a fuel supply available in the event an interruption in service is necessary.

The City is served by Pacific Bell, a Pacific Telesis Company, which is the principal telephone utility in Sacramento County. However, several telephone firms are active in the area, including General Telephone of California, Citizens Utilities Company of California and the Roseville Telephone Company.

**APPENDIX D**  
**FORM OF LEGAL OPINION**

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OPINION OF BOND COUNSEL

LIMITED OBLIGATION IMPROVEMENT BONDS  
CITY OF SACRAMENTO  
NEW RAMONA COLONY STREET ASSESSMENT DISTRICT NO. 90-02

We have acted as bond counsel for the City of Sacramento for the issuance of improvement bonds representing unpaid special assessments in New Ramona Colony Street Assessment District No. 90-02, City of Sacramento, County of Sacramento, State of California. We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not independently verified questions of fact but have relied on the certifications of public officials. Nor have we reviewed the accuracy or sufficiency of the offering material related to the sale of the bonds.

Based on our examination, we are of the following opinion:

1. The unpaid assessments in New Ramona Colony Street Assessment District No. 90-02 were validly levied and now constitute a lien on the parcels of land assessed, as provided in the Municipal Improvement Act of 1913 of the State of California. Bonds representing the unpaid assessments were validly issued under the provisions of the Improvement Bond Act of 1915 of the State of California.

2. The bonds are valid special obligations of the City of Sacramento, payable solely from the redemption fund, into which are placed all sums received from the collection of installments of principal and interest on the unpaid assessments. The bonds are enforceable in accordance with the Improvement Bond Act of 1915.

3. Interest on the bonds is not includable in the gross income of the bondholder for purposes of federal income taxes under existing statutes, regulations and court decisions. Interest on the bonds is not a preference item for federal individual or corporate alternative minimum taxes, but is included in adjusted net book income and adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the bonds is exempt from State of California personal income taxes. The federal tax-exempt status of bond

interest depends upon continuing compliance by the issuer with the arbitrage covenant contained in the Resolution Authorizing Issuance of Bonds.

4. The rights of the bondholders and the enforceability of the bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, heretofore or hereafter enacted. Enforcement of the bonds may be subject to the exercise of judicial discretion in accordance with general principles of equity.

STURGIS, NESS, BRUNSELL & SPERRY  
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By: Philip D. Assaf