

APPROVED  
BY THE CITY COUNCIL

JUN 9 1998

OFFICE OF THE  
CITY CLERK

10.1

CITY OF SACRAMENTO  
CALIFORNIA

DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES DIVISION

DEVELOPMENT SERVICES &  
SPECIAL DISTRICTS  
1231 I STREET  
ROOM 300  
SACRAMENTO, CA  
95814-2988

May 26, 1998

City Council  
Sacramento, California

916-264-7474  
FAX 916-264-7480

Honorable Members in Session:

**SUBJECT: NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 - PUBLIC HEARING**

**LOCATION AND COUNCIL DISTRICT:**

The proposed Community Facilities District (CFD) includes approximately 997 acres in the North Natomas Community Plan area, located in Council District 1 (see map Exhibit A).

**RECOMMENDATION:**

This report recommends that the City Council conduct a Public Hearing and adopt the following:

- Resolution: - Establishing the North Natomas CFD No. 2  
- Providing for the Levy of a Special Tax  
- Calling for a Special Mailed Ballot Election  
- Establishing an Appropriations Limit
- Resolution: - Declaring the Necessity to Incur Bonded Indebtedness  
- Calling for a Special Mailed Ballot Election

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

**FOR COUNCIL MEETING OF:** June 9, 1998

**SUMMARY:**

This report presents a proposal to form a 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 internal drainage improvements specific to drainage basins 5 & 6 in Quadrant 1 (see Exhibit A).

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**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

In June 1997, the City Council in conjunction with the Natomas property owners successfully completed the formation of Community Facilities District No. 1. The improvements funded by that district will provide increased conveyance capacity (to the Sacramento River) in the existing Reclamation District 1000 system. Those improvements allow the 5,800 acres of North Natomas to be removed from the underlying 100-year floodplain upon completion of a drainage infrastructure specific to each individual drainage basin. North Natomas CFD No. 2 will fund the latter improvements for basins 5 and 6.

The boundary of the proposed CFD (see Exhibit A) includes approximately 997 acres of Quadrant 1. Properties excluded from the district include Elixir Industries and other parcels as indicated on the boundary map.

Improvements to be funded through the CFD will include drainage facilities for basins 5 and 6, constructed as two independent systems. Each system will include a drainage basin, conveyance systems and pump station to transmit surface water into the RD 1000 system, engineering, right-of-way acquisition, administration and legal costs.

These facilities are more fully described in the Formation Hearing and Financing Plan Report for CFD No.2, which is on file in the office of the City Clerk.

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 2/3 majority is required to finalize the CFD formation. A schedule for the CFD proceedings is provided on Exhibit B.

Waiver for Election Requirements

When landowners are willing, they may shorten the time frame of the election and waive various other requirements for conducting a mailed-ballot election by 100% of the landowners signing a Waiver and Consent form waiving such election requirements. The waivers must be received prior to the public hearing.

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As of June 8, 1998, Waiver and Consent forms for North Natomas CFD No. 2 have been received from 100% of the landowners in the district. Thus, the minimum time frame between the public hearing and special election (90 days) will be waived.

#### **FINANCIAL CONSIDERATIONS:**

There will be no impact to the general fund. The City property will not be responsible for annual special tax payments until the property is developed, ownership is transferred, or a funding mechanism is identified that is acceptable to City Council.

The improvements are proposed to be constructed in four (4) phases at a total cost of \$19.3 million in 1998 dollars. The full bond authorization will be \$32.0 million to cover bond costs and inflation due to phasing (see Exhibit C).

#### 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. The stadium parcel is included within the district. The special tax formula has been structured such that the stadium property would be subject to the annual special tax. No property owners will be subject to the special tax for the initial 12 to 18 months as debt service is paid by the district's capitalized interest fund.

It is proposed that any special tax payments made by the City relative to drainage improvements for the stadium site be funded by a loan from the Storm Drainage Fund - 425, or other Enterprise Fund as may be appropriate. A more thorough explanation of this funding mechanism will be provided during the public hearing.

The Sacramento Kings will be paying the annual special tax on the City owned Arco Arena parcel in accordance with their lease agreement with the City.

#### Landowner Cash Financing

Landowners may cash fund improvements and be reimbursed at a later time through bond proceeds when property has increased in value.

#### Special Tax Formula

The Rate and Method of Apportionment of the special tax is attached as Exhibit A to the Resolution of Formation.

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### Maximum Special Tax Rate

The maximum special tax rates for developed parcels are shown on Exhibit D. The rates escalate 2.0% per year from year one through the year 2040.

Parcels being annexed into the CFD in the future will be subject to a "catch-up tax." This tax is equal to the sum of the special taxes levied for development-restricted parcels within the same drainage basin for the prior ten fiscal years in which the special tax was levied times the gross acres of the annexing parcel.

### Prepayment of Special Tax

Prepayment of the special tax will permanently satisfy a landowner's special tax obligation. By selecting to prepay, a landowner can eliminate the future annual special tax liability for one or more parcels. Initial calculations of prepayment amounts (per acre) are indicated on Exhibit E.

### **ENVIRONMENTAL CONSIDERATION:**

The North Natomas Comprehensive Drainage Plan EIR was approved by City Council on May 20, 1997. The City Council's action in approving the formation and calling for an election is solely for the purpose of establishing a financing mechanism and is therefore not a project for purposes of the California Environmental Quality Act.

### **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 would provide ongoing disclosure of specified categories of information in an effort to protect the secondary bond market. A continuing disclosure certificate may be required by certain third party landowners. This requirement will be resolved prior to bond issuance.

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**MBE/WBE:**

None. No goods or services are being purchased.


Respectfully submitted,

  
Gary Alm  
Manager, Development Services

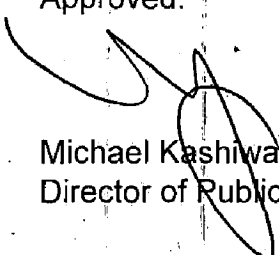
Approved:

  
Duane J. Wray, Manager  
Technical Services Division

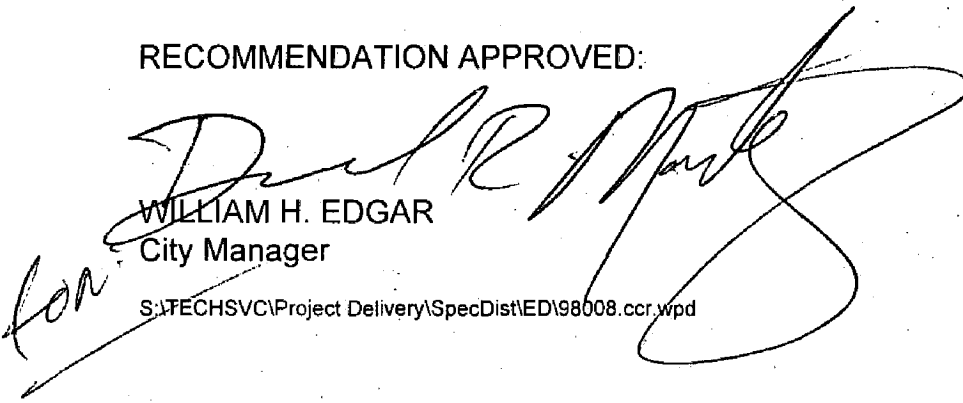
Approved:

  
Gary Reents, Manager  
Engineering Division, Utilities Department

Approved:

  
Michael Kashiwagi  
Director of Public Works

RECOMMENDATION APPROVED:

  
WILLIAM H. EDGAR  
City Manager

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MEMORANDUM OF PROCEEDINGS  
TO BE CONSIDERED BY  
THE CITY COUNCIL OF THE CITY OF SACRAMENTO  
ON THURSDAY, JUNE 9, 1998,  
IN CONNECTION WITH THE CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

On April 28, 1998, the City Council of the City of Sacramento initiated proceedings for the City of Sacramento North Natomas Community Facilities District No. 2 by adopting its Resolution of 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 and a 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 Community Facilities District No. 2, and setting the public hearings for Thursday, June 4, 1998.

On June 4, 1998, the City Council opened and continued the public hearings to this date. A Notice of Continuance of Public Hearings was posted by the City Clerk at the Council Chamber door no later than twenty-four (24) hours after the continuance of the public hearings.

The following are on file with the City Clerk:

- a. A copy of the recorded Boundary Map of the City of Sacramento North Natomas Community Facilities District No. 2;
- b. An Affidavit of Recording Boundary Map signed by the City Clerk;
- c. An Affidavit of Compliance with Requirement for Publishing Notice of Public Hearing on Resolution of Intention to Establish the City of Sacramento North Natomas Community Facilities District No. 2 signed by the City Clerk;
- d. An Affidavit of Compliance with Requirement for Mailing Notice of Public Hearing on Resolution of Intention to Establish the City of Sacramento North Natomas Community Facilities District No. 2 signed by the City Clerk;
- e. An 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 Community Facilities District No. 2 signed by the City Clerk;
- f. An 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 Community Facilities District No. 2 signed by the City Clerk; and
- g. Certificate Relative to Voters signed by Gary Alm.

It is in order for the City Council of the City of Sacramento to consider the following items at this time:

A. Items to be Filed with the City Clerk:

- ✓ 1. Affidavit of Compliance with the Requirements for Posting a Notice of Continuance of Public Hearings (Affidavit [A-6]).
- ✓ 2. Amended boundary map (original and three (3) copies).
- ✓ 3. Affidavit of Recording Amended Boundaries of the North Natomas Community Facilities District No. 2 (Affidavit [A-7]).
- ✓ 4. Formation Hearing Report.
- ✓ 5. Certificate of City Clerk Re Waiver and Consent (Certificate [C-2]), together with Waiver and Consent forms signed by landowners.
- ✓ 6. Affidavit of Delivery of Ballots for the Special Election to be Held in the City of Sacramento North Natomas Community Facilities District No. 2 (Affidavit [A-8]), with the Form of Ballot for the Special Election ([B-1]) attached thereto as Exhibit A.

B. City Council Action Items:

- ✓ 1. Continue the Public Hearings and hear all interested persons.
- 2. Close Public Hearings. If, at the close of the hearings, the City Council wishes to continue, the following items are to be considered:
- 3. Resolution of the City Council of the City of Sacramento Establishing the City of Sacramento North Natomas Community Facilities District No. 2 and Providing for the Levy of a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District and Calling a Special Mailed-Ballot Election to Submit to the Qualified Electors within such Community Facilities District the Question of Levying such Special Tax and Establishing an Appropriations Limit for such Community Facilities District (Resolution [R-4]).
- 4. Resolution of the City Council of the City of Sacramento Declaring the Necessity to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities in and for of the City of Sacramento North Natomas Community Facilities District No. 2 and Calling a Special Mailed-Ballot Election to Submit to the Qualified Electors within such Community Facilities District the Proposition of Incurring such Bonded Indebtedness (Resolution [R-5]).

C. Additional Instructions for the City Clerk:

✓ 1. Affidavit of Compliance with the Requirements for Posting a Notice of Continuance of Public Hearings ([A-6]).

✓ After posting the Notice of Continuance of Public Hearings at the Council Chamber door, complete and sign the Affidavit of Posting in triplicate. Keep the signed original in the City Clerk's file of proceedings and send two (2) signed copies to Orrick for the attention of Amy Wong, Legal Assistant, for the transcript files.

2. Amended Boundary Map

a. On the original and three (3) copies of the amended boundary map:

✓ i. Fill in the filing date in the City Clerk's office, using the date of the Council meeting, and sign the City Clerk's filing certificate.

✓ ii. Fill in the City Council approval certificate using the date of the City Council meeting, enter the resolution number (Resolution [R-4]), and sign the City Council approval certificate.

✓ ed (iii) Have the original amended boundary map filed for record in the office of the County Recorder of the County of Sacramento no later than ten (10) days after the date of the Council meeting.

✓ ed (iv) Ask the County Recorder to conform the three (3) copies of the amended 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 Orrick for the attention of Amy Wong, Legal Assistant, for the transcript files.

✓ 3. Affidavit of Recording Amended Boundary Map ([A-7])

After the amended boundary map has been recorded, complete and sign the Affidavit of Recording Amended Boundary Map in triplicate. Keep the original in your file of proceedings and return two (2) copies to Orrick for the attention of Amy Wong, Legal Assistant, for the transcript files.

*fill in  
recording  
date*

4. Formation Hearing Report

✓ a. The Formation Hearing Report has been prepared under the direction of the City Council by Tim Youmans and will be provided by him for the Council meeting.



- ✓ b. Please keep a copy in your file of proceedings and send two copies to Orrick for the attention of Amy Wong, Legal Assistant.

5. Certificate of City Clerk Re Waiver and Consent ([C-2])

- ✓ a. The Waiver and Consent forms signed by the landowners will be provided by Ed Williams.
- ✓ b. An original and two copies of the Certificate of City Clerk Re Waiver and Consent are enclosed for signature by the City Clerk.
- c. Please attach the signed originals of the Waiver and Consent forms to the original Certificate of City Clerk Re Waiver and Consent and file in your file of proceedings, and send two copies of the Certificate, with copies of the signed Waiver and Consent forms attached, to Orrick for the attention of Amy Wong, Legal Assistant.

*Some are  
copies -  
not signed*

✓ 6. Ballot ([B-1])

Prior to the date set for the Special Mailed-Ballot Election, prepare the ballots (with the resolution number of Resolution [R-4] filled in) by inserting in the appropriate blanks in each ballot the name of the property owner and the number of votes each is eligible to cast. Mail the ballots by first-class mail, postage prepaid, or deliver them in person to all property owners listed in Exhibit A attached to the Certificate Relative to Voters.

✓ 7. Affidavit of Delivery of Ballots for the Special Mailed-Ballot Election Held in the City of Sacramento North Natomas Community Facilities District No. 2 ([A-8])

After delivery of the ballots by first class mail, postage prepaid, or in person, complete and sign the Affidavit of Delivery of Ballots in triplicate and have all three (3) copies notarized. Keep the original your file of proceedings and return two (2) copies to Orrick for the attention of Amy Wong, Legal Assistant.

8. Please provide our office with two certified copies of each of the above-listed resolutions adopted at this Council meeting.

If you have any questions, please call

Carlo Fowler, Bond Attorney (415) 773-5884

or

Amy Wong, Legal Assistant (415) 773-4262

at

ORRICK, HERRINGTON & SUTCLIFFE LLP

Formation Hearing Report prepared by Tim Youmans  
to be provided by Ed Williams

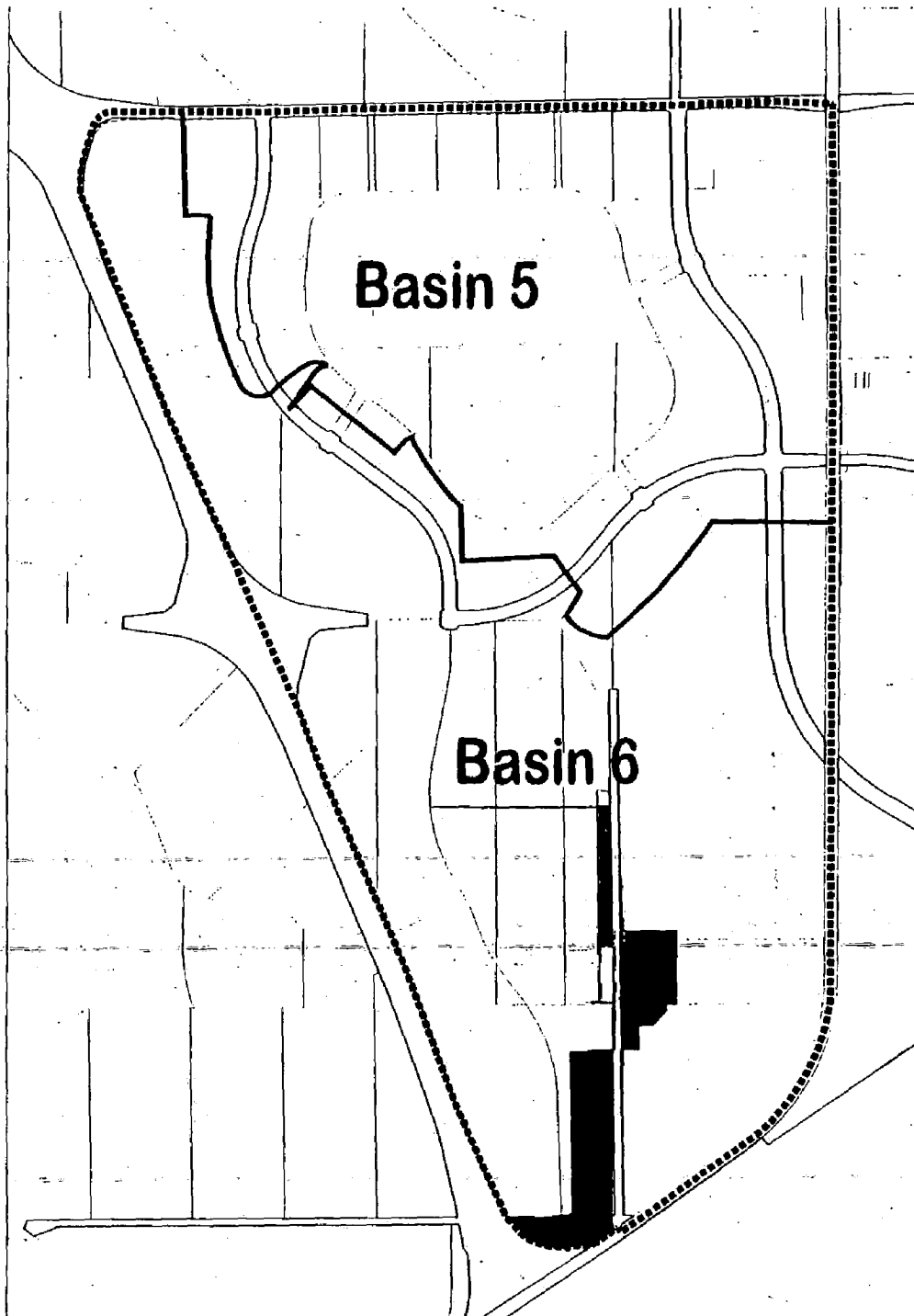
Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California

Page 1 of 1



 Excluded from CFD

THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
BOUNDARIES OF NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO.  
2", CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA, WHICH WAS RECORDED  
29 APRIL 1998, IN THE OFFICE OF THE  
COUNTY RECORDER, OF THE COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA IN BOOK 87 OF THE MAPS  
OF ASSESSMENTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE 30.



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 \_\_\_, 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

EXHIBIT A

**NORTH NATOMAS CFD No. 2**

(Basins 5 & 6)

26-May-98

**SCHEDULE**

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28-Apr-98      **City Council - Initiate Formation of Mello-Roos CFD**  
                    Adopt resolution of intention to establish a CFD.

|           |                                                                                            |
|-----------|--------------------------------------------------------------------------------------------|
| 09-Jun-98 | <b>City Council Public Hearing on District Formation</b><br>Adopt resolution of formation. |
|-----------|--------------------------------------------------------------------------------------------|

23-Jun-98      **City Council - Special Election to Establish District and Authorize Bonds to  
be Issued**

29-Jul-98      **Sell Bonds**

**ASSUMPTIONS:** 1) Use 42 days between ROI and Public Hearing.  
                          2) Use 14 days between Public Hearing and Election  
                          3) 100% Landowner Waivers

**Exhibit C**  
**North Natomas CFD No. 2**  
**Drainage Basins 5 & 6**  
**Facilities Costs and Bond Analysis**

| Item                                               |              | 1998<br>Bond<br>Issue<br>1998 \$      | 2002<br>Bond<br>Issue<br>Inflated | 2004<br>Bond<br>Issue<br>Inflated | Totals              |
|----------------------------------------------------|--------------|---------------------------------------|-----------------------------------|-----------------------------------|---------------------|
| <i>Purpose:</i>                                    |              | <i>Shed 5 and<br/>Shed 6, Phase 1</i> | <i>Shed 6<br/>Phase 2</i>         | <i>Shed 6<br/>Phase 4</i>         |                     |
| Land funded through Mello-Roos CFD                 |              | \$1,495,998                           | \$903,754                         | \$0                               | \$2,399,752         |
| Construction Costs                                 |              | \$7,780,626                           | \$3,467,305                       | \$983,000                         | \$12,230,931        |
| Soft Costs [1]                                     |              | \$2,504,568                           | \$1,065,620                       | \$294,900                         | \$3,865,088         |
| AD 88-03 Assessment Buyout                         |              | \$564,000                             | \$31,000                          | \$0                               | \$595,000           |
| Reimbursements to City                             |              | \$500,000                             |                                   |                                   | \$500,000           |
| Construction Proceeds (1998 \$)                    |              | \$12,845,192                          | \$5,467,679                       | \$1,277,900                       | \$19,590,771        |
| <b>Construction Proceeds Required (Inflated) *</b> | <b>3.50%</b> | <b>\$12,845,192</b>                   | <b>\$6,274,287</b>                | <b>\$1,570,865</b>                | <b>\$20,690,345</b> |
| Underwriter's Discount and Services [2]            | 5.00%        | \$899,163                             | \$439,200                         | \$109,961                         | \$1,448,324         |
| Bond Reserve Fund                                  | 9.00%        | \$1,618,494                           | \$790,560                         | \$197,929                         | \$2,606,983         |
| Capitalized Interest                               | 15.00%       | \$2,697,490                           | \$1,317,600                       | \$329,882                         | \$4,344,972         |
| Interest on Construction Drawdown [3]              |              | (\$77,071)                            | (\$37,646)                        | (\$9,425)                         | (\$124,142)         |
| <b>Total Bond Size</b>                             |              | <b>\$17,983,269</b>                   | <b>\$8,784,002</b>                | <b>\$2,199,212</b>                | <b>\$28,966,483</b> |
| <b>Bond Authorization</b>                          |              |                                       |                                   |                                   | <b>\$32,000,000</b> |

"cost\_detail"

- [1] Soft Costs include project engineering, administration, and contingency estimates.  
[2] Services include bond counsel, special tax consultant, appraisal, official statement and bond printing.  
[3] Estimate, used as a balancing factor.

**Attachment 1**  
**North Natomas Drainage CFD No. 97-02**  
**Maximum Special Tax Rates for Developable Parcels [1]**

| Fiscal<br>Year<br>Ending | Fiscal<br>Year<br>Ending | Maximum Special Tax     |                               |                 |                         |                               |                 |
|--------------------------|--------------------------|-------------------------|-------------------------------|-----------------|-------------------------|-------------------------------|-----------------|
|                          |                          | Drainage Shed 5 Parcels |                               |                 | Drainage Shed 6 Parcels |                               |                 |
|                          |                          | Per<br>Gross Acre       | Per Gross<br>Developable Acre | Per<br>Net Acre | Per<br>Gross Acre       | Per Gross<br>Developable Acre | Per<br>Net Acre |
|                          | <i>June 30</i>           |                         |                               |                 |                         |                               |                 |
| 1999                     | 1999                     | \$2,180                 | \$2,520                       | \$2,770         | \$2,680                 | \$3,090                       | \$3,400         |
| 2000                     | 2000                     | \$2,224                 | \$2,571                       | \$2,825         | \$2,734                 | \$3,152                       | \$3,468         |
| 2001                     | 2001                     | \$2,268                 | \$2,622                       | \$2,882         | \$2,788                 | \$3,215                       | \$3,537         |
| 2002                     | 2002                     | \$2,313                 | \$2,674                       | \$2,940         | \$2,844                 | \$3,279                       | \$3,608         |
| 2003                     | 2003                     | \$2,360                 | \$2,728                       | \$2,998         | \$2,901                 | \$3,345                       | \$3,680         |
| 2004                     | 2004                     | \$2,407                 | \$2,782                       | \$3,058         | \$2,959                 | \$3,412                       | \$3,754         |
| 2005                     | 2005                     | \$2,455                 | \$2,838                       | \$3,119         | \$3,018                 | \$3,480                       | \$3,829         |
| 2006                     | 2006                     | \$2,504                 | \$2,895                       | \$3,182         | \$3,079                 | \$3,549                       | \$3,905         |
| 2007                     | 2007                     | \$2,554                 | \$2,953                       | \$3,245         | \$3,140                 | \$3,620                       | \$3,984         |
| 2008                     | 2008                     | \$2,605                 | \$3,012                       | \$3,310         | \$3,203                 | \$3,693                       | \$4,063         |
| 2009                     | 2009                     | \$2,657                 | \$3,072                       | \$3,377         | \$3,267                 | \$3,767                       | \$4,145         |
| 2010                     | 2010                     | \$2,711                 | \$3,133                       | \$3,444         | \$3,332                 | \$3,842                       | \$4,227         |
| 2011                     | 2011                     | \$2,765                 | \$3,196                       | \$3,513         | \$3,399                 | \$3,919                       | \$4,312         |
| 2012                     | 2012                     | \$2,820                 | \$3,260                       | \$3,583         | \$3,467                 | \$3,997                       | \$4,398         |
| 2013                     | 2013                     | \$2,876                 | \$3,325                       | \$3,655         | \$3,536                 | \$4,077                       | \$4,486         |
| 2014                     | 2014                     | \$2,934                 | \$3,392                       | \$3,728         | \$3,607                 | \$4,159                       | \$4,576         |
| 2015                     | 2015                     | \$2,993                 | \$3,460                       | \$3,803         | \$3,679                 | \$4,242                       | \$4,667         |
| 2016                     | 2016                     | \$3,053                 | \$3,529                       | \$3,879         | \$3,753                 | \$4,327                       | \$4,761         |
| 2017                     | 2017                     | \$3,114                 | \$3,599                       | \$3,956         | \$3,828                 | \$4,413                       | \$4,856         |
| 2018                     | 2018                     | \$3,176                 | \$3,671                       | \$4,035         | \$3,904                 | \$4,502                       | \$4,953         |
| 2019                     | 2019                     | \$3,239                 | \$3,745                       | \$4,116         | \$3,983                 | \$4,592                       | \$5,052         |
| 2020                     | 2020                     | \$3,304                 | \$3,820                       | \$4,198         | \$4,062                 | \$4,683                       | \$5,153         |
| 2021                     | 2021                     | \$3,370                 | \$3,896                       | \$4,282         | \$4,143                 | \$4,777                       | \$5,256         |
| 2022                     | 2022                     | \$3,438                 | \$3,974                       | \$4,368         | \$4,226                 | \$4,873                       | \$5,361         |
| 2023                     | 2023                     | \$3,506                 | \$4,053                       | \$4,455         | \$4,311                 | \$4,970                       | \$5,469         |
| 2024                     | 2024                     | \$3,577                 | \$4,135                       | \$4,544         | \$4,397                 | \$5,069                       | \$5,578         |
| 2025                     | 2025                     | \$3,648                 | \$4,217                       | \$4,635         | \$4,485                 | \$5,171                       | \$5,690         |
| 2026                     | 2026                     | \$3,721                 | \$4,302                       | \$4,728         | \$4,575                 | \$5,274                       | \$5,803         |
| 2027                     | 2027                     | \$3,795                 | \$4,388                       | \$4,823         | \$4,666                 | \$5,380                       | \$5,919         |
| 2028                     | 2028                     | \$3,871                 | \$4,475                       | \$4,919         | \$4,760                 | \$5,487                       | \$6,038         |
| 2029                     | 2029                     | \$3,949                 | \$4,565                       | \$5,017         | \$4,855                 | \$5,597                       | \$6,159         |
| 2030                     | 2030                     | \$4,028                 | \$4,656                       | \$5,118         | \$4,952                 | \$5,709                       | \$6,282         |
| 2031                     | 2031                     | \$4,108                 | \$4,749                       | \$5,220         | \$5,051                 | \$5,823                       | \$6,407         |
| 2032                     | 2032                     | \$4,190                 | \$4,844                       | \$5,324         | \$5,152                 | \$5,940                       | \$6,536         |
| 2033                     | 2033                     | \$4,274                 | \$4,941                       | \$5,431         | \$5,255                 | \$6,058                       | \$6,666         |
| 2034                     | 2034                     | \$4,360                 | \$5,040                       | \$5,540         | \$5,360                 | \$6,180                       | \$6,800         |
| 2035                     | 2035                     | \$4,447                 | \$5,141                       | \$5,650         | \$5,467                 | \$6,303                       | \$6,936         |
| 2036                     | 2036                     | \$4,536                 | \$5,244                       | \$5,763         | \$5,577                 | \$6,429                       | \$7,074         |
| 2037                     | 2037                     | \$4,627                 | \$5,348                       | \$5,879         | \$5,688                 | \$6,558                       | \$7,216         |
| 2038                     | 2038                     | \$4,719                 | \$5,455                       | \$5,996         | \$5,802                 | \$6,689                       | \$7,360         |
| 2039                     | 2039                     | \$4,814                 | \$5,565                       | \$6,116         | \$5,918                 | \$6,823                       | \$7,507         |
| 2040                     | 2040                     | \$4,910                 | \$5,676                       | \$6,238         | \$6,036                 | \$6,959                       | \$7,657         |

"attachment\_1"

[1] The Maximum Annual Special Tax for Development-Restricted Parcels is set at 50 percent of the Maximum Annual Special Tax for Developable Parcels shown above.

**Attachment 2**  
**North Natomas Drainage CFD No. 97-02**  
**Estimated Base Prepayment Amount**  
(Amounts shown are subject to change annually)

|                                       | Column 1                  | Column 2                        | Column 3                  |
|---------------------------------------|---------------------------|---------------------------------|---------------------------|
|                                       | Prior to<br>1st Bond Sale | Between 1st &<br>Last Bond Sale | After Last<br>Bond Sale   |
|                                       | 1998\$                    | Inflated \$                     | Inflated \$               |
| Construction and Formation Cost - 199 | \$19,590,771              | \$20,690,345                    | \$20,690,345              |
| Estimated Bonds - Inflated \$ [1]     | n/a                       | \$32,000,000<br>authorization   | \$28,966,483<br>estimated |
| <b>Shed 5 Parcels Prepayment</b>      |                           |                                 |                           |
| Share of Facilities Cost              | 40.99%                    | 40.99%                          | 40.99%                    |
| Gross Acre                            | \$15,437                  | \$25,215                        | \$22,824                  |
| Gross Developable Acre                | \$17,643                  | \$28,819                        | \$26,087                  |
| Net Acre                              | \$19,590                  | \$31,999                        | \$28,965                  |
| <b>Shed 6 Parcels Prepayment</b>      |                           |                                 |                           |
| Share of Facilities Cost              | 59.01%                    | 59.01%                          | 59.01%                    |
| Gross Acre                            | \$18,956                  | \$30,963                        | \$28,028                  |
| Gross Developable Acre                | \$21,665                  | \$35,389                        | \$32,034                  |
| Net Acre                              | \$24,056                  | \$39,293                        | \$35,569                  |
| <b>Initial Estimated CFD Acreage</b>  |                           |                                 |                           |
|                                       | <u>Shed 5</u>             | <u>Shed 6</u>                   | <u>Total</u>              |
| Gross Acres [3]                       | 520.2                     | 609.9                           | 1,130.1                   |
| Gross Developable Acres [3]           | 455.1                     | 533.6                           | 988.7                     |
| Net Acres [3]                         | 409.9                     | 480.6                           | 890.5                     |

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.

[R-4]

APPROVED  
BY THE CITY COUNCIL**RESOLUTION NO. 98-257****JUN 9 1998**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

OFFICE OF THE  
CITY CLERKMTG. DATE 6/9/98 ITEM NO. 10.1  
FROM: CITY CLERK'S OFFICE**COUNCIL AGENDA MATERIAL**

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO ESTABLISHING THE CITY OF SACRAMENTO NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 AND PROVIDING FOR THE LEVY OF A SPECIAL TAX TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT AND CALLING A SPECIAL MAILED-BALLOT ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS WITHIN SUCH COMMUNITY FACILITIES DISTRICT THE QUESTION OF LEVYING SUCH SPECIAL TAX AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR SUCH COMMUNITY FACILITIES DISTRICT

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 98-143 (the "Resolution") on April 28, 1998, wherein the Council declared its intention to and proposed to establish a 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"), to be known and designated as the "City of Sacramento North Natomas Community Facilities District No. 2" (the "Community Facilities District"), to finance the acquisition and construction of those certain public facilities 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), and which public facilities constitute pipes, collection drains and channels, pump stations, detention basins and outfall drains (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

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

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



District, together with any other expenses incidental to the acquisition and construction of the Facilities; and

WHEREAS, the Resolution fixed a 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 a special tax to finance the acquisition and construction of the Facilities in and for the Community Facilities District and all other matters set forth in the Resolution; and

WHEREAS, a report on such proposal was prepared by the Director of Public Works of the City in accordance with the Resolution, which such report was submitted to the Council for review and has been reviewed by the Council, and which such report is incorporated herein and made a part of the record of the hearing hereinafter referred to on the Resolution; and

WHEREAS, pursuant to the Resolution, a public hearing was set by the Council for Thursday, the 4th day of June, 1998, 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, which public hearing was opened by the Council on said date and time and continued to Tuesday, June 9, 1998 at the hour of 7:00 o'clock P.M. to be held at the same place; and

WHEREAS, at the continued public hearing held on Tuesday, June 9, 1998 at 7:00 P.M., the Council considered 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 set forth in the Resolution, and at such continued public hearing all persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, were given an opportunity to appear and be heard, and the testimony of all interested persons and all taxpayers, property owners and registered voters 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 and construction of any of the Facilities proposed therefor, or on any other matters set forth in the Resolution, was heard and considered, and such special tax has not been precluded by a majority protest pursuant to Section 53324 of the Government Code of the State of California, and the Council at the conclusion of said continued hearing was fully advised in the premises, and was authorized to proceed as hereinafter provided; and

WHEREAS, on the basis of all of the foregoing, the Council has determined to amend the boundaries of the Community Facilities District by eliminating certain territory therefrom, there has been filed with the City Clerk a map entitled "Amended Boundaries of North Natomas Community Facilities District No. 2, City of Sacramento, Sacramento County, California," which amends and cross-references the original boundary map of the Community

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Facilities District filed for record in the office of County Recorder of the County of Sacramento on April 29, 1998, in Book 87 of Maps of Assessment and Community Facilities Districts at page 30; and

WHEREAS, the Council has determined at this time to call an election in the Community Facilities District to authorize the levy of a special tax therein (as the rate, method of apportionment and manner of collection of such tax is more particularly set forth in Exhibit A, attached hereto and incorporated herein and made a part hereof) to pay for the acquisition and construction of the Facilities proposed to be provided in and for the Community Facilities District, and to establish an appropriations limit for the Community Facilities District;

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. The Council hereby finds that the amended boundary map for the Community Facilities District is in the form and contains the matters prescribed by Section 3113 of the California Streets and Highways Code and hereby approves the amended map and adopts the boundaries shown on the amended map as describing the extent of the territory included in the Community Facilities District. The Council directs the City Clerk to certify the adoption of this resolution on the face of the amended map, and to file a copy of the amended map with the County Recorder of the County of Sacramento for placement in the Book of Maps of Assessment and Community Facilities Districts within ten (10) days.

Section 3. The Council hereby reapproves and readopts the Resolution, and (except for the aforementioned boundary change) reconfirms all of its findings and determinations contained therein, and the rate, method of apportionment and manner of collection of the special tax in and for the Community Facilities District shall be as set forth in Exhibit A, attached hereto and incorporated herein and made a part hereof, and upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of the State of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the Community Facilities District, which lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien cancelled in accordance with law or until collection of the special tax by the Council ceases.

Section 4. The Council finds and determines that written protests to 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 and construction of any of the Facilities proposed therefor, are insufficient in number and in amount under the Act, and the Council hereby further orders and determines that all protests to the establishment of the Community

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

Facilities District therefor, or the levy of the special tax proposed to be levied therein, or the extent of the Community Facilities District, or the acquisition and construction of any of the Facilities therefor, or the establishment of an appropriations limit for the Community Facilities District, are hereby overruled.

Section 5. The Council finds and determines that all prior proceedings had and taken by the Council with respect to the establishment of the Community Facilities District are valid and in conformity with the requirements of the Act; and accordingly, the Council finds, determines and orders that, consistent with the Resolution, the Community Facilities District is hereby established under and pursuant to the terms and provisions of the Act, the amended boundaries of which are as set forth in Exhibit B, attached hereto and incorporated herein and made a part hereof.

possessory interests in property owned by a public agency, which property is otherwise exempt from the special tax.

Section 10. A special mailed-ballot election shall be and is hereby called and ordered to be held in the Community Facilities District on Tuesday, June 23, 1998, in accordance with and subject to the Act and applicable law and the terms hereof, at which special election there shall be submitted to the landowners within the Community Facilities District (which landowners are the electors and persons qualified to vote at said special election) the question of levying such special tax and the establishment of an appropriations limit in the amount of two million dollars (\$2,000,000) per fiscal year in connection therewith for the Community Facilities District, as defined by Article XIIIB, Section 8(h) of the Constitution of the State of California, and the Council hereby directs that the election at which the question of levying such special tax and establishing such appropriations limit is submitted to the landowners within the Community Facilities District shall be consolidated with the election at which the question of incurring a bonded indebtedness in the amount of thirty-two million dollars (\$32,000,000) for the Community Facilities District is submitted to the landowners within the Community Facilities District, and the question of levying such special tax and establishing such appropriations limit shall be combined in one ballot proposition with the question of incurring such bonded indebtedness to finance the acquisition and construction of the Facilities and to be secured by a special tax to be levied within the Community Facilities District, all as provided by the Act.

Section 11. The City Clerk of the City is hereby designated as the official to conduct said special election, in accordance with and subject to the Act and applicable law and the following provisions:

(a) Said special election shall be held and conducted, and the votes thereat canvassed and the returns thereof made, and the results thereof ascertained and determined, as provided herein; and in all particulars not prescribed by this resolution said special election shall be held and conducted and the votes received and canvassed in the manner provided by law for the holding of special elections in the City and consistent with the Act.

(b) All landowners within the Community Facilities District upon the date of the special election herein provided for shall be qualified to vote upon the proposition to be submitted at said special election.

(c) Said special election shall be conducted as a mailed-ballot election, in accordance with the provisions of Sections 1340 et seq. and Section 23511.1 of the Elections Code of the State of California and the prior proceedings of the City taken thereunder, and there shall be no polling places for said special election. All ballots shall be delivered by the City Clerk of the City to such landowners, and all voted ballots are required to be received at the office of the City Clerk of the City not later than 8:00 o'clock P.M. on the day of the election in

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order to be counted, except that if all qualified electors have voted on the proposition hereby submitted, the election shall be closed.

(d) Each voter to vote for the proposition to be submitted at said special election and for levying such special tax and establishing such appropriations limit and incurring such bonded indebtedness shall mark a cross (+) in the blank space opposite the word "YES" on the ballot to the right of said proposition, and to vote against said proposition and against levying such special tax and establishing such appropriations limit and incurring such bonded indebtedness shall mark a cross (+) in the blank space opposite the word "NO" on the ballot to the right of said proposition, which cross (+) may be marked with either pen or pencil.

(e) The City Clerk of the City shall commence the canvass of the returns of said special election at 8:00 P.M. on Tuesday June 23, 1998, at the office of the City Clerk of the Council, City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, and at the conclusion thereof shall determine the results of said special election; provided, that if all the qualified voters have voted prior to such date and time, the City Clerk of the City shall close said special election and thereupon shall proceed to canvass the returns of said special election and to determine the results thereof.

(f) The Council shall meet at its regular meeting on Tuesday, June 30, 1998, at 2:00 P.M. at its usual meeting place and declare the results of said special election, and shall cause to be spread upon its minutes a statement of the results of said special election as ascertained by said canvass.

Section 12. If two-thirds (2/3) of the votes cast upon the question of levying such special tax and establishing such appropriations limit are cast in favor of levying such special tax and establishing such appropriations limit, as determined by the Council after reviewing the canvass of the returns of such consolidated election, the Council may levy such special tax within the territory of the Community Facilities District under the Act in the amount and for the purposes specified in this resolution, and such appropriations limit shall be established for the Community Facilities District, as defined by Article XIII B, Section 8(h) of the Constitution of the State of California. Such special tax may be levied only at the rate and may be apportioned only in the manner specified in this resolution, subject to the Act, except that such special tax may be levied at a rate lower than that specified herein. Such special tax may be levied only so long as it is needed to pay for the acquisition and construction of the Facilities referred to in Section 5 of this resolution, or so long as it is needed to pay the principal of and interest on the bonded indebtedness incurred in order to finance the acquisition and construction of the Facilities (including the repayment of funds advanced for the Community Facilities District).

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

Section 13 \_\_\_\_\_. The Associate Engineer, Special Districts, Department of Public Works of the City, at 1231 I Street, Room 300, Sacramento, California 95814 (telephone 916/264-5440) will be responsible for preparing annually a current roll of special tax levy obligations by Sacramento County Assessor's parcel numbers, and will be responsible for estimating future special tax levies pursuant to Section 53340.1 of the Government Code of the State of California.

Section 14. If and when necessary, the City Manager is authorized to prepare and

PASSED AND ADOPTED by the Council of the City of Sacramento this 9th day of June, 1998, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

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Mayor of the City of Sacramento

# Exhibit A

## City of Sacramento, California North Natomas Drainage Basins 5 & 6 Community Facilities District No. 2

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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#### 1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Drainage Basins 5 & 6 Community Facilities District No. 2 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

#### 2. Definitions

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

**"Administrative Expenses"** means the actual or estimated costs incurred by the City to 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 that 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.

**"Arena Parcel"** means the Parcels with Assessor Parcel Numbers 225-0070-059, 225-0070-060, 225-0070-063, and 225-0070-067 that is owned by the City at the formation of the CFD. This Parcel is leased to a nonexempt leasehold interest and is subject to levy of the Maximum Annual Special Tax in the same manner as any other Taxable Parcel pursuant to Section 53340.1 of the Act.

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

**"Authorized Facilities"** means those improvements, as listed in the Resolution forming the CFD.

**"Base Fiscal Year"** means the Fiscal Year beginning July 1, 1998 and ending June 30, 1999.

**"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 or Remediation Parcels as described in Section 4.

**"CFD"** means the North Natomas Drainage Basins 5 & 6 Community Facilities District No. 2 of the City of Sacramento, California.

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

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

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

**"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.

**"Developable Parcel"** means a Parcel that is developable as a result of the construction of drainage improvements funded by outstanding bonds of the CFD.

**"Development-Restricted Parcel"** means a Parcel that is not developable until additional drainage improvements are funded by the CFD. The Maximum Annual Special Tax Rate for a Development-Restricted Parcel is set at fifty percent (50%) of a Developable Parcel's Maximum Annual Special Tax Rate for the given Parcel. (Note: The CFD Financing Plan

assumes a series of bond issues and some parcels may not have adequate drainage until facilities are constructed in a later bond issue.)

**"Drainage Shed 5 Parcel"** means a Parcel located within Drainage Shed 5 as shown in Attachment 3.

**"Drainage Shed 6 Parcel"** means a Parcel located within Drainage Shed 6 as shown in Attachment 3.

**"Estimated Net Acres"** 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.

**"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.

**"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 (Gross, Gross Developable, or Net) or units of the parcel.

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

**"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 Taxable Parcel designated for commercial, office, light industrial, sports complex, or similar use 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 January 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 that 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. The Arena and Stadium Parcels are not defined as Public Parcels. These Parcels have separate definitions.

**"Reimbursement Parcel"** means a Parcel for which the Parcel owner has advance-funded all of the Parcel's allocated CFD drainage improvement costs, as determined by the City, but has not received any reimbursement from CFD bond proceeds. Once a reimbursement has been made, the Parcel shall be reclassified as a Developable Parcel or a Development-Restricted Parcel.

**"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.

**"Stadium Parcel"** means the Parcel with Assessor Parcel Number 225-0070-076 that is owned by the City at the formation of the CFD. This Parcel will remain a Tax-Exempt Parcel until it is transferred to private ownership, through sale or lease; or when there a funding mechanism to pay Special Taxes that is acceptable to the City Council is identified.

**"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), (ii) any Prepayment Parcel, and the (iii) the Stadium Parcel (subject to the limitations set-forth

above and in Section 4). Certain non-developable privately owned Parcels, such as common areas, wetlands, and open space, may also be exempt from the levy of Special Taxes as determined by the City.

### 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, Reimbursement Parcel, or a Taxable Parcel;

However, Taxable Parcels that are acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if Public Parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels of comparable acreage become Taxable Parcels. This trading of Parcels will be permitted to the extent that there is no net loss in maximum Special Tax revenue.

2. Each Taxable Parcel to be further classified as a Drainage Shed 5 Parcel or a Drainage Shed 6 Parcel.
3. Then each Taxable Parcel to be further classified as a Developable Parcel, Development-Restricted Parcel, or Prepayment Parcel. Once classified as a Developable Parcel, no Parcel shall be removed from that classification unless the Parcel becomes a Prepayment Parcel.

B. Assignment of Maximum Annual Special Tax. The City shall assign the appropriate Maximum Annual Special Tax for the Fiscal Year of the tax levy to each Taxable Parcel as follows:

1. Developable Parcels

**Attachment 1** shows the Maximum Special Tax Rates for Developable Parcels for each Land Use Category within each Drainage Shed by Fiscal Year.

2. Development-Restricted Parcels

The Maximum Special Tax Rates of Development-Restricted Parcels shall be 50% of the Maximum Special Tax Rates for Developable Parcels as shown on **Attachment 1**.

3. Reimbursement Parcels

The Maximum Special Tax Rate for a Reimbursement Parcel shall be set to zero until it is reclassified as a Developable Parcel or a Development-Restricted Parcel.

4. Residential Parcels

The Maximum Special Tax Rate for a single-family residential, duplex, and condominium Parcel shall be calculated by the following steps:

- a) calculate the total Maximum Special Tax Revenue for the Net Acres of the Final Map or Parcel Map creating the single-family, duplex, or condominium Parcels; and,
- b) divide the Maximum Special Tax Revenue from a) by the total number of Parcels created in the Final Map or Parcel Map.

5. Stadium Parcel

The Maximum Special Tax Rate for the Stadium Parcel shall be set to zero until it is transferred to private ownership through a sale, is controlled by a private entity through a lease, or a funding mechanism acceptable to the City Council is identified to pay the Special Taxes. Once one of these events occurs, the Stadium Parcel shall be treated as a Developed Parcel for purposes of setting the Maximum Annual Special Tax.

6. Arena Parcel

The Arena Parcel will be treated as any other Taxable Parcel for purposes of setting the Maximum Annual Special Tax.

C. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax Rate assigned by following the procedures in Section 4.B above. In addition, a Catch-up special tax shall be charged to the annexing Parcel. The Catch-up Special Tax will be set equal to sum of the Special Taxes levied for Development-Restricted Parcels within the

same Drainage Shed for the prior ten Fiscal Years in which the special tax was levied times the gross acres of the annexing Parcel. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to the 4.A and 4.B above and excluded from the provisions of Section 4.C. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

## 5. Calculating Annual Special Taxes

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

- A. Computes the Annual Cost using the definition in Section 2 for the Fiscal Year.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
  - Determine if sufficient special tax revenues are available by taxing each Developable Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than the Annual Costs, the tax is reduced proportionately until the tax levy is set at an amount sufficient to cover Annual Costs.
  - If revenues from taxing Developable Parcels at 100% of their Maximum Annual Special Tax are not sufficient, the City will then proportionately levy the tax on Development-Restricted Parcels up to 100% of their Maximum Annual Special Tax (50% of their Maximum Annual Special Tax as Developable Parcels) until the tax levy is set at an amount sufficient to cover Annual Costs.
- C. Levy on each Taxable Parcel the amount calculated above.
- D. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

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

## 6. Prepayment of Special Tax Obligation

With a Prepayment, a landowner may permanently satisfy the Special Tax obligation for one or more Parcels. By exercising the right to Prepayment, a landowner can eliminate the future annual Special Tax liability for one or more Parcels.

Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment does not jeopardize the ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner who wishes to exercise the right to a Prepayment for a Parcel must pay any and all delinquent Special Taxes and penalties, and any Catch-up Special Taxes attributable to that Parcel.
- Prepayment shall be made on or before June 1 in order to prevent the levy of special taxes due during the Fiscal Year beginning July 1.

The total Prepayment amount will include the Parcel's proportionate share of all estimated costs necessary to construct the Authorized Facilities (the "base Prepayment amount") plus any additional administrative and financing costs necessary to redeem bonds and calculate the prepayment. These calculations are described below.

### CALCULATE BASE PREPAYMENT AMOUNT (for Attachment 2)

The base Prepayment amount will vary each year depending upon whether or not bonds have been issued and whether any bonds have been redeemed. The base Prepayment amount will be recalculated with each bond issue and on an annual basis at the time that the CFD's annual report is prepared. The annual base Prepayment amount shall be calculated using the following steps.

- Step 1: Determine the total number of acres within the CFD in each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres. The acreage of all prior Prepayment Parcels will be excluded from the calculation of total acres.
- Gross Acres equal the original Gross Acres at the formation of the CFD plus any acreage that has been annexed into the CFD.
  - If the acreage in the Gross Developable Acreage category is not known, it will be set by multiplying Gross Acres by a factor of 0.729.
  - If the acreage in the Net Acreage category is not known, it will be set by multiplying Gross Developable Acres by a factor of 0.857.
- Step 2: Determine the amount of the facility construction cost including CFD formation costs; total bond authorization; or total outstanding bonds, if all bonds have been issued. The facility construction cost will be based on the cost of facilities that

have been constructed or bid plus the estimated cost of facilities yet to be constructed or bid with inflation to date.

- Step 3: Calculate the base Prepayment amount per acre based on the location of the Prepayment Parcel:

Drainage Shed 5 Parcels: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories. Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

Drainage Shed 6 Parcels: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories. Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

- Step 4: Update **Attachment 2** based on the above calculations to reflect the base Prepayment amount per acre for the upcoming Fiscal Year. The **Attachment 2** included in this document is as of the formation of the CFD based on the current estimated acreage, by category, and estimated costs.

#### DETERMINE TOTAL PREPAYMENT AMOUNT FOR PREPAYING PARCEL

The following steps will be used to determine a Parcel's total Prepayment Amount.

- Step 5: Determine whether the acreage of the Parcel making a Prepayment is Gross Acres, Gross Developable Acres, or Net Acres and determine whether the Parcel is a Drainage Shed 5 Parcel or a Drainage Shed 6 Parcel.

**Prior to First Bond Sale (skip to Step 8 if bonds have been sold)**

- Step 6: If the Prepayment is made prior to the first bond sale, the City will determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre from column 1 of **Attachment 2**--for the appropriate acreage and location category--by the Parcel's total acreage.

- Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 5 and the City's administrative cost for calculating these amounts.



### **Subsequent to the Initial Sale of Bonds**

- Step 8: Determine if all bonds have been sold or if the District is between the first and last bond sale. This will determine the bond issuance category for the base Prepayment amount. If the District is between the first and last bond sale, column 2 of **Attachment 2** will be used. If all bonds have been sold, column 3 of **Attachment 2** will be used.
- Step 9: Determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre from either column 2 or 3 of **Attachment 2**--for the appropriate acreage, location, and bond issuance category--by the Parcel's total acreage.
- Step 10: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 9 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the bonds, early call penalties, and other expenses incurred by the City in connection with the prepayment calculation or the application of the proceeds of the prepayment.

## **7. Records Maintained for the CFD**

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

- the current Parcel Number;
- the Parcel acreage (gross, gross developable or net);
- the Maximum Annual Special Taxes which applied in each Fiscal Year; and
- the authorized Special Taxes levied in each Fiscal Year.

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

## **8. Appeals**

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

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

**Attachment 1**  
**North Natomas Drainage CFD No. 2**  
**Maximum Special Tax Rates for Developable Parcels [1]**

| Fiscal<br>Year<br>Ending | Maximum Special Tax     |                               |                 |                         |                               |                 |
|--------------------------|-------------------------|-------------------------------|-----------------|-------------------------|-------------------------------|-----------------|
|                          | Drainage Shed 5 Parcels |                               |                 | Drainage Shed 6 Parcels |                               |                 |
|                          | Per<br>Gross Acre       | Per Gross<br>Developable Acre | Per<br>Net Acre | Per<br>Gross Acre       | Per Gross<br>Developable Acre | Per<br>Net Acre |
| <i>June 30</i>           |                         |                               |                 |                         |                               |                 |
| 1999                     | \$2.180                 | \$2.520                       | \$2.770         | \$2.680                 | \$3.090                       | \$3.400         |
| 2000                     | \$2.224                 | \$2.571                       | \$2.825         | \$2.734                 | \$3.152                       | \$3.468         |
| 2001                     | \$2.268                 | \$2.622                       | \$2.882         | \$2.788                 | \$3.215                       | \$3.537         |
| 2002                     | \$2.313                 | \$2.674                       | \$2.940         | \$2.844                 | \$3.279                       | \$3.608         |
| 2003                     | \$2.360                 | \$2.728                       | \$2.998         | \$2.901                 | \$3.345                       | \$3.680         |
| 2004                     | \$2.407                 | \$2.782                       | \$3.058         | \$2.959                 | \$3.412                       | \$3.754         |
| 2005                     | \$2.455                 | \$2.838                       | \$3.119         | \$3.018                 | \$3.480                       | \$3.829         |
| 2006                     | \$2.504                 | \$2.895                       | \$3.182         | \$3.079                 | \$3.549                       | \$3.905         |
| 2007                     | \$2.554                 | \$2.953                       | \$3.245         | \$3.140                 | \$3.620                       | \$3.984         |
| 2008                     | \$2.605                 | \$3.012                       | \$3.310         | \$3.203                 | \$3.693                       | \$4.063         |
| 2009                     | \$2.657                 | \$3.072                       | \$3.377         | \$3.267                 | \$3.767                       | \$4.145         |
| 2010                     | \$2.711                 | \$3.133                       | \$3.444         | \$3.332                 | \$3.842                       | \$4.227         |
| 2011                     | \$2.765                 | \$3.196                       | \$3.513         | \$3.399                 | \$3.919                       | \$4.312         |
| 2012                     | \$2.820                 | \$3.260                       | \$3.583         | \$3.467                 | \$3.997                       | \$4.398         |
| 2013                     | \$2.876                 | \$3.325                       | \$3.655         | \$3.536                 | \$4.077                       | \$4.486         |
| 2014                     | \$2.934                 | \$3.392                       | \$3.728         | \$3.607                 | \$4.159                       | \$4.576         |
| 2015                     | \$2.993                 | \$3.460                       | \$3.803         | \$3.679                 | \$4.242                       | \$4.667         |
| 2016                     | \$3.053                 | \$3.529                       | \$3.879         | \$3.753                 | \$4.327                       | \$4.761         |
| 2017                     | \$3.114                 | \$3.599                       | \$3.956         | \$3.828                 | \$4.413                       | \$4.856         |
| 2018                     | \$3.176                 | \$3.671                       | \$4.035         | \$3.904                 | \$4.502                       | \$4.953         |
| 2019                     | \$3.239                 | \$3.745                       | \$4.116         | \$3.983                 | \$4.592                       | \$5.052         |
| 2020                     | \$3.304                 | \$3.820                       | \$4.198         | \$4.062                 | \$4.683                       | \$5.153         |
| 2021                     | \$3.370                 | \$3.896                       | \$4.282         | \$4.143                 | \$4.777                       | \$5.256         |
| 2022                     | \$3.438                 | \$3.974                       | \$4.368         | \$4.226                 | \$4.873                       | \$5.361         |
| 2023                     | \$3.506                 | \$4.053                       | \$4.455         | \$4.311                 | \$4.970                       | \$5.469         |
| 2024                     | \$3.577                 | \$4.135                       | \$4.544         | \$4.397                 | \$5.069                       | \$5.578         |
| 2025                     | \$3.648                 | \$4.217                       | \$4.635         | \$4.485                 | \$5.171                       | \$5.690         |
| 2026                     | \$3.721                 | \$4.302                       | \$4.728         | \$4.575                 | \$5.274                       | \$5.803         |
| 2027                     | \$3.795                 | \$4.388                       | \$4.823         | \$4.666                 | \$5.380                       | \$5.919         |
| 2028                     | \$3.871                 | \$4.475                       | \$4.919         | \$4.760                 | \$5.487                       | \$6.038         |
| 2029                     | \$3.949                 | \$4.565                       | \$5.017         | \$4.855                 | \$5.597                       | \$6.159         |
| 2030                     | \$4.028                 | \$4.656                       | \$5.118         | \$4.952                 | \$5.709                       | \$6.282         |
| 2031                     | \$4.108                 | \$4.749                       | \$5.220         | \$5.051                 | \$5.823                       | \$6.407         |
| 2032                     | \$4.190                 | \$4.844                       | \$5.324         | \$5.152                 | \$5.940                       | \$6.536         |
| 2033                     | \$4.274                 | \$4.941                       | \$5.431         | \$5.255                 | \$6.058                       | \$6.666         |
| 2034                     | \$4.360                 | \$5.040                       | \$5.540         | \$5.360                 | \$6.180                       | \$6.800         |
| 2035                     | \$4.447                 | \$5.141                       | \$5.650         | \$5.467                 | \$6.303                       | \$6.936         |
| 2036                     | \$4.536                 | \$5.244                       | \$5.763         | \$5.577                 | \$6.429                       | \$7.074         |
| 2037                     | \$4.627                 | \$5.348                       | \$5.879         | \$5.688                 | \$6.558                       | \$7.216         |
| 2038                     | \$4.719                 | \$5.455                       | \$5.996         | \$5.802                 | \$6.689                       | \$7.360         |
| 2039                     | \$4.814                 | \$5.565                       | \$6.116         | \$5.918                 | \$6.823                       | \$7.507         |
| 2040                     | \$4.910                 | \$5.676                       | \$6.238         | \$6.036                 | \$6.959                       | \$7.657         |

"attachment\_1"

- [1] The Maximum Annual Special Tax for Development-Restricted Parcels is set at 50 percent of the Maximum Annual Special Tax for Developable Parcels shown above.

**Attachment 2**  
**North Natomas Drainage CFD No. 2**  
**Estimated Base Prepayment Amount**  
(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   |
|                                        | 1998\$                 | Inflated \$                  | Inflated \$            |
| Construction and Formation Cost - 1998 | \$19,590,771           | \$20,690,345                 | \$20,690,345           |
| Estimated Bonds - Inflated \$ [1]      | n/a                    | \$32,000,000 authorization   | \$28,966,483 estimated |
| Shed 5 Parcels Prepayment              |                        |                              |                        |
| Share of Facilities Cost               | 40.99%                 | 40.99%                       | 40.99%                 |
| Gross Acre                             | \$15,437               | \$25,215                     | \$22,824               |
| Gross Developable Acre                 | \$17,643               | \$28,819                     | \$26,087               |
| Net Acre                               | \$19,590               | \$31,999                     | \$28,965               |
| Shed 6 Parcels Prepayment              |                        |                              |                        |
| Share of Facilities Cost               | 59.01%                 | 59.01%                       | 59.01%                 |
| Gross Acre                             | \$18,956               | \$30,963                     | \$28,028               |
| Gross Developable Acre                 | \$21,665               | \$35,389                     | \$32,034               |
| Net Acre                               | \$24,056               | \$39,293                     | \$35,569               |
| <b>Initial Estimated CFD Acreage</b>   |                        |                              |                        |
|                                        | <u>Shed 5</u>          | <u>Shed 6</u>                | <u>Total</u>           |
| Gross Acres [3]                        | 520.2                  | 609.9                        | 1,130.1                |
| Gross Developable Acres [3]            | 455.1                  | 533.6                        | 988.7                  |
| Net Acres [3]                          | 409.9                  | 480.6                        | 890.5                  |

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.

SPECIAL STRUCTURE  
STADIUM INLET

NORTHWEST RELIEF DRAIN  
20' DRAINAGE EASEMENT  
OVERLAND RELEASE  
EXIST. 40' CANAL  
EASEMENT  
BB0609 OR 1317

DEL PASO ROAD

20' DRAINAGE  
EASEMENT  
DEL PASO RELIEF DRAIN

SPECIAL STRUCTURE  
ROAD 'B' / EAST CANAL

-BASIN 5:  
PUMP STATION

DETENTION BASIN 5  
OFFERED FOR DEDICATION

ARENA BLVD. OUTFALL DRAIN  
- 20' DRAINAGE EASEMENT

**SPECIAL STRUCTURE  
ARENA BLVD. / EAST CANAL**

**SPECIAL STRUCTURE  
ARENA BLVD. / ROAD 'J'**

## RELIEF

ROAD 'J'  
OUTFALL  
DRAIN

TRUXEL  
ROAD  
DRAIN

DEEP  
- CHANNEL  
DRAIN

## RELIEF

**BASIN 6  
PUMP STATION**

### LEGEND

### 3-ED. 3 IMPROVEMENTS

### PHASE 8 PHASE : IMPROVEMENTS

## STEP 6: PHASE 2 IMPROVEMENTS

### SHED 6 PHASE 3 IMPROVEMENTS

### SHED & PHASE 4 IMPROVEMENTS

TOP SECRET

1  
-  
1

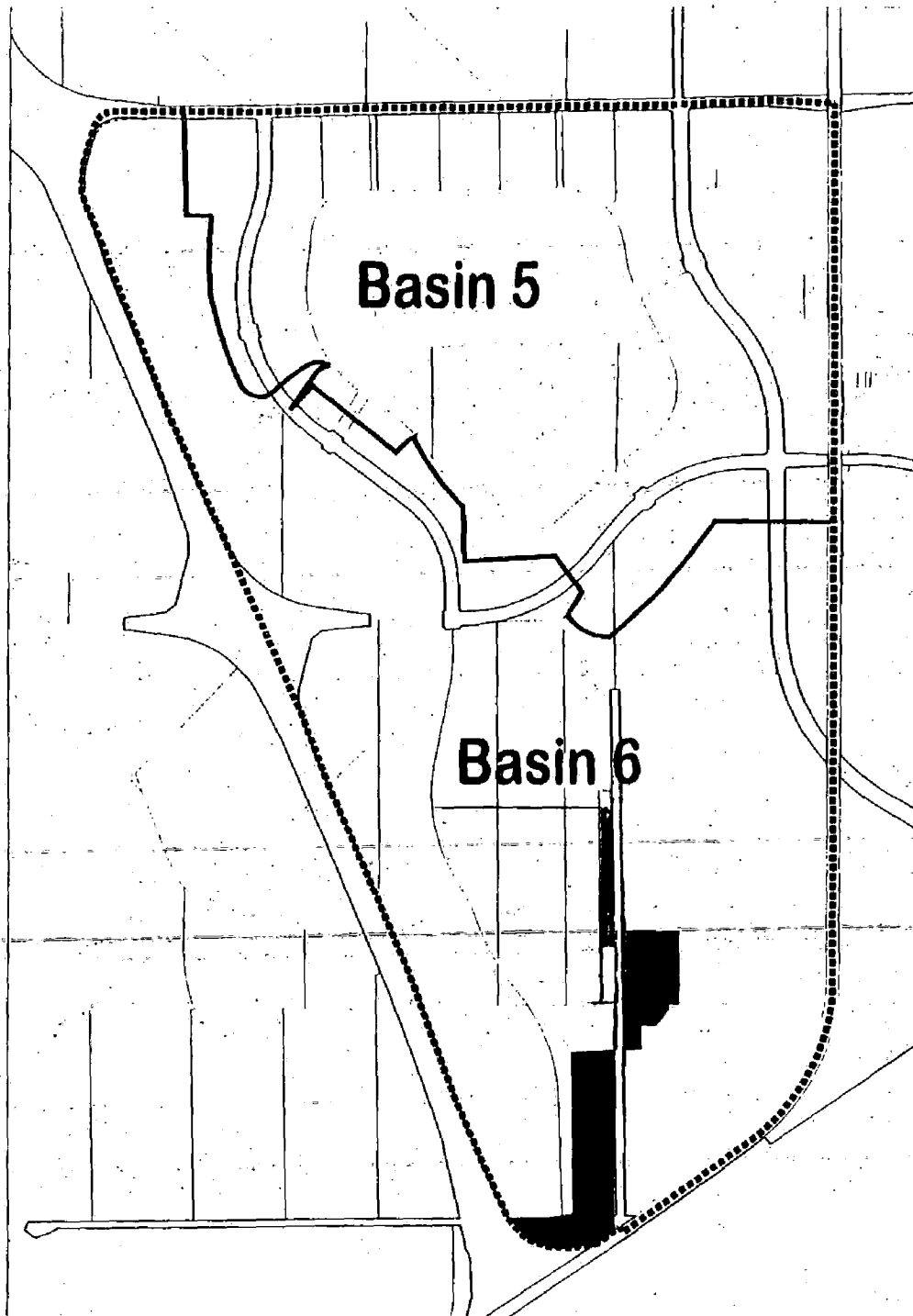
**VAIL**  
**ENGINEERING**  
**CORPORATION**  
CONCRETE PAVING  
POUR FILLING  ROOFING  
AND MORE WORK SAFE AND  
ECONOMY, OR FREE.

**FIGURE K**  
**FACILITY PHASING EXHIBIT**  
**PROPOSED FACILITIES**  
**FOR SHEDS 5 AND 6**



| Revisions |      |             |
|-----------|------|-------------|
| Rev       | Date | Description |
| 1         |      |             |
| 2         |      |             |
| 3         |      |             |
| 4         |      |             |
| 5         |      |             |
| 6         |      |             |

Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
BOUNDARIES OF NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO.  
2, CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA," WHICH WAS RECORDED  
29 APRIL 1998, IN THE OFFICE OF THE  
COUNTY RECORDER, OF THE COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA IN BOOK 87 OF THE MAPS  
OF ASSESSMENTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE 30.

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 B

APPROVED  
BY THE CITY COUNCIL

JUN 9 1998

OFFICE OF THE  
CITY CLERK

## RESOLUTION NO. 97-258

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DECLARING THE NECESSITY TO INCUR A BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR THE CITY OF SACRAMENTO NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 AND CALLING A SPECIAL MAILED-BALLOT ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS OF SUCH COMMUNITY FACILITIES DISTRICT THE PROPOSITION OF INCURRING SUCH BONDED INDEBTEDNESS

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") has duly adopted Resolution No. 98-143 on April 28, 1998, wherein the Council declared its intention to and proposed to establish a 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"), to be known and designated as the "City of Sacramento North Natomas Community Facilities District No. 2" (the "Community Facilities District"), to finance the acquisition and construction of those certain public facilities which constitute pipes, collection drains and channels, pump stations, detention basins and outfall drains (the "Facilities") in and for the Community Facilities District and, except where funds are otherwise available, to levy a special tax sufficient to pay for the acquisition and construction of the Facilities pursuant to the Act; and

WHEREAS, the Council has heretofore on April 28, 1998, duly adopted Resolution No. 98-144 (the "Resolution") declaring its intention to incur a bonded indebtedness in the amount of thirty-two million dollars (\$32,000,000) to finance the acquisition and construction of the Facilities in and for the Community Facilities District, which Facilities are necessary to meet increased demands placed upon the City as a result of development occurring in the Community Facilities District; and

WHEREAS, pursuant to said Resolution No. 98-143, a public hearing was set by the Council for Thursday, the 4th day of June, 1998, 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, which public hearing was opened by the Council on said

FOR CITY CLERK USE ONLY

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

date and time and continued to Tuesday, June 9, 1998 at the hour of 7:00 o'clock P.M. to be held at the same place.

WHEREAS, at the continued public hearing held on said Resolution No. 98-143 on Tuesday, June 9, 1998 at 7:00 P.M., all persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, were given an opportunity to appear and be heard, and the testimony of all interested persons and all taxpayers, property owners and registered voters for or against the establishment of the Community Facilities District and the levy of the special tax therein, or the extent of the Community Facilities District, or the acquisition and construction of any of the Facilities proposed therefor, or the establishment of an appropriations limit therefor, or on any other matters set forth in the Resolution, was heard and considered; and

WHEREAS, pursuant to the Resolution, a public hearing was set by the Council on Thursday, the 4th day of June, 1998, 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, which public hearing was opened by the Council on said date and time and continued to Tuesday, June 9, 1998 at the hour of 7:00 o'clock P.M. to be held at the same place; and

WHEREAS, at the continued public hearing held on the Resolution on Tuesday, June 9, 1998 at 7:00 P.M., all persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, were given an opportunity to appear and be heard on the proposed debt issue or on any other matters set forth in the Resolution, and they were permitted to present any matters relating to the necessity for incurring such bonded indebtedness to finance the costs of the acquisition and construction of the Facilities and to be secured by a special tax to be levied within the Community Facilities District; and

WHEREAS, at the end of said continued public hearings the Council duly adopted a resolution establishing the Community Facilities District; and

WHEREAS, the Council is fully advised in the premises.

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

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

Section 2. The Council hereby declares and deems that the public convenience and necessity require and it is necessary that a bonded indebtedness be incurred to finance the acquisition and construction of the Facilities (as defined and provided in the Resolution).

---

FOR CITY CLERK USE ONLY

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

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



**Section 3.** The purpose for the proposed bonded indebtedness is to finance the acquisition and construction of the public facilities which constitute pipes, collection drains and channels, pump stations, detention basins and outfall drains.

**Section 4.** The whole of the territory within the Community Facilities District will be benefited by such bonded indebtedness and will be subject to the special tax to pay for such bonded indebtedness.

**Section 5.** The amount of the proposed bonded indebtedness to be incurred to finance the acquisition and construction of the Facilities (including incidental expenses as authorized by the Act) is thirty-two million dollars (\$32,000,000).

**Section 6.** The maximum term of the bonds shall not exceed forty (40) years from the date of the bonds, or the date of any series thereof.

**Section 7.** The maximum annual rate or rates of interest to be paid on the bonds shall not exceed twelve percent (12%) per annum, payable annually the first year and semiannually thereafter.

**Section 8.** The Council hereby approves the form of Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting Mailed-Ballot Election in the Community Facilities District, a copy of which is attached hereto as Exhibit A. The Council hereby finds that the rights, procedures and time periods therein waived are solely for the protection of the voters, may be waived under Government Code Section 53326(a), and that the waiver constitutes a full and knowing waiver, by any voter who has executed the form, of those rights, procedures and time periods.

**Section 9.** The Council hereby accepts the Certificate of the City Clerk certifying that 100% of the voters eligible to vote in this election have delivered to the City Clerk properly executed waivers in the form of Exhibit A.

**Section 10.** A special mailed-ballot election shall be and is hereby called and ordered to be held in the Community Facilities District on Tuesday June 23, 1998, in accordance with and subject to the Act and applicable law and the terms hereof, at which special mailed-ballot election there shall be submitted to the landowners within the Community Facilities District (which landowners are the electors and persons qualified to vote at said special mailed-ballot election) the question of incurring a bonded indebtedness in the amount of thirty-two million dollars (\$32,000,000) for the Community Facilities District, and the Council hereby directs that the question of incurring such bonded indebtedness shall be combined in one ballot proposition with the question of levying such special tax within the Community Facilities District and the establishment of an appropriations limit in the amount of Four Million Dollars (\$4,000,000) per fiscal year in connection therewith, all in accordance with and subject to the Act, all the terms of which shall be applicable to such election. The combined ballot proposition of levying such special tax and establishing such appropriations limit and incurring such bonded indebtedness shall read as follows:

---

**FOR CITY CLERK USE ONLY**

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

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

MEASURE (A): Shall the City of Sacramento North Natomas Drainage Community Facilities District No. 2 be authorized to finance the acquisition and construction of the public facilities which constitutes pipes, collection drains and channels, pump stations, detention basins and outfall drains by incurring a bonded indebtedness in the principal amount of thirty-two million dollars (\$32,000,000), and shall an appropriations limit in the amount of two million dollars (\$2,000,000) per fiscal year in connection therewith be established for the Community Facilities District, and shall a special tax with a maximum rate and method of apportionment as provided in Resolution No. \_\_\_\_ adopted by the City Council of the City of Sacramento on June 9, 1998, which is incorporated herein by reference, be levied to pay for the acquisition and construction of such facilities, including the payment of principal of and interest on such bonds and including the repayment of funds advanced for the Community Facilities District?

Section 11. If the combined proposition for the levying of such special tax and the establishment of such appropriations limit and the incurring of such bonded indebtedness receives the approval of more than two-thirds (2/3) of the votes cast on the proposition, the bonds may be issued and sold for the purpose for which they were authorized, and the bonds (except where funds are otherwise available) shall be paid exclusively from the annual levy of such special tax and are not and shall not be secured by any other taxing power or funds of the City or the Community Facilities District.

Section 12. The City Clerk is hereby designated as the official to conduct the special mailed-ballot election pursuant to Elections Code Sections 14 and 15. In order to be counted, ballots must be returned to, and be physically received by, the City Clerk before 8:00 p.m. on June 23, 1998. If all authorized ballots are received by the City Clerk prior to that time, the City Clerk shall, pursuant to Government Code Section 53326(d), immediately close the election and declare the results.

---

FOR CITY CLERK USE ONLY

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

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

PASSED AND ADOPTED by the Council of the City of Sacramento this 9th day of June, 1998, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

---

Mayor of the City of Sacramento

ATTEST:

---

City Clerk of the City of Sacramento

---

FOR CITY CLERK USE ONLY

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

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

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento that is designated on the current (Fiscal Year 1997-1998) assessment roll of the County of Sacramento as the Assessor's Parcel Number indicated next to the undersigned's signature hereto, which real property is located in the proposed City of Sacramento North Natomas Community Facilities District No. 2 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Amended Boundaries of North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California," designated Exhibit A, attached hereto and incorporated herein, and in such capacity the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the mailed-ballot election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the

timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: June 9, 1998

\_\_\_\_\_  
By \_\_\_\_\_  
Authorized Representative

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

| <u>OWNER</u> | <u>SACRAMENTO COUNTY<br/>ASSESSOR'S PARCEL NUMBER</u> | <u>SIGNATURE</u> |
|--------------|-------------------------------------------------------|------------------|
|--------------|-------------------------------------------------------|------------------|

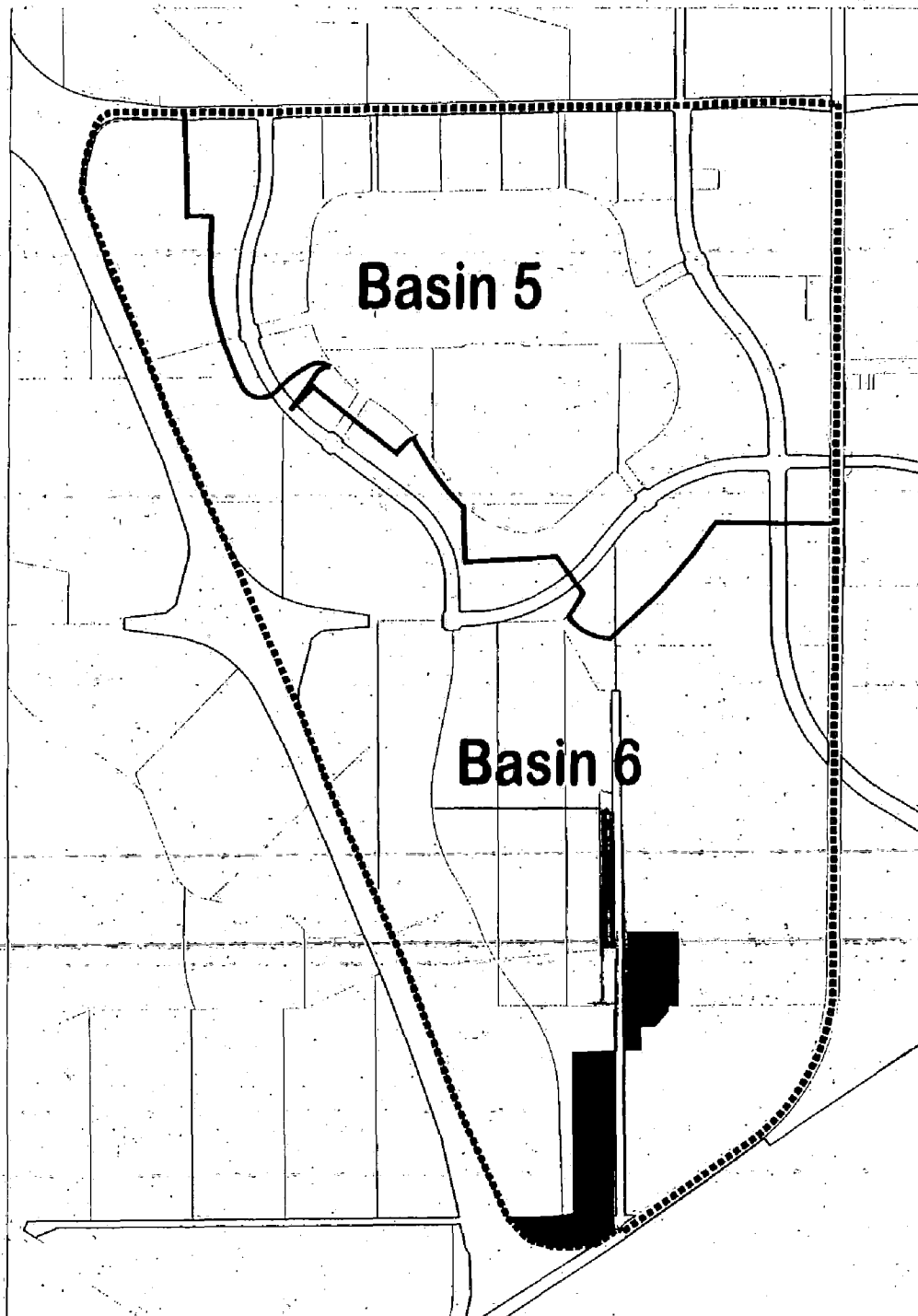
|       |       |       |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD

THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
BOUNDARIES OF NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO.  
2, CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA," WHICH WAS RECORDED  
29 APRIL 1998, IN THE OFFICE OF THE  
COUNTY RECORDER, OF THE COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA IN BOOK 87 OF THE MAPS  
OF ASSESSMENTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE 30.



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 \_\_ 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



## HEARING REPORT

# NORTH NATOMAS DRAINAGE BASIN 5 & 6 CFD NO. 2

Prepared by:

Economic & Planning Systems, Inc.

June 2, 1998

EPS # 7127





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Exhibit B: Authorized Facilities

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## I. INTRODUCTION

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### BACKGROUND

The North Natomas Community Plan encompasses approximately 9,000 acres north of Interstate 80 and west of Union Pacific Railroad. Although adopted by the City of Sacramento, the Community Plan includes areas that are outside the City limits. At buildout, the Community Plan is projected to contain approximately 33,800 dwelling units and jobs for approximately 72,500 employees.

The Financing Plan for the North Natomas Community Plan delineated a Finance Plan Area. Approximately 6,900 acres within the City limits have been included in the Finance Plan Area<sup>1</sup> for North Natomas. Development of the Finance Plan Area of the Community Plan will require over \$700 million in new public infrastructure and improvements. The Financing Plan for the North Natomas Community Plan recommends a combination of area-wide financing mechanisms to fund the required public infrastructure. These financing mechanisms include existing fee programs, a Mello-Roos Community Facilities District (CFD), school fees, a land acquisition program, and four new impact fees for North Natomas.

One key component of the Financing Plan is the North Natomas Mello-Roos Drainage Community Facilities District No. 97-01 (CFD No. 1). This CFD will fund approximately \$21.3 million for the comprehensive drainage system to remove the internal 100-year flood plain and provide capacity in the Reclamation District 1000 (RD 1000) canal system for the additional runoff caused by new development. Construction of the drainage funded by the CFD project will allow properties to proceed with development.

Following the removal of the internal 100-year flood plain, local interior drainage plans need to be implemented to provide capacity for additional drainage created by development. The North Natomas Financing Plan requires a financing strategy to fund the shed-area drainage improvements be implemented prior to development in an individual basin area.

The following report discusses the financing strategy for Drainage Basins 5 and 6. The North Natomas Drainage Basin 5 and 6 area is a 890.5 net acre development located in the northwestern portion of the City of Sacramento. The project is bounded by Interstate 5 on the west, Interstate 80 on the south, Del Paso Road on the north, and the East Main Drain on the east.

Development in the drainage basin areas will require the construction of major drainage collection and detention facilities. The required facilities were identified in the "North

---

<sup>1</sup>The Finance Plan Area of the Community Plan includes only those acres in the City of Sacramento that are participating in the North Natomas Financing Plan.

Natomas Drainage Plan, Sheds 5 and 6 (Sump 15 and Sump 16), modified December 12, 1997 Final" (the "Master Drainage Plan"). Construction of these facilities is anticipated to be funded through the sale of Mello-Roos CFD bonds.

## PURPOSE OF THE CFD

The City of Sacramento, together with the other project landowners, has proposed the formation of the North Natomas Drainage Basins 5 & 6 Community Facilities District No. 2 (CFD No. 2) for the purpose of funding approximately \$19.6 million (1998 \$) in backbone drainage facilities required for the development of the property. The backbone facilities include detention basins, pump stations, and drainage collection improvements. Facilities funded by the CFD will meet the Financing Plan requirement for a detailed funding plan for drainage facilities for Drainage Basins 5 & 6.

## ORGANIZATION OF THE REPORT

Following this introduction, **Chapter II** describes the land uses within the CFD. **Chapter III** describes the public facilities to be funded and method of allocating drainage facility costs among the major projects. **Chapter IV** discusses the proposed bond issues and the maximum special tax. **Chapter V** describes the structure of the CFD and the Rate and Method of Apportionment of Special Tax (also know as the Special Tax Formula).

Three exhibits are attached to this report. **Exhibit A** is the Rate, Method, and Manner of Apportionment and Manner of Collection of Special Tax. **Exhibit B** is the list of eligible facilities describing the facilities that the CFD may acquire or construct. **Exhibit C** is the CFD No. 2 boundary map.

## II. LAND USE & PHASING

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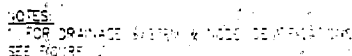
The North Natomas Drainage Basins 5 and 6 are located in the southeast corner of the North Natomas Community Plan area. The CFD area is bounded by Interstate 5 on the west, Interstate 80 on the south, Del Paso Road on the north, and the East Main Drain on the east. The drainage basins are divided into two drainage shed areas, named Shed 5 and Shed 6. Shed 6 is further divided into four phases. The boundaries of Shed 5 are the same as Drainage Basin 5, and the boundaries of Shed 6 are the same as Drainage Basin 6. **Map 1** shows these sheds and phases. **Map 2** is an overall North Natomas map.

The Basin 5 and 6 land uses are comprised of a mix of residential land and non-residential uses on 890.5 net acres. Net acres exclude all publicly owned lands (i.e., parks, schools, fire stations) and dedicated public rights-of-way (i.e., roads, utility easements, and drainage facilities). Residential uses are primarily located in the Shed 6, Phase 1 area. The Shed 5 area includes Arco Arena and the City's Stadium parcel in addition to about two hundred acres of non-residential land. Non-developable uses include parks, schools, detention basins, and other public uses. Parcels that are not defined for public use at the time that the CFD is formed may be treated as developable parcels if the underlying land use allows for development.

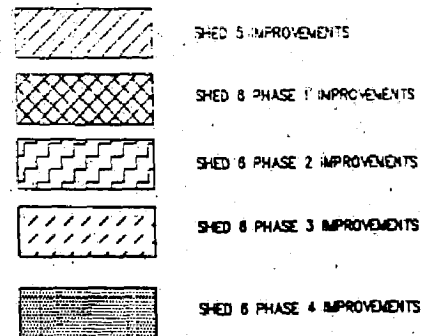
Shed 6, Phase 2 and 3 are located along Interstate 5 and are comprised of Employment Center and Highway Commercial uses. Shed 6, Phase 4 is located in the middle of the project area and is comprised of residential land uses. Some of the Shed 6, Phase 4 parcels have toxic contamination that requires remediation prior to the land being developed. During this time, these parcels will not be subject to the CFD's special taxes.

For purposes of the CFD special taxes, distinctions between types of land use are not utilized. Special taxes are levied on a flat per acre basis for developable parcels. **Figure 1** provides a summary of the total estimated net acres by drainage shed area and phase. Net acres are currently estimated based on the gross-to-net factors used in the North Natomas Community Plan or the actual net acreage for parcels that have already developed.

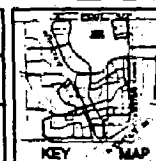
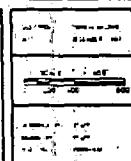
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BYPASS DRAIN



## LEGEND



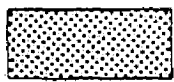
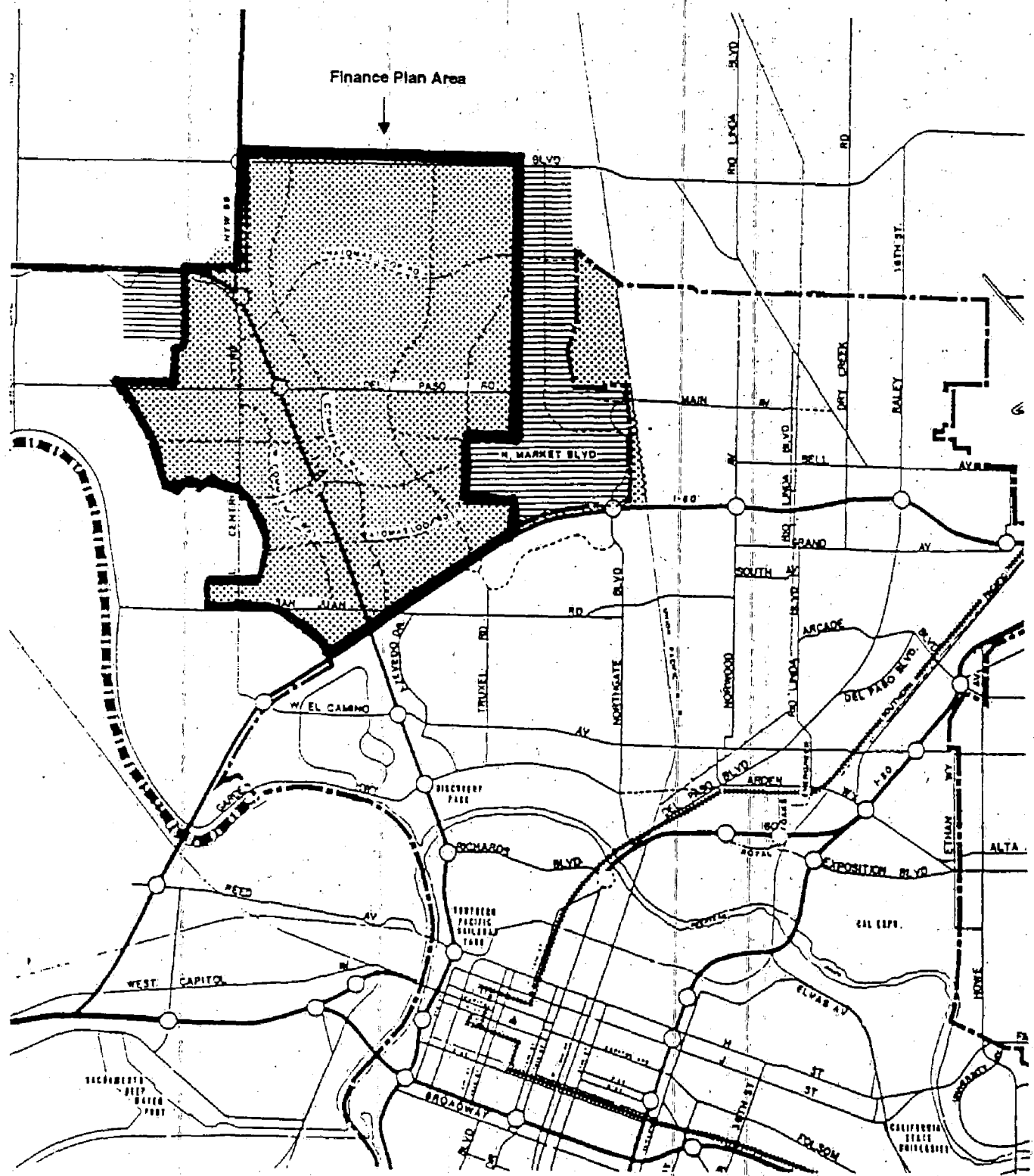
**FIGURE K**  
**FACILITY PHASING EXHIBIT**



| Revisions |  | DATE | BY |
|-----------|--|------|----|
| 1         |  |      |    |
| 2         |  |      |    |
| 3         |  |      |    |
| 4         |  |      |    |
| 5         |  |      |    |
| 6         |  |      |    |
| 7         |  |      |    |

A-74

Map 2 - North Natomas General Area



CITY OF SACRAMENTO



COUNTY OF SACRAMENTO



**Figure 1**  
**North Natomas**  
**Drainage Basins 5 & 6**  
**Net Acres by Drainage Shed & Phase**

| Drainage<br>Shed & Phase | Net Acres [1] |              | Total<br>Net Acres |
|--------------------------|---------------|--------------|--------------------|
|                          | Shed 5        | Shed 6       |                    |
| Shed 5                   | 409.9         |              | 409.9              |
| Shed 6, Phase 1          |               | 127.7        | 127.7              |
| Shed 6, Phase 2          |               | 168.1        | 168.1              |
| Shed 6, Phase 3          |               | 89.5         | 89.5               |
| Shed 6, Phase 4          |               | 95.3         | 95.3               |
| <b>Total Net Acres</b>   | <b>409.9</b>  | <b>480.6</b> | <b>890.5</b>       |

*"land\_use\_phase"*

[1] Net acres exclude major public parcels--such as parks, schools, fire stations, etc.--as well as road and drainage facilities and rights-of-way.

*Source: Construction Phasing Map prepared by Vail Engineering*

### III. FACILITY COST AND COST ALLOCATION

---

Funding from CFD bonds will allow a timely development of parcels within Basins 5 and 6. This chapter will describe the facilities to be financed, the facility costs, and how those costs have been allocated between the shed areas.

#### FACILITY COSTS

The CFD will fund approximately \$19.6 million in public facilities required for the development of each of the drainage shed area. The overall facility costs were estimated from the Master Drainage Plan by Vail Engineering and are summarized below.

| <u>Facility</u>                   | <u>Estimated Cost</u> |
|-----------------------------------|-----------------------|
| Drainage Conveyance Facilities    |                       |
| - In-Road Drains, Relief & Bypass | \$4,156,912           |
| - Deep Channel Facilities         | \$771,221             |
| - Freeway Drains                  | \$3,174,937           |
| <b>Subtotal Conveyance</b>        | <b>\$8,103,070</b>    |
| Detention Basins/Pump Stations    | \$8,587,949           |
| Land Acquisition                  | \$2,247,721           |
| Habitat Mitigation Fees           | \$152,031             |
| City Administrative Costs         | \$500,000             |
| <b>Total Costs</b>                | <b>\$19,590,771</b>   |

These costs include soft costs at 15 percent of construction costs plus a contingency of 15 - 20 percent. A breakdown of these costs by drainage shed and development phase is provided in Figure 2. A general description of each of these major facilities is provided below.

#### DESCRIPTION OF FACILITIES

The facilities to be financed through the CFD include facility construction, land acquisition, habitat fee payments, and the payoff of assessment district liens. Following is a description of each of the major facility categories.

**Figure 2**  
**North Natomas**  
**Drainage Basins 5 & 6**  
**Facility Cost by Development Phase (1)**

| Facility                                     | Development Phase  |                    |                    |                    |                    | Total<br>All Phases |
|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|                                              | Shed 5             | Shed 6             |                    |                    |                    |                     |
|                                              |                    | Phase 1            | Phase 2            | Phase 3            | Phase 4            |                     |
| <b>Conveyance Facilities</b>                 |                    |                    |                    |                    |                    |                     |
| <b>In-Road, Relief, &amp; Bypass Drains</b>  |                    |                    |                    |                    |                    |                     |
| Shed 5                                       | \$1,653,311        |                    |                    |                    |                    | \$1,653,311         |
| Shed 6                                       |                    | \$554,282          | \$666,335          | \$5,084            | \$1,277,900        | \$2,503,601         |
| <b>Subtotal</b>                              | <b>\$1,653,311</b> | <b>\$554,282</b>   | <b>\$666,335</b>   | <b>\$5,084</b>     | <b>\$1,277,900</b> | <b>\$4,156,913</b>  |
| <b>Deep Channel Facilities</b>               |                    |                    |                    |                    |                    |                     |
| Deep Channel Facilities                      |                    | \$686,221          |                    |                    |                    | \$686,221           |
| Deep Channel Easement--AD 88-03 Allocation   |                    | \$85,000           |                    |                    |                    | \$85,000            |
| <b>Subtotal</b>                              | <b>\$0</b>         | <b>\$771,221</b>   | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$771,221</b>    |
| <b>Freeway Drainage Facilities</b>           |                    |                    | \$2,104,799        | \$1,070,138        |                    | \$3,174,937         |
| <b>Total Conveyance Facility Cost</b>        | <b>\$1,653,311</b> | <b>1325502.9</b>   | <b>\$2,771,133</b> | <b>\$1,075,222</b> | <b>1277900</b>     | <b>\$8,103,070</b>  |
| <b>Detention Basins</b>                      |                    |                    |                    |                    |                    |                     |
| Basin 5                                      | \$2,074,572        |                    |                    |                    |                    | \$2,074,572         |
| Basin 5--AD 88-03 Allocation                 | \$479,000          |                    |                    |                    |                    | \$479,000           |
| Basin 5 Pump Station                         | \$1,453,633        |                    |                    |                    |                    | \$1,453,633         |
| Basin 6A                                     |                    | \$2,525,700        |                    |                    |                    | \$2,525,700         |
| Basin 6A Pump Station                        |                    | \$1,337,475        |                    |                    |                    | \$1,337,475         |
| Basin 6B                                     |                    |                    | \$686,570          |                    |                    | \$686,570           |
| Basin 6B--AD 88-03 Allocation                |                    |                    | \$31,000           |                    |                    | \$31,000            |
| <b>Total Detention Basin Facilities</b>      | <b>\$4,007,205</b> | <b>\$3,863,175</b> | <b>\$717,570</b>   | <b>\$0</b>         | <b>\$0</b>         | <b>\$8,587,949</b>  |
| <b>Land Acquisition Cost</b>                 | <b>\$747,600</b>   | <b>\$678,600</b>   | <b>\$821,521</b>   |                    |                    | <b>\$2,247,721</b>  |
| <b>Habitat Mitigation Fees</b>               | <b>\$33,151</b>    | <b>\$36,647</b>    | <b>\$62,363</b>    | <b>\$19,870</b>    |                    | <b>\$152,031</b>    |
| <b>City Administrative Costs/Contingency</b> | <b>\$250,000</b>   | <b>\$250,000</b>   |                    |                    |                    | <b>\$500,000</b>    |
| <b>Total Cost</b>                            | <b>\$6,691,267</b> | <b>\$6,153,925</b> | <b>\$4,372,587</b> | <b>\$1,095,092</b> | <b>\$1,277,900</b> | <b>\$19,590,771</b> |

"cost summary"

Note: Includes 15% soft costs and 15% to 20% contingency.

(1) Phasing does not correlate to benefit received from facilities constructed.

## DRAINAGE CONVEYANCE FACILITIES

A major cost associated with the CFD is the construction of drainage conveyance facilities. These facilities collect the drainage run-off and convey it to one of three detention basins in Drainage Sheds 5 and 6. Conveyance facilities funded in the CFD are pipes generally greater than 48 inches in diameter. The cost of conveyance facilities less than 48 inches in diameter are included in the CFD to increase the capacity of existing drainage facilities funded through Assessment District (AD) 88-03 bonds. The overall categories of conveyance facilities include:

- In-road drains;
- Bypass drains;
- Relief drains;
- Deep channel facilities; and,
- The freeway drainage facilities;

In addition to the hard construction costs, some of the above items include re-landscaping of drainage areas along with the construction of access roads, fencing, and signage. The estimated cost of the conveyance facilities is estimated to be \$8.1 million, or 41 percent of the total CFD facility costs.

### **Assessment District 88-03**

Assessment District (AD) 88-03 was formed in 1988 for the purpose of funding various road, water, sewer, and drainage facilities. The deep channel facilities require the purchase of an easement by the City across land that currently has AD 88-03 assessments. The \$85,000 in AD 88-03 assessments are being paid off by the CFD.

## DETENTION BASINS AND PUMP STATIONS

The CFD will fund three detention basins: one in Drainage Shed 5 and two in Drainage Shed 6. The detention basins collect the drainage run-off from the conveyance facilities. The water is then held until pumped into the East Main Drain via the pump stations. Costs associated with the detention basins and pump stations include:

- Facility construction;
- Land acquisition; and,
- Payoff of AD 88-03 bonds.

The total cost of the detention basins, pump stations, and land acquisition costs is estimated to be \$10.8 million, or 55 percent of the total CFD facility cost. In addition, the detention basins are required to be landscaped as a part of the basin construction. Landscaping costs are not directly included in the overall cost estimates; however, it is anticipated that these costs will be funded through the basin contingency, the additional City administrative costs/contingency discussed below, and anticipated savings in construction costs when the projects are bid. The estimated landscape costs are approximately \$500,000.

### Assessment District 88-03

The land that will be dedicated to the City for Drainage Basins 5 and 6B include AD 88-03 assessments. The underlying \$510,000 in assessments are being paid off as a part of the overall CFD funding.

### HABITAT MITIGATION FEES

The North Natomas area is required to pay Habitat Mitigation Fees for disturbance of giant garter snake and Swainson's hawk habitat. The fees are paid pursuant to the provisions of the Natomas Basin Habitat Conservation Plan (NBHCP). Fees are paid for each gross acre disturbed when a grading permit is issued. Total habitat mitigation fees for the CFD facilities are estimated by Vail Engineering to be \$152,031.

### CITY ADMINISTRATIVE COSTS/CONTINGENCY

The City has incurred staff costs in the planning of this CFD and the overall drainage facilities. In addition, the City will continue to incur costs for staff time following the formation of the CFD and the sale of bonds. While some of these costs will be funded through the bond issuance expenses and the annual special tax collections, the City's experience has been that additional administrative costs are often incurred in the implementation of the CFD. In addition, this cost item will serve as another contingency for basin landscaping costs or unexpected expenses.

### **COST ALLOCATION**

The costs of drainage improvements have been spread to developable land uses within and between drainage sheds on a *pro rata* basis per acre based on the overall benefit received. The following describes the specific cost allocation methodology used for each of the facility categories. **Figure 3** provides a summary of the total CFD facility cost allocation factors for each development phase. **Figure 4** shows the allocation of costs to each development phase by drainage shed.

### SHARED FACILITY COST ALLOCATION

The overall design of the detention basin system relies on the construction of all three basins to function properly. If only one drainage shed area was being developed, a different basin configuration would be required; therefore, the cost of the basins are shared equally. The costs of all detention basin related costs were spread on a *pro rata* basis to estimated developable

**Figure 3**  
**North Natomas**  
**Drainage Basins 5 & 6**  
**Cost Allocation Share by Facility and Phase**

| Facility                              | Development Phase |         |         |         |         | Total  | Allocation<br>Comments |
|---------------------------------------|-------------------|---------|---------|---------|---------|--------|------------------------|
|                                       | Shed 5            | Shed 6  |         |         |         |        |                        |
|                                       |                   | Phase 1 | Phase 2 | Phase 3 | Phase 4 |        |                        |
| Net Acres                             | 409.9             | 127.7   | 168.1   | 89.5    | 95.3    | 890.5  |                        |
| Percent Share of Shed 5 & 6 Net Acres | 46.0%             | 14.3%   | 18.9%   | 10.1%   | 10.7%   | 100.0% |                        |
| Percent Share of Shed 6 Net Acres     |                   | 26.6%   | 35.0%   | 18.6%   | 19.8%   | 100.0% |                        |
| Conveyance Facilities                 |                   |         |         |         |         |        |                        |
| In-Road, Relief, & Bypass Drains      |                   |         |         |         |         |        |                        |
| Shed 5                                | 100%              |         |         |         |         | 100.0% | Shed 5 Only            |
| Shed 6                                |                   | 26.6%   | 35.0%   | 18.6%   | 19.8%   | 100.0% | Shed 6 Only            |
| Deep Channel Facilities               |                   | 26.6%   | 35.0%   | 18.6%   | 19.8%   | 100.0% | Shed 6 Only            |
| Freeway Drainage Facilities           |                   | 26.6%   | 35.0%   | 18.6%   | 19.8%   | 100.0% | Shed 6 Only            |
| Detention Basins                      | 46.0%             | 14.3%   | 18.9%   | 10.1%   | 10.7%   | 100.0% | Shed 5 & 6             |
| Land Acquisition                      | 46.0%             | 14.3%   | 18.9%   | 10.1%   | 10.7%   | 100.0% | Shed 5 & 6             |
| Habitat Mitigation Fees               | 46.0%             | 14.3%   | 18.9%   | 10.1%   | 10.7%   | 100.0% | Shed 5 & 6             |
| City Administrative Costs             | 46.0%             | 14.3%   | 18.9%   | 10.1%   | 10.7%   | 100.0% | Shed 5 & 6             |

"cost\_share"

**Figure 4**  
**North Natomas**  
**Drainage Basins 5 & 6**  
**Allocation of Mello-Roos Funded Costs by Facility and Phase**

| Facility                                    | Development Phase |                      |              |              |              | Total         |
|---------------------------------------------|-------------------|----------------------|--------------|--------------|--------------|---------------|
|                                             | Shed 5            | Shed 6               |              |              |              |               |
|                                             |                   | Phase 1              | Phase 2      | Phase 3      | Phase 4      |               |
| <b>Conveyance Facilities</b>                |                   |                      |              |              |              |               |
| <b>In-Road, Relief, &amp; Bypass Drains</b> |                   |                      |              |              |              |               |
| Shed 5                                      | \$ 1,653,311      |                      |              |              |              | \$ 1,653,311  |
| Shed 6                                      | -                 | \$ 665,056           | \$ 875,675   | \$ 466,468   | \$ 496,403   | \$ 2,503,601  |
| <b>Subtotal</b>                             | \$ 1,653,311      | \$ 665,056           | \$ 875,675   | \$ 466,468   | \$ 496,403   | \$ 4,156,913  |
| <b>Deep Channel Facilities</b>              |                   |                      |              |              |              |               |
| Deep Channel Facilities                     | -                 | \$ 182,287           | \$ 240,017   | \$ 127,856   | \$ 136,061   | \$ 686,221    |
| Deep Channel Easement--AD 88-03 Allocation  | -                 | \$ 22,579            | \$ 29,730    | \$ 15,837    | \$ 16,853    | \$ 85,000     |
| <b>Subtotal</b>                             | -                 | \$ 204,867           | \$ 269,747   | \$ 143,693   | \$ 152,914   | \$ 771,221    |
| <b>Freeway Drainage Facilities</b>          | -                 | \$ 843,389           | \$ 1,110,485 | \$ 591,550   | \$ 629,513   | \$ 3,174,937  |
| <b>Total Conveyance Facility Cost</b>       | \$ 1,653,311      | \$ 1,713,311         | \$ 2,255,906 | \$ 1,201,711 | \$ 1,278,830 | \$ 8,103,070  |
| <b>Detention Basins</b>                     |                   |                      |              |              |              |               |
| Basin 5                                     | \$ 954,943        | \$ 297,418           | \$ 391,608   | \$ 208,608   | \$ 221,995   | \$ 2,074,572  |
| Basin 5--AD 88-03 Allocation                | \$ 220,488        | \$ 68,671            | \$ 90,419    | \$ 48,166    | \$ 51,257    | \$ 479,000    |
| Basin 5 Pump Station                        | \$ 669,120        | \$ 208,398           | \$ 274,396   | \$ 146,170   | \$ 155,550   | \$ 1,453,633  |
| Basin 6A                                    | \$ 1,162,601      | \$ 362,093           | \$ 476,766   | \$ 253,971   | \$ 270,269   | \$ 2,525,700  |
| Basin 6A Pump Station                       | \$ 615,651        | \$ 191,745           | \$ 252,469   | \$ 134,489   | \$ 143,120   | \$ 1,337,475  |
| Basin 6B                                    | \$ 316,034        | \$ 98,429            | \$ 129,601   | \$ 69,038    | \$ 73,468    | \$ 686,570    |
| Basin 6B--AD 88-03 Allocation               | \$ 14,270         | \$ 4,444             | \$ 5,852     | \$ 3,117     | \$ 3,317     | \$ 31,000     |
| <b>Total Detention Basins</b>               | \$ 3,953,107      | \$ 1,231,198         | \$ 1,621,110 | \$ 863,558   | \$ 918,976   | \$ 8,587,949  |
| <b>Land Acquisition</b>                     | \$ 1,034,645      | \$ 322,241           | \$ 424,293   | \$ 226,019   | \$ 240,523   | \$ 2,247,721  |
| <b>Habitat Mitigation Fees</b>              | \$ 69,981         | \$ 21,796            | \$ 28,698    | \$ 15,287    | \$ 16,268    | \$ 152,031    |
| <b>City Administrative Costs</b>            | \$ 230,154        | \$ 71,682            | \$ 94,383    | \$ 50,277    | \$ 53,504    | \$ 500,000    |
| <b>Total of All Facility Costs</b>          | \$ 6,941,199      | \$ 3,360,228         | \$ 4,424,390 | \$ 2,356,853 | \$ 2,508,102 | \$ 19,590,771 |
| <i>Facility Cost Per Net Acre</i>           | \$ 16,934         | \$ 26,321            | \$ 26,321    | \$ 26,321    | \$ 26,321    | \$ 22,000     |
| <i>Share of Facilities Costs</i>            | 35%<br>Shed 5     | 65%<br>All of Shed 6 |              |              |              | average       |

acreage within both Drainage Sheds 5 and 6. These costs include the construction of the detention basins and pump stations, the acquisition of land (including the payoff of AD 88-03 assessments), and the payment of the NBHCP fees.

### SHED-SPECIFIC FACILITY COST ALLOCATION

The cost of drainage conveyance facilities were spread within the drainage shed, they are built to serve since there is no cross benefit between drainage sheds. The costs are allocated on a *pro rata* net acreage basis within each drainage shed. This is because the overall conveyance facilities within a drainage shed work together as a system. While one development phase may include more or less of the physical drainage facilities, the benefit from these facilities is shared area-wide.

### COST ALLOCATION ADJUSTMENTS

As mentioned earlier, AD 88-03 funded the construction of drainage facilities that were originally intended to provide drainage conveyance to both Drainage Shed 5 and 6 areas. The current Comprehensive Drainage Plan calls for most of the AD 88-03-funded drainage facilities to serve Shed 5 exclusively. Because of this, the Shed 5 facility costs for the CFD do not reflect the full cost of the drainage improvements needed if no AD 88-03 facilities had been constructed.

To account for this Shed 5 benefit, and the fact that Shed 6 parcels are paying AD 88-03 assessments for these facilities, the Mello-Roos CFD facility costs were adjusted to increase Shed 5 allocated costs by \$1.1 million and reduce Shed 6 allocated costs by an equal amount.

Figure 5 shows the total Mello-Roos CFD costs with the allocation adjustments. These cost allocation adjustments are reflected in the calculation of maximum special tax and the total bonded indebtedness that will be assigned to each of the shed areas.



**Figure 5**  
**North Natomas**  
**Drainage Basins 5 & 6**  
**Cost Allocation Adjustment for AD 88-03 Assessments**

| Facility                                                 | Development Phase  |                    |                    |                    |                    | Total               |
|----------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|                                                          | Shed 5             | Shed 6             |                    |                    |                    |                     |
|                                                          |                    | Phase 1            | Phase 2            | Phase 3            | Phase 4            |                     |
| <b>Assessment District 88-03 -- Drainage Share [1]</b>   |                    |                    |                    |                    |                    |                     |
| AD 88-03 Assessments for Drainage                        | \$ 1,555,660       | \$ 370,746         | \$ 53,413          | \$ 615,731         | \$ 276,728         | \$ 2,872,279        |
| (approximate by Drainage Shed and Phase)                 |                    |                    |                    |                    |                    |                     |
| Average Per Net Acre                                     | \$3,795            | \$2,904            | \$318              | \$6,876            | \$2,904            |                     |
| <b>Mello-Roos CFD Cost Allocations &amp; Adjustments</b> |                    |                    |                    |                    |                    |                     |
| Mello-Roos Allocated Costs (see Figure 4)                | \$ 6,941,199       | \$ 3,360,228       | \$ 4,424,390       | \$ 2,356,853       | \$ 2,508,102       | \$ 19,590,771       |
| Benefit Adjustment                                       |                    |                    |                    |                    |                    |                     |
| Adjustment for Shed 5 Benefit                            | \$ 1,088,667       |                    |                    |                    |                    | \$ 1,088,667        |
| Shed 6 Adjustments [2]                                   |                    | \$ (289,193)       | (\$380,779)        | (\$202,839)        | (\$215,856)        | \$ (1,088,667)      |
| Adjusted Mello-Roos CFD Allocated Costs                  | \$ 8,029,866       | \$ 3,071,034       | \$ 4,043,612       | \$ 2,154,014       | \$ 2,292,246       | \$ 19,590,771       |
| Adjusted Cost Per Net Acre                               | \$19,590           | \$24,056           | \$24,056           | \$24,056           | \$24,056           | \$22,000<br>average |
| <b>Total Mello-Roos and AD 88-03 Costs</b>               | <b>\$9,585,526</b> | <b>\$3,441,781</b> | <b>\$4,097,025</b> | <b>\$2,769,745</b> | <b>\$2,568,974</b> | <b>\$22,463,050</b> |
| Total Cost per Net Acre                                  | \$23,385           | \$26,960           | \$24,374           | \$30,932           | \$26,960           | \$25,226<br>average |

"adjustment."

- [1] Based on AD 88-03 Engineer's Report. Boundaries between AD 88-03 assessment groups and drainage sheds do not correspond exactly.
- [2] With the construction of the proposed Mello-Roos CFD facilities, the existing AD 88-03 drainage facilities will substantially benefit Shed 5 parcels. The CFD's cost allocation is being adjusted to reflect this fact and to equalize the total allocation of CFD costs and Assessment District costs between each Shed 6 phase.

## IV. PROPOSED BOND ISSUES AND MAXIMUM SPECIAL TAXES

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### PROPOSED BOND ISSUES

A series of bond issues are anticipated for funding the construction of \$19.6 million in authorized facilities. The bond size in 1998 dollars is estimated to be \$27.4 million. The total bonds issued will be dependent upon the amount of capitalized interest, the reserve fund requirement, and the costs of issuance.

Figure 6 provides a breakdown of the estimated facility and bond issuance costs for each anticipated bond issue. The actual schedule of bond sales will vary based on the pace of development and other factors. The total bonds were estimated assuming 24 months of capitalized interest, a bond reserve fund equal to one year's debt service, and issuance costs of around 5 percent. The City's bond underwriter will determine the actual bond costs at the time of the bond sale.

Assuming a 3.5 percent annual inflation factor, the total facility costs are expected to increase to \$20.7 million by the projected last bond sale in 2004. This will increase the total bond size to an inflated amount of nearly \$29.0 million.

### BOND AUTHORIZATION

The bond authorization for CFD No. 2 is \$32 million to provide a contingency for unanticipated costs, timing delays, and interest rate changes. This amount represents the maximum amount of bonds that can be issued by the CFD.

Proceeds from bond sales will vary based upon the interest rate, bond issuance costs, and capitalized interest. The CFD's estimated bond proceeds are based on approximately twenty-four months of capitalized interest.

### CALCULATION OF MAXIMUM ANNUAL COST

Principal and interest payments for the proposed bond issue will be funded through the collection of special taxes levied against the property within the CFD. Special taxes will be collected from each developable parcel on a per acre basis. The special tax per acre varies between Shed 5 and Shed 6, but is the same for every land use within a drainage shed.

The maximum annual costs funded by the special tax are comprised of three major components. The first component is the debt service on the bonds, which is the payment of interest and principal (at maturity of the bonds) to the bondholders. The second component is the annual cost of administering the CFD. The third component is a provision for tax

**Figure 6**  
**North Natomas CFD No. 2**  
**Drainage Basins 5 & 6**  
**Facilities Costs and Bond Analysis**

| Item                                                         |              | 1998<br>Bond<br>Issue<br><br>1998 \$  | 2002<br>Bond<br>Issue<br><br>Inflated | 2004<br>Bond<br>Issue<br><br>Inflated | Totals              |
|--------------------------------------------------------------|--------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------|
|                                                              |              | <i>Shed 5 and<br/>Shed 6, Phase 1</i> | <i>Shed 6<br/>Phases 2 &amp; 3</i>    | <i>Shed 6<br/>Phase 4</i>             |                     |
| Construction Costs                                           |              | \$7,780,626                           | \$3,467,305                           | \$983,000                             | \$12,230,931        |
| Soft Costs [1]                                               |              | \$2,504,568                           | \$1,065,620                           | \$294,900                             | \$3,865,088         |
| Land Acquisition & Habitat Mitigation Fees                   |              | \$1,495,998                           | \$903,754                             | \$0                                   | \$2,399,752         |
| AD 88-03 Assessment Buyout                                   |              | \$564,000                             | \$31,000                              | \$0                                   | \$595,000           |
| City Administrative Costs                                    |              | \$500,000                             | \$0                                   | \$0                                   | \$500,000           |
| <b>Construction Proceeds (1998 \$) (See Figure 2)</b>        |              | <b>\$12,845,192</b>                   | <b>\$5,467,679</b>                    | <b>\$1,277,900</b>                    | <b>\$19,590,771</b> |
| <b>Construction Proceeds Required (Inflated)</b>             | <b>3.50%</b> | <b>\$12,845,192</b>                   | <b>\$6,274,287</b>                    | <b>\$1,570,865</b>                    | <b>\$20,690,345</b> |
| Underwriter's Discount and Professional Services [2]         | 5.00%        | \$899,163                             | \$439,200                             | \$109,961                             | \$1,448,324         |
| Bond Reserve Fund                                            | 9.00%        | \$1,618,494                           | \$790,560                             | \$197,929                             | \$2,606,983         |
| Capitalized Interest                                         | 15.00%       | \$2,697,490                           | \$1,317,600                           | \$329,882                             | \$4,344,972         |
| Interest on Construction Drawdown [3]                        |              | (\$77,071)                            | (\$37,646)                            | (\$9,425)                             | (\$124,142)         |
| <b>Total Bond Size (Inflated \$)</b>                         |              | <b>\$17,983,269</b>                   | <b>\$8,784,002</b>                    | <b>\$2,199,212</b>                    | <b>\$28,966,483</b> |
| <b>Bond Authorization (with allowance for contingencies)</b> |              |                                       |                                       |                                       | <b>\$32,000,000</b> |

"cost\_detail"

[1] Soft Costs include project engineering, administration, and contingency estimates.

[2] Services include bond counsel, special tax consultant, appraisal, official statement and bond printing.

[3] Estimate, used as a balancing factor.

delinquencies. Because some taxpayers may not pay their tax bills promptly, the allowance for delinquencies has been included to ensure that adequate revenue will be collected from the special tax to provide the full amount necessary for debt service and administrative expenses. Figure 7 shows the estimated amount of each of these components and the total estimated costs that could be funded through the CFD. The debt service component assumes 25-year bonds at an average coupon interest rate of 7.5 percent. Based on these cost components, the maximum annual cost for the CFD is estimated to be \$2,768,064.

## CFD NO. 2 MAXIMUM SPECIAL TAXES

The tax levy must provide for payment of the annual costs in any year in which bonds are outstanding. In years when less than maximum revenues are needed, the tax levy will be less than the maximum authorized rates.

### ESCALATION FACTOR

Figure 8 shows the maximum special tax for each drainage shed area along with the estimated facility costs and bonds (inflated). The maximum special tax includes an annual two percent escalation. This escalation will accommodate inflationary increases in facility costs associated with.

### DEVELOPMENT-RESTRICTED PARCELS

Parcels within the CFD are divided into developable and development-restricted parcels. Development-restricted parcels are those parcels that require the funding and construction of additional drainage improvements in order to develop. While these parcels receive benefit from the CFD detention basin improvements, they are only levied special taxes if the tax on developed parcels is not adequate to fund the CFD's annual costs. The maximum special tax on these parcels is set to 50 percent of their tax rate as developed parcels.

### REMEDIATION PARCELS

Parcels within Shed 6, Phase 4 have toxic contamination that requires remediation before any development can occur. These parcels are exempt from the levy of special taxes until the toxic remediation is complete. Remediation parcels are not subject to a catch-up special tax.

### REIMBURSEMENT PARCELS

Some of the CFD facilities may be privately funded and repaid through future bond proceeds. If this up-front funding is in an amount equal or greater to a parcel's allocated drainage cost, as determined by the City, these parcels will not be subject to the special tax until the up-front funding has been reimbursed.

### ANNEXATION PARCELS

Parcels annexing into the CFD after it is formed will be subject to a catch-up special tax at the time of annexation. The catch-up special tax is calculated by summing the annual special taxes levied on development-restricted parcels over the previous ten year period, or period in which special taxes have been levied, whichever is less.

### STADIUM AND ARENA PARCELS

The Stadium and Arena parcels are currently owned by the City of Sacramento and are restricted from the levy of special taxes. Special taxes may be levied once a parcel is transferred to private ownership through sale or lease or when a funding mechanism to pay special taxes that is acceptable to the City Council is identified. The Arena parcel is leased to a non-exempt leasehold interest, and is subject to the special tax.

### BOND PHASING

The initial set of CFD bonds will be sold to fund construction of drainage facilities located in Shed 5 and Shed 6, Phase 1. The special taxes to pay the debt service on these bonds will come taxing Shed 5 and Shed 6, Phase 1 at their maximum special tax rates. Shed 6, Phases 2 and 3 are likely to be classified as development-restricted parcels and will be subject to 50 percent of their maximum special tax rate as developed parcels. Shed 6, Phase 4 will not contribute any special taxes until the toxics on these parcels have been remediated.

Figure 9 provides an analysis of the initial bond sale and the maximum special taxes that could be collected to fund the debt service. Based on this analysis, the initial bond sale could have approximately 124.4 percent debt service coverage.

**Figure 7**  
**North Natomas**  
**Drainage Basins 5 & 6**  
**Estimated Maximum Annual Cost**

|                                 |                    |
|---------------------------------|--------------------|
| Estimated Bonds [1]             | \$27,427,080       |
| Annual Debt Service [2]         | \$2,460,502        |
| Annual Administrative Costs [3] | \$61,513           |
| Delinquency Coverage [4]        | \$246,050          |
| <b>Maximum Annual Cost</b>      | <b>\$2,768,064</b> |

*"max\_cost"*

- [1] Bonds in 1998 dollars. Subject to inflationary increases based on when bonds are sold.
- [2] See Figure 8 for debt service assumptions.
- [3] Based on 2.5% of debt service.
- [4] Based on 10% of debt service.

**Figure 8**  
**North Natomas**  
**Drainage Basins 5 & 6**  
**Estimated Mello-Roos Maximum Special Taxes by Phase**

|                                     | Total        | Development Phase |             |             |             |             |
|-------------------------------------|--------------|-------------------|-------------|-------------|-------------|-------------|
|                                     |              | Shed 5            | Shed 6      |             |             |             |
|                                     |              |                   | Phase 1     | Phase 2     | Phase 3     | Phase 4     |
| Estimated Net Acreage               | 890.5        | 409.9             | 127.7       | 168.1       | 89.5        | 95.3        |
| Mello-Roos Costs                    |              |                   |             |             |             |             |
| Per Net Acre                        |              | \$19,590          | \$24,056    | \$24,056    | \$24,056    | \$24,056    |
| Total                               | \$19,590,771 | \$8,029,866       | \$3,071,034 | \$4,043,612 | \$2,154,014 | \$2,292,246 |
| Mello-Roos Bonds (1997 \$)          |              |                   |             |             |             |             |
| Per Net Acre                        |              | \$27,426          | \$33,678    | \$33,678    | \$33,678    | \$33,678    |
| Total Mello-Roos Bonds (uninflated) | \$27,427,080 | \$11,241,812      | \$4,299,448 | \$5,661,056 | \$3,015,619 | \$3,209,144 |
| Estimated Maximum Special Tax       |              |                   |             |             |             |             |
| Per Net Acre                        |              | \$2,768           | \$3,399     | \$3,399     | \$3,399     | \$3,399     |
| Total Maximum Special Tax           | \$2,768,064  | \$1,134,574       | \$433,920   | \$571,339   | \$304,350   | \$323,881   |

"mello\_roos"

|                                 |               |          |          |       |
|---------------------------------|---------------|----------|----------|-------|
| <b>Bond and Tax Assumptions</b> | Interest Rate | 7.50%    | Coverage | 10.0% |
|                                 | Term          | 25 years | Admin.   | 2.5%  |
|                                 | Bond Load [1] | 1.40     |          |       |

[1] The bond load is the factor used estimate total bonds based on total facility costs. Bond load includes formation costs, capitalized interest, and the bond reserve.

**Figure 9**  
**North Natomas CFD No. 2**  
**Drainage Basins 5 & 6**  
**Special Tax Coverage for Initial Bond Sale**

|                                                 |                    |
|-------------------------------------------------|--------------------|
| Initial Bonds [1]                               | \$17,983,269       |
| Estimated Debt Service on Initial Bonds [2]     | \$1,613,291        |
| Estimated Maximum Special Tax [3]               |                    |
| Shed 5                                          | \$1,134,574        |
| Shed 6, Phase 1                                 | \$433,920          |
| Shed 6, Phase 2 (Development-Restricted Parcel) | \$285,670          |
| Shed 6, Phase 3 (Development-Restricted Parcel) | \$152,175          |
| Shed 6, Phase 4 (Remediation Parcel)            | \$0                |
| <b>Total Maximum Special Tax</b>                | <b>\$2,006,339</b> |
| <b>Maximum Special Tax Less Debt Service</b>    | <b>\$393,047</b>   |
| Initial Debt Service Coverage                   | 124.4%             |

*"phase 1."*

[1] Assumes bonds to fund Shed 5 and Shed 6, Phase 1 facility costs.

[2] Based on 25-year bonds with a 7.5% interest rate.

[3] Shed 5 and Shed 6, Phase 1 will be taxed at their maximum special tax rate;  
Shed 6, Phase 2 and Phase 3 will be taxed not more than 50% of their maximum  
rate; and Shed 6, Phase 4 will not be taxed until toxics are remediated.



## V. STRUCTURE OF THE PROPOSED CFD

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### DESCRIPTION OF THE COMMUNITY FACILITIES DISTRICT

Parcels within the North Natomas CFD No. 2 will pay special taxes based upon the Rate, Method of Apportionment, and Manner of Collection of Special Tax (the "Tax Formula"). The attached exhibits contain the formation documents for CFD No. 2. **Exhibit A** contains the Tax Formula, **Exhibit B** is the list of eligible facilities to be acquired by the CFD, and **Exhibit C** provides the CFD boundary map. The purpose of the CFD is to provide funding for the construction or acquisition of all, or a portion of, the eligible CFD facilities.

### DEFINITION OF ANNUAL COSTS

Each spring, the City will approve the costs of CFD No. 2 for the upcoming fiscal year. The annual costs will include the following items:

- Debt service on the Special Tax Bonds;
- Replenishment of the Bond Reserve Fund;
- Anticipated Tax Delinquencies;
- Administration of the CFD; and,
- Eligible Pay-As-You-Go Expenditures.

The costs funded by the levy of the special tax will be determined by adding the cost of the above items and subtracting other available revenues, such as reimbursement payments, funds available from prepaid special taxes, as specified in Section 7 of the Tax Formula; or receipts of delinquent special taxes from previous years. The City will then apply the special tax formula to determine the Tax Formula for each parcel.

### DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

The City shall prepare a list of the parcels subject to the Special Tax using the records of the City of Sacramento and the County Assessor. The City will tax all parcels within the CFD except tax-exempt parcels and parcels that have prepaid their special tax obligation as described in Section 6 of the Tax Formula. Taxable parcels that are acquired by a public agency after the CFD is formed will remain subject to the special tax unless a "trade" resulting in no loss of tax revenue can be made as described in Section 4 of the Tax Formula.

## **TERMINATION OF THE SPECIAL TAX**

The special tax will be levied and collected for as long as needed to pay the principal and interest on debt and other costs incurred in order to construct the authorized facilities and to pay the annual costs. However, in no event shall the special tax be levied on any parcel in the CFD after Fiscal Year 2039-40.

When all annual costs incurred by the CFD have been paid, 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.

## **ASSIGNMENT OF MAXIMUM SPECIAL TAX**

Section 4 of the Tax Formula describes in detail the precise method for assigning the maximum special tax to parcels within each CFD. The following paragraph briefly summarizes these procedures.

Each year the Administrator will use the definitions contained in the Tax Formula to classify each Parcel as a Tax-Exempt Parcel, Remediation Parcel, Reimbursement Parcel, or a Taxable Parcel. Each Taxable Parcel will be further classified as a Shed 5 Parcel or a Shed 6 Parcel; and each of these parcels will be further classified as a Developable Parcel, Development-Restricted Parcel, or Prepayment Parcel. The Formula assigns a maximum tax per acre in each of the drainage shed areas. If a parcel is subdivided into single-family residential lots, the maximum special tax is divided between the lots on a pro rata basis based on the total acreage of the subdivision. The maximum special tax is subject to an annual escalation rate of 2 percent.

## **SETTING THE SPECIAL TAX LEVY FOR TAXABLE PARCELS**

After computing the annual costs and determining the maximum annual special tax for each parcel, the City will determine the tax levy for each parcel. To determine the annual levy, the City will use the process presented in Section 5 of the Tax Formula. That process can be summarized as follows.

- First, the City determines the annual cost for the upcoming fiscal year.
- Next the City calculates the special tax revenue generated by taxing each Developable Parcel at its maximum special tax rate.

- If the special tax revenue is greater than the annual cost, the tax will be reduced proportionately until the total special tax revenue equals the total annual costs.
- If the special tax revenue is less than the annual cost, Development-Restricted parcels will be taxed up to their maximum tax rate (50% of Developable Parcel tax).

## PREPAYMENT OF THE SPECIAL TAX OBLIGATION

Landowners may permanently satisfy all of the Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment does not jeopardize the ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner who wishes to exercise the right to a Prepayment for a Parcel must pay any and all delinquent Special Taxes and penalties, and any Catch-up Special Taxes attributable to that Parcel.
- Prepayment shall be made on or before June 1 in order to prevent the levy of special taxes due during the Fiscal Year beginning July 1.

The prepayment amount shall be established by following the procedures described in Section 6 of the Rate and Method of Apportionment of the Special Tax. Once bonds are sold, parcels wishing to prepay must prepay their share of outstanding bonds. Parcels wishing to prepay prior to the sale of bonds may pay the allocated amount of anticipated construction proceeds plus any costs incurred by the City in the formation of the CFD and the calculation or application of the prepayment proceeds as set forth in Attachment 2 of the Tax Formula.

## MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as *ad valorem* property taxes. At the City's option, the special taxes may be billed directly to property owners.

EXHIBITS:

EXHIBIT A: RATE AND APPORTIONMENT OF  
SPECIAL TAX

EXHIBIT B: AUTHORIZED FACILITIES

EXHIBIT C: BOUNDARY MAP OF NORTH NATOMAS  
CFD No. 2

EXHIBIT A:

RATE AND APPORTIONMENT OF SPECIAL TAX

# Exhibit A

## City of Sacramento, California North Natomas Drainage Basins 5 & 6 Community Facilities District No. 2

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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#### 1. Basis of Special Tax Levy

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (the "Act") applicable to the land in the North Natomas Drainage Basins 5 & 6 Community Facilities District No. 2 (the "CFD") of the City of Sacramento (the "City") shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described below.

#### 2. Definitions

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

"**Administrative Expenses**" means the actual or estimated costs incurred by the City to 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 that 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.

**"Arena Parcel"** means the Parcels with Assessor Parcel Numbers 225-0070-059, 225-0070-060, 225-0070-063, and 225-0070-067 that is owned by the City at the formation of the CFD. This Parcel is leased to a nonexempt leasehold interest and is subject to levy of the Maximum Annual Special Tax in the same manner as any other Taxable Parcel pursuant to Section 53340.1 of the Act.

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

**"Authorized Facilities"** means those improvements, as listed in the Resolution forming the CFD.

**"Base Fiscal Year"** means the Fiscal Year beginning July 1, 1998 and ending June 30, 1999.

**"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 Drainage Basins 5 & 6 Community Facilities District No. 2 of the City of Sacramento, California.

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

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

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

**"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.

**"Developable Parcel"** means a Parcel that is developable as a result of the construction of drainage improvements funded by outstanding bonds of the CFD.

**"Development-Restricted Parcel"** means a Parcel that is not developable until additional drainage improvements are funded by the CFD. The Maximum Annual Special Tax Rate for a Development-Restricted Parcel is set at fifty percent (50%) of a Developable Parcel's Maximum Annual Special Tax Rate for the given Parcel. (Note: The CFD Financing Plan

assumes a series of bond issues and some parcels may not have adequate drainage until facilities are constructed in a later bond issue.)

**"Drainage Shed 5 Parcel"** means a Parcel located within Drainage Shed 5 as shown in Attachment 3.

**"Drainage Shed 6 Parcel"** means a Parcel located within Drainage Shed 6 as shown in Attachment 3.

**"Estimated Net Acres"** 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.

**"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.

**"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 (Gross, Gross Developable, or Net) or units of the parcel.

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

**"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 Taxable Parcel designated for commercial, office, light industrial, sports complex, or similar use 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 January 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 that 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. The Arena and Stadium Parcels are not defined as Public Parcels. These Parcels have separate definitions.

**"Reimbursement Parcel"** means a Parcel for which the Parcel owner has advance-funded all of the Parcel's allocated CFD drainage improvement costs, as determined by the City, but has not received any reimbursement from CFD bond proceeds. Once a reimbursement has been made, the Parcel shall be reclassified as a Developable Parcel or a Development-Restricted Parcel.

**"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.

**"Stadium Parcel"** means the Parcel with Assessor Parcel Number 225-0070-076 that is owned by the City at the formation of the CFD. This Parcel will remain a Tax-Exempt Parcel until it is transferred to private ownership, through sale or lease; or when there a funding mechanism to pay Special Taxes that is acceptable to the City Council is identified.

**"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), (ii) any Prepayment Parcel, and the (iii) the Stadium Parcel (subject to the limitations set forth

above and in Section 4). Certain non-developable privately owned Parcels, such as common areas, wetlands, and open space, may also be exempt from the levy of Special Taxes as determined by the City.

### **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, Reimbursement Parcel, or a Taxable Parcel;

However, Taxable Parcels that are acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made if Public Parcels, such as a school site, are relocated and the previously Tax-Exempt Parcels of comparable acreage become Taxable Parcels. This trading of Parcels will be permitted to the extent that there is no net loss in maximum Special Tax revenue.

2. Each Taxable Parcel to be further classified as a Drainage Shed 5 Parcel or a Drainage Shed 6 Parcel.
3. Then each Taxable Parcel to be further classified as a Developable Parcel, Development-Restricted Parcel, or Prepayment Parcel. Once classified as a Developable Parcel, no Parcel shall be removed from that classification unless the Parcel becomes a Prepayment Parcel.

B. Assignment of Maximum Annual Special Tax. The City shall assign the appropriate Maximum Annual Special Tax for the Fiscal Year of the tax levy to each Taxable Parcel as follows:

1. Developable Parcels

**Attachment 1** shows the Maximum Special Tax Rates for Developable Parcels for each Land Use Category within each Drainage Shed by Fiscal Year.

2. Development-Restricted Parcels

The Maximum Special Tax Rates of Development-Restricted Parcels shall be 50% of the Maximum Special Tax Rates for Developable Parcels as shown on **Attachment 1**.

3. Reimbursement Parcels

The Maximum Special Tax Rate for a Reimbursement Parcel shall be set to zero until it is reclassified as a Developable Parcel or a Development-Restricted Parcel.

4. Residential Parcels

The Maximum Special Tax Rate for a single-family residential, duplex, and condominium Parcel shall be calculated by the following steps:

- a) calculate the total Maximum Special Tax Revenue for the Net Acres of the Final Map or Parcel Map creating the single-family, duplex, or condominium Parcels; and,
- b) divide the Maximum Special Tax Revenue from a) by the total number of Parcels created in the Final Map or Parcel Map.

5. Stadium Parcel

The Maximum Special Tax Rate for the Stadium Parcel shall be set to zero until it is transferred to private ownership through a sale, is controlled by a private entity through a lease, or a funding mechanism acceptable to the City Council is identified to pay the Special Taxes. Once one of these events occurs, the Stadium Parcel shall be treated as a Developed Parcel for purposes of setting the Maximum Annual Special Tax.

6. Arena Parcel

The Arena Parcel will be treated as any other Taxable Parcel for purposes of setting the Maximum Annual Special Tax.

C. Annexation Parcels. Parcels annexing to the CFD shall have their Maximum Special Tax Rate assigned by following the procedures in Section 4.B above. In addition, a Catch-up special tax shall be charged to the annexing Parcel. The Catch-up Special Tax will be set equal to sum of the Special Taxes levied for Development-Restricted Parcels within the

same Drainage Shed for the prior ten Fiscal Years in which the special tax was levied times the gross acres of the annexing Parcel. The Catch-up Special Tax shall be paid prior to or concurrent with annexation.

D. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is not needed for public use and is converted to a taxable use, it shall become subject to the Special Tax. The Maximum Annual Special Tax for such a Parcel shall be assigned according to the 4.A and 4.B above and excluded from the provisions of Section 4.C. The catch-up tax provisions described in Section 4.C.1 will not apply to a Parcel converted to a Taxable Parcel under this section.

## **5. Calculating Annual Special Taxes**

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

- A. Computes the Annual Cost using the definition in Section 2 for the Fiscal Year.
- B. Calculate the Special Tax for each Taxable Parcel by the following steps:
  - Determine if sufficient special tax revenues are available by taxing each Developable Parcel at 100% of its Maximum Annual Special Tax. If revenues are greater than the Annual Costs, the tax is reduced proportionately until the tax levy is set at an amount sufficient to cover Annual Costs.
  - If revenues from taxing Developable Parcels at 100% of their Maximum Annual Special Tax are not sufficient, the City will then proportionately levy the tax on Development-Restricted Parcels up to 100% of their Maximum Annual Special Tax (50% of their Maximum Annual Special Tax as Developable Parcels) until the tax levy is set at an amount sufficient to cover Annual Costs.
- C. Levy on each Taxable Parcel the amount calculated above.
- D. Prepare the Tax Collection Schedule listing the Special Tax levy for each Taxable Parcel and send it to the County Auditor-Controller requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor-Controller for such inclusion.

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

## 6. Prepayment of Special Tax Obligation

With a Prepayment, a landowner may permanently satisfy the Special Tax obligation for one or more Parcels. By exercising the right to Prepayment, a landowner can eliminate the future annual Special Tax liability for one or more Parcels.

Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment does not jeopardize the ability to make timely payments of Debt Service on outstanding bonds.
- Any landowner who wishes to exercise the right to a Prepayment for a Parcel must pay any and all delinquent Special Taxes and penalties, and any Catch-up Special Taxes attributable to that Parcel.
- Prepayment shall be made on or before June 1 in order to prevent the levy of special taxes due during the Fiscal Year beginning July 1.

The total Prepayment amount will include the Parcel's proportionate share of all estimated costs necessary to construct the Authorized Facilities (the "base Prepayment amount") plus any additional administrative and financing costs necessary to redeem bonds and calculate the prepayment. These calculations are described below.

### CALCULATE BASE PREPAYMENT AMOUNT (for Attachment 2)

The base Prepayment amount will vary each year depending upon whether or not bonds have been issued and whether any bonds have been redeemed. The base Prepayment amount will be recalculated with each bond issue and on an annual basis at the time that the CFD's annual report is prepared. The annual base Prepayment amount shall be calculated using the following steps.

Step 1: Determine the total number of acres within the CFD in each of the following categories: Gross Acres, Gross Developable Acres, and Net Acres. The acreage of all prior Prepayment Parcels will be excluded from the calculation of total acres.

- Gross Acres equal the original Gross Acres at the formation of the CFD plus any acreage that has been annexed into the CFD.
- If the acreage in the Gross Developable Acreage category is not known, it will be set by multiplying Gross Acres by a factor of 0.729.
- If the acreage in the Net Acreage category is not known, it will be set by multiplying Gross Developable Acres by a factor of 0.857.

Step 2: Determine the amount of the facility construction cost including CFD formation costs; total bond authorization; or total outstanding bonds, if all bonds have been issued. The facility construction cost will be based on the cost of facilities that

have been constructed or bid plus the estimated cost of facilities yet to be constructed or bid with inflation to date.

- Step 3: Calculate the base Prepayment amount per acre based on the location of the Prepayment Parcel:

Drainage Shed 5 Parcels: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories. Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

Drainage Shed 6 Parcels: Divide the appropriate cost basis (construction cost, bond authorization, or total outstanding bonds) by the acreage from each of the three acreage categories. Where the cost basis is the bond authorization or outstanding bonds, multiply the product of the previous calculation by a factor of 0.925 (to account for the Parcel's share of the Reserve Fund). Multiply the Parcel's total acreage by the appropriate cost per acre (e.g., per Gross Acre, Gross Developable Acre, or Net Acre) to arrive at the base Prepayment amount.

- Step 4: Update **Attachment 2** based on the above calculations to reflect the base Prepayment amount per acre for the upcoming Fiscal Year. The **Attachment 2** included in this document is as of the formation of the CFD based on the current estimated acreage, by category, and estimated costs.

#### DETERMINE TOTAL PREPAYMENT AMOUNT FOR PREPAYING PARCEL

The following steps will be used to determine a Parcel's total Prepayment Amount.

- Step 5: Determine whether the acreage of the Parcel making a Prepayment is Gross Acres, Gross Developable Acres, or Net Acres and determine whether the Parcel is a Drainage Shed 5 Parcel or a Drainage Shed 6 Parcel.

#### **Prior to First Bond Sale (skip to Step 8 if bonds have been sold)**

- Step 6: If the Prepayment is made prior to the first bond sale, the City will determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre from column 1 of **Attachment 2**--for the appropriate acreage and location category--by the Parcel's total acreage.
- Step 7: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 5 and the City's administrative cost for calculating these amounts.

### **Subsequent to the Initial Sale of Bonds**

- Step 8: Determine if all bonds have been sold or if the District is between the first and last bond sale. This will determine the bond issuance category for the base Prepayment amount. If the District is between the first and last bond sale, column 2 of **Attachment 2** will be used. If all bonds have been sold, column 3 of **Attachment 2** will be used.
- Step 9: Determine the Parcel's base Prepayment amount by multiplying the base Prepayment Amount per acre from either column 2 or 3 of **Attachment 2**--for the appropriate acreage, location, and bond issuance category--by the Parcel's total acreage.
- Step 10: Determine the total Prepayment amount for a Parcel by adding to the base Prepayment amount calculated in Step 9 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the bonds, early call penalties, and other expenses incurred by the City in connection with the prepayment calculation or the application of the proceeds of the prepayment.

## **7. Records Maintained for the CFD**

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

- the current Parcel Number;
- the Parcel acreage (gross, gross developable or net);
- the Maximum Annual Special Taxes which applied in each Fiscal Year; and
- the authorized Special Taxes levied in each Fiscal Year.

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

## **8. Appeals**

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

*North Natomas Drainage Basins 5 & 6 CFD No. 2*  
*Rate and Method of Apportionment*  
*April 13, 1998*

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



**Attachment 1**  
**North Natomas Drainage CFD No. 2**  
**Maximum Special Tax Rates for Developable Parcels [1]**

| Fiscal<br>Year<br>Ending | Maximum Special Tax     |                               |                 |                         |                               |                 |
|--------------------------|-------------------------|-------------------------------|-----------------|-------------------------|-------------------------------|-----------------|
|                          | Drainage Shed 5 Parcels |                               |                 | Drainage Shed 6 Parcels |                               |                 |
|                          | Per<br>Gross Acre       | Per Gross<br>Developable Acre | Per<br>Net Acre | Per<br>Gross Acre       | Per Gross<br>Developable Acre | Per<br>Net Acre |
| <i>June 30</i>           |                         |                               |                 |                         |                               |                 |
| 1999                     | \$2,180                 | \$2,520                       | \$2,770         | \$2,680                 | \$3,090                       | \$3,400         |
| 2000                     | \$2,224                 | \$2,571                       | \$2,825         | \$2,734                 | \$3,152                       | \$3,468         |
| 2001                     | \$2,268                 | \$2,622                       | \$2,882         | \$2,788                 | \$3,215                       | \$3,537         |
| 2002                     | \$2,313                 | \$2,674                       | \$2,940         | \$2,844                 | \$3,279                       | \$3,608         |
| 2003                     | \$2,360                 | \$2,728                       | \$2,998         | \$2,901                 | \$3,345                       | \$3,680         |
| 2004                     | \$2,407                 | \$2,782                       | \$3,058         | \$2,959                 | \$3,412                       | \$3,754         |
| 2005                     | \$2,455                 | \$2,838                       | \$3,119         | \$3,018                 | \$3,480                       | \$3,829         |
| 2006                     | \$2,504                 | \$2,895                       | \$3,182         | \$3,079                 | \$3,549                       | \$3,905         |
| 2007                     | \$2,554                 | \$2,953                       | \$3,245         | \$3,140                 | \$3,620                       | \$3,984         |
| 2008                     | \$2,605                 | \$3,012                       | \$3,310         | \$3,203                 | \$3,693                       | \$4,063         |
| 2009                     | \$2,657                 | \$3,072                       | \$3,377         | \$3,267                 | \$3,767                       | \$4,145         |
| 2010                     | \$2,711                 | \$3,133                       | \$3,444         | \$3,332                 | \$3,842                       | \$4,227         |
| 2011                     | \$2,765                 | \$3,196                       | \$3,513         | \$3,399                 | \$3,919                       | \$4,312         |
| 2012                     | \$2,820                 | \$3,260                       | \$3,583         | \$3,467                 | \$3,997                       | \$4,398         |
| 2013                     | \$2,876                 | \$3,325                       | \$3,655         | \$3,536                 | \$4,077                       | \$4,486         |
| 2014                     | \$2,934                 | \$3,392                       | \$3,728         | \$3,607                 | \$4,159                       | \$4,576         |
| 2015                     | \$2,993                 | \$3,460                       | \$3,803         | \$3,679                 | \$4,242                       | \$4,667         |
| 2016                     | \$3,053                 | \$3,529                       | \$3,879         | \$3,753                 | \$4,327                       | \$4,761         |
| 2017                     | \$3,114                 | \$3,599                       | \$3,956         | \$3,828                 | \$4,413                       | \$4,856         |
| 2018                     | \$3,176                 | \$3,671                       | \$4,035         | \$3,904                 | \$4,502                       | \$4,953         |
| 2019                     | \$3,239                 | \$3,745                       | \$4,116         | \$3,983                 | \$4,592                       | \$5,052         |
| 2020                     | \$3,304                 | \$3,820                       | \$4,198         | \$4,062                 | \$4,683                       | \$5,153         |
| 2021                     | \$3,370                 | \$3,896                       | \$4,282         | \$4,143                 | \$4,777                       | \$5,256         |
| 2022                     | \$3,438                 | \$3,974                       | \$4,368         | \$4,226                 | \$4,873                       | \$5,361         |
| 2023                     | \$3,506                 | \$4,053                       | \$4,455         | \$4,311                 | \$4,970                       | \$5,469         |
| 2024                     | \$3,577                 | \$4,135                       | \$4,544         | \$4,397                 | \$5,069                       | \$5,578         |
| 2025                     | \$3,648                 | \$4,217                       | \$4,635         | \$4,485                 | \$5,171                       | \$5,690         |
| 2026                     | \$3,721                 | \$4,302                       | \$4,728         | \$4,575                 | \$5,274                       | \$5,803         |
| 2027                     | \$3,795                 | \$4,388                       | \$4,823         | \$4,666                 | \$5,380                       | \$5,919         |
| 2028                     | \$3,871                 | \$4,475                       | \$4,919         | \$4,760                 | \$5,487                       | \$6,038         |
| 2029                     | \$3,949                 | \$4,565                       | \$5,017         | \$4,855                 | \$5,597                       | \$6,159         |
| 2030                     | \$4,028                 | \$4,656                       | \$5,118         | \$4,952                 | \$5,709                       | \$6,282         |
| 2031                     | \$4,108                 | \$4,749                       | \$5,220         | \$5,051                 | \$5,823                       | \$6,407         |
| 2032                     | \$4,190                 | \$4,844                       | \$5,324         | \$5,152                 | \$5,940                       | \$6,536         |
| 2033                     | \$4,274                 | \$4,941                       | \$5,431         | \$5,255                 | \$6,058                       | \$6,666         |
| 2034                     | \$4,360                 | \$5,040                       | \$5,540         | \$5,360                 | \$6,180                       | \$6,800         |
| 2035                     | \$4,447                 | \$5,141                       | \$5,650         | \$5,467                 | \$6,303                       | \$6,936         |
| 2036                     | \$4,536                 | \$5,244                       | \$5,763         | \$5,577                 | \$6,429                       | \$7,074         |
| 2037                     | \$4,627                 | \$5,348                       | \$5,879         | \$5,688                 | \$6,558                       | \$7,216         |
| 2038                     | \$4,719                 | \$5,455                       | \$5,996         | \$5,802                 | \$6,689                       | \$7,360         |
| 2039                     | \$4,814                 | \$5,565                       | \$6,116         | \$5,918                 | \$6,823                       | \$7,507         |
| 2040                     | \$4,910                 | \$5,676                       | \$6,238         | \$6,036                 | \$6,959                       | \$7,657         |

"attachment\_1"

- [1] The Maximum Annual Special Tax for Development-Restricted Parcels is set at 50 percent of the Maximum Annual Special Tax for Developable Parcels shown above.

**Attachment 2**  
**North Natomas Drainage CFD No. 2**  
**Estimated Base Prepayment Amount**  
(Amounts shown are subject to change annually)

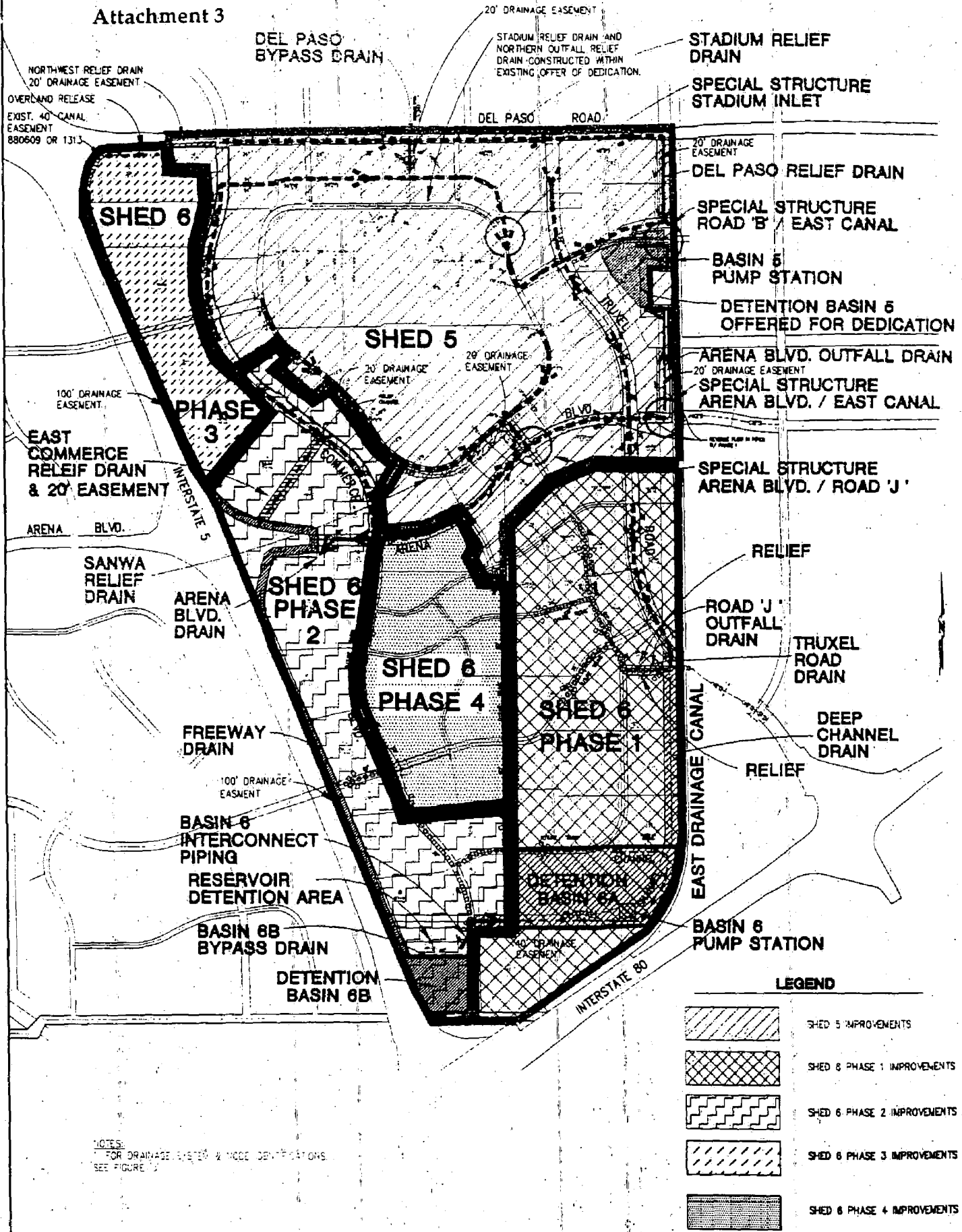
|                                       | Column 1                  | Column 2                        | Column 3                  |
|---------------------------------------|---------------------------|---------------------------------|---------------------------|
|                                       | Prior to<br>1st Bond Sale | Between 1st &<br>Last Bond Sale | After Last<br>Bond Sale   |
|                                       | 1998\$                    | Inflated \$                     | Inflated \$               |
| Construction and Formation Cost - 199 | \$19,590,771              | \$20,690,345                    | \$20,690,345              |
| Estimated Bonds - Inflated \$ [1]     | n/a                       | \$32,000,000<br>authorization   | \$28,966,483<br>estimated |
| Shed 5 Parcels Prepayment             |                           |                                 |                           |
| <i>Share of Facilities Cost</i>       | 40.99%                    | 40.99%                          | 40.99%                    |
| Gross Acre                            | \$15,437                  | \$25,215                        | \$22,824                  |
| Gross Developable Acre                | \$17,643                  | \$28,819                        | \$26,087                  |
| Net Acre                              | \$19,590                  | \$31,999                        | \$28,965                  |
| Shed 6 Parcels Prepayment             |                           |                                 |                           |
| <i>Share of Facilities Cost</i>       | 59.01%                    | 59.01%                          | 59.01%                    |
| Gross Acre                            | \$18,956                  | \$30,963                        | \$28,028                  |
| Gross Developable Acre                | \$21,665                  | \$35,389                        | \$32,034                  |
| Net Acre                              | \$24,056                  | \$39,293                        | \$35,569                  |
| <b>Initial Estimated CFD Acreage</b>  |                           |                                 |                           |
|                                       | <u>Shed 5</u>             | <u>Shed 6</u>                   | <u>Total</u>              |
| Gross Acres [3]                       | 520.2                     | 609.9                           | 1,130.1                   |
| Gross Developable Acres [3]           | 455.1                     | 533.6                           | 988.7                     |
| Net Acres [3]                         | 409.9                     | 480.6                           | 890.5                     |

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.

# Attachment 3



| <b>VAIL</b><br>ENGINEERING CORPORATION<br>10000 VAIL DRIVE, SUITE 100<br>LOS ANGELES, CA 90047<br>(213) 555-5555 | <b>FIGURE K</b><br><b>FACILITY PHASING EXHIBIT</b><br>PROPOSED FACILITIES<br>FOR SHEDS 5 AND 6 |             |  |  | <b>Revisions</b><br><table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td></td> <td></td> </tr> <tr> <td>6</td> <td></td> <td></td> </tr> <tr> <td>7</td> <td></td> <td></td> </tr> <tr> <td>8</td> <td></td> <td></td> </tr> <tr> <td>9</td> <td></td> <td></td> </tr> <tr> <td>10</td> <td></td> <td></td> </tr> </tbody> </table> | NO. | DATE | DESCRIPTION | 1 |  |  | 2 |  |  | 3 |  |  | 4 |  |  | 5 |  |  | 6 |  |  | 7 |  |  | 8 |  |  | 9 |  |  | 10 |  |  |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------|-------------|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|----|--|--|
| NO.                                                                                                              | DATE                                                                                           | DESCRIPTION |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 1                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 2                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 3                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 4                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 5                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 6                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 7                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 8                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 9                                                                                                                |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |
| 10                                                                                                               |                                                                                                |             |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |      |             |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |   |  |  |    |  |  |

EXHIBIT B:  
AUTHORIZED FACILITIES

## EXHIBIT B

### Authorized Facilities

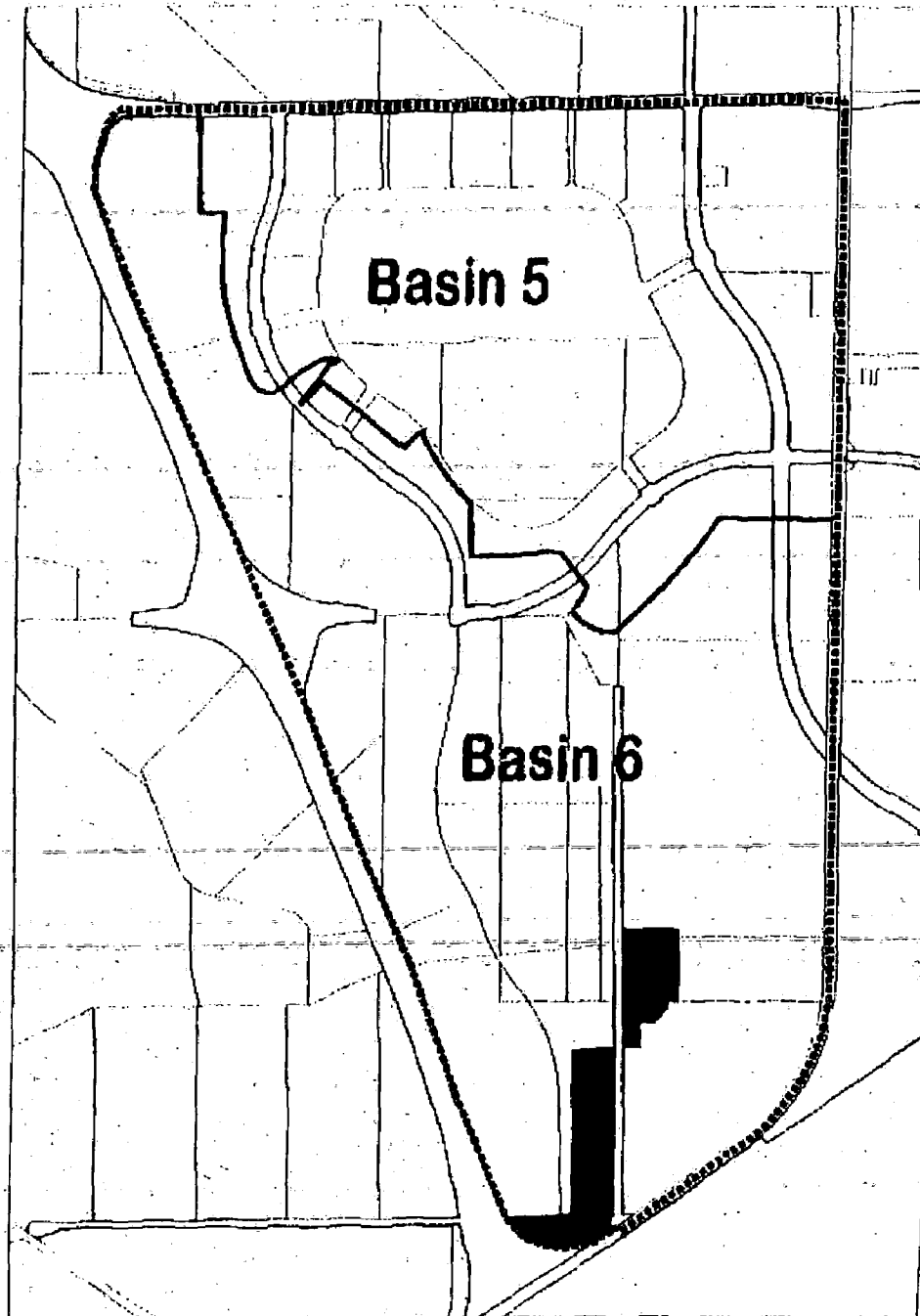
It is the intention of the council to finance the acquisition and construction of those public facilities hereinafter referred to (all of which have an estimated useful life of five (5) years or longer) under and pursuant to the Act in and for the Community Facilities District (which are public facilities 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 constitute pipes, collection drains and channels, pump stations, detention basins and outfall drains (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 special taxes or the collection or payment of any special 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.

EXHIBIT C:  
BOUNDARY MAP

Proposed Boundaries of  
NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD



**EXHIBIT C**

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 \_\_\_\_, A.M. 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

CITY OF SACRAMENTO

AFFIDAVIT OF COMPLIANCE WITH  
THE REQUIREMENTS FOR POSTING  
A NOTICE OF CONTINUANCE OF PUBLIC HEARINGS  
FOR THE NORTH NATOMAS COMMUNITY  
FACILITIES DISTRICT NO. 2, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

STATE OF CALIFORNIA       )  
                                          ) ss.  
COUNTY OF SACRAMENTO )

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City  
of Sacramento; and

That she posted a Notice of Continuance of Public Hearings for the North  
Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State  
of California, at a conspicuous place at the door of the City Council Chambers of the City of  
Sacramento at 915 I Street, Sacramento, California 94814, and that attached hereto, marked  
Exhibit A and incorporated herein and made a part hereof, is a true and correct copy of such  
notice in the form posted. Said posting was done no later than twenty-four (24) hours after the  
continuance of the public hearings and other matters by the City Council on June 4, 1998 in  
respect of the North Natomas Community Facilities District No. 2, City of Sacramento, County  
of Sacramento, State of California.

Executed at Sacramento, California, on June 5, 1998.



I declare under penalty of perjury that the foregoing is true and correct.

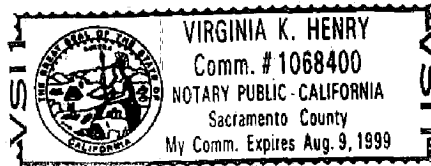
*Helen A. Burrows*

City Clerk of the City of Sacramento

Subscribed and sworn to before me  
this 9 day of June, 1998.

*Virginia K. Henry*  
NOTARY PUBLIC  
State of California

[Notarial Seal]



**NOTICE OF CONTINUANCE OF PUBLIC HEARINGS**

**CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY  
FACILITIES DISTRICT NO. 2**

NOTICE IS HEREBY GIVEN THAT the public hearings to be held by the City Council of the City of Sacramento respecting its North Natomas Community Facilities District No. 2, originally scheduled for, and opened on, Thursday, June 4, 1998 at 2:00 p.m., has been continued to:

**Tuesday, June 9, 1998  
at 7:00 p.m.  
(or as soon thereafter as the matter may be heard)  
at 915 I Street, Sacramento, California**

**VALERIE A. BURROWES,  
City Clerk of the City of Sacramento**

CITY OF SACRAMENTO

AFFIDAVIT OF RECORDING THE AMENDED BOUNDARIES  
OF THE NORTH NATOMAS COMMUNITY  
FACILITIES DISTRICT NO. 2, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

STATE OF CALIFORNIA       )  
                                          ) ss.  
COUNTY OF SACRAMENTO )

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City  
of Sacramento;

That, pursuant to Section 3111 of the Streets and Highways Code of the State of  
California, she recorded a map entitled "Amended Boundaries of North Natomas Community  
Facilities District No. 2, City of Sacramento, County of Sacramento, State of California" (the  
"Community Facilities District") in the office of the County Recorder of Sacramento County

on June 15, 1998, which date was not later than ten (10) days after the adoption by the City Council of the Resolution approving the amended map.

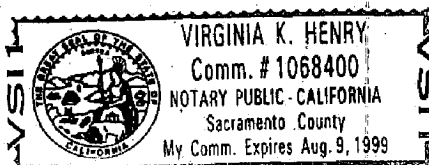
*Helene A. Burrows*

City Clerk of the City of Sacramento

Subscribed and sworn to before me  
this 12 day of June, 1998.

*Virginia K. Henry*  
NOTARY PUBLIC  
State of California

[Notarial Seal]



CITY OF SACRAMENTO

AFFIDAVIT OF DELIVERY OF BALLOTS  
FOR THE SPECIAL MAILED-BALLOT ELECTION TO BE HELD  
IN THE NORTH NATOMAS COMMUNITY FACILITIES  
DISTRICT NO. 2, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA  
ON JUNE 23, 1998

STATE OF CALIFORNIA       )  
                                      ) ss.  
COUNTY OF SACRAMENTO )

Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City  
of Sacramento;

That, pursuant to Resolution No. 98-257 (The "Resolution") adopted by the City  
Council of the City of Sacramento on June 9, 1998, she complied with the requirements for  
delivering the ballots for the special mailed-ballot election to be held on June 23, 1998, in the  
North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento,  
State of California, as set forth in Section 10 of the Resolution, by mailing or in person to each

of the landowners qualified to vote at said special mailed-ballot election on June 23, 1998. A copy of the form of the ballot is attached hereto as Exhibit A.

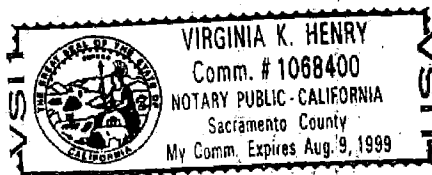
*Patricia A. Burrows*

City Clerk of the City of Sacramento

Subscribed and sworn to before me  
this 12 day of June, 1998.

*Virginia K. Henry*  
NOTARY PUBLIC  
State of California

[Notarial Seal]



CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

**SPECIAL ELECTION BALLOT**  
FOR THE MAILED-BALLOT ELECTION OF JUNE 23, 1998

This ballot is for the use of \_\_\_\_\_, a landowner within the City of Sacramento North Natomas Community Facilities District No. 2.

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Sacramento, such landowner is entitled to cast \_\_\_\_\_ votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before 8:00 p.m. on Tuesday, June 23, 1998, to:

Valerie A. Burrowes, City Clerk  
City of Sacramento  
Sacramento City Hall  
915 I Street  
Sacramento, CA 95814

Mailing by that date will not be sufficient, as the ballot must be physically received by the City Clerk of the City of Sacramento prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City of Sacramento North Natomas Community Facilities District No. 2 be authorized to finance the acquisition and construction of the public facilities which constitute pipes, collection drains and channels, pump stations, detention basins and outfall drains by incurring a bonded indebtedness in the principal amount of thirty-two million dollars (\$32,000,000), and shall an appropriations limit in the amount of two million dollars (\$2,000,000) per fiscal year in connection therewith be established for the Community Facilities District, and shall a special tax with a maximum rate and method of apportionment as provided in Resolution No. \_\_\_\_\_ adopted by the City Council of the City of Sacramento on June 9, 1998, which is incorporated herein by reference, be levied to pay for the acquisition and construction of such facilities, including the payment of principal of and interest on such bonds and including the repayment of funds advanced for the Community Facilities District?

Number of votes

YES

Number of votes

NO

Certification

The undersigned is the authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_, 1998.

By \_\_\_\_\_

Authorized Representative

CERTIFICATE RELATIVE TO VOTERS

NORTH NATOMAS COMMUNITY FACILITIES  
DISTRICT NO. 2, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

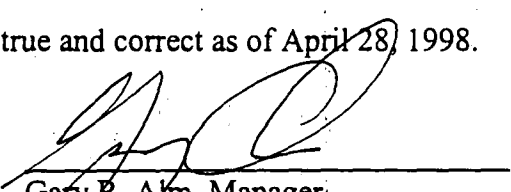
I, Gary R. Alm, hereby declare:

1. I am familiar with the boundary map of the proposed North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District").

2. I have prepared, from the official records of Sacramento County, a list of all property owners within the Community Facilities District, including the total number of acres owned within the Community Facilities District by each such property owner, a copy of which list is attached hereto as Exhibit A and incorporated herein and made a part hereof.

3. I have personally inspected the land in the Community Facilities District, and have noted the locations of all dwellings therein that might contain registered voters, and I have cross-checked such locations with the Sacramento County Registrar of Voters as well as inquired directly of such officer's records to determine the number of registered voters residing within the boundaries of the Community Facilities District, and based on the foregoing, I have determined that on April 28, 1998, there were no registered voters residing within the Community Facilities District.

I certify the foregoing to be true and correct as of April 28, 1998.

  
\_\_\_\_\_  
Gary R. Alm, Manager,  
Real Estate Services and Special Districts,  
Department of Public Works, City of Sacramento



**EXHIBIT A**

**CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

**LIST OF PROPERTY OWNERS**

| <b>Parcel No.</b> | <b>Name of Property Owner</b> | <b>No. of Acres</b> | <b>Total Votes</b> |
|-------------------|-------------------------------|---------------------|--------------------|
| 22500700430000    | ALLEGHANY PROPERTIES          | 41.36               |                    |
| 22500700490000    | ALLEGHANY PROPERTIES          | 38.04               |                    |
| 22500700740000    | ALLEGHANY PROPERTIES          | 5.36                |                    |
| 22500700750000    | ALLEGHANY PROPERTIES          | 22.77               |                    |
| 22501400160000    | ALLEGHANY PROPERTIES          | 16.34               |                    |
| 22501400170000    | ALLEGHANY PROPERTIES          | 9.67                |                    |
| 22501500310000    | ALLEGHANY PROPERTIES          | 3.84                |                    |
| 22501500330000    | ALLEGHANY PROPERTIES          | 1.50                |                    |
| 22501500380000    | ALLEGHANY PROPERTIES          | 6.37                |                    |
| 22501500430000    | ALLEGHANY PROPERTIES          | 1.18                |                    |
| 22501500440000    | ALLEGHANY PROPERTIES          | 5.47                |                    |
| 22501500450000    | ALLEGHANY PROPERTIES          | 7.70                |                    |
| 22501500460000    | ALLEGHANY PROPERTIES          | 40.09               |                    |
| 22501500470000    | ALLEGHANY PROPERTIES          | 19.00               |                    |
| 22501500480000    | ALLEGHANY PROPERTIES          | 110.70              |                    |
| 22501500490000    | ALLEGHANY PROPERTIES          | 43.59               |                    |
| 22501500500000    | ALLEGHANY PROPERTIES          | 15.25               |                    |
| 22501800380000    | ALLEGHANY PROPERTIES          | 47.47               |                    |
| 22501800390000    | ALLEGHANY PROPERTIES          | 9.76                |                    |
| <b>SUBTOTAL</b>   |                               | <b>445.46 ACRES</b> | <b>446</b>         |
| 22501500140000    | B & B & SONS ENTERPRISES I    | 25.79               |                    |
| 22501500250000    | B & B & SONS ENTERPRISES I    | 18.26               |                    |
| 22501500270000    | B & B & SONS ENTERPRISES I    | 13.08               |                    |
| 22501500280000    | B & B & SONS ENTERPRISES I    | 20.19               |                    |

**CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

**LIST OF PROPERTY OWNERS**

| <b>Parcel No.</b> | <b>Name of Property Owner</b> | <b>No. of Acres</b> | <b>Total Votes</b> |
|-------------------|-------------------------------|---------------------|--------------------|
| <b>SUBTOTAL</b>   |                               | <b>77.32 ACRES</b>  | <b>78</b>          |
| 22500700770000    | BUZZ OATES ENTERPRISES II.    | 6.18                |                    |
| 22500700780000    | BUZZ OATES ENTERPRISES II.    | 6.62                |                    |
| 22500700790000    | BUZZ OATES ENTERPRISES II.    | 8.01                |                    |
| 22500700800000    | BUZZ OATES ENTERPRISES II.    | 7.39                |                    |
| 22500700810000    | BUZZ OATES ENTERPRISES II.    | 9.32                |                    |
| 22500700820000    | BUZZ OATES ENTERPRISES II.    | 8.96                |                    |
| 22500700830000    | BUZZ OATES ENTERPRISES II.    | 8.45                |                    |
| 22500700840000    | BUZZ OATES ENTERPRISES II.    | 8.59                |                    |
| 22500700850000    | BUZZ OATES ENTERPRISES II.    | 10.03               |                    |
| 22500700860000    | BUZZ OATES ENTERPRISES II.    | 8.46                |                    |
| <b>SUBTOTAL</b>   |                               | <b>82.02 ACRES</b>  | <b>83</b>          |
| 22500700760000    | CITY OF SACRAMENTO            | 100.41              |                    |
| <b>SUBTOTAL</b>   |                               | <b>100.41 ACRES</b> | <b>101</b>         |
| 22500700590000    | KINGS ARCO ARENA              | 13.14               |                    |
| 22500700600000    | KINGS ARCO ARENA              | 53.64               |                    |
| 22500700630000    | KINGS ARCO ARENA              | 4.68                |                    |
| 22500700670000    | KINGS ARCO ARENA              | 11.91               |                    |
| <b>SUBTOTAL</b>   |                               | <b>83.37 ACRES</b>  | <b>84</b>          |
| 22501500320000    | SACRAMENTO SPORTS ASS         | 3.85                |                    |
| <b>SUBTOTAL</b>   |                               | <b>3.85 ACRES</b>   | <b>4</b>           |
| 22500700540000    | SACRAMENTO PROPERTIES H       | 43.21               |                    |
| <b>SUBTOTAL</b>   |                               | <b>43.21 ACRES</b>  | <b>44</b>          |
| 22501500300000    | STATE VENTURES INC.           | 9.72                |                    |

**CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

**LIST OF PROPERTY OWNERS**

| <b>Parcel No.</b> | <b>Name of Property Owner</b> | <b>No. of Acres</b> | <b>Total Votes</b> |
|-------------------|-------------------------------|---------------------|--------------------|
| 22501500360000    | STATE VENTURES INC.           | 11.06               |                    |
|                   | <b>SUBTOTAL</b>               | <b>20.78 ACRES</b>  | <b>21</b>          |
| 22501500150000    | SUPER PALLET RECYCLING C      | 0.29                |                    |
| 22501500180000    | SUPER PALLET RECYCLING C      | 12.44               |                    |
|                   | <b>SUBTOTAL</b>               | <b>12.73 ACRES</b>  | <b>13</b>          |
| 22500700570000    | THE CAMBAY GROUP, INC.        | 10.76               |                    |
| 22500700640000    | THE CAMBAY GROUP, INC.        | 31.76               |                    |
| 22500700700000    | THE CAMBAY GROUP, INC.        | 22.03               |                    |
| 22500700730000    | THE CAMBAY GROUP, INC.        | 34.66               |                    |
|                   | <b>SUBTOTAL</b>               | <b>99.21 ACRES</b>  | <b>100</b>         |
|                   | <b>TOTAL</b>                  | <b>968.358 ac.</b>  | <b>974 votes</b>   |

CERTIFICATE OF CLERK  
RE WAIVER AND CONSENTNORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2  
CITY OF SACRAMENTO  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

I, Valerie A. Burrowes, being first duly sworn, deposes and says:

That she is now and at all times herein mentioned was the City Clerk of the City of Sacramento;

That she has examined the Certificate Relative to Voters filed in the proceedings on April 28, 1998, and in particular the list of landowner voters within Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California ("the Community Facilities District");

That she has received, and now has in her possession as a permanent part of the City's record of this special mailed-ballot election, waivers, in the form attached hereto as Exhibit A executed by all of the landowners listed on the attachment to the Certificate Relative to Voters. In each case where a representative is acting for the property owner, she has in her possession written evidence of the authority of that representative to act for the owner; and

That she makes this Certification on June 9<sup>th</sup>, 1998.

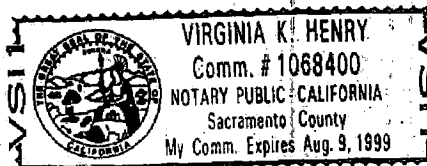
*Valerie A. Burrowes*

City Clerk of the City of Sacramento

Subscribed and sworn to before me  
This 12 day of June, 1998.

*Virginia K. Henry*  
NOTARY PUBLIC  
State of California

[Notarial Seal]



WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento that is designated on the current (Fiscal Year 1997-1998) assessment roll of the County of Sacramento as the Assessor's Parcel Number indicated next to the undersigned's signature hereto, which real property is located in the proposed City of Sacramento North Natomas Community Facilities District No. 2 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Amended Boundaries of North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California," designated Exhibit A, attached hereto and incorporated herein, and in such capacity the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the mailed-ballot election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the

timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: June 9, 1998

\_\_\_\_\_  
By \_\_\_\_\_

Authorized Representative

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

| <u>OWNER</u> | <u>SACRAMENTO COUNTY<br/>ASSESSOR'S PARCEL NUMBER</u> | <u>SIGNATURE</u> |
|--------------|-------------------------------------------------------|------------------|
|--------------|-------------------------------------------------------|------------------|

|       |       |       |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |

EXHIBIT A

[ATTACH COPY OF AMENDED BOUNDARY MAP OF  
THE COMMUNITY FACILITIES DISTRICT]





CITY  
DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES  
DIVISION

SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

1231 I ST. RM.300  
SACRAMENTO, CA  
95814

916-264-7113  
FAX 916-264-7480

May 22, 1998

Dear North Natomas Landowner:

Re: **NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 (BASINS 5 & 6)**

Enclosed is Waiver and Consent form related to the special election process for the North Natomas Community Facilities District No. 2. Please read carefully and return the completed form no later than June 4, 1998 to the address listed below. Please note that signing the Wavier and Consent form has no affect on how you vote in the special election.

City of Sacramento  
Department of Public Works  
Attn: Ed Williams  
1231 "I" Street, Room 300  
Sacramento, CA 95814

If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*

Edward Williams  
Associate Engineer

Attachment

C:\DATA\DATA\WP6.1\LTRWSEAL.WPD

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

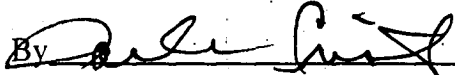
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The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the

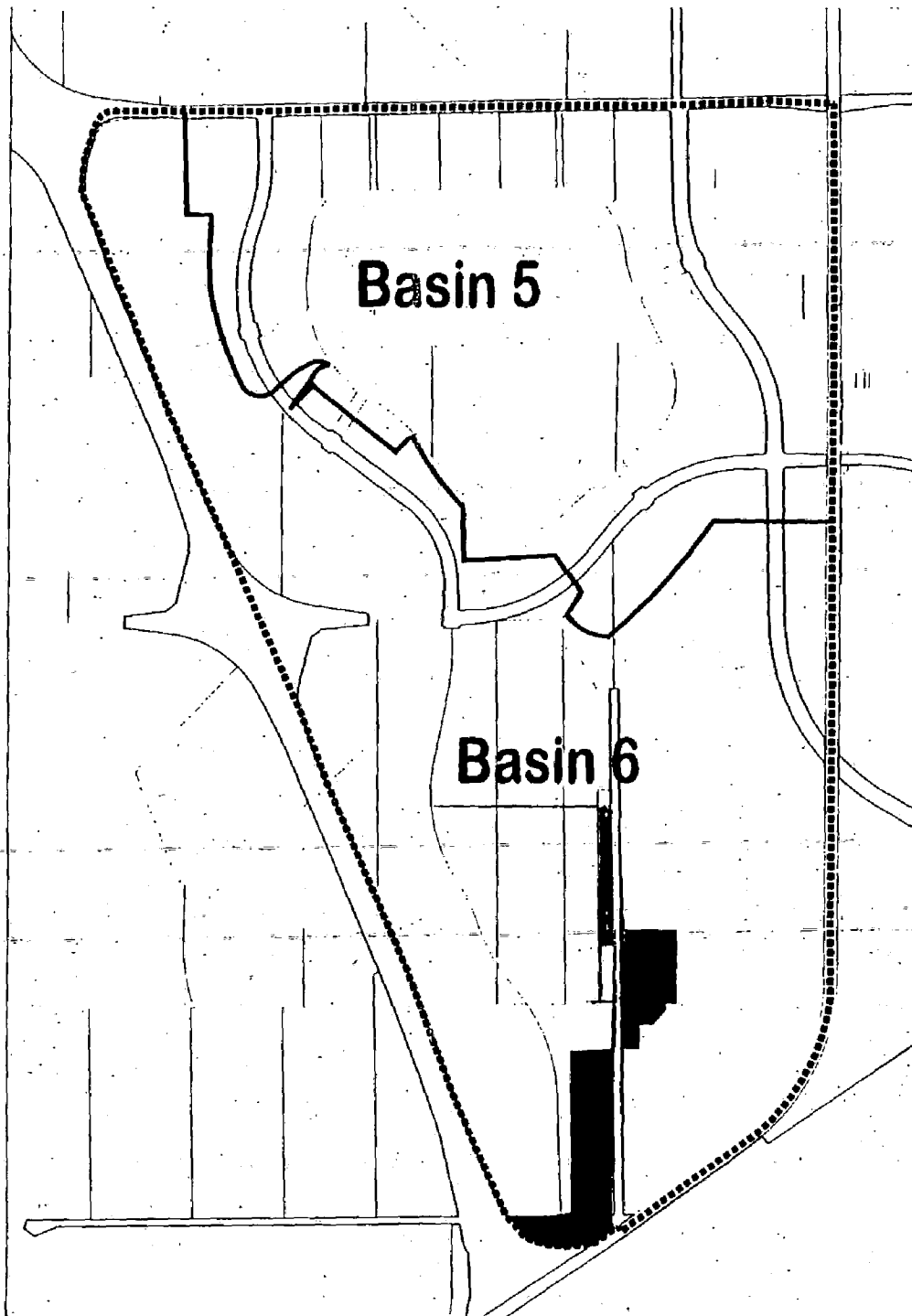
timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: JUNE 9, 1998

By   
Authorized Representative

Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
BOUNDARIES OF NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO.  
2", CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA, WHICH WAS RECORDED  
29 APRIL 1998, IN THE OFFICE OF THE  
COUNTY RECORDER, OF THE COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA IN BOOK 87 OF THE MAPS  
OF ASSESSMENTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE 30.

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 \_\_\_\_ 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

EXHIBIT A

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

SACRAMENTO COUNTY  
ASSESSOR'S PARCEL

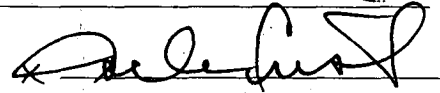
OWNER

NUMBER

SIGNATURE

CITY OF SACRAMENTO

22500700760000

A handwritten signature in black ink, appearing to be "Dee L. Smith", written over a horizontal line.

STATE VENTURES

STATE VENTURES  
WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento that is designated on the current (Fiscal Year 1997-1998) assessment roll of the County of Sacramento as the Assessor's Parcel Number indicated next to the undersigned's signature hereto, which real property is located in the proposed City of Sacramento North Natomas Community Facilities District No. 2 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Amended Boundaries of North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California," designated Exhibit A, attached hereto and incorporated herein, and in such capacity the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the mailed-ballot election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the

6

B+B & Sons  
STATE VENTURES



DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES  
DIVISION

SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

1231 I ST. RM 300  
SACRAMENTO, CA  
95814

916-264-7113  
FAX 916-264-7480

May 22, 1998

Dear North Natomas Landowner:

Re: **NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 (BASINS 5 & 6)**

Enclosed is Waiver and Consent form related to the special election process for the North Natomas Community Facilities District No. 2. Please read carefully and return the completed form no later than June 4, 1998 to the address listed below. Please note that signing the Wavier and Consent form has no affect on how you vote in the special election.

City of Sacramento  
Department of Public Works  
Attn: Ed Williams  
1231 "I" Street, Room 300  
Sacramento, CA 95814

If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*

Edward Williams  
Associate Engineer

Attachment

C:\DATA\DATA\WP6\ILTRWSEAL.WPD

*B+B and Sons*  
WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

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The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being expedited pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: JUNE 9, 1998

X By Joseph Benvenuto  
Authorized Representative

3

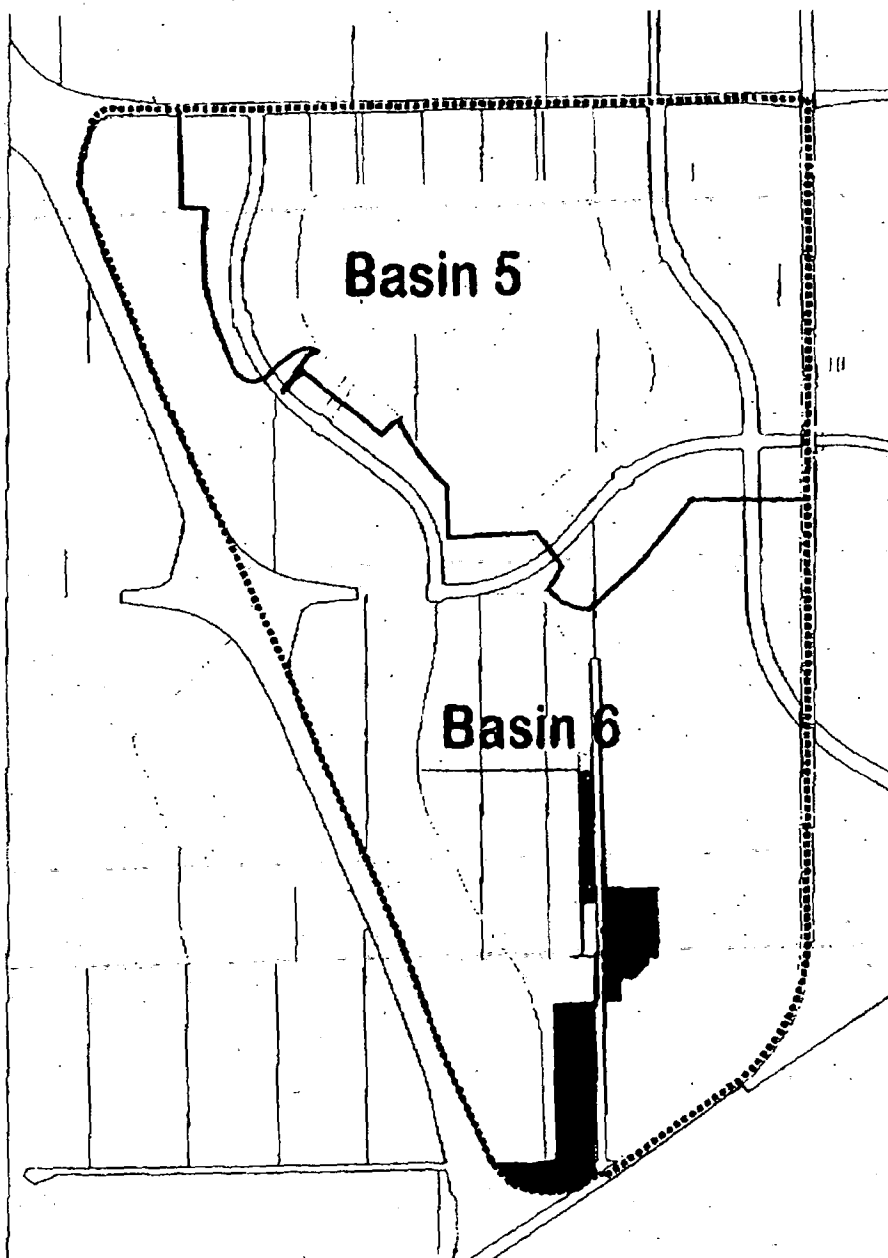
Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
 City of Sacramento, County of Sacramento  
 State of California  
 Page 1 of 1

N

Excluded from CFD

THIS MAP CROSS-REFERENCES THE  
 MAP ENTITLED "PROPOSED  
 BOUNDARIES OF NORTH NATOMAS  
 COMMUNITY FACILITIES DISTRICT NO.  
 2, CITY OF SACRAMENTO, COUNTY  
 OF SACRAMENTO, STATE OF  
 CALIFORNIA," WHICH WAS RECORDED  
 29 APRIL 1998, IN THE OFFICE OF THE  
 COUNTY RECORDER, OF THE COUNTY  
 OF SACRAMENTO, STATE OF  
 CALIFORNIA IN BOOK 87 OF THE MAPS  
 OF ASSESSMENTS AND COMMUNITY  
 FACILITIES DISTRICTS AT PAGE 30.

MAP SOURCE: CITY OF SACRAMENTO DEPT. OF PUBLIC WORKS - ADVANCED SOLUTIONS GROUP - GAS SECTION



CLIENT'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

CITY 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

File: c:\reg\map\basin\basin6.dwg Rev: 12.04.97 R. Scobee

timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

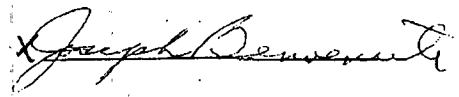
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Dated: JUNE 9, 1998

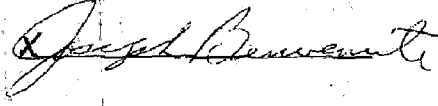
X By Joseph Benvenuto  
Authorized Representative

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

SACRAMENTO COUNTY  
ASSESSOR'S PARCEL

| OWNER               | NUMBER         | SIGNATURE                                                                          |
|---------------------|----------------|------------------------------------------------------------------------------------|
| STATE VENTURES INC. | 22501500300000 |  |
| STATE VENTURES INC. | 22501500360000 |                                                                                    |

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

| OWNER                       | SACRAMENTO COUNTY<br>ASSESSOR'S PARCEL<br>NUMBER | SIGNATURE                                                                          |
|-----------------------------|--------------------------------------------------|------------------------------------------------------------------------------------|
| B & B & SONS ENTERPRISES IN | 22501500140000                                   |  |
| B & B & SONS ENTERPRISES IN | 22501500250000                                   |                                                                                    |
| B & B & SONS ENTERPRISES IN | 22501500270000                                   |                                                                                    |
| B & B & SONS ENTERPRISES IN | 22501500280000                                   |                                                                                    |

5

*Cambay*

# The Cambay Group, Inc.

1350 Treat Blvd., Suite 560  
Walnut Creek, CA 94596  
phone (925) 933-1405  
fax (925) 933-1404

Via Federal Express

June 1, 1998

Mr. Edward Williams  
City of Sacramento  
Department of Public Works  
1231 I Street  
Room 300  
Sacramento, CA 95814


Re: Arena Corporate Center

Dear Ed:

Enclosed please find the completed Waiver and Consent form related to the special election process for the North Natomas Community Facilities District No. 2.

Please do not hesitate to call should you have any questions.

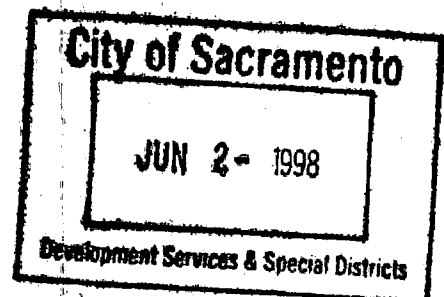
Sincerely,

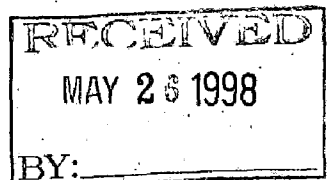


William C. Scott  
CFO

cc: Terry Teeple

Enclosure





DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES  
DIVISION

SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

1231 I ST. RM 300  
SACRAMENTO, CA  
95814

916-264-7113  
FAX 916-264-7480

May 22, 1998

Dear North Natomas Landowner:

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City of Sacramento  
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1231 "I" Street, Room 300  
Sacramento, CA 95814

If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*

Edward Williams  
Associate Engineer

Attachment

C:\DATA\DATA\WP6.1\LTRWSEAL.WPD

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
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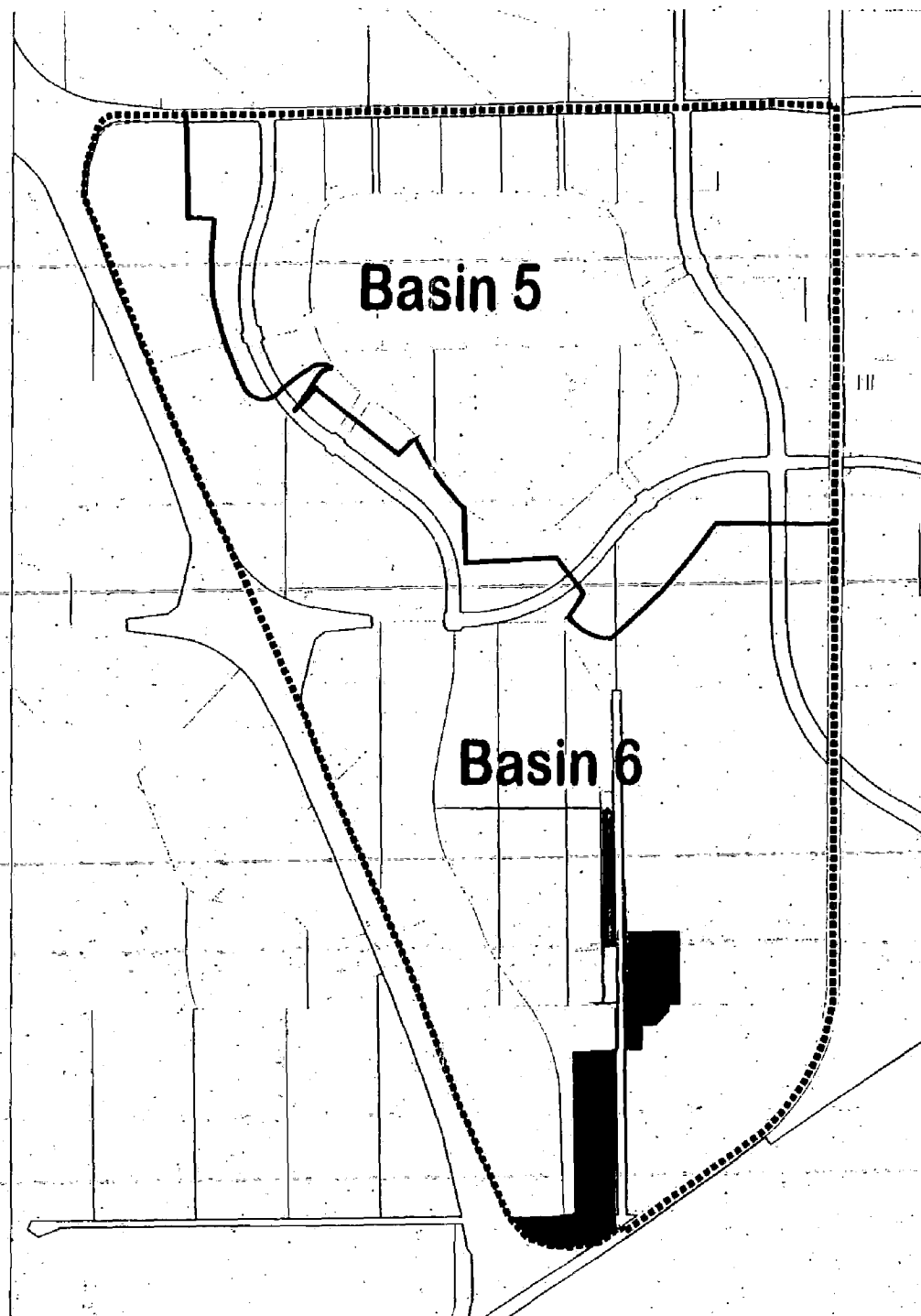
timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: JUNE 9, 1998

By   
Authorized Representative

Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



Excluded from CFD

THIS MAP CROSS-REFERENCES THE MAP ENTITLED "PROPOSED BOUNDARIES OF NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA," WHICH WAS RECORDED 29 APRIL 1998, IN THE OFFICE OF THE COUNTY RECORDER, OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA IN BOOK 87 OF THE MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE 30.

**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**

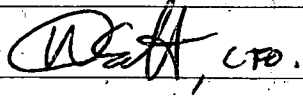
FILED THIS \_\_\_\_ DAY OF \_\_\_\_, 19\_\_ AT THE HOUR OF  
\_\_\_\_ O'CLOCK \_\_\_\_, IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT  
DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_  
IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF  
SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE  
COUNTY OF SACRAMENTO,  
CALIFORNIA

EXHIBIT A

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

SACRAMENTO COUNTY  
ASSESSOR'S PARCEL

| OWNER                  | NUMBER         | SIGNATURE                                                                           |
|------------------------|----------------|-------------------------------------------------------------------------------------|
| THE CAMBAY GROUP, INC. | 22500700570000 |  |
| THE CAMBAY GROUP, INC. | 22500700640000 |                                                                                     |
| THE CAMBAY GROUP, INC. | 22500700700000 |                                                                                     |
| THE CAMBAY GROUP, INC. | 22500700730000 |                                                                                     |

*ALLEGANY*



CFD-2  
RECEIVED MAY 26 1998 *CL*  
PCP

|                                          |  |
|------------------------------------------|--|
| City of Sacramento                       |  |
| JUN 1 - 1998                             |  |
| 12311 ST. RM 300<br>SACRAMENTO, CA       |  |
| Development Services & Special Districts |  |
| 916-264-7113<br>FAX 916-264-7480         |  |

DEPARTMENT OF  
PUBLIC WORKS  
  
TECHNICAL SERVICES  
DIVISION  
  
SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

May 22, 1998

Dear North Natomas Landowner:

Re: **NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 (BASINS 5 & 6)**

Enclosed is Waiver and Consent form related to the special election process for the North Natomas Community Facilities District No. 2. Please read carefully and return the completed form no later than June 4, 1998 to the address listed below. Please note that signing the Waiver and Consent form has no affect on how you vote in the special election.

City of Sacramento  
Department of Public Works  
Attn: Ed Williams  
1231 "I" Street, Room 300  
Sacramento, CA 95814

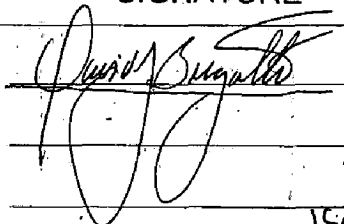
If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*  
Edward Williams  
Associate Engineer

Attachment

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

| OWNER                | SACRAMENTO COUNTY<br>ASSESSOR'S PARCEL<br>NUMBER | SIGNATURE                                                                           |
|----------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|
| ALLEGHANY PROPERTIES | 22500700430000                                   |  |
| ALLEGHANY PROPERTIES | 22500700490000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22500700740000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22500700750000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501400160000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501400170000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500310000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500330000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500380000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500430000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500440000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500450000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500460000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500470000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500480000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500490000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501500500000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501800380000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22501800390000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22503100130000                                   |                                                                                     |
| ALLEGHANY PROPERTIES | 22503100140000                                   |                                                                                     |

*SIGNATURE APPLIES TO ALL PARCELS*

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

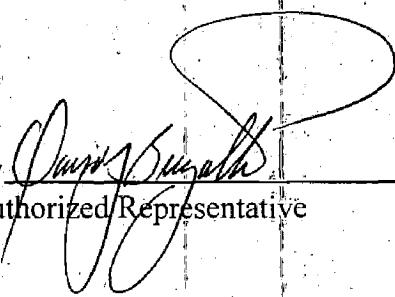
The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento that is designated on the current (Fiscal Year 1997-1998) assessment roll of the County of Sacramento as the Assessor's Parcel Number indicated next to the undersigned's signature hereto, which real property is located in the proposed City of Sacramento North Natomas Community Facilities District No. 2 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Amended Boundaries of North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California," designated Exhibit A, attached hereto and incorporated herein, and in such capacity the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the mailed-ballot election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the

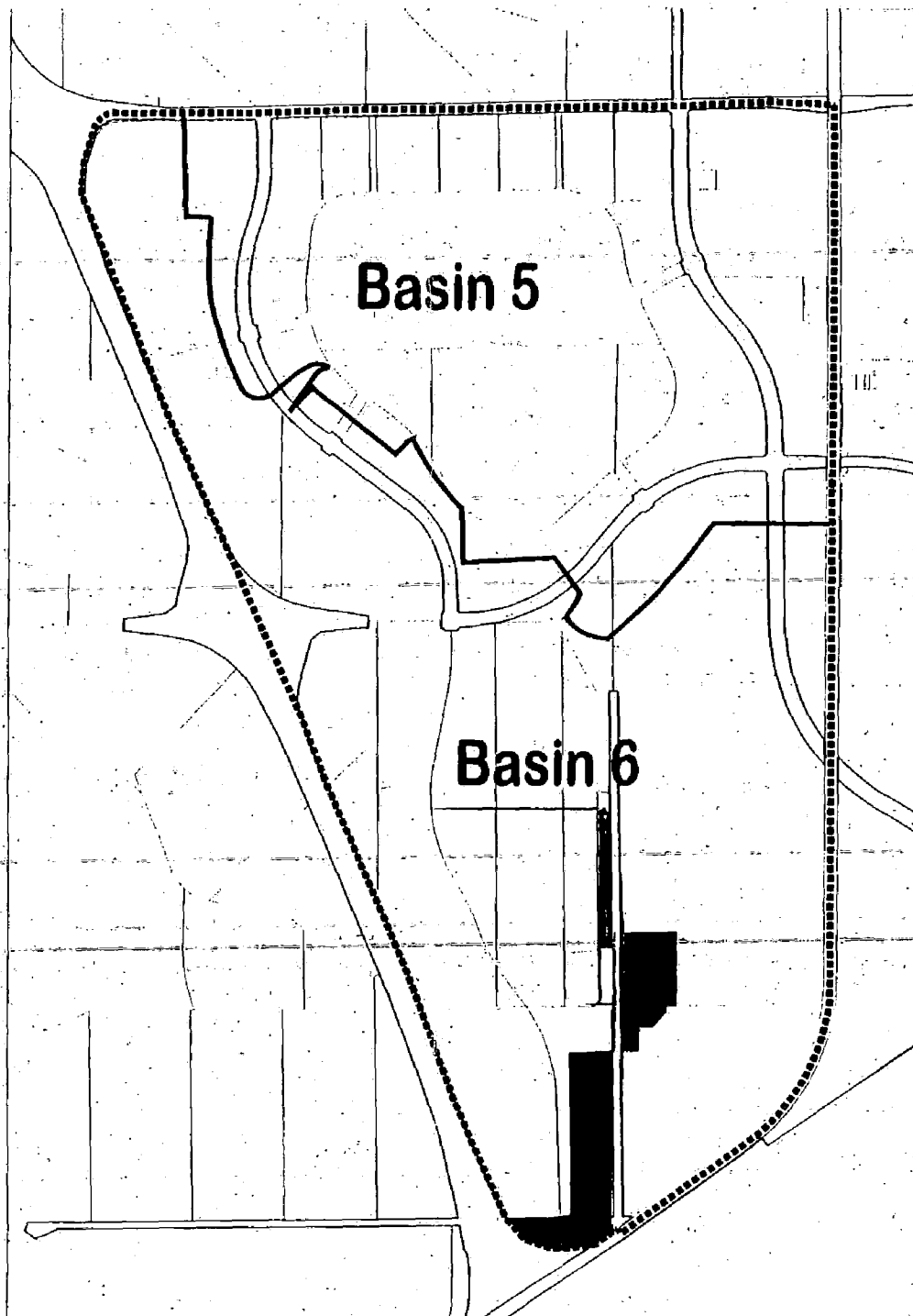
timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: JUNE 9, 1998

By   
Authorized Representative

Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD

THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
BOUNDARIES OF NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO.  
2", CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA, WHICH WAS RECORDED  
29 APRIL 1998, IN THE OFFICE OF THE  
COUNTY RECORDER, OF THE COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA IN BOOK 87 OF THE MAPS  
OF ASSESSMENTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE 30.

MAP SOURCE: CITY OF SACRAMENTO DEPT. OF PUBLIC WORKS - ADVANCED SOLUTIONS GROUP - GIS SECTION

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 \_\_ 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

EXHIBIT A

File: c:\requests\ad\natomas\drain5-6.dwg Rev. 12-04-97 R. Scollson



*SAC-Preparation  
to be done*



CFD-2  
RECEIVED MAY 26 1998

*SPHI - Bolen*

**City of Sacramento**

**JUN 1 - 1998**

1231 I ST, RM 300  
SACRAMENTO, CA

95814  
**Development Services & Special Districts**

916-264-7113  
FAX 916-264-7480

DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES  
DIVISION

SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

May 22, 1998

Dear North Natomas Landowner:

Re: **NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 (BASINS 5 & 6)**

Enclosed is Waiver and Consent form related to the special election process for the North Natomas Community Facilities District No. 2. Please read carefully and return the completed form no later than June 4, 1998 to the address listed below. Please note that signing the Waiver and Consent form has no affect on how you vote in the special election.

City of Sacramento  
Department of Public Works  
Attn: Ed Williams  
1231 "I" Street, Room 300  
Sacramento, CA 95814

If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*

Edward Williams  
Associate Engineer

Attachment

C:\DATA\DATA\WP6\LTRWSEAL.WPD

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento that is designated on the current (Fiscal Year 1997-1998) assessment roll of the County of Sacramento as the Assessor's Parcel Number indicated next to the undersigned's signature hereto, which real property is located in the proposed City of Sacramento North Natomas Community Facilities District No. 2 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Amended Boundaries of North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California," designated Exhibit A, attached hereto and incorporated herein, and in such capacity the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the mailed-ballot election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the

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Dated: JUNE 9, 1998

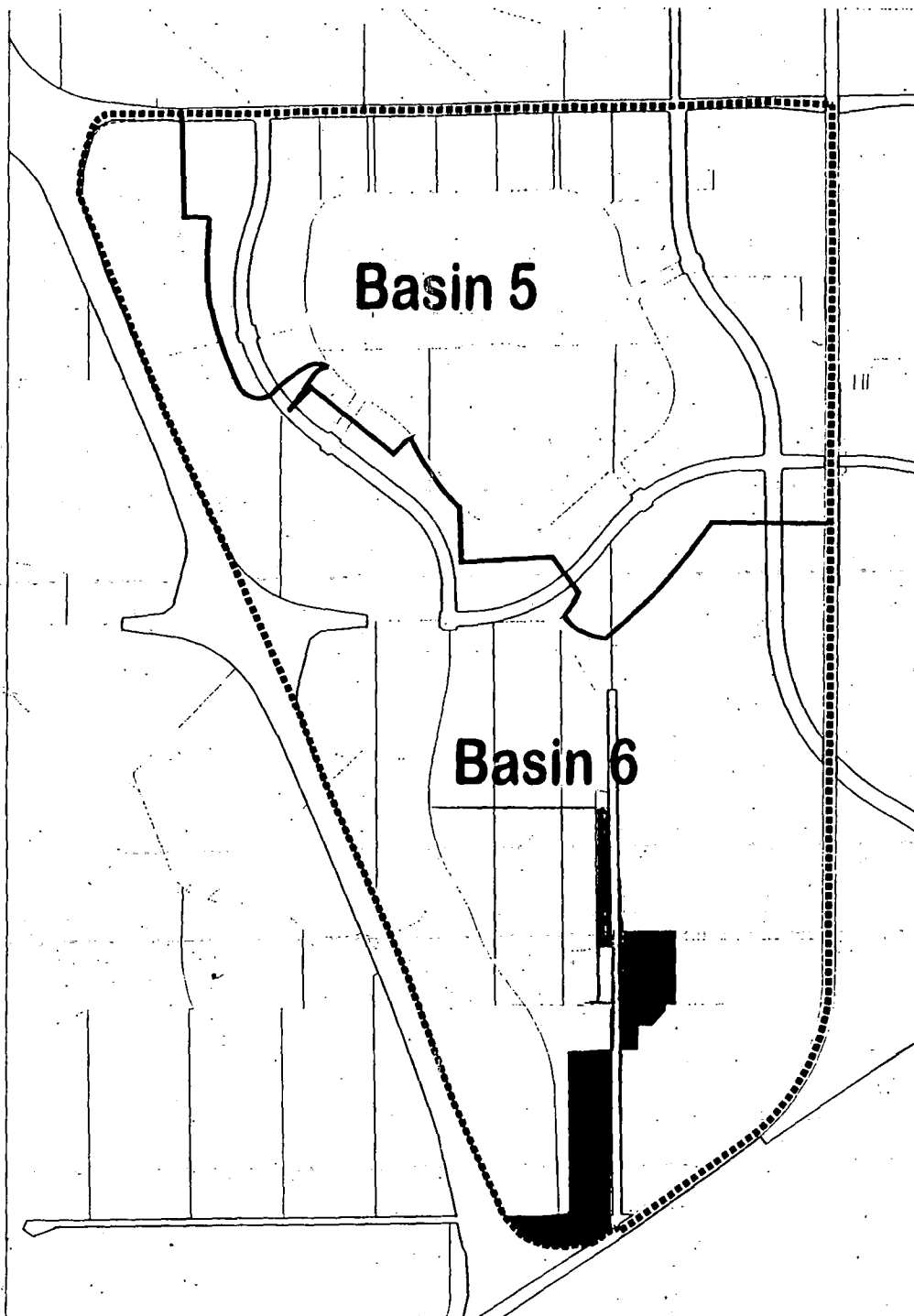
By   
Authorized Representative

Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD

THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
BOUNDARIES OF NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO.  
2", CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA, WHICH WAS RECORDED  
29 APRIL 1998, IN THE OFFICE OF THE  
COUNTY RECORDER, OF THE COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA IN BOOK 87 OF THE MAPS  
OF ASSESSMENTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE 30.



**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  
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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

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

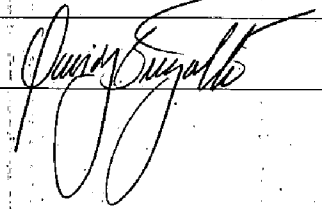
SACRAMENTO COUNTY  
ASSESSOR'S PARCEL  
NUMBER

OWNER

SIGNATURE

SACRAMENTO PROP. HOLDING

22500700540000



*Arco Arco*



**City of Sacramento**

**JUN 1 - 1998**

**Development Services & Special Districts**

DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES  
DIVISION

SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

1231 I ST. RM 300  
SACRAMENTO, CA  
95814

916-264-7113  
FAX 916-264-7480

May 22, 1998

Dear North Natomas Landowner:

Re: **NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 (BASINS 5 & 6)**

Enclosed is Waiver and Consent form related to the special election process for the North Natomas Community Facilities District No. 2. Please read carefully and return the completed form no later than June 4, 1998 to the address listed below. Please note that signing the Waiver and Consent form has no affect on how you vote in the special election.

City of Sacramento  
Department of Public Works  
Attn: Ed Williams  
1231 "I" Street, Room 300  
Sacramento, CA 95814

If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*

Edward Williams  
Associate Engineer

Attachment

C:\DATA\DATA\WP6.1\LTRWSEAL.WPD

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
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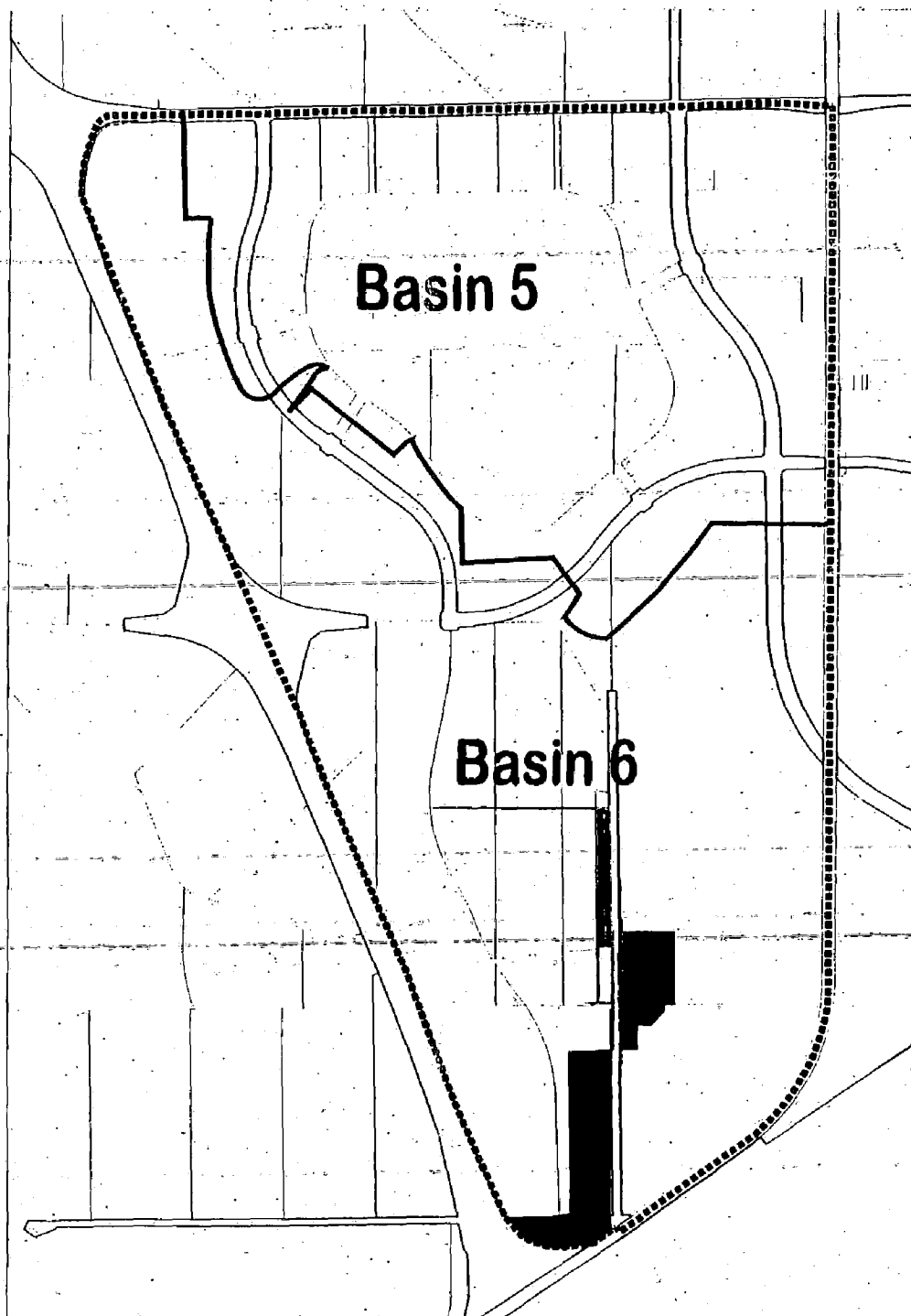
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Dated: JUNE 9, 1998

By   
Authorized Representative



Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD

THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
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FACILITIES DISTRICTS AT PAGE 30.

**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  
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RESOLUTION NO. \_\_\_\_

CITY CLERK, CITY OF SACRAMENTO

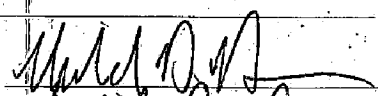
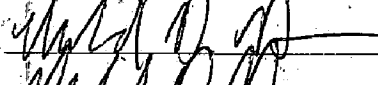
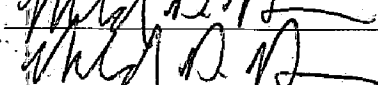
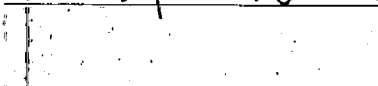
**COUNTY RECORDER'S FILING STATEMENT**

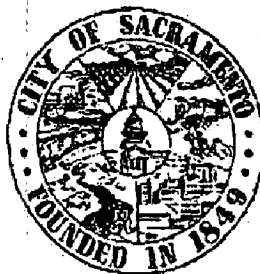
FILED THE \_\_\_\_ DAY OF \_\_\_\_, 19\_\_ AT THE HOUR OF  
\_\_\_\_ O'CLOCK \_\_ M., IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT  
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SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE  
COUNTY OF SACRAMENTO,  
CALIFORNIA

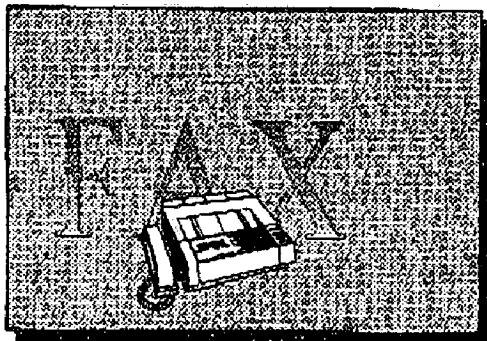
EXHIBIT A

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

| OWNER            | SACRAMENTO COUNTY<br>ASSESSOR'S PARCEL<br>NUMBER | SIGNATURE                                                                           |
|------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|
| KINGS ARCO ARENA | 22500700590000                                   |  |
| KINGS ARCO ARENA | 22500700600000                                   |  |
| KINGS ARCO ARENA | 22500700630000                                   |  |
| KINGS ARCO ARENA | 22500700670000                                   |  |

*Superpallet  
Recycling*DEPARTMENT OF  
PUBLIC WORKSCITY OF SACRAMENTO  
CALIFORNIATECHNICAL SERVICES DIVISION  
SPECIAL DISTRICTS1231 I STREET  
ROOM 300  
SACRAMENTO, CA  
95814-2979916-264-7113  
916-264-7480 (FAX)

## FAX COVER SHEET



|        |                              |
|--------|------------------------------|
| TO:    | Ken Holder/Gyan Kalwani      |
| DEPT:  | Super Pallet Recycling Corp. |
| PHONE: | Fax (916) 685-1221           |
| FROM:  | Edward Williams              |
| PHONE: | 264-5440                     |

Date: 6/5/98Number of Pages including Cover Sheet: 6

MESSAGE

Ken - Attached is a packet of material which was sent to Gyan two weeks ago and of which we discussed at our meeting with Tim Youmans. Please sign the two signatory pages and return to the address listed on the cover letter by noon on Monday, June 8, 1998. If you could give me a call (leave a message as I'll be out of the office today) as to whether or not the waiver will be signed I would very much appreciate it.

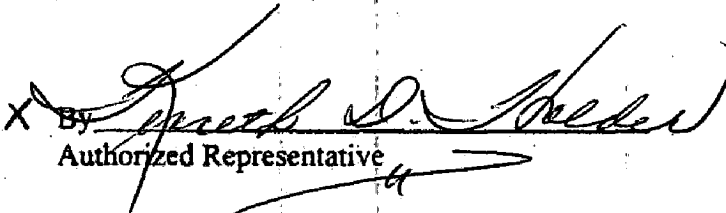
Thank You

*Ed*

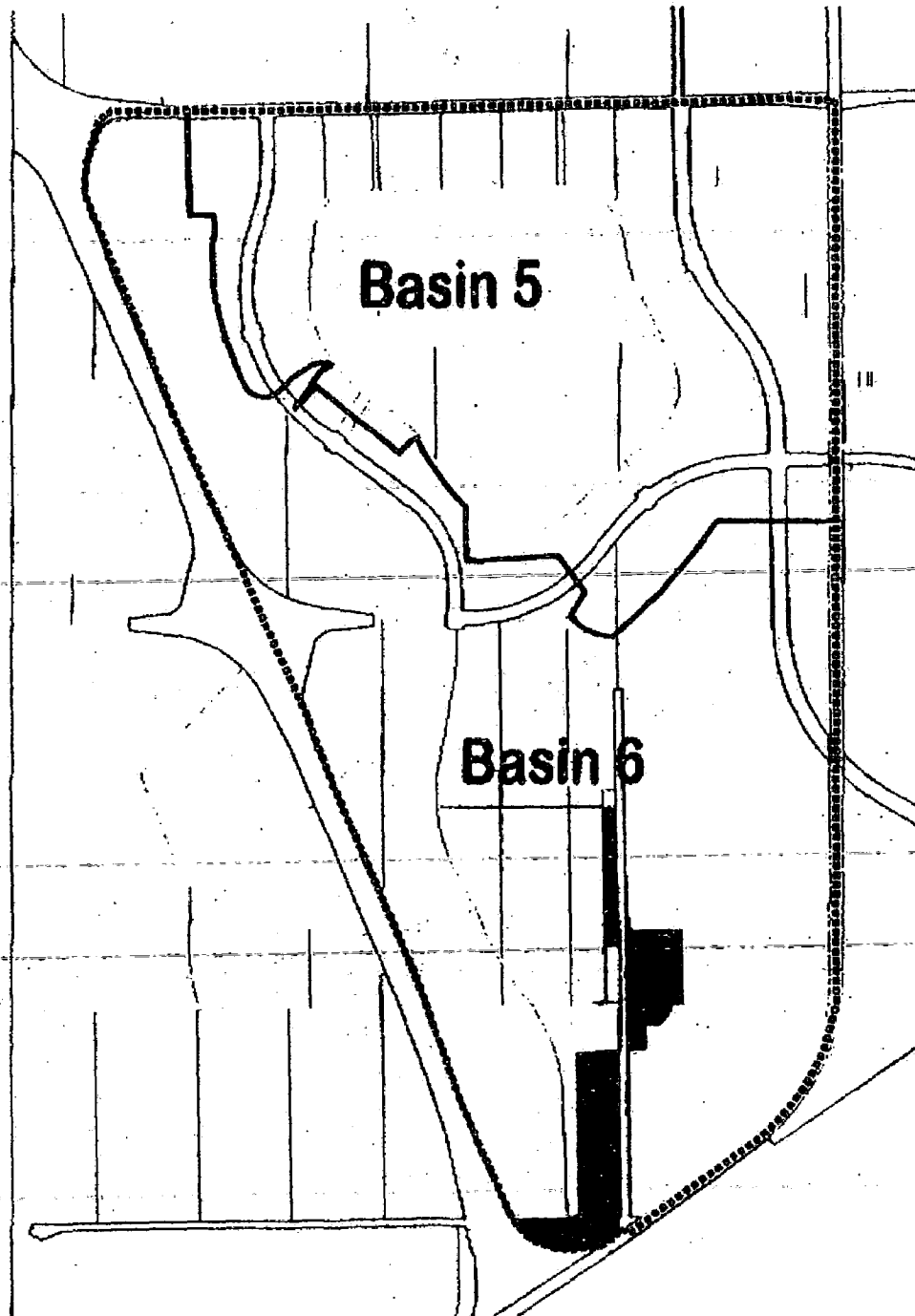
timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

The undersigned hereby further agrees to accept either mailed service or personal service of the ballot, and the undersigned hereby waives the requirements regarding identification envelopes for the return of mailed ballots pursuant to Section 53327.5 of the California Government Code, and the undersigned further waives any and all defects in notice or procedure in the conduct of such election, whether known or unknown (other than the right to have ballots accurately counted), and the undersigned hereby states that the election is being expedited pursuant to this waiver and consent, at the particular instance and request of the above-referenced owner.

Dated: JUNE 9, 1998

X By   
Authorized Representative

Amended Boundaries of  
**NORTH NATOMAS**  
**COMMUNITY FACILITIES DISTRICT NO. 2**  
 City of Sacramento, County of Sacramento  
 State of California  
 Page 1 of 1



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

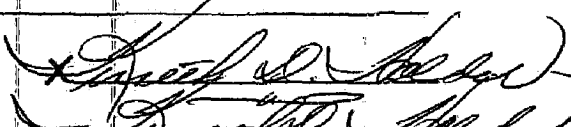
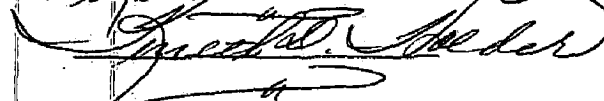
COUNTY RECORDER'S FILING STATEMENT  
 FILED THIS \_\_\_\_ DAY OF \_\_\_\_, 19\_\_, AT THE HOUR OF  
 \_\_\_\_ O'CLOCK \_\_\_\_, IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT  
 DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_  
 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF  
 SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE  
 COUNTY OF SACRAMENTO,  
 CALIFORNIA

EXHIBIT A

**Excluded from CFD**  
 THIS MAP CROSS-REFERENCES THE  
 MAP ENTITLED "PROPOSED  
 BOUNDARIES OF NORTH NATOMAS  
 COMMUNITY FACILITIES DISTRICT NO.  
 2, CITY OF SACRAMENTO, COUNTY  
 OF SACRAMENTO, STATE OF  
 CALIFORNIA," WHICH WAS RECORDED  
 29 APRIL 1998, IN THE OFFICE OF THE  
 COUNTY RECORDER, OF THE COUNTY  
 OF SACRAMENTO, STATE OF  
 CALIFORNIA IN BOOK 87 OF THE MAPS  
 OF ASSESSMENTS AND COMMUNITY  
 FACILITIES DISTRICTS AT PAGE 30.

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

| OWNER                     | SACRAMENTO COUNTY<br>ASSESSOR'S PARCEL<br>NUMBER | SIGNATURE                                                                          |
|---------------------------|--------------------------------------------------|------------------------------------------------------------------------------------|
| SUPER PALLET RECYCLING CO | 22501500150000                                   |  |
| SUPER PALLET RECYCLING CO | 22501500180000                                   |  |



DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES  
DIVISION

SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

1231 I ST. RM 300  
SACRAMENTO, CA  
95814

916-264-7113  
FAX 916-264-7480

*Bruce  
Kemp*

May 22, 1998

Dear North Natomas Landowner:

Re: **NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 (BASINS 5 & 6)**

Enclosed is Waiver and Consent form related to the special election process for the North Natomas Community Facilities District No. 2. Please read carefully and return the completed form no later than June 4, 1998 to the address listed below. Please note that signing the Waiver and Consent form has no affect on how you vote in the special election.

City of Sacramento  
Department of Public Works  
Attn: Ed Williams  
1231 "I" Street, Room 300  
Sacramento, CA 95814

If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*

Edward Williams  
Associate Engineer

Attachment

C:\DATA\DATA\WP6.1\LTRWSEAL.WPD

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION

The undersigned is the owner (or the authorized representative of the owner) of certain real property in the City of Sacramento that is designated on the current (Fiscal Year 1997-1998) assessment roll of the County of Sacramento as the Assessor's Parcel Number indicated next to the undersigned's signature hereto, which real property is located in the proposed City of Sacramento North Natomas Community Facilities District No. 2 (the "Community Facilities District"), as the boundaries of the Community Facilities District are set forth on the map entitled "Amended Boundaries of North Natomas Community Facilities District No. 2, City of Sacramento, County of Sacramento, State of California," designated Exhibit A, attached hereto and incorporated herein, and in such capacity the undersigned is legally entitled and authorized to cast the ballots for the above-referenced owner in the mailed-ballot election to be conducted within the Community Facilities District to determine, among other things, whether the land owned by the above-referenced owner shall be subject to the levy of a special tax by the Community Facilities District.

The undersigned hereby waives any and all minimum time requirements relative to such election pursuant to Section 53326(a) of the California Government Code, and the undersigned hereby waives the preparation and distribution of an impartial analysis of the ballot measure to be submitted at such election, as well as arguments and rebuttal arguments in favor of or against such ballot measure pursuant to Section 53327(b) of the California Government Code, and the undersigned hereby waives the requirement to publish a notice of such election pursuant to Section 53352 of the California Government Code, and the undersigned hereby waives the





DEPARTMENT OF  
PUBLIC WORKS

TECHNICAL SERVICES  
DIVISION

SPECIAL DISTRICTS

CITY OF SACRAMENTO  
CALIFORNIA

1231 I ST. RM 300  
SACRAMENTO, CA  
95814

916-264-7113  
FAX 916-264-7480

May 22, 1998

Dear North Natomas Landowner:

Re: **NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 (BASINS 5 & 6)**

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Department of Public Works  
Attn: Ed Williams  
1231 "I" Street, Room 300  
Sacramento, CA 95814

If you have any questions, please contact me at 264-5440.

Sincerely,

*Edward H. Williams*

Edward Williams  
Associate Engineer

Attachment

C:\DATA\DATA\WP6\1LTRWSEAL.WPD

WAIVER AND CONSENT OF LANDOWNERS  
IN THE PROPOSED CITY OF SACRAMENTO NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
SHORTENING TIME PERIODS AND WAIVING VARIOUS  
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timing requirements regarding the mailing of ballots to the qualified electors within the Community Facilities District pursuant to Section 4101 of the California Elections Code.

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Dated: JUNE 9, 1998

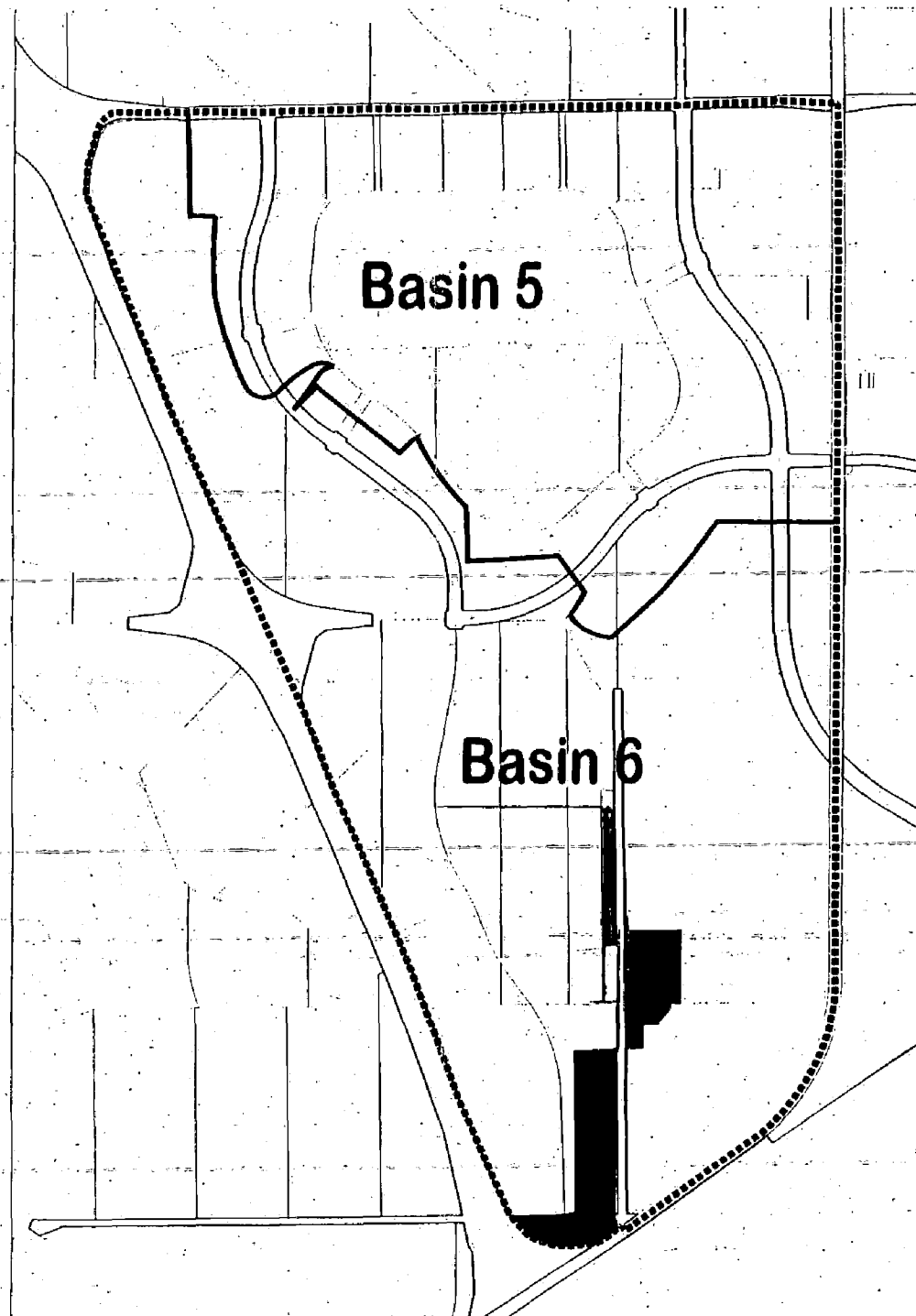
By   
Authorized Representative

Amended Boundaries of  
NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO. 2  
City of Sacramento, County of Sacramento  
State of California  
Page 1 of 1



 Excluded from CFD

THIS MAP CROSS-REFERENCES THE  
MAP ENTITLED "PROPOSED  
BOUNDARIES OF NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT NO.  
2, CITY OF SACRAMENTO, COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA," WHICH WAS RECORDED  
29 APRIL 1998, IN THE OFFICE OF THE  
COUNTY RECORDER, OF THE COUNTY  
OF SACRAMENTO, STATE OF  
CALIFORNIA IN BOOK 87 OF THE MAPS  
OF ASSESSMENTS AND COMMUNITY  
FACILITIES DISTRICTS AT PAGE 30.



**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  
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CITY COUNCIL OF THE CITY OF SACRAMENTO AT A MEETING  
THEREOF HELD ON THE \_\_\_ DAY OF \_\_\_, 19\_\_, BY ITS  
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CITY CLERK, CITY OF SACRAMENTO

**COUNTY RECORDER'S FILING STATEMENT**

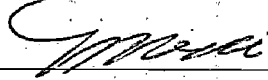
FILED THIS \_\_\_ DAY OF \_\_\_, 19\_\_ AT THE HOUR OF  
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IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF  
SACRAMENTO, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE  
COUNTY OF SACRAMENTO,  
CALIFORNIA

EXHIBIT A

CITY OF SACRAMENTO  
NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2

SACRAMENTO COUNTY  
ASSESSOR'S PARCEL

| OWNER                      | NUMBER         | SIGNATURE                                                                           |
|----------------------------|----------------|-------------------------------------------------------------------------------------|
| BUZZ OATES ENTERPRISES II. | 22500700770000 |  |
| BUZZ OATES ENTERPRISES II. | 22500700780000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700790000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700800000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700810000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700820000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700830000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700840000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700850000 |                                                                                     |
| BUZZ OATES ENTERPRISES II. | 22500700860000 |                                                                                     |

**CERTIFICATE RELATIVE TO VOTERS**

**NORTH NATOMAS COMMUNITY FACILITIES  
DISTRICT NO. 3, CITY OF SACRAMENTO,  
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

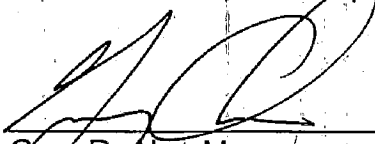
I, Gary R. Alm, hereby declare:

1. I am familiar with the boundary map of the proposed North Natomas Community Facilities District No. 3, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District").

2. I have prepared, from the official records of Sacramento County, a list of all property owners within the Community Facilities District, including the total number of acres owned within the Community Facilities District by each such property owner, a copy of which list is attached hereto as Exhibit A and incorporated herein and made a part hereof.

3. I have personally inspected the land in the Community Facilities District, and have noted the locations of all dwellings therein that might contain registered voters, and I have cross-checked such locations with the Sacramento County Registrar of Voters as well as inquired directly of such officer's records to determine the number of registered voters residing within the boundaries of the Community Facilities District, and based on the foregoing, I have determined that on April 28, 1998, there were no registered voters residing within the Community Facilities District.

I certify the foregoing to be true and correct as of April 28, 1998.

  
\_\_\_\_\_  
Gary R. Alm, Manager,  
Development Services, Dept. of  
Public Works, City of Sacramento

**EXHIBIT A****NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 3****CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,****STATE OF CALIFORNIA****LIST OF PROPERTY OWNERS**

| <b>Parcel Number</b> | <b>Name of Property Owner</b> | <b>No. of<br/>Acres</b> | <b>Total<br/>Votes</b> |
|----------------------|-------------------------------|-------------------------|------------------------|
| 20103000360000       | ADAMS FARMS                   | 22.400                  |                        |
| 20103000540000       | ADAMS FARMS                   | 40.920                  |                        |
| 20103000550000       | ADAMS FARMS                   | 10.550                  |                        |
| 20103000570000       | ADAMS FARMS                   | 77.060                  |                        |
| 20103100010000       | ADAMS FARMS                   | 48.720                  |                        |
| 20103100020000       | ADAMS FARMS                   | 48.800                  |                        |
| 20103100030000       | ADAMS FARMS                   | 48.690                  |                        |
| 20103100040000       | ADAMS FARMS                   | 22.950                  |                        |
| 20103100050000       | ADAMS FARMS                   | 24.350                  |                        |
| 20103100060000       | ADAMS FARMS                   | 48.690                  |                        |
| 20103100080000       | ADAMS FARMS                   | 48.690                  |                        |
| 20103100200000       | ADAMS FARMS                   | 13.300                  |                        |
| 20103100210000       | ADAMS FARMS                   | 48.200                  |                        |
| 22500300070000       | ADAMS FARMS                   | 47.720                  |                        |
| 22500300080000       | ADAMS FARMS                   | 52.000                  |                        |
| 22500400090000       | ADAMS FARMS                   | 31.100                  |                        |
| 22500400100000       | ADAMS FARMS                   | 36.790                  |                        |
| 22500400180000       | ADAMS FARMS                   | 28.570                  |                        |
| 22500400210000       | ADAMS FARMS                   | 56.960                  |                        |
| 22500400250000       | ADAMS FARMS                   | 112.090                 |                        |
| SUBTOTAL             |                               | 868.550                 | 869                    |
| 22500400060000       | ALLEGHANY PROPERTIES          | 65.310                  |                        |
| 22500400070000       | ALLEGHANY PROPERTIES          | 47.520                  |                        |
| 22500700430000       | ALLEGHANY PROPERTIES          | 41.360                  |                        |
| 22500700490000       | ALLEGHANY PROPERTIES          | 38.040                  |                        |
| 22500700740000       | ALLEGHANY PROPERTIES          | 5.360                   |                        |
| 22500700750000       | ALLEGHANY PROPERTIES          | 22.770                  |                        |
| 22501400160000       | ALLEGHANY PROPERTIES          | 16.340                  |                        |
| 22501400170000       | ALLEGHANY PROPERTIES          | 9.670                   |                        |
| 22501400190000       | ALLEGHANY PROPERTIES          | 42.230                  |                        |
| 22501400300000       | ALLEGHANY PROPERTIES          | 23.900                  |                        |
| 22501400310000       | ALLEGHANY PROPERTIES          | 8.100                   |                        |
| 22501500310000       | ALLEGHANY PROPERTIES          | 3.840                   |                        |
| 22501500330000       | ALLEGHANY PROPERTIES          | 1.500                   |                        |
| 22501500380000       | ALLEGHANY PROPERTIES          | 6.370                   |                        |
| 22501500430000       | ALLEGHANY PROPERTIES          | 1.180                   |                        |
| 22501500440000       | ALLEGHANY PROPERTIES          | 5.470                   |                        |
| 22501500450000       | ALLEGHANY PROPERTIES          | 7.700                   |                        |
| 22501500460000       | ALLEGHANY PROPERTIES          | 40.090                  |                        |

NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 3  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,  
STATE OF CALIFORNIA  
LIST OF PROPERTY OWNERS

| Parcel Number  | Name of Property Owner        | No. of Acres | Total Votes |
|----------------|-------------------------------|--------------|-------------|
| 22501500470000 | ALLEGHANY PROPERTIES          | 19.000       |             |
| 22501500480000 | ALLEGHANY PROPERTIES          | 110.700      |             |
| 22501500490000 | ALLEGHANY PROPERTIES          | 43.590       |             |
| 22501500500000 | ALLEGHANY PROPERTIES          | 15.250       |             |
| 22501800040000 | ALLEGHANY PROPERTIES          | 39.410       |             |
| 22501800050000 | ALLEGHANY PROPERTIES          | 40.600       |             |
| 22501800060000 | ALLEGHANY PROPERTIES          | 40.620       |             |
| 22501800360000 | ALLEGHANY PROPERTIES          | 41.400       |             |
| 22501800370000 | ALLEGHANY PROPERTIES          | 21.660       |             |
| 22501800380000 | ALLEGHANY PROPERTIES          | 47.470       |             |
| 22501800390000 | ALLEGHANY PROPERTIES          | 9.760        |             |
| 22503100130000 | ALLEGHANY PROPERTIES          | 8.620        |             |
| 22503100140000 | ALLEGHANY PROPERTIES          | 23.590       |             |
| SUBTOTAL       |                               | 848.420      | 849         |
| 20103100270000 | ALLISON SMITH AND             | 25.890       |             |
| SUBTOTAL       |                               | 25.890       | 26          |
| 22501500140000 | B & B & SONS ENTERPRISES INC. | 25.790       |             |
| 22501500250000 | B & B & SONS ENTERPRISES INC. | 18.260       |             |
| 22501500270000 | B & B & SONS ENTERPRISES INC. | 13.080       |             |
| 22501500280000 | B & B & SONS ENTERPRISES INC. | 20.190       |             |
| SUBTOTAL       |                               | 77.320       | 78          |
| 22501600640000 | BNN DEVELOPMENT INC.          | 19.450       |             |
| SUBTOTAL       |                               | 19.450       | 20          |
| 20103200230000 | BORDEN RANCH                  | 157.410      |             |
| SUBTOTAL       |                               | 157.410      | 158         |
| 22500700770000 | BUZZ OATES ENTERPRISES II.    | 6.182        |             |
| 22500700780000 | BUZZ OATES ENTERPRISES II.    | 6.623        |             |
| 22500700790000 | BUZZ OATES ENTERPRISES II.    | 8.010        |             |
| 22500700800000 | BUZZ OATES ENTERPRISES II.    | 7.389        |             |
| 22500700810000 | BUZZ OATES ENTERPRISES II.    | 9.324        |             |
| 22500700820000 | BUZZ OATES ENTERPRISES II.    | 8.961        |             |
| 22500700830000 | BUZZ OATES ENTERPRISES II.    | 8.449        |             |
| 22500700840000 | BUZZ OATES ENTERPRISES II.    | 8.587        |             |
| 22500700850000 | BUZZ OATES ENTERPRISES II.    | 10.033       |             |
| 22500700860000 | BUZZ OATES ENTERPRISES II.    | 8.463        |             |
| SUBTOTAL       |                               | 82.021       | 83          |



NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 3  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,  
STATE OF CALIFORNIA  
LIST OF PROPERTY OWNERS

| Parcel Number  | Name of Property Owner | No. of Acres | Total Votes |
|----------------|------------------------|--------------|-------------|
| 22500700760000 | CITY OF SACRAMENTO     | 100.411      |             |
|                | SUBTOTAL               | 100.411      | 101         |
| 22501600700000 | COCA COLA BOTTLING     | 21.971       |             |
| 22501600810000 | COCA COLA BOTTLING     | 25.120       |             |
|                | SUBTOTAL               | 47.091       | 48          |
| 22510400010000 | CREDIT SUISSE LEASING  | 11.000       |             |
|                | SUBTOTAL               | 11.000       | 12          |
| 22510400020000 | DONAHUE SCHRIBER       | 1.462        |             |
| 22510400030000 | DONAHUE SCHRIBER       | 2.526        |             |
| 22510400040000 | DONAHUE SCHRIBER       | 1.716        |             |
| 22510400060000 | DONAHUE SCHRIBER       | 0.482        |             |
| 22510400070000 | DONAHUE SCHRIBER       | 2.481        |             |
| 22510400080000 | DONAHUE SCHRIBER       | 1.984        |             |
| 22510400090000 | DONAHUE SCHRIBER       | 0.884        |             |
| 22510400120000 | DONAHUE SCHRIBER       | 0.619        |             |
| 22510400130000 | DONAHUE SCHRIBER       | 1.033        |             |
| 22510400140000 | DONAHUE SCHRIBER       | 0.522        |             |
| 22510400150000 | DONAHUE SCHRIBER       | 0.321        |             |
| 22510400160000 | DONAHUE SCHRIBER       | 8.000        |             |
| 22510400170000 | DONAHUE SCHRIBER       | 0.723        |             |
| 22510400180000 | DONAHUE SCHRIBER       | 1.720        |             |
| 22510400190000 | DONAHUE SCHRIBER       | 0.619        |             |
| 22510400200000 | DONAHUE SCHRIBER       | 1.033        |             |
|                | SUBTOTAL               | 26.125       | 27          |
| 22501700430000 | ELENI TSAKOPOULOS      | 2.792        |             |
|                | SUBTOTAL               | 2.792        | 3           |
| 22501400270000 | GATEWAY WEST, LLC      | 47.320       |             |
| 22501400280000 | GATEWAY WEST, LLC      | 158.760      |             |
| 22501400290000 | GATEWAY WEST, LLC      | 23.110       |             |
| 22503100150000 | GATEWAY WEST, LLC      | 79.240       |             |
| 22503100160000 | GATEWAY WEST, LLC      | 50.100       |             |
| 22503100170000 | GATEWAY WEST, LLC      | 10.360       |             |
|                | SUBTOTAL               | 368.890      | 369         |
| 22500600240000 | GOLDENLAND PARTNERSHIP | 66.700       |             |
|                | SUBTOTAL               | 66.700       | 67          |

**NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 3**  
**CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,**  
**STATE OF CALIFORNIA**  
**LIST OF PROPERTY OWNERS**

| Parcel Number  | Name of Property Owner | No. of Acres | Total Votes |
|----------------|------------------------|--------------|-------------|
| 22510400110000 | IN-N-OUT BURGER INC.   | 0.735        |             |
|                | SUBTOTAL               | 0.735        | 1           |
| 20103000380000 | JMA CORPORATION        | 21.250       |             |
| 20103000390000 | JMA CORPORATION        | 47.290       |             |
| 20103000400000 | JMA CORPORATION        | 18.960       |             |
| 20103000410000 | JMA CORPORATION        | 11.860       |             |
|                | SUBTOTAL               | 99.360       | 100         |
| 20103000160000 | KERN W. SCHUMACHER     | 59.550       |             |
| 20103000170000 | KERN W. SCHUMACHER     | 49.270       |             |
| 20103000180000 | KERN W. SCHUMACHER     | 48.680       |             |
| 20103000260000 | KERN W. SCHUMACHER     | 33.850       |             |
| 20103000270000 | KERN W. SCHUMACHER     | 33.770       |             |
| 20103000280000 | KERN W. SCHUMACHER     | 34.720       |             |
| 20103000290000 | KERN W. SCHUMACHER     | 27.000       |             |
| 20103000610000 | KERN W. SCHUMACHER     | 36.180       |             |
| 22500300260000 | KERN W. SCHUMACHER     | 44.920       |             |
| 22500300270000 | KERN W. SCHUMACHER     | 4.240        |             |
| 22500300280000 | KERN W. SCHUMACHER     | 47.020       |             |
| 22500300290000 | KERN W. SCHUMACHER     | 25.950       |             |
| 22500300300000 | KERN W. SCHUMACHER     | 23.840       |             |
| 22500400170000 | KERN W. SCHUMACHER     | 54.790       |             |
| 22500400290000 | KERN W. SCHUMACHER     | 29.260       |             |
|                | SUBTOTAL               | 553.040      | 554         |
| 22500400140000 | KETSCHER FAMILY TRUST  | 48.840       |             |
| 22500400150000 | KETSCHER FAMILY TRUST  | 47.780       |             |
| 22500400160000 | KETSCHER FAMILY TRUST  | 54.230       |             |
| 22500400340000 | KETSCHER FAMILY TRUST  | 81.380       |             |
| 22500400350000 | KETSCHER FAMILY TRUST  | 23.080       |             |
|                | SUBTOTAL               | 255.310      | 256         |
| 22500700590000 | KINGS ARCO ARENA       | 13.140       |             |
| 22500700600000 | KINGS ARCO ARENA       | 53.640       |             |
| 22500700630000 | KINGS ARCO ARENA       | 4.680        |             |
| 22500700670000 | KINGS ARCO ARENA       | 11.910       |             |
|                | SUBTOTAL               | 83.370       | 84          |
| 20103100260000 | LENNAR NATOMAS, LLC    | 59.770       |             |
| 22500400030000 | LENNAR NATOMAS, LLC    | 41.060       |             |
| 22500400040000 | LENNAR NATOMAS, LLC    | 41.400       |             |

NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 3  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,  
STATE OF CALIFORNIA  
LIST OF PROPERTY OWNERS

| Parcel Number  | Name of Property Owner    | No. of Acres | Total Votes |
|----------------|---------------------------|--------------|-------------|
| 22500400050000 | LENNAR NATOMAS, LLC       | 43.140       |             |
| 22500500170000 | LENNAR NATOMAS, LLC       | 111.380      |             |
| 22500500180000 | LENNAR NATOMAS, LLC       | 119.980      |             |
| 22500500190000 | LENNAR NATOMAS, LLC       | 121.070      |             |
| 22500600180000 | LENNAR NATOMAS, LLC       | 37.020       |             |
| 22500600190000 | LENNAR NATOMAS, LLC       | 39.490       |             |
| 22500600200000 | LENNAR NATOMAS, LLC       | 39.310       |             |
| SUBTOTAL       |                           | 653.620      | 654         |
| 20103100110000 | LEWIS HOMES OF CALIFORNIA | 39.620       |             |
| 20103100120000 | LEWIS HOMES OF CALIFORNIA | 36.950       |             |
| 20103100250000 | LEWIS HOMES OF CALIFORNIA | 31.380       |             |
| SUBTOTAL       |                           | 107.950      | 108         |
| 22500700280000 | MOORE FAMILY TRUST        | 3.550        |             |
| 22500800300000 | MOORE FAMILY TRUST        | 41.720       |             |
| 22500800310000 | MOORE FAMILY TRUST        | 42.970       |             |
| 22500800320000 | MOORE FAMILY TRUST        | 28.590       |             |
| SUBTOTAL       |                           | 116.830      | 117         |
| 20103100170000 | NORTHPOINT PARK, LLC      | 75.470       |             |
| 20103100180000 | NORTHPOINT PARK, LLC      | 75.300       |             |
| 20103200220000 | NORTHPOINT PARK, LLC      | 157.840      |             |
| SUBTOTAL       |                           | 308.610      | 309         |
| 22500300330000 | OSE PROPERTIES NO. 2      | 4.050        |             |
| 22500300360000 | OSE PROPERTIES NO. 2      | 42.970       |             |
| 22500300380000 | OSE PROPERTIES NO. 2      | 14.420       |             |
| SUBTOTAL       |                           | 61.440       | 62          |
| 22501600690000 | RALEY'S                   | 29.152       |             |
| SUBTOTAL       |                           | 29.152       | 30          |
| 22501600100000 | RUSSELL FONG              | 128.340      |             |
| SUBTOTAL       |                           | 128.340      | 129         |
| 22500700540000 | SACRAMENTO PROP. HOLDINGS | 43.210       |             |
| SUBTOTAL       |                           | 43.210       | 44          |
| 22501500320000 | SACRAMENTO SPORTS ASSOC.  | 3.850        |             |
| SUBTOTAL       |                           | 3.850        | 4           |
| 22500600250000 | SECURITY TRUST CO.        | 47.770       |             |

NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 3  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,  
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LIST OF PROPERTY OWNERS

| Parcel Number  | Name of Property Owner       | No. of Acres | Total Votes |
|----------------|------------------------------|--------------|-------------|
| 22500600260000 | SECURITY TRUST CO.           | 47.880       |             |
| 22500600270000 | SECURITY TRUST CO.           | 48.930       |             |
|                | SUBTOTAL                     | 144.580      | 145         |
| 22510400100000 | SHELL OIL CO.                | 1.033        |             |
|                | SUBTOTAL                     | 1.033        | 2           |
| 22501500300000 | STATE VENTURES INC.          | 9.720        |             |
| 22501500360000 | STATE VENTURES INC.          | 11.060       |             |
|                | SUBTOTAL                     | 20.780       | 21          |
| 22501500150000 | SUPER PALLET RECYCLING CORP  | 0.290        |             |
| 22501500180000 | SUPER PALLET RECYCLING CORP  | 12.440       |             |
|                | SUBTOTAL                     | 12.730       | 13          |
| 22500700570000 | THE CAMBAY GROUP, INC.       | 10.760       |             |
| 22500700640000 | THE CAMBAY GROUP, INC.       | 31.760       |             |
| 22500700700000 | THE CAMBAY GROUP, INC.       | 22.030       |             |
| 22500700730000 | THE CAMBAY GROUP, INC.       | 34.660       |             |
|                | SUBTOTAL                     | 99.210       | 100         |
| 22500800020000 | TSAKOPOULOS FAMILY TRUST     | 31.130       |             |
| 22500800030000 | TSAKOPOULOS FAMILY TRUST     | 56.410       |             |
| 22500800040000 | TSAKOPOULOS FAMILY TRUST     | 40.590       |             |
| 22500800050000 | TSAKOPOULOS FAMILY TRUST     | 31.310       |             |
| 22500800070000 | TSAKOPOULOS FAMILY TRUST     | 43.970       |             |
| 22500800080000 | TSAKOPOULOS FAMILY TRUST     | 44.160       |             |
| 22500800150000 | TSAKOPOULOS FAMILY TRUST     | 55.100       |             |
| 22500800160000 | TSAKOPOULOS FAMILY TRUST     | 51.450       |             |
| 22500800170000 | TSAKOPOULOS FAMILY TRUST     | 53.280       |             |
| 22500800180000 | TSAKOPOULOS FAMILY TRUST     | 43.740       |             |
|                | SUBTOTAL                     | 451.140      | 452         |
| 22510400050000 | WAL-MART REAL EST. BUS TRUST | 11.000       |             |
|                | SUBTOTAL                     | 11.000       | 12          |
| 22500300210000 | WINNCREST HOMES              | 60.300       |             |
| 22500300440000 | WINNCREST HOMES              | 107.560      |             |
| 22500300490000 | WINNCREST HOMES              | 48.760       |             |
| 22500300520000 | WINNCREST HOMES              | 14.360       |             |
|                | SUBTOTAL                     | 230.980      | 231         |

NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 3  
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO,  
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| Parcel Number  | Name of Property Owner   | No. of Acres | Total Votes |
|----------------|--------------------------|--------------|-------------|
| 22501900020000 | WITTER FAMILY PROPERTIES | 25.560       |             |
| 22501900030000 | WITTER FAMILY PROPERTIES | 48.850       |             |
| 22502200260000 | WITTER FAMILY PROPERTIES | 100.380      |             |
|                | SUBTOTAL                 | 174.790      | 175         |
|                | TOTALS:                  | 6,293.130    | 6,313       |