

CONCURRENT MEETING CITY COUNCIL/CRA/RCFC

Monday, October 19, 2009

4:00 p.m. – Study Session

5:00 p.m. – Closed Session

5:30 p.m. – Regular Meeting



Dan Skoglund, Mayor

Ken Cooley, Vice Mayor

Robert J. McGarvey, Council Member

David Sander, Council Member

Linda Budge, Council Member

Rancho Cordova City Council/CRA/RCFC – AGENDA
Special and Regular Meeting of October 19, 2009

2009

NOTE: PROPOSED REGULAR CITY COUNCIL MEETING DATES ARE SCHEDULED ON THE 1ST AND 3RD MONDAY'S OF EACH MONTH, UNLESS WHEN FALLING ON A HOLIDAY, THE MEETING WILL BE SCHEDULED ON THE FOLLOWING TUESDAY (THESE DATES ARE SHADDED GREY AND ARE SUBJECT TO CHANGE). REFER TO HOLIDAY SCHEDULES BELOW.

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NEW YEAR'S DAY (THURS. JAN 1)
MARTIN LUTHER KING JR. DAY (MON. JAN 19)
PRESIDENT'S DAY (MON. FEB 16)
MEMORIAL DAY (MON. MAY 25)

2009 PROPOSED HOLIDAY SCHEDULE - CITY HALL CLOSED (SHOWN ITALICIZED)
INDEPENDENCE DAY (FRI. JUL 3) (OBSERVED)
LABOR DAY (MON. SEP 7)
VETERAN'S DAY (WED. NOV 11)
THANKSGIVING DAY (THUR. NOV 26)

DAY AFTER THANKSGIVING (FRI. NOV 27)
CHRISTMAS EVE (THURS. DEC 24)
CHRISTMAS DAY (FRI. DEC 25)

2010

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NEW YEAR'S DAY (FRI. JAN 1)
MARTIN LUTHER KING JR. DAY (MON. JAN 18)
PRESIDENT'S DAY (MON. FEB 15)
MEMORIAL DAY (MON. MAY 31)

2010 PROPOSED HOLIDAY SCHEDULE - CITY HALL CLOSED (SHOWN ITALICIZED)
INDEPENDENCE DAY (SUN. JUL 4)
LABOR DAY (MON. SEP 6)
VETERAN'S DAY (THUR. NOV 11)
THANKSGIVING DAY (THUR. NOV 25)

DAY AFTER THANKSGIVING (FRI. NOV 26)
CHRISTMAS EVE (FRI. DEC 24)
CHRISTMAS DAY (SAT. DEC 25)

2011

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**CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Monday, October 19, 2009

**4:00 P.M. – Study Session
American River Community Room - North**

**5:00 P.M. – Closed Session
Community Board Room**

**5:30 P.M. – Regular Meeting
David B. Roberts Council Chambers**

AGENDA

A. STUDY SESSION – CALL TO ORDER / ROLL CALL

Council Members Budge, Sander, McGarvey, Cooley, and Mayor Skoglund

B. PUBLIC COMMENT

At a study session or special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any unagendized item.

C. STUDY SESSION ITEM

Subject: Folsom Boulevard Specific Plan Update

Recommendation: Council direct staff to process the draft amendments of the Folsom Boulevard Specific Plan to the Planning Commission for formal adoption.

Result of Recommended Action: The proposed amendments of the Folsom Boulevard Specific Plan will address concerns related to non-conforming uses and allow businesses to continue operating in existing commercial buildings within residentially focused areas along the corridor.

Staff Report: Jeffrey S. Beiswenger, Planning Department

Advances Goals: 5 and 8

D. ADJOURNMENT OF STUDY SESSION

Mayor Skoglund will adjourn the study session to closed session in the Community Board Room.

E. CLOSED SESSION

Council will meet in Closed Session to discuss the following items:

Conference with Legal Counsel – Anticipated Litigation Government Code 54956.9 (b) (one potential case).

F. ADJOURNMENT OF CLOSED SESSION

Mayor Skoglund will adjourn the closed session to regular meeting in the David B. Roberts Council Chambers.

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Council Members Budge, Sander, McGarvey, Cooley, and Mayor Skoglund

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk will announce the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

4. INVOCATION

Martin Mwangi, House of Glory Church, will give the invocation.

5. CLOSED SESSION REPORT

The City Attorney will report on action taken in Closed Session.

6. PRESENTATIONS

- 6.1 Presentation by Director of Policy and Planning Department Stan Dean from the Sacramento Regional Sanitation District Regarding Issues Facing the Delta.
- 6.2 Presentation of Certificates of Recognition to 35 Members of the All America City Delegation by Cordova Community Council Executive Director Shelly Blanchard.
- 6.3 Presentation of Proclamation to Scottie Moore, Founder and President of Save Our Cates and Kittens Sensibly (SOCKS) in Recognition of National Feral Cat Day on October 16, 2009.

7. PUBLIC COMMENT

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a (blue) Speaker Card to the City Clerk. **For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard.** Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

8. COUNCIL REPORTS

9. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

- 9.1 **Subject:** Regular Meeting Minutes of October 5, 2009
Recommendation: Adopt Minutes.
- 9.2 **Subject:** Resolution Creating Special Tax Area Zone 16 and Ordinance Establishing a Special Tax for Transit-Related Services for the 11301 Dismantle Court Project
Recommendation: Waive second reading and introduce Ordinance No. 19-2009.
Result of Recommended Action: Adoption of this ordinance will assist the City to meet the costs of providing transit-related services by creating a special tax area zone and establishing a special tax for transit-related services for the 11301 Dismantle Court Project.
Staff Report: Cyrus Abhar, Public Works Department
Advances Goals: 2 and 11
- 9.3 **Subject:** Resolution Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Related Documents with Respect to the Sale of the Seller's Proposition 1A Receivable from the State; and Directing and Authorizing Certain Other Actions in Connection Therewith
Recommendation: Adopt Resolution No. 100-2009.
Result of Recommended Action: Adoption of this resolution will allow the City to participate in the proposed Proposition 1A Securitization Program, offered through the California Statewide Communities Development Authority ("California Communities"). This program will offset the reduction in property taxes due to the emergency suspension of Proposition 1A by allowing cities and counties to borrow against the receivable, with all

costs borne by the State.

Staff Report: Donna Silva, Finance Department

Advances Goals: 11

- 9.4 **Subject:** Ordinance Amending Section 4.22.155(a) of the Rancho Cordova Municipal Code to Increase the Number of Card Tables that a licensed Cardroom May Operate or Maintain Within the City from Nine to Thirteen

Recommendation: Waive first reading and introduce Ordinance No. 21-2009 (**Roll Call Vote**)

Result of Recommended Action: Adoption of this Ordinance will amend Section 4.22.115(a) of the Rancho Cordova Municipal Code. The ordinance will increase the number of card tables that a licensed Cardroom may operate or maintain within the City from nine (9) card tables to a maximum of thirteen (13) card tables. If table demands meet the operators projections, the increase will generate at least twelve thousand dollars (\$12,000) in additional revenue for the City annually.

Staff Report: Ted Gaebler, City Manager's Office and Adam U. Lindgren, City Attorney's Office

Advances Goals: 11

- 9.5 **Subject:** Approval of Agreement to Process an Amendment to Allow Removal of Approximately 30 Acres of Land from the Villages of Zinfandel Development Agreement

Recommendation: Staff recommends Council authorize the City Manager to enter into a Agreement to process an amendment to allow removal of approximately 30 Acres from the Villages of Zinfandel Development Agreement.

Result of Recommended Action: Approval of this Agreement will direct staff to process an amendment to the Villages of Zinfandel Development Agreement. This action will support the potential future use of the site for an Army National Guard headquarters facility.

Staff Report: Adam U. Lindgren, City Attorney's Office

Advances Goals: 1, 2, and 13

10. CONSENT PUBLIC HEARING ITEMS

NONE

11. PUBLIC HEARING ITEMS

- 11.1 **Subject:** Consideration of the Planning Commission Design Review Approval of the Capital Village Fusion Townhomes, Project No. DD6590 – **CONTINUED FROM OCTOBER 5th**

Recommendation: Affirm the Planning Commission action to amend the Conditions of Approval related to the "Fusion" Design Review allowing the construction of eighteen townhome units in the Capital Village project, subject to findings, evidence, and Conditions of Approval.

Result of Recommended Action: Adoption of this resolution will allow the applicants proposal of a modification to the previously approved Fusion Townhome designs within the Capital Village residential project. This amendment would allow the construction of three townhome buildings on eighteen parcels (lots 360-365; lots 366-371; and lots 372-377) located along Atherstone Drive north of Village Green Park in Capital Village.

Staff Report: Jeffrey S. Beiswenger, Planning Department

Advances Goals: 1, 5, 7, and 8

- 11.2 **Subject:** Urgency Ordinance Extending a Temporary Moratorium on the Establishment, Expansion, or Relocation of Resale Shops Pending the Review and Possible Amendment of Zoning Regulations Applicable to Such Businesses, to Become Effective Immediately, and Discussion of Possible Amendments to Zoning Code Regulations Related to Resale Shops

Recommendation: Waive reading and adopt Urgency Ordinance No. 22-2009 (Roll Call Vote)

Result of Recommended Action: Adoption of this Urgency Ordinance will extend a temporary moratorium prohibiting, for a period of six months, the establishment, expansion, or relocation of resale shops in Rancho Cordova. This extension is the maximum amount of time that staff anticipates that the City will need to analyze, consider, and adopt updated zoning regulations to best address new imminent threats to public safety, health, and welfare resulting from the location of resale shops.

Staff Report: Adam U. Lindgren, City Attorney's Office

Advances Goals: 1, 2, and 13

12. REGULAR CALENDAR ITEMS

- 12.1 **Subject:** Preliminary 2008-09 Fiscal Year Financial Report and 2009-10 Fiscal Status Update

Recommendation: Receive and file report.

Result of Recommended Action: Report will be received and filed.

Staff Report: Donna Silva, Finance Department

Advances Goal: 11

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

14. CITY MANAGER'S REPORT

15. ADJOURNMENT OF REGULAR MEETING

ADDITIONAL INFORMATION

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11 P.M. WILL BE CONTINUED TO THE NEXT DAY AT 5:30 P.M. OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranhocordova.org on Thursdays prior to the Regular City Council Meeting.

CITYWIDE GOALS - (Adopted March 20, 2006)	
13.	Continue To Provide Regional Leadership
12.	Establish Logical (City) Boundaries
11.	Practice Sound Fiscal Management
10.	Foster Responsible Citizenship
9.	Drive Diverse Economic Opportunities
8.	Sustain a Livable Community
7.	Improve the Quality of Housing In Rancho Cordova
6.	Ensure a Safe Community
5.	Establish a Vibrant Downtown
4.	Ensure the Availability of the Best Public Services in the Region
3.	Champion Employee Development & High Performance Work Environment
2.	Improve Transportation & Connectivity
1.	Foster a Positive Image of Rancho Cordova

UPCOMING MEETINGS	
<i>Tuesday, October 27, 2009</i>	<i>5:30 p.m. Work Session on Rio del Oro Project Overview and Discussions of Limited Entitlement</i>
<i>Monday, November 2, 2009</i>	<i>4:00 p.m. Study Session on TBD 5:30 p.m. Regular Meeting</i>
Wednesday, November 11, 2009	VETERAN'S DAY HOLIDAY – CITY HALL CLOSED
<i>Monday, November 16, 2009</i>	<i>5:30 p.m. Regular Meeting</i>
<i>Tuesday, November 17, 2009</i>	<i>5:30 p.m. Special Meeting – CLOSED SESSION - Annual Review and Development for City Manager and Departments</i>
Wednesday, November 25, 2009	FURLOUGH DAY – CITY HALL CLOSED
Thursday & Friday, November 26 and 27, 2009	THANKSGIVING DAY HOLIDAY – CITY HALL CLOSED

<i>Monday, December 7, 2009</i>	<i>4:00 p.m. Study Session on TBD</i> <i>5:30 p.m. Regular Meeting</i>
<i>Monday, December 21, 2009</i>	<i>5:30 p.m. Regular Meeting</i>
<i>Wednesday, December 23, 2009</i>	<i>FURLOUGH DAY – CITY HALL CLOSED</i>
<i>Thursday and Friday, December 24 & 25, 2009</i>	<i>CHRISTMAS HOLIDAY – CITY HALL CLOSED</i>
<i>Thursday, December 31, 2009</i>	<i>FURLOUGH DAY – CITY HALL CLOSED</i>

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building Department	(916) 851-8760
City Attorney's Office	(916) 556-1531
City Clerk's Department	(916) 851-8720
City Manager's Office	(916) 851-8800
Communications Department	(916) 851-8791
Economic Development Department	(916) 851-8780
Finance Department	(916) 851-8730
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Parks District)	(916) 362-9602
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9673
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 566-4000

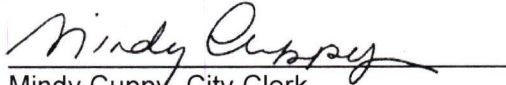
The Rancho Cordova City Council/CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via Granicus Video Streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the October 19, 2009 Special and Regular Meeting of the Rancho Cordova City Council/CRA/RCFC was posted and available for review on October 15, 2009 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city web site at www.cityofranhocordova.org.

Signed this 15th day of October 2009 at Rancho Cordova, California.


Mindy Cuppy, City Clerk

MEMORANDUM



DATE: October 19, 2009

TO: Honorable Mayor and Council Members

FROM: Jeffrey S. Beiswenger, AICP, Senior Planner

SUBJECT: FOLSOM BOULEVARD SPECIFIC PLAN, UPDATES TO LAND DEVELOPMENT REGULATIONS

RECOMMENDATION

Staff is recommending the City Council direct staff to process the draft amendments of the Folsom Boulevard Specific Plan to the Planning Commission for formal adoption.

RESULT OF RECOMMENDED ACTION

The proposed amendments of the Folsom Boulevard Specific Plan (FBSP) will address concerns related to continuation of existing businesses within residentially focused areas along Folsom Boulevard by revising the land use regulations to permit commercial uses to continue within existing structures.

BACKGROUND

Planning Department Staff is developing updates to the Folsom Boulevard Specific Plan. Some preliminary ideas were discussed at the August 25, 2009 Joint Work Session with the City Council and Planning Commission. It was requested that staff develop these concepts in more detail in response to input received.

The need for the City to update the FBSP is a response to concerns from Rancho Cordova business and property owners along Folsom Boulevard. The proposed updates are intended to help protect and expand opportunities within existing residential zoning districts along the Boulevard. Many of these residential zoning districts had commercial designations under the Sacramento County zoning code and contain some commercial structures with long established businesses.

As changes are made to the FBSP, it is important to remember that Folsom Boulevard is an important urban corridor and is considered to be the "heart" of Rancho Cordova. The long-term vision of the corridor as a vibrant, mixed use neighborhood environment should be kept in mind while concerns of existing business and property owners are addressed. Continued commercial activity is critical to the current financial viability of many property owners as well as the ultimate success of revitalization efforts.

AGENDA ITEM C

PROPOSED CHANGES TO LAND DEVELOPMENT REGULATIONS

Changes are proposed to the Folsom Boulevard Specific Plan (FBSP) document that will eliminate many of the non-conforming designations created by zoning of existing commercial properties to residential (Residential Mixed Use - RMU and Medium Density Residential - MDR) designations. The amendments proposed to the FBSP will validate existing commercial uses, but will still require new commercial development to be focused in commercial "Pulse Point." Non-pulse point and residential pulse point locations will ultimately convert to mostly residential use, but it is expected that some neighborhood serving businesses would remain – preferably as part of mixed-use projects and neighborhoods.

The FBSP update strategy involves eliminating the Residential Mixed Use (RMU) and Medium Density Residential (MDR) zoning districts in the FBSP and establishing a new Urban Reserve district that is calibrated to permit a certain amount of commercial development by right. To implement this strategy, the following specific changes are recommended:

- Replace Medium Density Residential (MDR) and Residential Mixed Use (RMU) districts with new Urban Reserve Zoning District (UR). This new zoning designation would allow a full range of commercial uses within existing commercial buildings. However, new building construction would be required to comply with the residentially focused development standards currently described under the RMU and MDR districts. This approach serves three purposes:
 1. Recognizes existing commercial buildings as allowed commercial uses;
 2. Eliminates the "non-conforming" status of existing commercial uses and buildings – a major concern of some property owners; and
 3. Requires that new construction be consistent with the FBSP vision – this will lead to new residential construction as new development occurs.
- Add a definition of "Commercial Structure" to allow commercial uses to continue on active commercial properties, but require that long-time vacant buildings are demolished and replaced with residential development.
- Define "Vacant Building" to require that buildings that are vacant and without an active lease for longer than three years are replaced with residential development.
- Provides a three year period for a building owner to find a new tenant. A property owner would not be penalized for a vacant building with an active lease.
- A hearing process will be put in place to allow building owners to appeal a "Vacant Building" determination. This will ensure that the property owner has an opportunity to demonstrate that the property has an active lease, or will be occupied within a reasonable time period and should not be classified as "vacant."

- Create a new Table of Permitted Uses that would only apply to existing commercial buildings along the corridor and allow a full range of commercial uses.
- Add Special Regulated Uses (e.g. massage parlors, adult businesses) to the use tables so that these uses can be more easily prohibited or restricted.

NEXT STEPS

Based on Council discussion and direction, staff will prepare detailed updates to the Folsom Boulevard Specific Plan for consideration and recommendation at a public hearing of the Planning Commission, and consideration and adoption at a public hearing of the City Council.



**CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Monday, October 5, 2009

**5:30 P.M. – Regular Meeting
David B. Roberts Council Chambers**

MINUTES

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Mayor Skoglund called the regular meeting to order in the Council Chambers at 5:44 p.m.

Council Members Present: Budge, McGarvey, Cooley, and Mayor Skoglund

Council Members Absent: Sander (arrived at 6:34 p.m.)

Staff Present: Gaebler, Lindgren, Chinn, Cuppy, Lehr, Oliver, Silva, Blair, Abhar, Junker, Pearl, Flory, Samuelson, Snipes, Garcia, Bontrager, Snyder, Chavez, Beiswenger, Hatch, Trimberger, and Richeal

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk announced the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor called on Matt Cummings to lead the Pledge.

4. INVOCATION

Katie Nielsen, First Covenant Church gave the invocation.

5. PRESENTATIONS

- 5.1 Council Member Budge, Public Works Director Cyrus Abhar, and Streets Operations and Maintenance Manager John Samuelson gave a presentation of Certificates of Appreciation to Neighborhood Traffic Safety Committee (NTSC) Members Russell Blair, Mickey Boughton, Matt Cummings, Dennis Dunn, and Gerry Lane.

AT THIS POINT: Mayor Skoglund delayed Agenda Item 5.2 to come later on the agenda.

AGENDA ITEM 9.1

6. PUBLIC COMMENT

The following individuals addressed the Council:

- Sam Donovan on Assembly Member Huber's Mobile District Office and first Woman's Health Fair.

7. COUNCIL REPORTS

Council reported on events since the last meeting.

8. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

ACTION: Motion by Budge second by McGarvey and carried by a 4:0 roll call vote (Sander absent) Council approved Consent Calendar with exception to Agenda Item 8.3 which was pulled for further discussion.

8.1 **Subject:** Adoption of Minutes:

- a) Special and Regular Meeting of September 21, 2009
- b) Special Meeting of September 29, 2009

Recommendation: Adopt Minutes.

8.2 **Subject:** Ordinance Amending City of Rancho Cordova Special Police Tax

Recommendation: Waive second reading and adopt Ordinance No. 15-2009. **(Roll Call Vote)**

Result of Recommended Action: Adoption of this ordinance will result in a decrease in non-residential tax rates from 25 cents for each square foot of gross parcel area in zones, 2A, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 and 38. Other minor clarifications are also included.

Staff Report: Donna Silva, Finance Department and Adam U. Lindgren, City Attorney's Office

8.4 **Subject:** Resolution Creating Special Tax Area Zone 16 and Ordinance Establishing a Special Tax for Transit-Related Services for the 11301 Dismantle Court Project

Recommendation: That Council:

- a) Adopt Resolution No. 90-2009; and
- b) Waive first reading and introduce Ordinance No. 19-2009.

Result of Recommended Action: Adoption of this resolution and ordinance will assist the City to meet the costs of providing transit-related services by creating a special tax area zone and establishing a special tax for transit-related services for the 11301 Dismantle Court Project.

Staff Report: Cyrus Abhar, Public Works Department

8.5 **Subject:** Resolution of the City Council Adopting an Neighborhood Stabilization Program (NSP) Income Reuse Plan

Recommendation: Adopt Resolution No. 96-2009.

Result of Recommended Action: Adoption of this resolution will approve the NSP Income Reuse Plan and make the City eligible to enter into an agreement with the State for disbursing NSP funds.

Staff Report: Reed Flory, Economic Development Department, Housing Administration Division

GROWING STRONG NEIGHBORHOODS

- 8.6 **Subject:** Resolutions Approving Agreement Between the City of Rancho Cordova and the County of Sacramento Regarding Revenue Sharing Upon Annexation of Sunrise-Folsom Area to City of Rancho Cordova and Tax Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova, Relating to the Rancho Cordova Sphere of Influence

Recommendation: That Council:

- a) Adopt Resolution No. 92-2009 Approving an Agreement with the County of Sacramento Regarding Revenue Sharing; and
- b) Adopt Resolution No. 93-2009 Approving Tax Exchange Agreement with the County of Sacramento for the Rancho Cordova Sphere of Influence

Result of Recommended Action: Approval of the two agreements will complete the property tax negotiation process required by law as a result of the City's application to the Sacramento Local Agency Formation Commission (LAFCO) to annex its sphere of influence, resolve the lawsuit the City filed against the County regarding the property tax negotiations, and allow the LAFCO Executive Director to set the annexation application for hearing before LAFCO.

Staff Report: Joe Chinn, City Manager's Office and Adam U. Lindgren, City Attorney's Office

The following item was pulled for further discussion:

- 8.3 **Subject:** Resolution Creating Special Tax Area Zone 8 and Ordinance Establishing a Special Tax for Transit-Related Services for the Fite Corporate Center Buildings

Recommendation: That Council:

- c) Adopt Resolution No. 88-2009; and
- d) Waive first reading and introduce Ordinance No. 18-2009.

Result of Recommended Action: Adoption of this resolution and ordinance will assist the City to meet the costs of providing transit-related services by creating a special tax area zone and establishing a special tax for transit-related services for the Fite Corporate Center Buildings.

Staff Report: Cyrus Abhar, Public Works Department

ACTION: Motion by Budge second by McGarvey and carried by a 4:0 vote (Sander absent)
Council tabled Agenda Item 8.3.

9. CONSENT PUBLIC HEARING ITEMS

NONE

10. PUBLIC HEARING ITEMS

- 10.1 **Subject:** Resolution Approving the Adoption of a Substantial Amendment to the 2008-2009 Community Development Block Grant (CDBG) Action Plan

Recommendation: Adopt Resolution No. 97-2009.

Result of Recommended Action: Adoption of this resolution will authorize the City Manager to submit an amendment to the 2008-2009 CDBG Action Plan to the U.S. Department of Housing and Urban Development (HUD).

Staff Report: Reed Flory, Economic Development Department, Housing Administration Division

GROWING STRONG NEIGHBORHOODS

Mayor Skoglund opened the public comment period. There were no speakers. Mayor Skoglund closed the public comment period.

ACTION: Motion by Budge second by Cooley and carried by a 4:0 vote (Sander absent); Council adopted Resolution No. 97-2009.

AT THIS POINT: Council Member Sander joined the meeting at 6:34 p.m.

AT THIS POINT: Mayor Skoglund re-ordered the agenda to bring Agenda Item 5.2 next.

5. PRESENTATIONS CONTINUED

5.2 Presentation of Proclamation to Hometown Hero Zack Hatch and Report on Experience of Flying in a Thunderbird Jet Plane at the California Capital Airshow.

AT THIS POINT: Mayor Skoglund re-ordered the agenda to bring Agenda Item 11.1 next.

11. REGULAR CALENDAR ITEMS

11.1 **Subject:** Resolutions Authorizing the City Manager to Execute Construction Contract No. 117-2009 with DeSilva Gates Construction to Provide the Construction of the International Drive Extension Project in the Amount of \$7,684,408; Execute Contract No. 114-2009 with Quincy Engineering, Inc. to Provide Construction Management in the Amount of \$1,027,500; and Execute Fourth Contract Amendment No. 87-2009 with Wood Rodgers, Inc. to Provide Construction Engineering and Surveying Services in the Amount of \$155,500 for the International Drive Extension Project

Recommendation: That Council:

- a) Adopt Resolution No. 94-2009 Authorizing the City Manager to Execute Construction Contract No. 117-2009 with DeSilva Gates Construction; and
- b) Adopt Resolution No. 95-2009 Authorizing the City Manager to Execute Contract No. 114-2009 with Quincy Engineering, Inc.; and
- c) Adopt Resolution No. 82-2009 Authorizing the City Manager to Execute Fourth Contract Amendment No. 87-2009 with Wood Rodgers, Inc.

Result of Recommended Action: The work performed under the construction and professional services contracts includes the furnishing of all labor, materials, equipment, and all construction management services for construction of the extension of International Drive as a six-lane roadway from Kilgore Road to Sunrise Boulevard. Included in the project will be the widening of Sunrise Boulevard to allow a six-lane configuration, two new signalized intersections at the Monier Circle/Sunrise Boulevard/International Drive, and at Kilgore Road/International Drive. Construction of a new bridge over the Folsom South Canal along with the construction of raised concrete medians, retaining walls, bike paths and sound walls.

Staff Report: Cyrus Abhar, Public Works Department

GROWING STRONG NEIGHBORHOODS

Mayor Skoglund opened the public comment period. There were no speakers. Mayor Skoglund closed the public comment period.

ACTION: Motion by Budge second by Cooley and carried by a 5:0 vote, Council adopted Resolution No. 82-2009, Resolution No. 94-2009, and Resolution No. 95-2009.

10. PUBLIC HEARING ITEM CONTINUED

AT THIS POINT Mayor Skoglund and Council Member Budge recused themselves and left the Council Chambers. Vice Mayor Cooley took over the agenda.

10.2 **Subject:** Resolution to Reconsider Planning Commission Decision Amending the Conditions of Approval Related to the "Fusion" Design Review Amendment (Project No. DD6590) Located Along Atherstone Drive in Capital Village

Recommendation: That Council:

- a) Find that the Mitigated Negative Declaration (MND) previously prepared for the Capital Village project adequately addresses environmental impacts consistent with the California Environmental Quality Act (CEQA); and
- b) Adopt Resolution No. 99-2009.

Result of Recommended Action: Adoption of this resolution will allow Council to review the Planning Commission decision approving the Capital Village Fusion Townhome Design Review Amendment. The applicant is proposing to modify the previously approved designs ultimately modifying the Conditions of Approval established by a prior Design Review entitlement to allow building permits to be obtained for construction of three townhome buildings on eighteen parcels (lots 360-365; lots 366-371; and lots 372-377) north of Village Green Park in Capital Village.

Staff Report: Jeffrey S. Beiswenger, Planning Department

Vice Mayor Cooley opened the public comment period. There following individuals addressed the Council:

- Michelle Kersten in opposition to the design changes
- Joel Ryan in opposition to the item
- Anastacia Shaver in opposition to the item
- Tiffani Efhan in opposition to the item

Vice Mayor Cooley closed the public comment period.

ACTION: Motion by McGarvey second by Sander and carried by a 3:0 vote (Skoglund and Budge Recused); Council continued Agenda Item 10.2 to October 19th.

AT THIS POINT: Mayor Skoglund and Council Member Budge returned to the Council Chambers. Vice Mayor Cooley gave the agenda back to Mayor Skoglund.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

NONE

13. CITY MANAGER'S REPORT

City Manager Ted Gaebler reported on the following:

- First Thursday dinner
- Announced sixth year as City Manager

14. REQUEST FOR URGENCY ITEM

Subject: Appointment of Real Property Negotiators and Closed Session

Recommendation: City Attorney Adam Lindgren requested that the City Council make the finding that the need for immediate action came to the attention of the City after the posting of the agenda.

ACTION: Motion by Cooley second by Budge and carried by a 5:0 vote; Council made the finding that the need for immediate action came to the attention of the City after the posting of the agenda.

15. ADDED URGENCY ITEM (OPEN SESSION)

Appointment of Real Property Negotiators – appointment of Ted Gaebler, Joe Chinn, Cyrus Abhar, and Tom Trimberger as the City's real property negotiators and authorizing the City's real property negotiators to negotiate price and terms of payment with RFS Electronics with respect to real property located at 2880 Gold Tailings Court, Rancho Cordova, CA.

ACTION: Motion by Cooley second by Budge, Council determined to appoint Ted Gaebler, Joe Chinn, Cyrus Abhar, and Tom Trimberger as the City's real property negotiators and authorize them to negotiate price and terms of payment with RFS Electronics.

16. ADJOURNMENT

Mayor Skoglund adjourned the regular meeting to closed session in the Community Board Room at 9:08 p.m.

17. ADDED URGENCY ITEM (CLOSED SESSION ITEM)

Council will met in Closed Session to discuss the following item:

Conference with Legal Counsel – Anticipated Litigation Government Code 54956.9 (b) (one potential case)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Pursuant to Government Code Section 54956.8) - Property: 2880 Gold Tailings Court, Rancho Cordova, CA APN: Agency negotiators: Ted Gaebler, Joe Chinn, Cyrus Abhar, and Tom Trimberger
Negotiating parties: RFS Electronics
Under negotiation: Price and terms of payment.

Mayor Skoglund called the closed session to order in the Community Board Room at 9:16 p.m.

Council Members Present: Budge, McGarvey, Sander, Cooley, and Mayor Skoglund

Staff Present: Lindgren, Gaebler, Chinn, Trimberger, and Silva

18. CLOSED SESSION REPORT

City Attorney Adam Lindgren reported that there was no reportable action.

19. ADJOURNMENT

Mayor Skoglund adjourned the closed session at 9:46 p.m.

Mindy Cuppy, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 19-2009

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
ESTABLISHING A SPECIAL TAX FOR TRANSIT-RELATED SERVICES FOR THE 11301
DISMANTLE COURT PROJECT SUBJECT TO VOTER CONFIRMATION**

**THE CITY COUNCIL OF THE CITY OF THE RANCHO CORDOVA DOES ORDAIN AS
FOLLOWS:**

Section 1. Purpose, Intent and Authority.

It is of critical importance to the City Council of the City of Rancho Cordova that residents of and employees working in the City receive high quality transit-related services. In carefully reviewing the City's budget and revenue projections, it has become clear to City staff that the City budget does not contain adequate funding to ensure the continued delivery of adequate high quality transit-related services unless additional revenues are obtained.

It is the purpose and intent of this Ordinance to generate additional funds to pay for transit-related services by authorizing the levy of a tax on improved parcels of real property on the secured property tax roll of Sacramento County that are within Zone 16 of the Rancho Cordova Transit-Related Services Special Tax Area (the "Zone").

This tax is a special tax within the meaning of Section 4 of the Article XIII A of the California Constitution. Because the burden of this tax falls upon property, this tax also is a property tax, but this tax is not determined according to nor in any manner based upon the value of property; this tax is levied on a parcel and use of property basis. Insofar as not inconsistent with this Ordinance or with legislation authorizing special taxes and insofar as applicable to a property tax that is not based on value, such provisions of the California Revenue and Taxation Code and of Article XIII of the California Constitution as relate to ad valorem property taxes are intended to apply to the collection and administration of this tax (Section 4 of this Ordinance), as authorized by law. This tax is not an ad valorem property tax; it is an excise tax on the use of property. Because the revenue from the tax may be used only to fund transit-related services, it is also a special tax.

The revenues raised by this tax are to be used solely for the purpose of providing transit-related services as are deemed necessary by the City Council for the benefit of the residents and/or employees of Zone 16.

At the time that the Council adopted this Ordinance, there were zero (0) registered voters residing in Zone 16 and one property owner. Because the Transit-Related Services Special Tax will be imposed on property in Zone 16 and paid by the owners of the property, the Council finds that restricting the vote on the Transit-related Services Special Tax to property owners in Zone 16 is appropriate and consistent with the principles and requirements of California Constitution article XIII C (Proposition 218).

Section 2. Definitions.

The following definitions shall apply throughout this Ordinance.

A. "Constant first year dollars" shall mean an actual dollar amount which, in years subsequent to the first fiscal year the tax is levied, shall have the same purchasing price as the base amount in first fiscal year dollars as measured by the Consumer Price Index. The base amount shall be the amount of tax per parcel as specified in Section 3(A) herein. The adjustments from actual to constant dollars shall be made by use of the Consumer Price Index, as specified in Section 3(B) herein.

B. "Consumer Price Index" means the Consumer Price Index for all Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose Area as published by the U.S. Department of Labor, Bureau of Labor Statistics. If the Consumer Price Index is discontinued or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

C. "Fiscal year" means the period of July 1 through the following June 30.

D. "Parcel" means the land and any improvements thereon, designated by an assessor's parcel map and parcel number and carried on the secured property tax roll of Sacramento County. For the purposes of this Ordinance, parcel does not include any land or improvements outside the boundaries of Zone 16 nor any land or improvements owned by any governmental entity.

E. "Rancho Cordova Transit-Related Services Special Tax Area" means all the properties within the jurisdictional limits of the City of Rancho Cordova.

F. "Rancho Cordova Transit-Related Services Special Tax Area Zone 16" (the "Zone") means that portion of the incorporated area of the City of Rancho Cordova located within the boundaries described in **Exhibit A** hereto and as shown on the map **Exhibit B** hereto.

G. "Transit-Related Services" means providing, operating, maintaining and subsidizing transit services and all supporting facilities, infrastructure, programs and incentives that benefit the residents of the Rancho Cordova Transit-Related Services Special Tax Area, and shall be calculated and set according to the methodology described in Engineer's Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, September 7, 2004, which established the methodology for the original service charge for Benefit Zone No. 2.

H. "Voter" means a person who owns real property within Zone 16, as shown on the last equalized assessment role prepared by the Sacramento County Assessor's Office, at the time that the City Council adopts an ordinance authorizing the imposition of a transit-related services tax to the voters of Zone 16.

Section 3. Amount and Level of Taxes.

The tax per year on each parcel in the Zone shall not exceed the amount applicable to the parcel, as specified below.

A. For First Fiscal Year:

The tax per year for the first fiscal year (July 1, 2010 through June 30, 2011) shall be the amount of Tax per Parcel for a Land Use Code Category as set forth on **Exhibit C**

hereto. The use code assigned to each parcel shall be reviewed and updated periodically. Rates in **Exhibit C** shall be calculated and set according to the methodology described in Engineer's Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, September 7, 2004, which established the methodology for the original service charge for Benefit Zone No. 2.

B. For Subsequent Fiscal Year:

In order to keep the tax on each parcel in constant first year dollars for each fiscal year subsequent to the first fiscal year, the tax per year shall be adjusted as set forth below to reflect any increase in the Consumer Price Index beyond the first fiscal year the tax is levied.

In June or July of each year, City Council shall determine the amount of taxes to be levied upon the parcels in Zone 16 for the then current fiscal year, as set forth below.

For each Land Use Category on **Exhibit C**, the tax per year on each parcel for each fiscal year subsequent to the first fiscal year shall be an amount determined as follows:

$$\begin{array}{lcl} \text{Tax Per Parcel} & & \text{Tax Per Parcel} \\ \text{For then Current} & = & \text{For Immediately} \\ \text{Fiscal Year} & & \text{Preceding} \\ & & \text{Fiscal Year} \end{array} \times \begin{array}{l} \text{Consumer Price Index} \\ \text{from April of immediately} \\ \text{Preceding Fiscal Year to April of} \\ \text{then Current Fiscal Year} \\ \text{OR 6 percent, whichever is less} \end{array}$$

Provided, however, that in no event shall the tax per parcel for any fiscal year be less than the amount established for the first fiscal year.

C. Nature of Tax Levy.

The taxes levied on each parcel pursuant to this Article shall be a charge upon the parcel and shall be due and collectible as set forth in Section 4, below.

Section 4. Collection and Administration.

A. Taxes as Liens Against the Property.

The amount of taxes for each parcel each year shall constitute a lien on such property, in accordance with Revenue and Taxation Code Section 2187, and shall have the same effect as an ad valorem real property tax lien until fully paid.

B. Collection.

The taxes on each parcel shall be billed on the secured roll tax bills for ad valorem property taxes and are to be collected in the same manner in which Sacramento County collects secured roll ad valorem property taxes. Insofar as feasible and insofar as not inconsistent with this Ordinance, the times and procedures regarding exceptions, due dates, installment payments, corrections, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes (as established by Sacramento County) shall be applicable to the collection of this tax. Notwithstanding anything to the contrary in the foregoing, as to this tax:

1. The secured roll tax bills shall be the only notices required for this tax, and
2. The homeowners and veterans exemptions shall not be applicable because such exemptions are determined by dollar amount of value.

C. Costs of Administration by County.

The reasonable costs incurred by the County officers collecting and administering this tax shall be deducted from the collected taxes.

D. Use of Tax Revenue.

The revenue collected from the tax imposed by this ordinance shall be placed into a separate account and may be used only to fund transit-related services, including the costs of administering and collecting the tax and enforcing the provisions of this ordinance. Revenue from the tax may be used for transit-related services citywide.

E. Refunds.

1. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once, or has been erroneously or illegally collected or received by the City pursuant to this ordinance, it may be refunded as provided in this Section.
2. No refund may be made except upon a written claim verified by the person who paid the tax or by his or her guardian or conservator or the executor or administrator of his or her will or estate and stating the grounds upon which the claim is made. All claims filed pursuant to this subsection must be presented within one year after payment of the amount for which the claimant is seeking a refund.
3. No order of a refund may be made until a written claim therefore has been presented in accordance with this subsection. No suit for money, damages or a refund may be brought against the City until a written claim therefor has been presented to the City and has been acted upon or has been deemed rejected by the City, in accordance with this subsection. Only the person who filed the claim may bring such a suit, and if another person should do so, judgment shall not be rendered for the plaintiff.

F. Initiatives to Affect Tax.

Consistent with the California Constitution (art. XIII C, § 3) the tax imposed by this ordinance may be affected by initiative. The procedures for qualification of such an initiative and the election on a qualified initiative shall be consistent with the California Constitution (art. 2, sec. 8), the California Elections Code (Chapter 3 of Division 9), and the Municipal Code. The minimum number of signatures necessary to qualify an initiative to affect the tax approved by this ordinance shall be equal to 5 percent of the votes in the City for all candidates for Governor at the last gubernatorial election. The election on a qualified initiative to affect the tax shall be a regular citywide election. An initiative affecting the tax shall be approved only if at least two-thirds of the votes cast on the measure are in favor of its approval.

Section 5. Severability Clause.

If any article, section, subsection, sentence, phrase or clause of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The voters of Zone 16 hereby declare that they would have adopted the remainder of this Ordinance, including each article, section, subsection, sentenced phrase or clause, irrespective of the invalidity of any other article, section, subsection, sentence, phrase or clause.

Section 6. Effective Date and Posting.

This Ordinance shall take effect immediately upon its approval by two-thirds of the voters voting within the Zone in an election to be held on November 16, 2009 so that taxes shall first be collected hereunder for the tax year beginning July 1, 2010.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, City Clerk

EXHIBIT A

The land referred to is situated in the County of Sacramento, City of Rancho Cordova, State of California, and is described as follows:

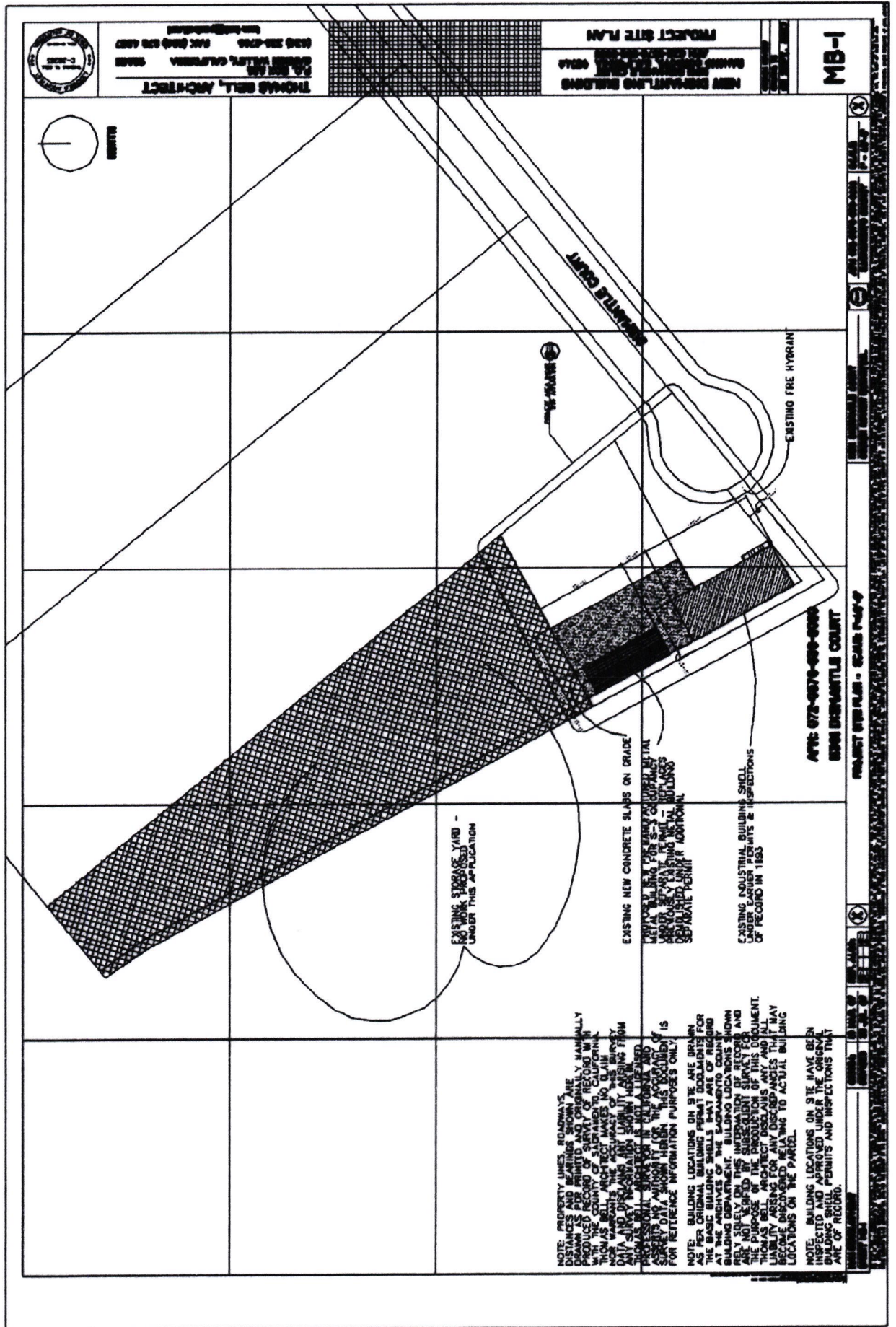
PARCEL ONE:

Parcel 2, as shown on the "Parcel Map", recorded in Book 80 at Page 23, records of said County.

PARCEL TWO:

An easement for ingress and egress and public utility purposes thereto over and across that portion of Parcels 1, 3, 4 and 5 lying within that certain "Irrevocable Offer of Dedication", as shown and delineated on the above referenced Parcel Map.

APN: 072-0570-030



Amount of Tax per Parcel by Land Use Category**A. Residential Dwelling Units**

As adjusted for inflation from the original base year, the amount of Tax per Parcel for fiscal year 2009/2010 for Residential Land Use Categories shall be \$56.35 per low density residential dwelling unit or low density residential dwelling unit equivalent, \$45.08 per medium density residential dwelling unit or medium density residential dwelling unit equivalent, or \$33.81 per high density residential dwelling unit or high density residential dwelling unit equivalent. (Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the Transit-Related Services Special Tax).

B. Non-Residential

As adjusted for inflation from the original base year, The amount of Tax per Parcel for fiscal year 2009/2010 for Non-Residential Land Use Categories (except Recreational and Agricultural) shall be \$1,444.82 per retail and service commercial acre, \$1,241.96 per commercial mixed use or office commercial acre, and \$518.42 per light industrial acre.

C. Inflator Formula

The tax is subject to an annual inflator formula based on the Consumer Price Index for all Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose Area, or six percent, whichever is less.

MEMORANDUM



DATE: October 19, 2009

TO: Honorable Mayor and Council Members

FROM: Donna Silva, Finance Director

SUBJECT: RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

RECOMMENDATION

Approve Resolution 100-2009.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution allows the City to participate in the proposed Proposition 1A Securitization Program, offered through the California Statewide Communities Development Authority ("California Communities"). This program will offset the reduction in property taxes due to the emergency suspension of Proposition 1A by allowing cities and counties to borrow against the receivable, with all costs borne by the State.

BACKGROUND

Proposition 1A Suspension: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity with a two-thirds vote of the Legislature. The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest by June 30, 2013.

The impact to the City's General Fund of the Proposition 1A suspension is approximately \$1.3 million.

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Under the Securitization Program, California Communities will

simultaneously purchase the Proposition 1A Receivables, issue tax-exempt bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the City sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the City's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The City's sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the City if the State does not make the Proposition 1A Repayment.

Proposition 1A Program Sponsor: California Statewide Communities Development Authority ("California Communities") is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include Rancho Cordova and approximately 280 other cities and counties throughout California.

Benefits of Participation in the Proposition 1A Securitization Program: The benefits to the City of participation in the Proposition 1A Securitization Program include:

- Immediate cash relief – the sale of the City's Proposition 1A Receivable will provide the City with 100% of its Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010.
- Mitigates impact of 8% property tax withholding in January and May – Per ABX4 14 and ABX4 15, the State will withhold 8% of property tax receivables due to Cities, Counties, and Special Districts under Proposition 1A. The financing outlines bond proceeds to be distributed to coincide with the dates that the State will be shifting property tax from local agencies.
- All costs of financing borne by the State of California. The City will not have to pay any interest costs or costs of issuance in connection with participation.
- No obligation on Bonds. The City has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other compliance obligations associated with the bonds.

Use of Proceeds of the Sale of the City's Proposition 1A Receivable:

Upon delivery of the Proposition 1A Bonds, California Communities will make available to the City its fixed purchase price, which will equal 100% of the local agency's Proposition 1A Receivable. These funds may be used for any lawful purpose of the City and are not restricted by the program.

Proposed Proposition 1A Receivables Sale Resolution:

The proposed Proposition 1A Receivables Sale Resolution:

- (1) Authorizes the sale of the City's Proposition 1A Receivable to California Communities for 100% of its receivable;
- (2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
- (3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;
- (4) Appoints certain City officers and officials as Authorized Officers for purposes of signing documents; and
- (5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

- (1) Provides for the sale of the Proposition 1A Receivable to California Communities;
- (2) Contains representations and warranties of the City to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions are pending or threatening to disrupt the transaction, and that this is an arm's length "true sale" of the Proposition 1A Receivable;
- (3) Provides mechanics for payment of the Purchase Price;

Proposed Purchase and Sale Agreement Exhibits:

The proposed Proposition 1A Purchase and Sale Agreement Exhibits:

- (B1) Opinion of Counsel: This is an opinion of the counsel to the local agency covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing date of the bonds (currently expected to be November 10, 2009).
- (B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).
- (C1) Certificate of the Clerk of the Local Agency: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.

- (C2) Seller Certificate: A certification of the Seller dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.
- (C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.
- (D) Irrevocable Instructions to the State Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.
- (E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick, Herrington & Sutcliffe LLP) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

ATTACHMENTS

- 1. Resolution No: 100-2009
- 2. Purchase and Sale Agreement

CITY OF RANCHO CORDOVA

RESOLUTION NO. 100-2009

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the City of Rancho Cordova, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this City Council (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security

interest by City of Rancho Cordova to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the City Council of the City of Rancho Cordova hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this City Council hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the City Council is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without

limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this City Council, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The City Council acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____th day of _____, 2009 by the following vote:

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the Council _____

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, City Clerk

Approved as to form:

SELLER'S COUNSEL

By _____

Dated _____

CITY OF RANCHO CORDOVA, CALIFORNIA,
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY,
as Purchaser

PURCHASE AND SALE AGREEMENT

Dated as of November 1, 2009

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

(1) CITY OF RANCHO CORDOVA, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

(2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the "Proposition 1A receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an "Installment Payment" and, collectively, the "Installment Payments"), on January 15, 2010, and May 3, 2010 (each a "Payment Date" and, collectively, the "Payment Dates"). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.delaray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Delaray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller's Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

- (i) Transaction Counsel receiving on or before the date the Bonds are sold (the "Pricing Date"), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's City Council approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

- (ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);
- (iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and
- (iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery of this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in a breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefor.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its City Council members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at 2729 Prospect Park Drive, Rancho Cordova, CA 95670-6025.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

CITY OF RANCHO CORDOVA, as Seller

By: _____
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY, as Purchaser

By: _____
Authorized Signatory

EXHIBIT A DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

"Act" means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

"Bill of Sale" has the meaning given to that term in Section 2(b)(ii) hereof.

"Closing Date" means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to dsilva@cityofranchocordova.org not later than one day prior to the Closing Date.

"Controller" means the Controller of the State.

"County Auditor" means the auditor or auditor-controller of the county within which the Seller is located.

"Credit Enhancer" means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

"Credit Support Instrument" means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

"Initial Amount" means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

"Installment Payments" have the meaning set forth in Section 2(a).

"Payment Dates" have the meaning set forth in Section 2(a).

"Pricing Date" means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to dsilva@cityofranchocordova.org not later than one day prior to the Pricing Date.

"Principal Place of Business" means, with respect to the Seller, the location of the Seller's principal place of business and chief executive office located at 2729 Prospect Park Drive, Rancho Cordova, CA 95670-6025.

"Proposition 1A Receivable" has the meaning set forth in Section 2(a).

"Purchase Price" means an amount equal to the Initial Amount.

"Rating Agency" means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

"Rating Agency Confirmation" means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

"Resolution" means the resolution adopted by the City Council approving the sale of the Proposition 1A Receivable.

"State" means the State of California.

"Transaction Counsel" means Orrick, Herrington & Sutcliffe LLP.

"Transaction Documents" mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of City of Rancho Cordova, dated as of the Closing Date.

OPINION OF COUNSEL
to
CITY OF RANCHO CORDOVA

Dated: Pricing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the City of Rancho Cordova (the "Seller") in connection with the adoption of that certain resolution (the "Resolution") of the City Council of the Seller (the "Governing Body") pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the "Purchaser") of the Seller's "Proposition 1A Receivable", as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller's Proposition 1A Receivable to the Controller of the State of California (the "Disbursement Instructions") and a Bill of Sale and Bringdown Certificate of the Seller (the "Bill of Sale" and, collectively with the Sale Agreement and the Disbursement Instructions, the "Seller Documents").

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. [I/We] have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as [I/we] deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, [I/we] have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, [I/we] are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of [my/our] knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of [my/our] knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, [I/we] express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without [my/our] prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. [I/We] do not undertake to advise you of matters that may come to [my/our] attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

By: _____
Seller's Counsel

**OPINION OF COUNSEL
to
CITY OF RANCHO CORDOVA**

Dated: Closing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the City of Rancho Cordova (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

By: _____
Seller's Counsel

**EXHIBIT C1
CLERK'S CERTIFICATE**

CERTIFICATE OF THE
CITY CLERK OF
CITY OF RANCHO CORDOVA, CALIFORNIA

Dated: Pricing Date

The undersigned City Clerk of the City of Rancho Cordova (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. _____ duly adopted at a regular meeting of the City Council of said Seller duly and legally held at the regular meeting place thereof on the _____ day of _____, 2009, of which meeting all of the members of said City Council had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the City of Rancho Cordova, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By: _____
City Clerk of the City of Rancho Cordova,
California

**EXHIBIT C2
SELLER CERTIFICATE**

SELLER CERTIFICATE

Dated: Pricing Date

We, the undersigned officers of the City of Rancho Cordova (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the "Seller Transaction Documents") were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the "Sale Agreement"), between the Seller and the California Statewide Communities Development Authority (the "Purchaser").
2. Irrevocable Instructions For Disbursement of Seller's Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.
3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.
2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.
3. The City Council duly adopted its resolution (the "Resolution") approving the sale of the Seller's Proposition 1A Receivable at a meeting of the City Council which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title

Signature

Donna Silva, Finance Director

Joe Chinn, Assistant City Manager

Ted A. Gaebler, City Manager

I HEREBY CERTIFY that the signatures of the officers named above are genuine.

Dated: Pricing Date

By: _____
City Clerk of the City of Rancho Cordova,
California

EXHIBIT C3

BILL OF SALE AND BRINGDOWN CERTIFICATE

BILL OF SALE AND BRINGDOWN CERTIFICATE

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the City Clerk dated the Pricing Date, the Seller Certificate dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: Closing Date

CITY OF RANCHO CORDOVA

By: _____
Authorized Officer

EXHIBIT D

IRREVOCABLE INSTRUCTIONS TO CONTROLLER

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT
OF PROPOSITION 1A RECEIVABLE OF
CITY OF RANCHO CORDOVA

Dated: Closing Date

Office of the Controller
State of California
P.O. Box 942850
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the City of Rancho
Cordova and Wiring Instructions Information Form

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, City of Rancho Cordova (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's City Council authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions

cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

Bank Name: Wells Fargo Bank, N.A.
Bank ABA Routing #: 121000248
Bank Account #: 0001038377
Bank Account Name: Corporate Trust Clearing
Further Credit To: CSCDA Proposition 1A Bonds
Bank Address: 707 Wilshire Blvd., 17th Floor
MAC E2818-176
Los Angeles, CA 90017
Bank Telephone #: (213) 614-3353
Bank Contact Person: Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

CITY OF RANCHO CORDOVA

By: _____
Authorized Officer

EXHIBIT E
ESCROW INSTRUCTION LETTER

ESCROW INSTRUCTION LETTER

_____, 2009

California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The City of Rancho Cordova (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's City Council has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel ("Transaction Counsel"), as instructed below:

1. certified copy of the Resolution, together with a certificate of the City Clerk, dated the Pricing Date;
2. the Seller Certificate, dated the Pricing Date;
3. the Opinion of Seller's Counsel, dated the Pricing Date;
4. the Opinion of Seller's Counsel (bringdown opinion), dated the Closing Date;
5. the Purchase and Sale Agreement, dated as of November 1, 2009;
6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and
7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or before December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.

Very truly yours,

CITY OF RANCHO CORDOVA

By: _____
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP

MEMORANDUM



DATE: October 19, 2009

TO: Honorable Mayor and Council Members

FROM: Ted Gaebler, City Manager
Adam U. Lindgren, City Attorney

SUBJECT: ORDINANCE AMENDING SECTION 4.22.115(A) OF THE RANCHO CORDOVA MUNICIPAL CODE TO INCREASE THE NUMBER OF CARD TABLES THAT A LICENSED CARDROOM MAY OPERATE OR MAINTAIN WITHIN THE CITY FROM NINE (9) TO THIRTEEN (13)

RECOMMENDATION

Waive first reading and introduce Ordinance No. 21-2009.

RESULT OF RECOMMENDED ACTION

Adoption of this Ordinance will amend Section 4.22.115(A) of the Rancho Cordova Municipal Code. The ordinance will increase the number of card tables that a licensed cardroom may operate or maintain within the City from nine (9) card tables to a maximum of thirteen (13) card tables. If table demands meet the operators projections, the increase will generate at least twelve thousand dollars (\$12,000) in additional revenue for the City annually.

BACKGROUND

Currently, Section 4.22.115(A) of the Rancho Cordova Municipal Code provides that licensed cardrooms within the City may operate a maximum of nine (9) card tables at any one time. This section also provides that card tables used for tournaments or free special events shall count toward the maximum table limit, and that no more than twelve (12) players may play at any one table at any time.

On April 29, 2009, the City entered into a revenue agreement with Cal Pac Rancho, LLC, which is doing business under the name, 'Cordova Restaurant and Casino' ("Revenue Agreement"). The Revenue Agreement provides, among other things, that the City Manager will propose that the City Council introduce an ordinance amending Section 4.22.115(A) of the Rancho Cordova Municipal Code to increase the number of card tables that a licensed cardroom may operate and maintain within the City from nine (9) to thirteen (13) prior to November 1, 2009.

The Revenue Agreement also provides that Cordova Restaurant and Casino shall pay the City a fee of Three Thousand Dollars (\$3,000) annually for each card table that is authorized to operate under the City's municipal code. In addition, the Revenue

Agreement requires Cordova Restaurant and Casino to pay the City a percentage of its gross gaming revenues on a quarterly basis.

If adopted, this ordinance would increase the number of card tables that a licensed cardroom may operate or maintain within the City from the currently authorized limit of nine (9) card tables to a maximum of thirteen (13) card tables. The City will benefit from this action in form of increased card table fees and revenue pursuant to the terms of the Revenue Agreement.

The California Business and Professions Code authorizes the City to amend its cardroom ordinance to increase the number of card tables that licensed cardroom may maintain and operate to a maximum of thirteen (13). Specifically, Section 19965 of the California Business and Professions Code provides that a city ordinance which currently authorizes nine (9) card tables per licensed cardroom may be amended to increase the number of card tables by four (4) for maximum of thirteen (13) card tables.

Prior to adopting this ordinance, Section 19961.1 of the California Business and Professions Code requires the City to submit the proposed ordinance amendment to the Department of Justice Bureau of Gambling Control for review and comment. The City has submitted this ordinance to the Department of Justice Bureau of Gambling Control for review and comment, and will notify the Council of any revisions to the ordinance that the Bureau of Gambling Control recommends.

Proposed Ordinance No. 21-2009, attached hereto amends the City's Code by increasing the number of card tables that a licensed cardroom within the City may operate or maintain to a maximum of thirteen (13) card tables.

REQUESTED MOTION

"I move that the City Council waive first reading and introduce Ordinance No. 21-2009."

ATTACHMENT

Ordinance No. 21-2009 Amending Municipal Code Section 4.22.115(A) of Chapter 4.22 entitled, "Cardrooms," to increase the number of card tables that a licensed cardroom may operate or maintain within the City from nine (9) to thirteen (13).

CITY OF RANCHO CORDOVA

ORDINANCE NO. 21-2009

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AMENDING MUNICIPAL CODE SECTION 4.22.115(A) OF CHAPTER 4.22 ENTITLED,
"CARDROOMS," TO INCREASE THE NUMBER OF CARD TABLES THAT A LICENSED
CARDROOM MAY OPERATE OR MAINTAIN WITHIN THE CITY FROM NINE TO THIRTEEN**

RECITALS

WHEREAS, Section 3.1 of Contract No. 53-2009 entitled, "Revenue Agreement between the City of Rancho Cordova and Cal Pac Rancho, LLC dba Cordova Restaurant and Casino" entered into on April 29, 2009 ("Revenue Agreement") provides that the City Manager will propose that the City Council introduce an ordinance amending Section 4.22.115(A) of the Rancho Cordova Municipal Code to increase the number of card tables that a licensed cardroom may operate and maintain within the City from nine (9) to thirteen (13) prior to November 1, 2009; and

WHEREAS, adoption of this ordinance would amend Section 4.22.115(A) of the Rancho Cordova Municipal Code to increase the number of card tables that a licensed cardroom may operate and maintain within the City from nine (9) to a maximum of thirteen (13), as authorized by Section 19965 of the California Business and Professions Code; and

WHEREAS, increasing the number of card tables allowed at licensed cardrooms within the City to thirteen (13) will benefit the City by increasing revenue to the City in form of card table operating fees and revenue derived from the gross gaming revenue received by Cordova Restaurant and Casino pursuant to the terms of the Revenue Agreement.

**THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS
FOLLOWS:**

Section 1. Amendment of Code. Section 4.22.115(A) of the Rancho Cordova Municipal Code entitled, "Equipment – Separation," is hereby amended to read as follows:

A. No cardroom shall maintain or operate more than thirteen card tables at any one time. Tables used during tournaments or free special events shall count toward this maximum table limit. Chairs shall be provided for all card players. No more than 12 players shall be permitted to play at any time at any one table. Authorized games shall not utilize dominoes, tiles, dice, spinning wheels, electronic player-controlled machines or any other device other than the standard decks of playing cards traditionally used for playing such games, poker chips, and the optional dealer shoes, except, to the extent such equipment is allowed by applicable state law and/or state regulations, such equipment shall also be allowed in the city.

Section 2. Severability

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or

phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

Section 3. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, City Clerk

MEMORANDUM



DATE: October 19, 2009

TO: Honorable Mayor and Council Members

FROM: Adam U. Lindgren, City Attorney and
Joe Chinn, Assistant City Manager

**SUBJECT: APPROVAL OF AGREEMENT TO PROCESS AN AMENDMENT TO ALLOW
REMOVAL OF APPROXIMATELY 30 ACRES OF LAND FROM THE
VILLAGES OF ZINFANDEL DEVELOPMENT AGREEMENT**

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to enter into the attached Agreement to process an amendment to allow removal of approximately 30 Acres from the Villages of Zinfandel Development Agreement.

RESULT OF RECOMMENDED ACTION

Approval of this Agreement will direct staff to process an amendment to the Villages of Zinfandel Development Agreement. This action will support the potential future use of the site for an Army National Guard headquarters facility.

DISCUSSION

The State of California, acting through the Department of General Services, has entered into an Option, Purchase, and Sale Agreement through which it has an option to purchase from Elliott Homes, Inc. ("Elliott") approximately 30 acres of real property located at the southwest corner of Airpark Drive and Bear Hollow Drive (the "Property" shown in **Exhibit B** to the attached agreement). The State intends to seek authorization and funding to buy the Property and to design and construct approximately 300,000 square feet of office space and approximately 23,000 square feet of storage and ancillary space for a consolidated headquarters facility for the military. The facility is intended to be the State headquarters for the Army National Guard.

The Property is currently part of the Villages of Zinfandel planned development which was approved by the County of Sacramento prior to incorporation of the City. As part of the approvals for the Villages of Zinfandel, the County of Sacramento and Elliott Homes entered into The Villages of Zinfandel Development Agreement. Under the Development Agreement and the Zinfandel Special Planning Area, the Property is currently designated (BP) for development as a business/professional park. The State requires the Development Agreement be removed from the Property in the event it exercises the option to purchase the Property under the Option Agreement.

City staff, including the City Manager and the Planning Director supports the potential construction of the headquarters facility on the Property. Staff believes that the facility would be an appropriate way to continue the City's proud military history. While Mather has closed as an active military base, many Rancho Cordova residents are veterans or descendants of veterans who served at the base. Rancho Cordova also continues to annually embrace its military history as a leader in and host of the California Capital Air Show. The headquarters facility would be consistent with the City's transition from an active military community to a business and office center. While the State is not far enough along in its own design and approval process to be able to provide the City with details about the proposed facility, in the proposed agreement, the State assures the City that if the facility is authorized, the State expects to use it for "office and related administrative uses," not as an active military compound.

State and Federal facilities do not pay local taxes. The City may, therefore, potentially lose tax revenues if the Property develops as a military facility rather than as a private business and commercial park. The State has, however, agreed to pay the City's standard traffic impact fees and an amount not to exceed \$80,000 for City planning, inspection and processing costs.

If the City Council approves the proposed agreement, consistent with the requirements of State Development Agreement law, the actual proposed amendment to the Villages of Zinfandel Development Agreement will be brought to the Planning Commission and then to the City Council for consideration.

ATTACHMENT

Agreement to Allow Removal of Approximately 30 Acres of Land from The Villages of Zinfandel Development Agreement including **Exhibit A** (Legal Description), and **Exhibit B** (Map), and **Exhibit C** (Development Agreement).

**AGREEMENT TO ALLOW REMOVAL OF APPROXIMATELY 30 ACRES OF LAND FROM
THE VILLAGES OF ZINFANDEL DEVELOPMENT AGREEMENT**

This Agreement to Allow Removal of Approximately 30 Acres from the Villages of Zinfandel Development Agreement (this "Agreement") is entered into on _____, 2009 between the City of Rancho Cordova, a municipal corporation ("City") and the State of California ("State"), acting by and through the California Department of General Services ("DGS") and the Military Department ("Military", and together with City and DGS, the "Parties"), with the consent of the State Public Works Board.

RECITALS

- A. The State has entered into an Option, Purchase, and Sale Agreement ("Option Agreement") through which it has an option to purchase from Elliott Homes, Inc. ("Elliott") approximately 30 acres of real property located in the City of Rancho Cordova ("Property"). The Property is more particularly described in **Exhibit A** and depicted in **Exhibit B**. **Exhibit A and Exhibit B** are attached and incorporated into this Agreement.
- B. The State intends to seek legislative authorization and funding to acquire the Property and to design and construct approximately 300,000 square feet of office space and approximately 23,000 square feet of storage and ancillary space for a consolidated headquarters facility for the Military ("Proposed Project").
- C. The Property is currently part of a planned development commonly known as the "Villages of Zinfandel" which was approved by the County of Sacramento prior to incorporation of the City.
- D. As part of the approvals for the Villages of Zinfandel, the County of Sacramento and Elliott entered into The Villages of Zinfandel Development Agreement recorded June 6, 2003, in Sacramento County Book 20030606, page 877 and re-recorded July 17, 2007 in Book 20070717, page 1286 ("Development Agreement").
- E. The City, as a result of its incorporation, succeeded to the County of Sacramento's interests in the Development Agreement.
- F. The State requires the Development Agreement be removed from the Property in the event it exercises the option to purchase the Property under the Option Agreement.
- G. The City desires the Military to locate the Proposed Project at the Property and is willing to release the Property from the Development Agreement for purposes of development of the Proposed Project, but the City desires the Project to include certain major design elements.
- H. This matter was duly considered by the City Council of the City of Rancho Cordova and the City Manager was authorized to enter into this Agreement by minute order on _____, 2009. Pursuant to Section 1.7 of the Development Agreement neither public notice nor a public hearing were required prior to approval of the Amendment to the Development Agreement because the Military's proposed use for the Property is office and administrative, the floor area ratio, lot coverage, trip generation and other common measures of density and intensity of use are at or below those levels previously anticipated in and authorized by the Development Agreement.

Now therefore in consideration of the above recitals which are incorporated herein as if fully set forth, and for other good and valuable consideration the Parties agree as follows:

1. City agrees to execute and deliver to the State's escrow established pursuant to the Option Agreement, within ninety (90) days after approval of this Agreement, the Amendment to the Development Agreement that is attached as **Exhibit C** ("Amendment"). The Amendment will be recorded only if the State Public Works Board authorizes the exercise of the State's option to acquire the Property pursuant to the terms of the Option Agreement. If so authorized, the Amendment will be recorded just before or contemporaneously with the recording of the deed transferring title of the Property to the State.
2. The Military agrees to pay the City's standard traffic impact fees (based on the fee schedule in place at the time of payment) for infill areas identified as Area 1 in the Rancho Cordova Municipal Code based on the gross square footage of the Proposed Project, plus two percent (2%) of such amount for City administration. In addition, Military agrees to pay the City's standard off-site traffic impact fees (based on the fee schedule in place at the time of payment) for the Villages of Zinfandel based on the gross square footage of the Proposed Project, plus three percent (3%) of such amount for City administration. The amount of fees will be based on the applicable fee schedule in place at the time payment. However, these payments are contingent upon Legislative authorization and appropriation and shall be made no later than ten (10) days after the date the Military issues its notice to its construction contractor to proceed to construction. City agrees that the payment of the traffic impact fees and off-site traffic impact fees described above satisfies all traffic impacts associated with the Proposed Project.
3. If the Proposed Project is authorized by the Legislature and funds are appropriated, Military agrees to pay an amount not to exceed \$80,000 to the City for City's reasonable and actual costs to review plans for connecting to utilities in public streets, inspection of such connections and for review of any environmental document prepared for the Proposed Project by the State. Except for the City's review and approval of utility connection plans no other approvals shall be required of the City for the Proposed Project.
4. Except for the fees identified in Sections 2 and 3 of this Agreement, the State, including without limitation DGS and Military, will have no obligation for the payment of any other City fees, taxes, assessments, or other costs.
5. The Parties recognize that the Military needs to have the ability to adapt the use of the Property to meet its needs, however, to the extent possible, the State, if the Proposed Project is authorized by the Legislature and funds are appropriated, reasonably expects to design and construct the Proposed Project utilizing architectural features and frontage improvements consistent with those found or under construction in the Villages of Zinfandel.
6. The Parties acknowledge that while many security features can be incorporated into the landscaped areas, vehicles accessing the Property may need to be controlled by drive lane control devices or gate arms.
7. The City desires that the State's use of the Property always be compatible with the surrounding neighborhood and the City zoning. The State acknowledges the City's desire but, land owned by the State is not subject to local zoning requirements. However, the State assures the City that if the Proposed Project is authorized, it has no reasonable expectation that the Property will be used by Military (or other successor agencies of the State) for other than office and related administrative uses. Given, this expectation, the State agrees to use the Property for office and related administrative type purposes. If, however, the State's future need for the Property is for other than office or administrative purposes and that use is not compatible with the surrounding area, the State will follow the California Environmental Quality Act to identify mitigation measures can be utilized to minimize such incompatibilities.

8. The Property is currently a portion of a larger parcel which has an approved subdivision map with five parcels. If and when notified by Elliott, City will timely process a lot line adjustment and/or amended subdivision map in order for the State to close escrow and purchase the Property.

9. This Agreement will not be recorded except as provided in Section 1 of this Agreement.

10. This Agreement will automatically lapse and the existing terms of the Development Agreement will remain in full force and effect without alteration, if the deed transferring title of the Property to the State is not recorded by September 1, 2013, except in the event State and Elliott extend the option term in which case the new option expiration date shall prevail. If the deed transferring title to the Property to the State is recorded and the State subsequently wants to sell the Property to a private party prior to the expiration of the Development Agreement, the State agrees that at least ninety (90) days before the proposed close of escrow or the recordation of the deed transferring title to the private party, the State will notify the City in writing and, following processing and approval by the City, execute an amendment subjecting the Property to the terms of the Development Agreement existing as of July 1, 2009.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

City of Rancho Cordova
a Municipal Corporation

By: _____ Date: _____

APPROVED AS TO FORM:

By: _____
Adam U. Lindgren, City Attorney

State of California
Director, Department of General Services

By: _____ Date: _____
Michael Butler, Assistant Chief
Real Property Services Section

State of California
Military Department

By: _____ Date: _____

CONSENT: State Public Works Board of the State of California

By: _____ Date: _____
Jerry Leong
Assistant Administrative Secretary

EXHIBIT 'A'

LEGAL DESCRIPTION

All of Lot 5 and a portion of Lots 1, 2, 3 and 4, as shown on the Final Map entitled "Stone Creek Phase 1" and recorded in Book 369 of Maps, at Page 8, Sacramento County Records, in the City of Rancho Cordova, County of Sacramento, State of California, and described as follows:

COMMENCING at a point which is the most northerly northwest corner of said Lot 4, also being a point on the southerly right-of-way line of Airpark Drive, as shown on the Final Map entitled "Villages of Zinfandel Unit No. 1C" and recorded in Book 320 of Maps, at Page 1, in said County; THENCE along the northerly boundary line of said Lot 4, also being said southerly right-of-way line, North 85°30'14" East, a distance of 145.31 feet to the TRUE POINT OF BEGINNING; THENCE continuing along said northerly boundary line, North 85°30'14" East, a distance of 346.15 feet; THENCE along a tangent curve concave to the northwest, having a radius of 1031.00 feet, northeasterly 360.40 feet, along said curve through a central angle of 20°01'43" to a point on the northerly boundary line of said Lot 5, also continuing to be said southerly right-of-way line; THENCE continuing along said northerly boundary line, North 65°28'31" East, a distance of 67.09 feet; THENCE along a tangent curve concave to the southwest, having a radius of 25.00 feet, southeasterly 38.37 feet, along said curve through a central angle of 87°56'24" to a point on the northeasterly boundary line of said Lot 5, also being the southwesterly right-of-way line of Bear Hollow Drive, as shown on said Final Map entitled "Stone Creek Phase 1"; THENCE continuing along said northeasterly boundary line, North 63°24'55" East, a distance of 33.00 feet to a point on the centerline of said Bear Hollow Drive; thence continuing along said northeasterly boundary line, also being said centerline, along a non-tangent curve concave to the northeast, having a radius of 1500.00 feet, and to which a radial line bears South 63°24'55" West, southeasterly 285.26 feet, along said curve through a central angle of 10°53'46"; THENCE continuing along said northeasterly boundary line, South 37°28'51" East, a distance of 155.10 feet; THENCE along a tangent curve concave to the northeast, having a radius of 1500.00 feet, southeasterly 254.54 feet, along said curve through a central angle of 09°43'22" to a point on the northeasterly boundary line of said Lot 1, also continuing to be said centerline; THENCE leaving said northeasterly boundary line and into said Lot 1, South 42°47'47" West, a distance of 33.00 feet to a point on the southwesterly right-of-way line of said Bear Hollow Drive; THENCE leaving said southwesterly right-of-way line and through said Lots 1 thru 4 respectively the following nineteen (19) arcs, courses and distances:

1. South 17°48'43" West, a distance of 550.04 feet;
2. South 45°41'36" West, a distance of 519.94 feet;
3. North 40°57'24" West, a distance of 32.04 feet;

4. along a tangent curve concave to the southwest, having a radius of 65.00 feet, northwesterly 59.84 feet, along said curve through a central angle of 52°44'59";
5. South 86°17'37" West, a distance of 85.17 feet;
6. along a tangent curve concave to the southeast, having a radius of 50.00 feet, southwesterly 28.26 feet, along said curve through a central angle of 32°23'21";
7. South 53°54'16" West, a distance of 72.39 feet;
8. along a tangent curve concave to the northwest, having a radius of 25.00 feet, southwesterly 13.72 feet, along said curve through a central angle of 31°26'04";
9. South 85°20'20" West, a distance of 259.72 feet;
10. along a tangent curve concave to the northeast, having a radius of 35.00 feet, northwesterly 50.80 feet, along said curve through a central angle of 83°10'06";
11. North 11°29'34" West, a distance of 48.30 feet;
12. North 04°30'14" West, a distance of 139.89 feet;
13. North 02°41'59" West, a distance of 95.29 feet;
14. North 04°30'14" West, a distance of 109.12 feet;
15. North 06°13'53" West, a distance of 99.52 feet;
16. North 04°30'14" West, a distance of 395.93 feet;
17. North 05°17'36" West, a distance of 108.85 feet;
18. North 05°57'46" West, a distance of 196.39 feet;
19. North 04°30'14" West, a distance of 136.91 feet to the TRUE POINT OF BEGINNING.

Containing 30.53 acres gross and 30.00 acres net, more or less.

Basis of Bearings for this description is the northerly boundary line of said Lot 4. Said line is taken to bear North 85°30'14" East.

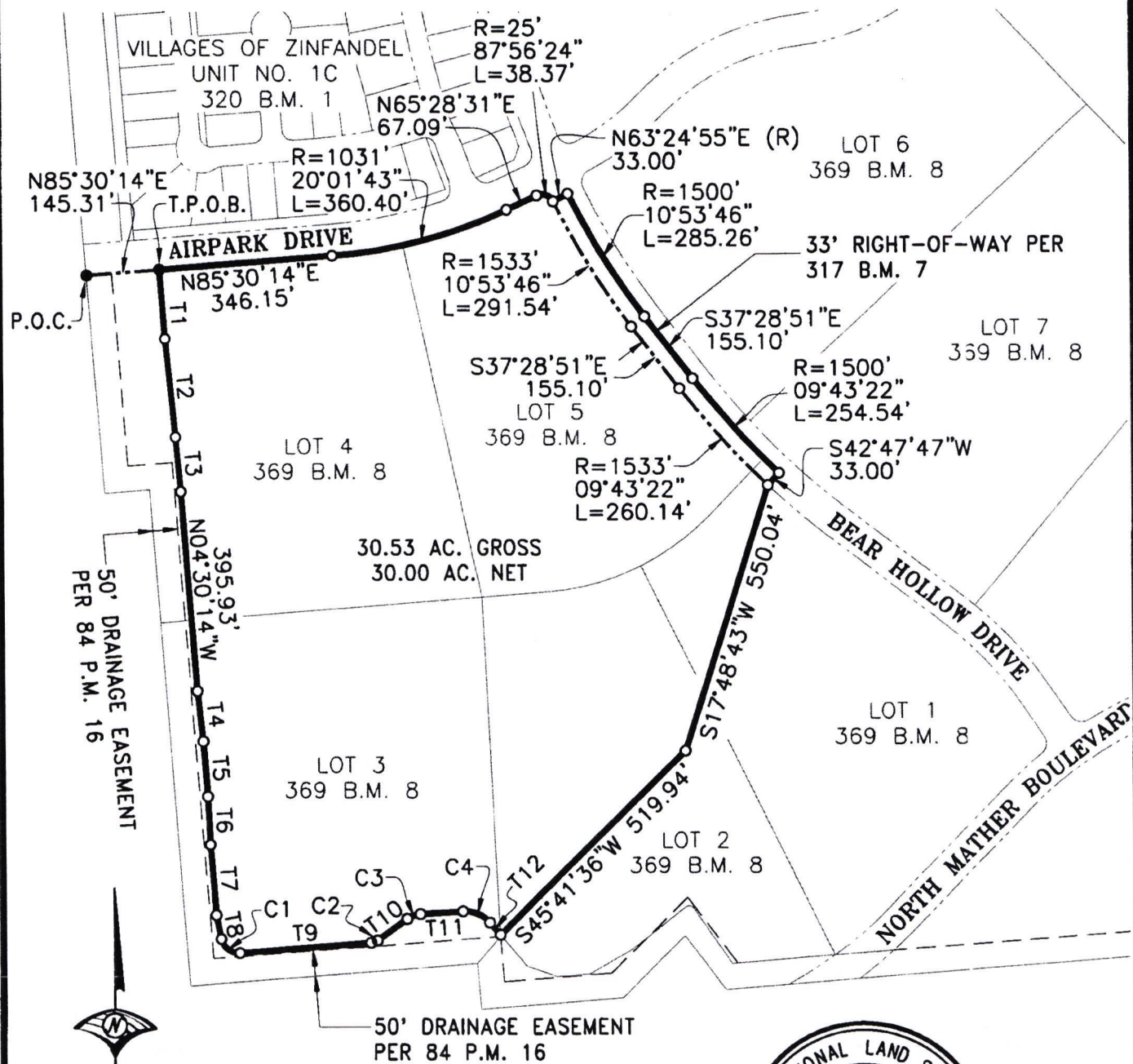
October 17, 2008

END OF DESCRIPTION



PREPARED BY WOOD-RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT 'B'



SCALE: 1"=300'

SEE DESCRIPTION FOR COURSE INFORMATION
SEE SHEET 2 FOR LINE AND CURVE TABLES



EXHIBIT 'B'

#	RADIUS	DELTA	ARC LENGTH
C1	R=35'	83°10'06"	L=50.80'
C2	R=25'	31°26'04"	L=13.72'
C3	R=50'	32°23'21"	L=28.26'
C4	R=65'	52°44'59"	L=59.84'

#	BEARING	DISTANCE
T1	N04°30'14"W	136.91'
T2	N05°57'46"W	196.39'
T3	N05°17'36"W	108.85'
T4	N06°13'53"W	99.52'
T5	N04°30'14"W	109.12'
T6	N02°41'59"W	95.29'
T7	N04°30'14"W	139.89'
T8	N11°29'34"W	48.30'
T9	S85°20'20"W	259.72'
T10	S53°54'16"W	72.39'
T11	S86°17'37"W	85.17'
T12	N40°57'24"W	32.04'

SEE DESCRIPTION FOR COURSE INFORMATION
SEE SHEET 1 FOR LINES AND CURVES

**RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:**

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: Mindy Cuppy, City Clerk

APN 072-2360-027 and portions of 072-2360-023,
072-2360-024, 072-2360-025, and 072-2360-026, Sacramento County

OFFICIAL BUSINESS – EXEMPT FROM RECORDING FEES
PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AMENDMENT TO THE VILLAGES OF ZINFANDEL DEVELOPMENT AGREEMENT

Amendment to the Villages of Zinfandel Development Agreement

This Amendment to Development Agreement ("Amendment") is entered into as of _____, 2009 by and between Elliott Homes, Inc., An Arizona Corporation ("Elliott"), and the City of Rancho Cordova, a municipal corporation ("City") who hereby agree as follows:

RECITALS

WHEREAS, Elliott is owner of that certain real property located in Rancho Cordova, California as more particularly described in Exhibit A and depicted in Exhibit B, attached hereto, and incorporated herein by this reference ("Property"); and

WHEREAS, the Property is currently part of a planned development commonly known as the "Villages of Zinfandel" approved by the County of Sacramento (County) prior to incorporation of the City; and

WHEREAS, as part of the approvals for the Villages of Zinfandel, the County and Elliott entered into The Villages of Zinfandel Development Agreement recorded June 6, 2003, in Sacramento County Book 20030606, page 877 and re-recorded July 17, 2007 in Book 20070717, page 1286 ("Development Agreement"); and

WHEREAS, the City, as a result of its incorporation, succeeded to the County of Sacramento's interests in the Development Agreement; and

WHEREAS, State and City have entered into that certain Agreement to Allow Removal of Approximately 30 Acres of Land from the Villages of Zinfandel Development Agreement to address certain major design issues for the Proposed Project and on certain major uses for the Property; and

WHEREAS, City and Elliott wish to amend and remove the Property from the Development Agreement in the event State exercises an option to purchase the Property; and

NOW, THEREFORE, in further consideration of the above recitals, City and Elliott hereby agree to amend the Development Agreement as follows:

A. The Property identified in the attached Exhibit A is hereby removed in its entirety and no longer subject to the term or conditions of The Villages of Zinfandel Development Agreement recorded June 6, 2003, in Sacramento County Book 20030606, page 877 and re-recorded July 17, 2007 in Book 20070717, page 1286.

B. This Amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

C. Except as expressly amended by this Amendment, all of the terms, conditions and provisions of the Development Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have duly signed this Amendment to the Development Agreement as of the date first written above.

City of Rancho Cordova
a municipal corporation

Elliott Homes, Inc.,
An Arizona Corporation

By: _____
Dan Skoglund
Mayor

By: _____
Stephen J. Hemington
Executive Vice President
Chief Financial Officer

Attest: _____
Mindy Cuppy
City Clerk

Approved as to form

By: _____
Adam Lindgren
City Attorney

MEMORANDUM



DATE: October 19, 2009
TO: Honorable Mayor and Council Members
FROM: Jeffrey S. Beiswenger, AICP, Senior Planner
SUBJECT: CAPITAL VILLAGE FUSION DESIGN REVIEW AMENDMENT

PROPERTY OWNER/Applicant	
---------------------------------	--

Beazer Homes Holdings Corp. Contact: Jim Stich 1731 East Roseville Parkway, #100 Roseville, CA 95661	
---	--

PROJECT:	Capital Village Fusion – Design Review Amendment
FILE:	DD6590
LOCATION:	East of Zinfandel Drive and south of Data Drive/ Disk Drive, extending south past International Drive
APN:	072-2990-060 through 072-2990-077
PLANNER:	Jeffrey S. Beiswenger, AICP, Senior Planner

RECOMMENDATION

Affirm the Planning Commission action to amend the Conditions of Approval related to the "Fusion" Design Review allowing the construction of eighteen townhome units in the Capital Village project, subject to findings, evidence, and Conditions of Approval.

RESULT OF RECOMMENDED ACTION

Modify the previously approved Fusion Townhome design within the Capital Village residential project. The amendment would allow the construction of three townhome buildings on eighteen parcels north of The Village Green park in Capital Village (lots 360 – 365; lots 366 – 371; and lots 372 – 377) located along Atherstone Drive.

BACKGROUND

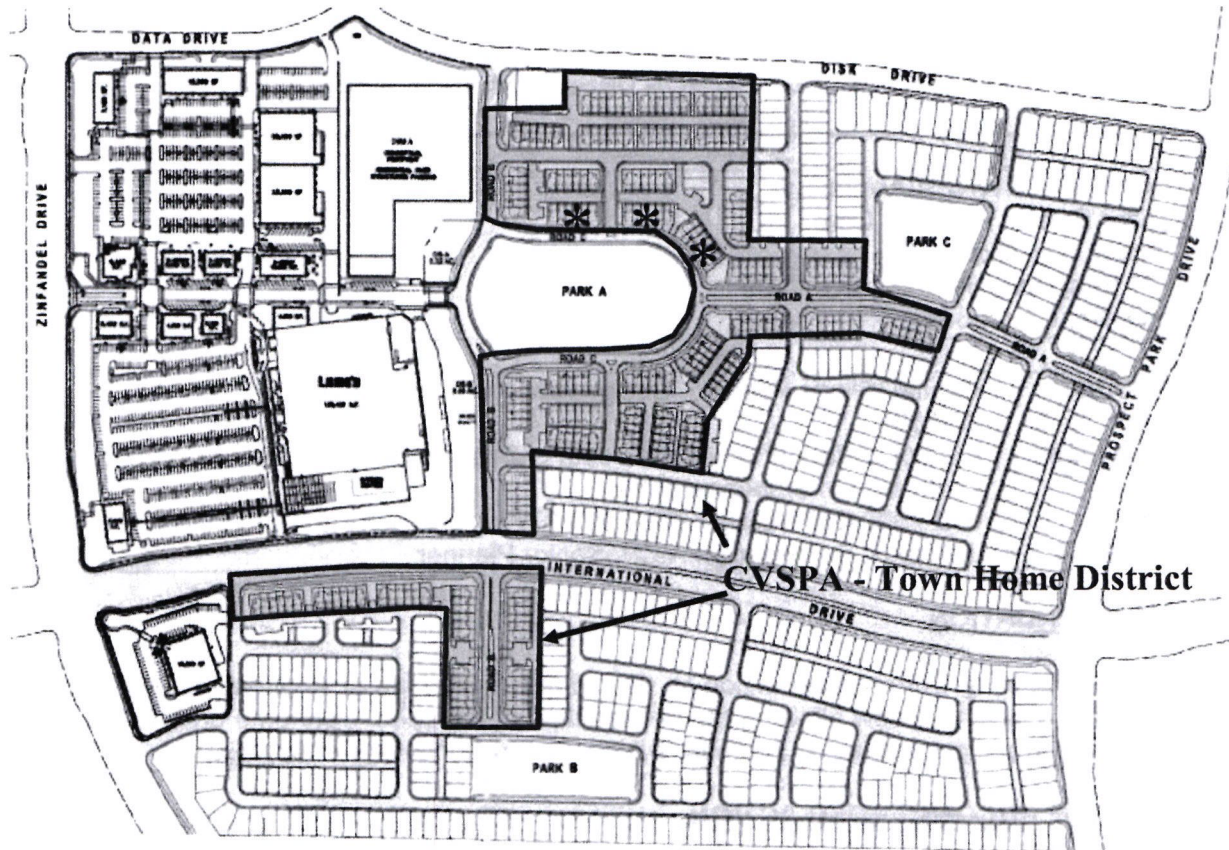
The design review amendment is related to the eighteen parcels (three six unit buildings) immediately to the north of *The Village Green Park* within the Town Home sub-district of the Capital Village residential neighborhood. A Public Hearing was held at the October 5, 2009 City Council meeting to discuss the merits of the Beazer request and the item was continued with direction to Staff conduct research related to:

- Options for placement, noise dampening and visual screening related to air conditioning units in front of the Fusion units;

- Summary of discussion at the September 17, 2007 City Council meeting when the Fusion Design was originally approved; and
- Ability of the City to restrict development south of International Drive until all development north of International Drive is complete,

The impacted location is highlighted by asterisks in Figure 1.

Figure 1 – Capital Village Site Plan



STAFF RESPONSE TO CITY COUNCIL INFORMATION REQUEST

Summary of September 17, 2007 Meeting

Staff has reviewed the video from the September 17, 2007 City Council meeting related to the original Fusion design review approval. Some of the discussion at the October 5, 2009 City Council meeting referenced this original Fusion design review approval in 2007 – specifically whether Beazer “agreed” to build the Villa units. The short answer is “no,” but the following is a brief summary the discussion related to this issue:

- In a letter to the City Council, Capital Village residents propose adding a requirement that the Villa design is used for five buildings facing The Village Green and Tower Park Drive.

- During testimony one resident suggests that limiting this requirement to three units facing The Village Green would be a good compromise instead of the five buildings originally proposed by residents in the letter.
- The Beazer Homes representative (Alan Newman) clearly states that they cannot agree to construct the Villa structure since it is not financially feasible to do so. However, he stated that Beazer would agree to hold these buildings until a later time (“hold them till last”) and would return to the City to reconsider this restriction at a later date.
- The City Council approved the Fusion design review with a Condition of Approval in place that requires construction of the Villa designs for the three buildings facing The Village Green.

Summary of Options Related to Air Conditioning Units

At the October 5, 2009 City Council meeting, existing residents testified that the air conditioning units create visual and noise impacts and alternative locations, including the roof, should be considered. Staff has consulted with building staff has identified the following constraints with a roof-top location:

- The code requires an access door with a foldaway inside stairway or ladder would be required to access the roof to allow for maintenance.
- A six foot separation between the roof edge and the air conditioning unit is required or a 42 inch tall guard rail is required for safety.
- For replacement, the air conditioning unit would need to be “craned-off” the units, since they could not fit through the inside of the townhome.
- The units would require some redesign to accommodate the access door and to find locations on the roof of the Fusion units.
- The cost factor of moving the units to the roof could be high (e.g. redesign of roof, redesign of HVAC system, access door, etc.)

Planning Staff also investigated other locations for the air conditioning units and determined:

- Ground floor, alley location is not feasible, since it lacks the necessary depth to place the unit.
- Units could not be placed on the balconies - the 5’0” to 6’-0” depths are not adequate for access to the all sides of the units and still provide adequate usable room.

Staff recommends the following:

- Provide additional ground floor landscape screening. Currently a low wall is used to screen the units and additional landscaping could provide additional visual interest.

- The noise levels from the air conditioning units could be minimized with a "Compressor Soundshield."

A Condition of Approval has been included to require Beazer to work with City Staff to reduce visual and noise impacts as much as possible.

Ability of City to Restrict Development South of International Drive

At the October 5, 2009 City Council meeting it was suggested by existing Capital Village residents that development south of International Drive should be restricted until ALL development north of International Drive is complete. In the view of these residents, this would be a way to "force" Beazer to construct the Villa units across from The Village Green.

The City is unable to impose this restriction without violating the Capital Village Development Agreement (CVDA). The agreement stipulates that:

- The property owner is entitled to build 827 units on 70.5592 acres as identified in the project approvals (CVDA 6.2). Phasing requirements were not part of the agreement and, therefore, phasing requirements could not be put in place after-the-fact.
- A provision of the agreement (CVDA 6.3) specifically limits the City's ability to impose restrictions, including sequencing and timing limits, that would prevent the property owner from constructing units identified in the agreement that have received the appropriate planning approvals.

Since Beazer Homes has obtain tentative maps, design review approvals and other necessary entitlements for the development south of International Drive, this development can proceed at any time and cannot be restricted without violating the Development Agreement.

RECOMMENDATION SUMMARY

Affirm the Planning Commission action to amend the Conditions of Approval related to the "Fusion" Design Review. This would:

- Allowing construction of the three Fusion Structures facing The Village Green.
- Require additional measures to reduce noise and visual impact from the air condition units and other mechanical equipment in front of the units.

ATTACHMENTS

1. Conditions of Approval
2. Minutes from September 17, 2007 City Council Meeting

Conditions of Approval

	Timing/ Implementation	Enforcement/ Monitoring	Verification (date & Signature)
1.	On-Going	Planning	
The project shall be constructed in substantial compliance with the Design Review Package for the <u>Fusion architectural designs (Exhibit-A)</u> , including Landscape Plans approved as part of the original Capital Village approval (RC 04-123), as approved by the City Council.			
2.	On-Going	Planning	
The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action.			
Prior to Issuance of Building Permits			
3.	Prior to Building Permit	Planning	
The homes and landscaping shall be reviewed for architectural, site and <u>landscape design</u> consistency with the approved <u>design review documents</u> , plans, and approved by the Planning Director.			
4.	Prior to Building Permit	Planning	
A color palette shall be submitted for review and approval by the Planning Director that will create a transition color scheme when the Villas are adjacent to the Cottages and Brownstones <u>(not applicable to property south of International Drive that is zoned CVSPA - Townhome)</u> . Identified as a "▲" on Figure 1:			
5.	Prior to Building Permit	Planning	
The revised design of the Villas is approved for all lots zoned Townhome District. other than the three buildings facing the park and as accordance with the stipulated below approval criteria listed below. Each phase of the development will be pre-plotted and approved before each proposed phase. The approval criteria shall be used for each phase: • A minimum of two live-work units shall be provided in each building adjacent to the central park (Atherstone Drive) and the central east-west roadway (Tower Park Drive) that allow for the conversion of the <u>lower level space to commercial or office use.</u> • <u>Implement measures acceptable to the Planning Director that reduce</u>			

Conditions of Approval

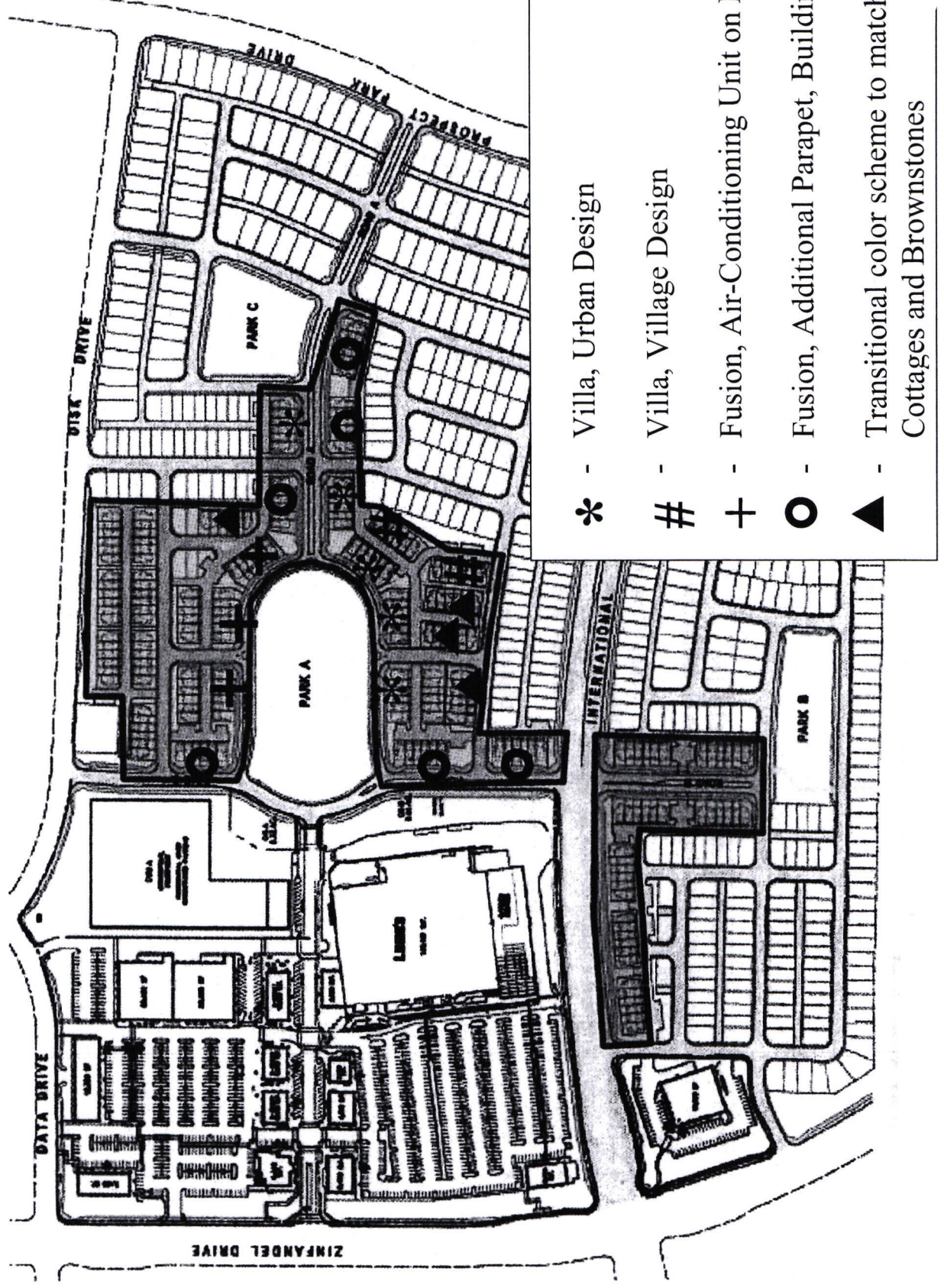
	Timing/ Implementation	Enforcement/ Monitoring	Verification (date & Signature)
noise and visual impacts from air conditioning units and other mechanical equipment located between the front facade of the Fusion buildings and The Village Green. The three six-unit Villas structures that face the park shall be constructed to match the original three-story design from the prior design review approval dated June 23, 2005. These units are identified with the "F" on Figure 1. • Provide a minimum of 25'-0" parapet height for all buildings facing Tower Park Drive, Atherstone Drive and Bridgeway Drive. Identified as an "O" on Figure 1. • Use Building 2 from the design review approval package (three-story elements in the center of building) along Tower Park Drive and Bridgeway Drive. Identified as an "O" on Figure 1. • Use the color scheme created to satisfy COA#4 above on Villa buildings that are adjacent to the Cottages and Brownstones. Identified as a "▲" on Figure 1. • Identical building facades shall not be placed side-by-side along the street face. • Two of the same color scheme (per unit or per building) shall not be placed next to each other. • Minor deviations to facade details are permitted, as approved by the Planning Director, if the deviations result in additional variety to the streetscape.			
Prior to Occupancy Permit			
6. An inspection of the finished building, colors and site amenities shall be conducted by the Planning Director. This review shall be based on the approved design booklet, including installation of all façade detailed on all four elevations of the proposed homes.	Prior to Occupancy	Planning	
7. All landscaping shall be planted according to the approved landscape plan.	Prior to Occupancy	Planning	
8. Internally illuminated address numbers shall be displayed on all residential units	Prior to	Planning	

Conditions of Approval

	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date & Signature)</u>
	within the project site. The following standards shall apply: • The house number shall be displayed on the closest architectural element facing the street. • Address numbers shall be a minimum of four inches in height. • The internally illuminated numbers shall be from a common electrical source using low-voltage electrical current. • The numbers shall be from the same manufacturer and with the same model number used on each residential unit. • Instructions on how to change the bulb should be provided to the homeowner.		

Conditions of Approval

Figure 1 – Special Design Requirements within CVSPA, Town Home District





**CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, September 17, 2007

4:00 P.M. – Study Session
5:30 P.M. – Regular Meeting

MINUTES

A. STUDY SESSION - CALL TO ORDER / ROLL CALL

Mayor Sander called the special meeting to order in the American River North Community Room at 4:09 p.m.

Present: Council Members Cooley, McGarvey, Skoglund, Budge and Mayor Sander
Staff Present: Gaebler, Chinn, Lindgren, Snyder, Olea-Moger, Haven, Flory, Foell, Silva, Trimberger, Abhar, Junker, and Simpson
Planning Commissioner: Vance

B. PUBLIC COMMENT

None

C. STUDY SESSION ITEM

C.1. **Subject:** Update on Citywide Goals and Objectives

Recommendation: Review status updates on goals, objectives and staff action plans and direct staff as needed.

Result of Recommended Action: The last formal report on Goals and Objectives was a verbal report at the March 6, 2007 City Council meeting, and then certain items were discussed during the FY 2007-08 Budget Workshop and hearing. This item gives the City Council an opportunity to review the current status of projects and plans and to give direction where needed or desired.

Staff Report: Stephanie Snyder, City Manager's Office

ACTION: Discussion item only; No action taken.

D. ADJOURNMENT OF STUDY SESSION

Mayor Sander adjourned the special meeting at 5:18 p.m.

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Mayor Sander called the regular meeting to order in the Dave B. Roberts Council Chambers at 5:41 p.m.

Present: Council Members Cooley, McGarvey, Skoglund, Budge and Mayor Sander
Staff Present: Gaebler, Chinn, Lindgren, Olea-Moger, Lehr, Haven, Abhar, Junker, Meeks, Misner, Behrends, Simpson, Jellison, Young, Nichols, Crone, Borba, Boerger, Runner, Brisco, Natividad, McCoy, Oliver, Silva, Flory and Snyder

2. METRO CABLE TV TELECAST ANNOUNCEMENT

The Mayor announced the video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

Boy Scout Troop 363 performed flag ceremony and led the Pledge.

4. INVOCATION

Council Member Cooley gave the invocation.

5. PRESENTATIONS

- 5.1. Introduction of new City employees: Philip Nichols, Code Enforcement Officer and Chris Jellison, Code Enforcement Officer was given by Kerry Simpson, Neighborhood Services Supervisor; David McCoy, IT Technician was given by Joe Chinn, Assistant City Manager; Judy Brisco, Accounting Technician was given by Donna Silva, Finance Director; and Micah Runner, Economic Development Manager was given by Curt Haven, Economic Development Director.
- 5.2. Vice Mayor Budge presented a Proclamation to Ms. In Lea Kim for Korean American Day.
- 5.3. Mayor Sander presented a Proclamation to Bill Thomas, Scoutmaster, for Boy Scouts of America 100th Anniversary.
- 5.4. Curt Haven, Economic Development Director and the following Rancho Cordova residents and VINS Members: Dee Pickering, Maureen Nelson, Art Gold, Jody Harris, Karen Teague, Marilyn Hamm, gave a presentation to Council on Economic and Neighborhood Development Strategy and Volunteer In Neighborhood Services (VINS) Program.
- 5.5. Larry Greene, Air Pollution Control Officer for Sac Metro Air Quality Management District gave a presentation on Proposed Rule 421, The Mandatory No-Burn Restrictions in Sacramento County.
- 5.6. Council Members and City reported on the 2007 League of California Cities Annual Conference.

6. PUBLIC COMMENT

The following individuals addressed the Council:

- Alfred Bulf on Sunrise Shopping Center Light Rail proposal.
- Walt Myers on need for traffic signal repairs on Folsom Blvd., and removal of water from the Dawes Channel west of Coloma Road.
- Mike Himes, Sacramento Neighborhood Housing Services on affordable housing.
- Bruce Risley on broken sprinklers in City Hall parking lot.
- Conrad Mayer on support of park district repairs and maintenance of existing Rancho Cordova parks.
- Lee Frechette on Cordova Community Council events.

BREAK

AT THIS POINT the Council took a brief recess. The full Council reconvened.

7. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

ACTION: Motion by Budge second by McGarvey and carried by a 5:0 roll call vote (with Mayor Sander abstaining on Item #7.7), the Consent Calendar was approved.

7.1. **Subject:** Regular Meeting Minutes of September 4, 2007.

Recommendation: Adopt Minutes.

7.2. **Subject:** Resolution Declaring the Result of Mail Ballot Election Regarding the Special Tax for Police Services for Special Police Tax Area Zone 39, Ellenwood Commons Subdivision, Project No. RC-05-148.

Recommendation: Adopt Resolution No. 101-2007.

Result of Recommended Action: Adoption of this resolution will declare the result of the police tax election concerning Special Police Tax Area Zone 39, which will assist the City in meeting the costs of providing City law enforcement services by establishing a special tax for police protection services for the Ellenwood Commons Subdivision.

Staff Report: Adam Lindgren and Jose M. Sanchez, City Attorney's Office

7.3. **Subject:** Resolution Creating a Special Tax Area Zone 6 and Ordinance Establishing a Special Tax for Transit-Related Services for the Old Placerville Road Project.

Recommendation: Adopt Resolution No. 104-2007 and waive first reading and introduce Ordinance No. 21-2007 establishing a special tax for Transit-Related Services for the Old Placerville Road project. **(Roll Call Vote)**

Result of Recommended Action: Adoption of this resolution and ordinance will assist the City to meet the costs of providing transit-related services by creating a special tax area zone and establishing a special tax for transit-related services for the Old Placerville Road project.

Staff Report: Cyrus Abhar, Public Works Department

7.4. **Subject:** Resolution Authorizing the City Manager to Execute a First Amendment to Agreement with Sandy Baker, BakerCrew Consulting, for Consulting Services in the Amount of \$200,000.00.

Recommendation: Adopt Resolution No. 105-2007.

Result of Recommended Action: Approval will allow Sandy Baker of BakerCrew Consulting to continue to provide Information Technology (IT) project management assistance to the City for Fiscal Year 2007-08.

Staff Report: Joe Chinn, City Manager's Office

- 7.5. **Subject:** Resolution Authorizing the City Manager to Execute Award of Contract to the Lowest Responsive Bidder, I.S. Ventures, Inc. dba Slipform Concrete, for the Sidewalk Maintenance Project 2007, in the Amount of \$139,970.00.

Recommendation: Adopt Resolution No. 106-2007.

Result of Recommended Action: I.S. Ventures, Inc., dba Slipform Concrete will begin replacing damaged gutters and sidewalks in various locations (approximately 40 locations) throughout the City of Rancho Cordova. The location list for this project is provided in Attachment 1 of the staff report. Construction will begin Fall 2007 and will be completed by the end of the year.

Staff Report: Cyrus Abhar, Public Works Department

- 7.6. **Subject:** Resolution in Support of Locating the New Cyber Command Center at Beale Air Force Base.

Recommendation: Adopt Resolution No. 108-2007.

Result of Recommended Action: The City of Rancho Cordova will provide its support to locating a major military mission, the Cyber Command Center, at Beale Air Force Base.

Staff Report: Anna Olea-Moger, City Clerk's Department

- 7.7. **Subject:** Resolution Authorizing the City Manager to Execute the First Amendment to the Grant Agreement with Cordova Community Council.

Recommendation: Adopt Resolution No. 111-2007.

Result of Recommended Action: On June 17, 2007, the City Council authorized the City Manager to execute a grant agreement with the Cordova Community Council for FY 2007-08 in the amount of \$288,800. The grant agreement was executed on July 20, 2007, including a condition that the Cordova Community Council would enter into a separate lease agreement by July 31, 2007. As the Community Council was unable to meet that deadline and has asked that the lease agreement not begin until October 1, the terms of the grant agreement need to be amended. This action will redirect to the Community Council \$7,506 of the original grant amount as savings from three months of lease payments, and allow the City to move forward with the separate lease agreement.

Staff Report: Stephanie Snyder, City Manager's Office

- 7.8. **Subject:** Resolution Authorizing a Modified Bidding Process and Authorizing Execution of a Contract for the Construction of Improvements to City-Owned Property Located at 2701 Prospect Park Drive

Recommendation: Adopt Resolution No. 113-2007.

Result of Recommended Action: This resolution will authorize the execution of a construction contract, which will allow the City to complete tenant improvements and enable the City to lease its property located at 2701 Prospect Park Drive.

Staff Report: Joe Chinn, City Manager's Office and Tom Trimberger, Building Department

8. CONSENT PUBLIC HEARING ITEM

Mayor Sander opened the Consent Public Hearing comment period. There were no speakers. Mayor Sander closed the Consent Public Hearing comment period.

ACTION: Motion by Budge second by Skoglund and carried by a 5:0 vote, the Consent Public Hearing Item was approved.

- 8.1. **Subject:** Mather Office Campus, Phase III, Building A, Design Review, Project No. RC-07-295, Located at the North Side of Peter McCuen Blvd., East of Old Placerville Road.
Recommendation: Adopt Resolution No. 109-2007.
Result of Recommended Action: Design Review approval will allow the applicant to construct a new, 110,423 square foot office building in the Mather Field Special Planning Area (MFSPA). The project is the first of two two-story office buildings planned for this 15 acre parcel located on Peter McCuen Blvd. The project includes 560 parking spaces, enhanced entrance plazas, a landscaped plaza with benches, and pedestrian connectivity to the Mather Sports Center. The project will continue build-out of the MFSPA with large scale office uses.
Staff Report: Katja Irvin, Planning Department

9. PUBLIC HEARING ITEMS

- 9.1. **Subject:** Resolution for Community Development Block Program (CDBG) 2006-07 Consolidated Annual Performance and Evaluation Report (CAPER) for Submittal to the US Department of Housing and Urban Development (HUD) on September 30, 2007.
Recommendation: Adopt Resolution No. 110-2007.
Result of Recommended Action: This action will fulfill the City's reporting requirements for its 2006-07 CDBG funding, and will therefore cause the City to remain in good standing with the US Department of Housing and Urban Development.
Staff Report: Reed Flory, Economic Development Department

Mayor Sander opened the public hearing on Item #9.1. There were no speakers. Mayor Sander closed the public hearing on Item #9.1.

ACTION: Motion by Budge second by Skoglund and carried by a 5:0 vote, Council adopted Resolution No. 110-2007.

- 9.2. **Subject:** Appeal of Planning Commission Decision on Capital Village Townhomes/Villas Design Review Amendment, Project No. RC-07-308, Located East of Zinfandel Drive and South of Data Drive/Disk Drive, Extending South Past International Drive.
Recommendation: Adopt Resolution No. 112-2007.
Result of Recommended Action: Adoption of the resolution affirms the Planning Commission approval of the design review amendment submitted by Beazer Homes for the single family attached Villas in the Capital Village. Approval of project will allow the applicant to obtain building permits to construct the redesigned Villas in Capital Village.
Staff Report: Jeffrey Beiswenger, Planning Department
Advances Goals: 1, 5, 7 and 8

Mayor Sander opened the public hearing on Item #9.2. The following individuals addressed the Council:

- Joel Ryan in opposition of the item.

- Michelle Kersten in opposition of the item.
- Doniell Adams in opposition of the item.

Mayor Sander closed the public hearing on Item #9.2.

ACTION: Motion by Cooley second by Budge and carried by a 4:1 vote (Skoglund dissenting), Council continued action on Item #9.2 to October 1st in order that staff return with modified design plans reflecting the following conditions:

- Three-story buildings facing tower park to remain as original design, and transition original colors to a softer palette.
- Units on Tower Park Road to remain with crayola color palette.
- Fourth unit on the road entering the park to remain with the three-story units in the center.

10. REGULAR CALENDAR ITEM

10.1. **Subject:** Ordinance Amending Chapter 5.50, "Cable Television Ordinance".
Recommendation: Waive first reading and introduce Ordinance No. 22-2007. **(Roll Call Vote)**

Result of Recommended Action: This ordinance accomplishes changes requested by the Sacramento Metropolitan Cable Commission, which relate to the timing of meetings held by the Commission and the dissolution of the Commission.

Staff Report: Joe Chapman, City Attorney's Office

Advances Goals: 3 and 10

Mayor Sander opened the public comment period on Item #10.1. There were no speakers. Mayor Sander closed the public comment period on Item #10.1.

ACTION: Motion by Cooley second by McGarvey and carried by a 4:1 roll call vote (Budge dissenting), Council waived the first reading and introduced Ordinance No. 22-2007.

11. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None

12. COUNCIL REPORTS

None

13. CITY MANAGER'S REPORT

City Manager Ted Gaebler announced 2nd Annual Council / Staff picnic at Mather Regional Park on Saturday September 29th, and suggested to Council that the September 25th Work Session be used to discuss action of Elk Grove and Folsom Cordova School Board study.

City Clerk Anna Olea-Moger advised no applications had been received to date for the Sheriff's Outreach Community Advisory Board (SOCAB). More advertising and possible the City Clerk to work with the Grapevine editor to achieve greater visibility placement in the paper and will distribute applications at the September 21st Cordova Community Council luncheon.

14. CLOSED SESSION

The Council adjourned to Closed Session at 10:30 p.m. to discuss the following items:

- 14.1. Conference with Legal Counsel – Existing Litigation – Government Code Section 54956.9
(a) - (one case) - Name of case: *California Native Plant Society v. City of Rancho Cordova et al*; Case No. 06CS01311.
- 14.2. Conference with Legal Counsel - Existing Litigation - Government Code Section 54956.9
(a) - (one case) - Name of case: US District Court, Northern District of California, *California Native Plant Society v. U.S. Environmental Protection Agency*; Case No. C06-03604MJT.
- 14.3. Conference with Legal Counsel - Anticipated Litigation - Government Code Section 54956.9 (b) - (one case)

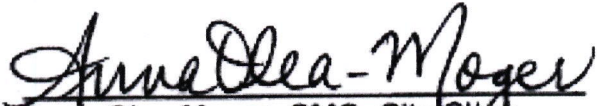
Present: Council Members Cooley, McGarvey, Skoglund, Budge and Mayor Sander
Staff Present: Gaebler, Chinn, Lindgren, Junker and Abhar

15. OPEN SESSION – REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported there was no reportable action.

16. ADJOURNMENT

Mayor Sander adjourned the regular meeting at 12:25 p.m.


Anna Olea-Moger, CMC, City Clerk

MEMORANDUM



DATE: October 19, 2009

TO: Honorable Mayor and Council Members

FROM: Adam U. Lindgren, City Attorney
Curt Haven, Economic Development Director
Jeff Beiswenger, Senior Planner

SUBJECT: URGENCY ORDINANCE EXTENDING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT, EXPANSION OR RELOCATION OF RESALE SHOPS PENDING THE REVIEW AND POSSIBLE AMENDMENT OF ZONING REGULATIONS APPLICABLE TO SUCH BUSINESSES, TO BECOME EFFECTIVE IMMEDIATELY AND DISCUSSION OF POSSIBLE AMENDMENTS TO ZONING CODE REGULATIONS RELATED TO RESALE SHOPS

RECOMMENDATION

Waive reading and adopt Urgency Ordinance No. 22-2009, extending a temporary moratorium on the establishment, expansion or relocation of resale shops pending the review and possible amendment of zoning regulations applicable to this type of establishment.

RESULT OF RECOMMENDED ACTION

Adoption of this ordinance will extend a temporary moratorium prohibiting, for a period of six months, the establishment, expansion or relocation of resale shops in Rancho Cordova. This extension is the maximum amount of time that staff anticipates that the City will need to analyze, consider and adopt updated zoning regulations to best address and mitigate new imminent threats to public safety, health, and welfare resulting from the location of resale shops.

BACKGROUND

Law

Pursuant to Government Code section 65858, a city may establish an initial 45-day moratorium prohibiting any uses that may be in conflict with a contemplated zoning proposal that the legislative body or the planning department is considering, studying, or intends to study, within a reasonable time. Adoption of a moratorium requires at least a four-fifths vote of the Council. State law allows a City to extend a moratorium for up to an additional 22 months and 15 days, for a total of two (2) years, provided that a current and immediate threat to the public safety, health and welfare still exists.

Establishment of 45-day Temporary Moratorium

On September 21, 2009, the City Council adopted Urgency Ordinance No. 20-2009 (**Attachment 1**), imposing a 45-day moratorium on the establishment, expansion or relocation of resale shops in the City. The purpose of the moratorium was to give the City time to analyze, consider, and possibly adopt updated zoning regulations to best address new imminent threats to public safety, health, and welfare resulting from the location of resale shops.

ANALYSIS

The unexpected economic downturn has caused local jurisdictions to lose critical revenues. Cities have been forced to make difficult decisions related to what services to cut or employees to lay off.

Without proper regulations encouraging economic growth in the City, the City may not be able to make up for revenues lost from a decrease in sales tax revenue due to the economic downturn. If the City is not able to make up for these revenues, it will make it difficult for the City to maintain the levels of police, code enforcement and other services critical to the safety, health and welfare of the community. Decreasing the level of these services causes a direct threat to the public health, safety, and welfare.

During this economic downturn, the City needs to focus on attracting highly productive businesses and helping its current businesses maintain their operations and revenues. The Folsom Boulevard Specific Plan Area, and in particular the Zinfandel/Olson island core, are critical areas in which the City needs to focus on attracting and retaining high value retail that will both meet the shopping needs of the community and produce tax revenues for the City. In just the past two months, Kohl's opened and Target re-opened in this area.

Anchor retailers are critical to the success of shopping centers. However, anchor retailers rely heavily on surrounding their stores with other major and minor retailers that complement their businesses. The right mix of retailers creates synergy that elevates sales overall. Even a few stores or businesses that do not complement other retailers can damage retail sales and tax generation in an entire shopping center and area. Many resale shops do not pay sales tax to the City. Staff believes that allowing businesses, such as resale shops, to locate in core retail areas, would have a direct and negative impact on the taxes the City receives to pay for police, code enforcement and other critical services.

Adoption of this Urgency Ordinance will extend a temporary moratorium prohibiting, for a period of six (6) months, the establishment, expansion or relocation of resale shops in the City. The extension will give staff additional time to analyze the City's Zoning Code and determine whether additional regulations could encourage economic growth. The requested extension is considerably shorter than the ten (10) month and fifteen (15) day extension the law allows.

Potential City Zoning Proposals

The City's Economic Development Department, Planning Department and City Attorney's Office are working diligently on potential proposals to address the issues

concerning resale shops. Staff is currently drafting possible regulations pertaining to proper and desirable locations for this use.

There are already two existing resale shops which serve the Folsom Boulevard Specific Plan area; located on the east side and the historic center of the City, north of Highway 50. These two existing establishments address any arguable need for a new resale shop within the Specific Plan area. Staff intends to propose to explicitly include additional resale shops/thrift stores as a prohibited use in the use table of the Folsom Boulevard Specific Plan.

While additional resale shops are not consistent with the Folsom Boulevard Specific Plan and other critical retail areas, there are several desirable locations within the City that are well suited for this use. Resale shops are currently allowed in the Commercial Mixed Use (CMU) and Light Industrial Business Park (LIBP) zoning districts. The following are examples of suitable and desirable locations where resale shops are currently allowed:

- North Sunrise between Coloma Road and Vehicle Drive. This area is zoned CMU and is well located to serve the northeast portion of the City.
- South Sunrise between Folsom South Canal and White Rock Road. This is a narrow stretch of CMU zoning between the canal and Sunrise Boulevard. This area is well located to serve the eastern portion of the City.
- South Sunrise, south of Recycle Road. This area is zoned CMU and LIBP and could serve the eastern and southeastern part of the community, including the growing Anatolia community south of Douglas Road.

In light of the current economic conditions and potential impacts of resale shops on certain retail, staff is currently examining the suitability of a number of sites which it believes may now be well suited for resale shops.

Staff believes there may be opportunities to expand the locations where this use is permitted. For example, staff is considering the following sites:

- Northeast corner of Bradshaw Road and Old Placerville Road. This area is zoned Village Commercial Mixed Use (VCMU) and would require a minor zoning code text amendment to allow resale shops. This location would serve the southwestern portion of the community.
- Coloma Road has three locations where a resale shop could be located. The northeast corner of McGregor and Coloma Road is zoned VCMU. The entire block located northeast of the Coloma Road and Benita Drive intersection is zoned CMU. A small CMU parcel is located on the southwest corner of Coloma Road and El Manto Drive.

Staff welcomes City Council discussion and direction regarding appropriate sites or other amendments to the current Code related to resale shops.

Extension of Moratorium

The 45-day moratorium expires on November 6, 2009. Since the threats to the public health, safety and welfare identified by the Council in Urgency Ordinance No. 20-2009 still exist, staff recommends that the Council extend the moratorium. Per Government Code Section 65858, the Council may, following a public hearing, extend the moratorium for a period of up to 10 months and 15 days. In order to allow the City sufficient time to complete the above stated activities, staff recommends that the moratorium be extended for a six (6) month period. If necessary, the City will still have the ability to extend the moratorium one additional time for a period of up to one (1) year.

REQUESTED MOTION

"I move that the City Council adopt an urgency ordinance extending a moratorium on the establishment, expansion or relocation of resale shops pending the review and possible amendment of zoning regulations applicable to this type of business."

ATTACHMENT

1. Urgency Ordinance No. 20-2009, Establishing a Temporary Moratorium on the Establishment, Expansion or Relocation of Resale Shops Pending the Review and Possible Amendment of Zoning Regulations Applicable to such Businesses.
2. Draft Urgency Ordinance No. 22-2009, extending a temporary moratorium on the establishment, expansion or relocation of resale shops pending the review and possible amendment of zoning regulations applicable to this type of establishment.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 20-2009

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT, EXPANSION, OR RELOCATION OF RESALE SHOPS PENDING THE REVIEW AND POSSIBLE AMENDMENT OF ZONING REGULATIONS APPLICABLE TO SUCH BUSINESSES, TO BECOME EFFECTIVE IMMEDIATELY

RECITALS

WHEREAS, the City of Rancho Cordova ("City") was incorporated on July 1, 2003; and

WHEREAS, in adopting laws and regulations during the first year of incorporation, the City relied heavily upon the laws and regulations adopted by the County of Sacramento, which were applicable to the area of the City prior to incorporation; and

WHEREAS, pursuant to Ordinance No. 20-2003 and Ordinance No. 21-2003, the City adopted by reference certain provisions of the Sacramento County Code and all Titles of the Sacramento County Zoning Code; and

WHEREAS, the Rancho Cordova City Council ("City Council") finds that one problem inherent in adopting County regulations, drafted to serve the needs of the County, is that many of those regulations may prove to be inadequate to meet the needs of the City and may need to be amended in order to better reflect and serve the needs of the City; and

WHEREAS, the City recently updated its zoning laws in order to ensure that the City's zoning regulations are consistent with the goals, policies and standards set forth in the City's General Plan; and

WHEREAS, pursuant to Government Code section 65858, the City may establish a moratorium prohibiting any uses that may be in conflict with a contemplated zoning proposal that the legislative body or the Planning Department is considering, studying, or intends to study, within a reasonable time. The City may adopt a moratorium on an urgency basis provided that the City finds that there exists a threat to the public health, safety and welfare; and

WHEREAS, in preparation of the Zoning Code update, it came to the attention of Staff and the Police Department that multiple uses, including resale shops, were causing negative impacts on the public safety, health and welfare. To address these impacts, on January 16, 2007, the City Council adopted Ordinance 1-2007 imposing a 45-day moratorium on recycling businesses, check cashing businesses, pawn shops, resale shops, smoke shops, and tattoo parlors. The purpose of the moratorium was to give the City time to study the possible adoption of new zoning regulations applicable to these types of businesses; and

WHEREAS, on February 20, 2007, the City adopted Ordinance No. 6-2007 extending the 45-day moratorium for an additional period of ten (10) months and fifteen (15) days. Subsequently, on December 17, 2007, the City Council adopted Ordinance No. 27-2007 extending the moratorium for an additional year; and

WHEREAS, under Government Code section 65858(f), a city may adopt another interim ordinance on the same uses "provided that the new interim ordinance is adopted to protect the public safety, health, and welfare from an event, occurrence, or set of circumstances different from the event, occurrence, or set of circumstances that led to the adoption of the prior interim ordinance"; and

WHEREAS, on December 15, 2008, the City exercised its authority under Government Code section 65858(f) and adopted Ordinance No. 28-2008 imposing a new 45-day moratorium on recycling businesses and resale shops. Ordinance No. 28-2008 was necessary to address new impacts relating to these types of establishments. The United States suffered a dramatic economic downturn, the extent and nature of which was unexpected by the City. The downturn has become, by most accounts, a full recession which resulted in the negative impacts caused by recycling businesses and resale shops on the public safety, health and welfare to change and to intensify; and

WHEREAS, since the adoption of the December 15, 2008 moratorium, staff worked diligently to include several regulations related to these establishments into the Zoning Code update, which was adopted on January 5, 2009 pursuant to Ordinance No. 27-2008; and

WHEREAS, due to the unexpected duration and nature of the economic downturn, there are now new impacts not considered as a basis for the City Council's decision to adopt the first moratorium in 2007 or subsequent moratorium in 2008; and

WHEREAS, the dramatic economic downturn has lasted longer than the City anticipated. The ramifications of the duration and nature of the downturn have resulted in the need for the City to reevaluate its current laws in order promote economic growth. By promoting economic opportunities within the City, the City will be able to collect additional revenues in the way of taxes which in turn will help the City make up revenues that it has lost due to the downturn. This will assist the City in its efforts to avoid having to reduce the level of critical health and safety services it provides to its residents; and

WHEREAS, the long lasting economic downturn has revealed inadequate zoning regulations in the Folsom Boulevard Specific Plan which may arguably allow businesses, such as resale shops to establish within the Specific Plan area. The Specific Plan was intended to convert the Boulevard from the under-performing strip commercial land use of the old Highway 50 to a vibrant commercial/residential mixed use corridor. The need to convert the Specific Plan area into an economically productive area is more important than ever due to the unexpected extent and nature of the current downturn. As a result, a new moratorium is needed in order to address the threat to the public health, safety and welfare by improperly zoned and regulated resale shops; and

WHEREAS, the impacts associated with resale shops considered by this new moratorium are different than previously analyzed. Not only will resale shops still cause the same impacts identified in the previous moratoria if not properly regulated, but placement of this type of establishment in certain locations meant to be economic thriving areas of the City will negatively impact the City's ability to generate sales tax and other sources of revenue in its efforts to make up for revenues lost due to the Country's economic downturn. This will affect the City's ability to maintain its current level of Police Department and Code Enforcement services; and

WHEREAS, staff has received an application to place a resale shop within the Folsom Boulevard Specific Plan area. Specifically, the application proposes the resale shop be established at 10995 Olson Drive, Rancho Cordova. Placement of a resale shop at this location will hinder that area of the Boulevard's opportunities in attracting thriving businesses; and

WHEREAS, Staff must reevaluate what changes need to be made to the Zoning Code in order to address these new identified impacts; and

WHEREAS, if the City allows resale shops to be established pursuant to the City's current code, there is a danger that the negative impacts associated with this type of business can go uncontrolled due to the lack of proper regulations; and

WHEREAS, the City Council held a hearing on September 21, 2009, and received a Staff Report and comments from staff regarding the threats to the public safety, health and welfare posed by the specified uses.

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals Adopted

The foregoing recitals are true and correct and made a part of this Urgency Ordinance as findings by the City Council.

Section 2. Moratorium

The temporary moratorium established by Urgency Ordinance No. 20-2009 is for 45 days.

A. Scope

This moratorium shall apply to the establishment, expansion, or relocation of resale shops, or businesses offering related services. This moratorium shall not apply to the renewal of a business license for existing businesses of this type in the City, provided the renewal seeks to maintain the business in its existing location.

B. New Event

Government Code Section 65858(f), authorizes a city to adopt a subsequent interim ordinance on the same use "provided that the new interim ordinance is adopted to protect the public safety, health, and welfare from an event, occurrence, or set of circumstances different from the event, occurrence, or set of circumstances that led to the adoption of the prior interim ordinance."

Since the adoption of the temporary moratorium on January 16, 2007, the United States has suffered an economic downturn which has resulted in the negative impacts caused by resale shops on the public safety, health and welfare to change and to intensify. The City's December 2008 moratorium was intended to give the City time to analyze the intensified impacts dealing with after hours illegal dumping outside of these businesses, mostly of items that are not in resale condition, and invites scavengers to go through the illegally dumped items.

Since the adoption of the temporary moratorium on December 15, 2008, there are new impacts that were not addressed previously which have resulted from the economic downturn lasting

longer than could have been anticipated. Although the City analyzed the impacts associated with the operation of this type of establishment, the City did not analyze the impacts on the City's revenues, which closely relate to services provided to the residents. The downturn's unanticipated duration and severity have resulted in new impacts that must now be addressed in order to protect City residents.

The extent of the downturn recession and its deep impacts on the City's economic vitality, as it relates to residents, were not considered as a basis for the City Council's decision to adopt the moratoria in 2007 and 2008. The need to amend the City's regulations in order to promote economic activity is important in order to assist the City in replacing revenue lost due to the economic downturn. Economic growth within the City is needed in order to prevent further reduction of the City's Police Department, Code Enforcement staffing and other critical services. Such reduction will result in unacceptable threats to the public safety, health and welfare of the City's residents. There was no way to properly analyze the duration or severity of the recession and its impacts at the time of the previous moratoria.

A new interim ordinance is necessary to protect the public safety, health and welfare from the negative impacts resulting from the downturn in the economy and the need to amend the City's Code to promote economic activity.

C. Applicability

This Ordinance shall apply to the establishment, relocation, and issuance of entitlements for such uses:

1. Resale Shops: Also known as "Second Hand Stores," are defined for purposes of this Ordinance as those establishments whose primary purpose is to receive and sort clothing and/or consumer products for resale, or to resale clothing and/or consumer products, including, but not limited to, "Thrift Stores," "Salvation Army" stores, "Good Will" stores, and consignment stores.

D. Findings

This Ordinance is declared to be an urgency ordinance as defined under California Government Code section 65858. This Ordinance is deemed necessary for the following reasons:

1. The purpose of this Ordinance is to protect the public safety, health and welfare from the current and immediate threats posed by the establishment of new and expansion of existing resale shops or businesses offering related services.
2. The City Council has previously found that the operating of resale shops in the City often results in after hours illegal dumping outside of these businesses, mostly of items that are not in resale condition, and invites scavengers to go through the illegally dumped items.
3. To address those impacts, in January 2007, the City Council adopted Ordinance No. 1-2007 imposing a 45-day moratorium on recycling businesses, check cashing businesses, pawn shops, resale shops, smoke shops, and tattoo parlors. The purpose of the moratorium was to give the City time to study the possible adoption of new zoning regulations

applicable to these types of businesses. The City extended the moratorium twice for the maximum allowed time of two (2) years.

4. Since the adoption of the temporary moratorium in January 2007, the United States suffered a dramatic economic downturn, the extent and nature of which was unexpected by the City. The downturn became, by most accounts, a full recession which resulted in the negative impacts caused by resale shops on the public safety, health and welfare to change and to intensify.

5. On December 15, 2008, the City exercised its authority under Government Code section 65858(f) and adopted Ordinance 28-2008 imposing a new 45-day moratorium on recycling businesses and resale shops. Ordinance No. 28-2008 was necessary to address new impacts relating to these types of establishments.

6. Since the adoption of the December 15, 2008 moratorium, Staff has recommended, and the City Council has adopted, several regulations into the adopted Zoning Code update related to resale establishments. However, the duration and nature of the downturn recession have now resulted in new and different impacts. The downturn has now affected the City's fiscal condition.

7. The impacts of the recession have been much more severe than anticipated in 2008. In February 2008, the City projected total revenues over the next three years (2008/09–2010/11) to be \$133,810,000. In February 2009, due to the unexpected deepening of the recession, the City lowered the projection for the same time period to \$118,850,000. This represents a three year decline in revenues of \$14,960,000, an average annual decline in revenues of \$4.98 million.

8. Projected declines in Property tax Revenues and Sales tax Revenues account for 23% and 28% of the declines of total revenues, respectively. In 2008, the City lost three of its top 25 sales tax generators: Target, Mervyns and Office Depot. While Target is expected to re-open in late 2009, continued economic declines are expected to continue. Property taxes are also expected to decline due to the historically high level of foreclosures in the Region and Rancho Cordova.

9. The reduction of revenues received by the City is a threat to the public health, safety and welfare of City residents. Without adequate revenues, the City will be unable to maintain the current level of critical services provided to residents.

10. Without proper regulations encouraging economic growth by refining the proper location and regulations of resale shops, the City will not be able to make up for revenues lost from the economic downturn. If the City is not able to make up for these revenues, it will make it difficult for the City to maintain the level of police and code enforcement services.

11. Staff has received an application to place a resale shop within the Folsom Boulevard Specific Plan area at 10995 Olson Drive, Rancho Cordova. Placement of a resale shop at this location will severely harm that area of the Boulevard's opportunities in attracting thriving businesses. This will have a negative impact on the City's fiscal condition.

12. The City Council finds that during this economic downturn, the City should focus on attracting highly productive businesses and helping its current businesses maintain their operations and revenues. Target will be re-opening near the proposed resale shop location

later this year. Allowing businesses, such as resale shops, to locate near Target may result in negative impacts for Target by reducing the number of customers willing to shop at that location due to the attention and impacts a resale shop attracts. This will have a direct impact on taxes received by the City from Target and the services they allow the City to provide.

13. The City finds that, absent the adoption of this urgency ordinance, the existence of such harmful conditions resulting from the extent of the downturn in the economy could cause the City to approve the establishment of a resale shop, which in turn would result in the discouragement of economic growth in the City. This would lead to the possible reduction of Police Department and Code Enforcement staff which is a direct threat to the public health, safety and welfare.

14. The City Council finds that it is necessary to ensure that this type of business is properly located within the City, both to protect the public health, safety and welfare, and to ensure that these businesses are located in a manner that does not discourage needed economic growth.

15. The City Council finds that it is necessary and desirable to have the Planning Department review and consider the possible adoption of new zoning standards regulating this type of business in the City in order to ensure the protection of the public health, safety and welfare, and to ensure that the locations and regulations for this type of business are established in a manner that is consistent with the standards, goals and policies of the City's General Plan.

16. On the basis of the foregoing recitals and findings, all evidence on the record, including, but not limited to, testimony from the Staff Report and testimony given at the public hearing, the City Council finds that the establishment of new, or the expansion or relocating of existing resale shops, or businesses offering related services, prior to the Planning Department's review, poses a current and immediate threat to the public health, safety and welfare. This moratorium is in accordance with California Government Code section 65858, which justifies the adoption of an urgency ordinance establishing a moratorium on the above-specified uses in the City.

Section 3. Compliance with California Environmental Quality Act

The City Council finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because it has no potential for resulting in physical change to the environment, directly or indirectly; it prevents changes in the environment pending the completion of the contemplated Zoning Code review.

Section 4. Severability

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections,

subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

Section 5. Effective Immediately

This Ordinance shall become effective immediately upon adoption, if adopted by at least four-fifths vote of the City Council, and shall be in effect for forty-five days from the date of adoption unless extended by the City Council as provided for in the Government Code.

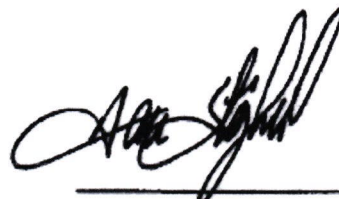
PASSED AND ADOPTED, BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA this 21st day of September 2009, by the following vote:

AYES: Budge, McGarvey, Sander, Cooley, and Mayor Skoglund

NOES: None

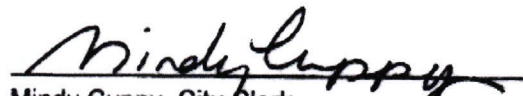
ABSENT: None

ABSTAIN: None



Dan Skoglund, Mayor

ATTEST:



Mindy Cuppy, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 22-2009

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA EXTENDING
A TEMPORARY MORATORIUM ON THE ESTABLISHMENT, EXPANSION OR
RELOCATION OF RESALE SHOPS PENDING THE REVIEW AND POSSIBLE AMENDMENT
OF ZONING REGULATIONS APPLICABLE TO SUCH BUSINESSES,
TO BECOME EFFECTIVE IMMEDIATELY**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Findings

The Rancho Cordova City Council ("City Council") hereby finds as follows:

A. On September 21, 2009, the City Council adopted Urgency Ordinance 20-2009 imposing a 45-day moratorium on the establishment, expansion or relocation of resale shops in the City. The purpose of the moratorium was to give the City time to analyze, consider and possibly adopt updated zoning regulations to best address new imminent threats to public safety, health, and welfare resulting from the location of resale shops.

B. Urgency Ordinance 20-2009 will, unless extended, expire by its own terms on November 6, 2009.

C. Government Code Section 65858 authorizes the extension of an urgency ordinance, after a noticed public hearing, to prohibit uses of land which may conflict with a contemplated general plan, specific plan or zoning proposal which the legislative body, planning commission or the planning department is considering or studying, or intends to study within a reasonable period of time.

D. On October 19, 2009, the City Council conducted a properly noticed public hearing pursuant to Government Code Section 65090, and duly considered all written and verbal testimony presented during the hearing.

E. After consideration of all evidence on the record, including, but not limited to, testimony from the Staff Report and testimony received at both the September 21, 2009, and October 19, 2009, public hearings, the City Council finds that:

1. The current and immediate threat to the public health, safety and welfare, as described in the findings adopted pursuant to Urgency Ordinance No. 20-2009 still exists.
2. Without proper regulation, resale establishments may have serious objectionable impacts on the health, safety and welfare of the residents of the City.
3. Unless this Urgency Ordinance, extending the temporary moratorium on resale establishments until new zoning and regulation is enacted, is adopted, new resale shops may be approved and open in core retail areas, without appropriate regulation. Allowing businesses resale shops, to locate in core retail areas,

would have a direct and negative impact on the taxes the City receives to pay for police, code enforcement and other critical services. Anchor retailers are critical to the success of shopping centers. Anchor retailers also rely heavily on surrounding their stores with other major and minor retailers that complement their businesses. The right mix of retailers creates synergy that elevates sales overall. Even a few stores or businesses that do not complement other retailers can damage retail sales and tax generation in an entire shopping center and area. Unless the moratorium is extended to protect retail sales and tax generation, the City will be forced to reduce or further reduce police, code enforcement and other critical services. The extension of this Urgency Ordinance is therefore necessary to prevent a direct threat to the public health, safety and welfare.

F. City Staff is currently analyzing zoning regulations applicable to resale establishments. Staff has been working on possible regulations pertaining to the proper location of resale shops.

G. It is necessary and desirable to have the Economic Development Department, Planning Department and City Attorney's Office continue their review and consider the possible adoption of new zoning standards regulating this type of business in the City in order to ensure the protection of the public health, safety and welfare, and to ensure that the locations and regulations for this type of business are established in a manner that is consistent with the standards, goals and policies of the City's General Plan.

H. This Urgency Ordinance is in accordance with California Government Code section 65858, which justifies the adoption of an urgency ordinance extending a moratorium on specific uses in the City.

Section 2. Scope and Applicability

This moratorium shall apply to the establishment, expansion, or relocation of resale shops, or businesses offering related services. No use permit, variance, building permit, or any other applicable entitlement for use, including but not limited to the issuance of a business license, shall be approved or issued for the establishment, expansion, or relocation of resale shops or businesses offering related services.

This moratorium shall not apply to the renewal of a business license for existing businesses of this type in the City, provided the renewal seeks to maintain the business in its existing location.

Resale shops, also known as "Second Hand Stores," are defined for purposes of this Ordinance as those establishments whose primary purpose is to receive and sort clothing and/or consumer products for resale, or to resale clothing and/or consumer products, including, but not limited to, "Thrift Stores," "Salvation Army" stores, "Goodwill" stores, and consignment stores.

Section 3. Extension of Moratorium

In accordance with the authority granted to the City of Rancho Cordova under Government Code Section 65858, this Urgency Ordinance shall extend the temporary moratorium, established by Urgency Ordinance 20-2009, for a period of six (6) months.

Section 4. Compliance with California Environmental Quality Act

The City Council finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because it has no potential for resulting in physical change to the environment, directly or indirectly; it prevents changes in the environment pending the completion of the contemplated Zoning Code review.

Section 5. Severability

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

Section 6. Effective Immediately

This Ordinance shall become effective immediately upon adoption, if adopted by at least four-fifths vote of the City Council, and shall be in effect for six (6) months from the date of adoption unless extended by the City Council as provided for in the Government Code.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, City Clerk

FINANCIAL UPDATE

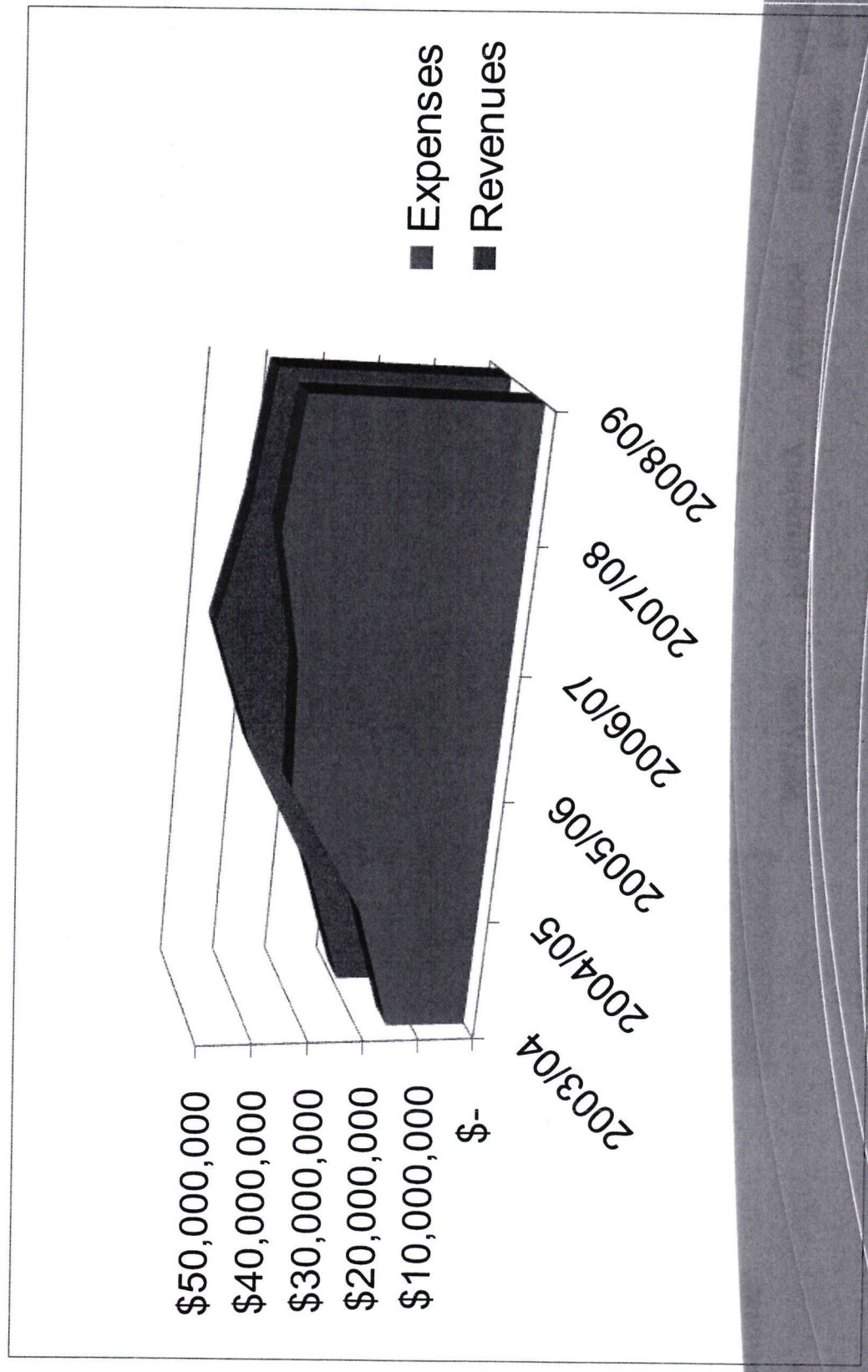
OCTOBER 19, 2009

AGENDA ITEM 12.1

OBJECTIVES

- Report preliminary results of operations for 2008/09
- Fiscal update for 2009/10
 - Impacts from State Budget
 - Federal Stimulus Spending update
 - Budget challenges
 - Strategies for maintaining our balanced budget

GENERAL FUND PERFORMANCE SINCE INCORPORATION



City of Rancho Cordova
Preliminary General Fund Results
Fiscal Year ending June 30, 2009

REVENUES

	Original Budget	Mid-Year Forecast	Preliminary Actual	Variance from Budget	% Variance From Budget	% Variance from Mid-Year Forecast
Property Taxes (including Motor Vehicle In-Lieu)	\$ 13,996,000	\$ 14,195,287	\$ 13,746,780	\$ (249,220)	-1.8%	-3.2%
Sales Taxes	9,665,000	8,685,866	9,040,890	(624,110)	-6.5%	4.1%
Charges for Services	6,594,900	4,301,241	4,219,388	(2,375,512)	-36.0%	-1.9%
Licenses, Permits and Fees	2,484,400	2,157,115	2,186,077	(298,323)	-12.0%	1.3%
TOT	2,300,000	2,300,000	2,183,506	(116,494)	-5.1%	-5.1%
UUT	2,000,000	2,100,000	1,953,249	(46,751)	-2.3%	-7.0%
Use of Money and Property	1,535,700	1,442,000	1,681,691	145,991	9.5%	16.6%
Intergovernmental	1,230,000	811,438	1,237,574	7,574	0.6%	52.5%
Franchise Fees	1,078,800	1,116,800	1,213,596	134,796	12.5%	8.7%
Other Taxes	1,065,000	1,065,000	1,134,897	69,897	6.6%	6.6%
Transfers In	967,885	1,312,559	1,169,505	201,620	20.8%	-10.9%
Fine and Forfeitures	645,500	714,500	734,707	89,207	13.8%	2.8%
Other Revenue	1,700	7,255	106,733	105,033	6178.4%	1371.2%
TOTAL GENERAL FUND REVENUES	\$ 43,564,885	\$ 40,209,061	\$ 40,608,593	\$ (2,956,292)	-6.8%	1.0%

we adjust new change to revenue neutrality

City of Rancho Cordova
Preliminary General Fund Results
Fiscal Year ending June 30, 2009

	Original Budget	Mid-Year Forecast	Preliminary Actual	Variance from Budget	% Variance from Budget	Variance from Mid-Year Forecast
TOTAL REVENUES	\$ 43,564,885	\$ 40,209,061	\$ 40,608,593	\$(2,956,292)	-6.8%	1.0%
EXPENDITURES						
Prof & Contractual Services	23,848,993	22,110,165	21,090,090	(2,758,903)	-11.57%	-4.6%
Salaries and Benefits	8,860,500	7,144,349	7,048,396	(1,812,104)	-20.45%	-1.3%
Debt Services	6,467,914	6,467,914	6,460,787	(7,127)	-0.11%	-0.1%
Transfers Out	875,470	748,900	1,727,137	851,667	97.28%	130.6%
Operating Services	869,705	1,098,920	1,037,829	168,124	19.33%	-5.6%
Repair & Maintenance	796,800	273,849	426,059	(370,741)	-46.53%	55.6%
Employee Related Expenses	459,300	404,600	460,875	1,575	0.34%	13.9%
Insurance	350,000	275,000	206,963	(143,037)	-40.87%	-24.7%
Other Expenditures	324,960	345,440	268,574	(56,386)	-17.35%	-22.3%
Other Operating Expenses	295,650	249,925	249,688	(45,962)	-15.55%	-0.1%
Operating Supplies	201,330	143,330	111,023	(90,307)	-44.86%	-22.5%
Capital Expenditures	183,600	465,975	763,375	579,775	315.78%	63.8%
TOTAL EXPENDITURES	\$ 43,534,222	\$ 39,728,367	\$ 39,850,796	\$(3,683,426)	-8.46%	0.3%
SURPLUS!	\$ 30,663	\$ 480,694	\$ 757,797	<i>Cut back</i>		

50% of annual surplus goes to a capital facilities fund.

30k annually

city pays a small premium to enable retirees to get FERS med coverage

Preliminary General Fund Results **Fiscal Year 2008/2009**

	Original Budget	Mid-Year Forecast	Preliminary Actual	Variance from Budget	% Variance from Budget	Variance from Mid-Year Forecast	% Variance from Mid-Year Forecast
Revenues	\$ 43,564,885	\$ 40,209,061	\$ 40,608,593	\$(2,956,292)	-6.8%	1.0%	
Expenses	43,534,222	39,728,367	39,850,796	(3,683,426)	-8.5%	0.3%	
Net	\$ 30,663 \$	480,694 \$	757,797 \$	727,134			

ROAD MAINTENANCE FUNDING

- to help make up the short fall in new Measure A,
- affects ADA - sidewalk repairs - traffic calming
- sales tax driven - down 30%

- Construction Dollars Restructured to Provide Project Specific Funding for Regional Projects
- Construction Dollars to Fund Transportation Programs Reduced by 20%
- Decline in Overall Measure A Revenue Due to the Economy of 30%
- Additionally, Decline in Gas Tax Revenues Due to the Economy of 20%
- Deferred Maintenance Backlog of over \$60 million
 - legacy problem
 - will take many years to overcome

Initial Surplus

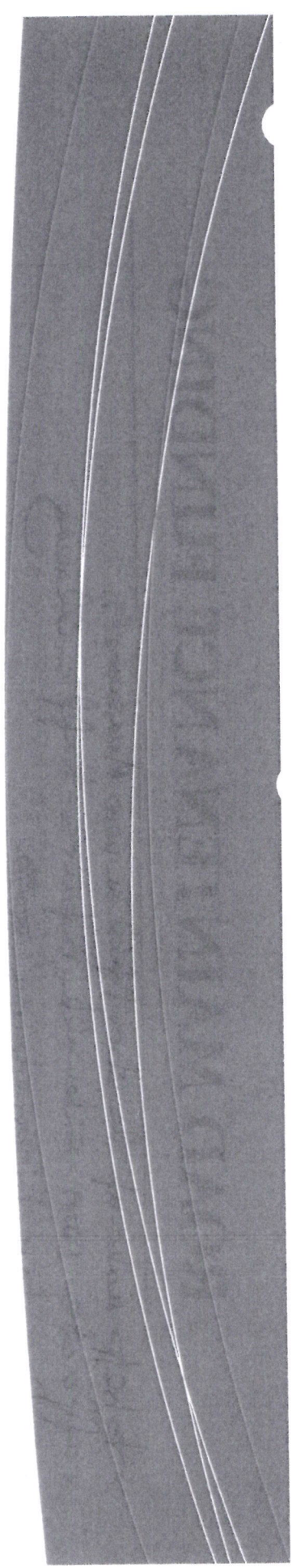
\$757,800

Transfer out 25% of Initial Surplus to
Road Maintenance ISF

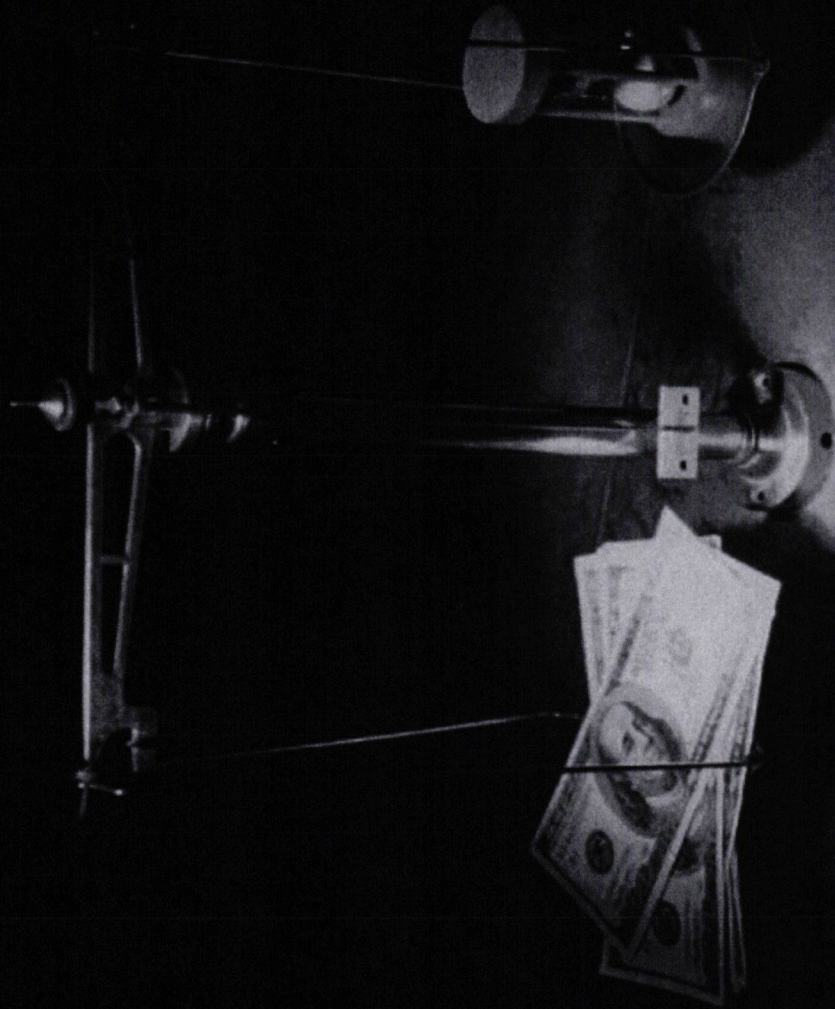
(375,000)

Proposed Remaining Surplus

\$382,800



CITY OF RANCHO CORDOVA FISCAL UPDATE



FISCAL YEAR 2009/2010



**RANCHO
CORDOVA**

City Life. Reinvented.

STATE OF CALIFORNIA

BUDGET IMPACTS

- Current Impacts to Rancho Cordova:
 - Prop 1A borrowing property tax revenues
 - Gas Tax Revenues
 - Prop 42 Funds
 - Redevelopment Tax Increment



RANCHO
CORDOVA

City Life. Reinvented.

FEDERAL STIMULUS

Source	Awarded	Expected
ARRA – Coloma Road Rehabilitation	1,121,360	
ARRA – International Drive Extension	1,050,000	
NSP 1 – Acquisition & Demo of foreclosed & blighted properties for Redevelopment	1,074,000	
Energy Efficiency & Conservation Block Grant	653,500	
CDBG-R – Public Improvement Projects & energy independence	185,416	
NSP 2 – same as NSP 1		1,600,000
NSP 3 – same as NSP 1		3,670,000
TOTALS	\$4,084,276	\$5,270,000

approved, but not rec'd

2009/10 BUDGET CHALLENGES

Source	Amount	Projected Shortfall
Sales Taxes	(500,000)	
UUT	(200,000)	
Investment Earnings	(150,000)	
Property Taxes	(139,000)	
Other Revenues	(117,300)	
TOT	(100,000)	
Charges for Services	104,000	
Intergovernmental	102,300	
Sub-Total		<u>\$(1,000,000)</u>

• we need news
until April 2010.

• Sales tax monthly estimate
• quarterly "true up"

STRATEGIES

REVENUE ENHANCEMENT:

- User Fee Update
- Collections
- Annexation
- Electronic Billboard
- Card Room Revenue Sharing
- Cemetery Plot Sales
- Grants

EXPENDITURE REDUCTIONS:

- Project Prioritization
- Managing contracts
- Managing employee costs
- Early recognition of post employment benefit liability

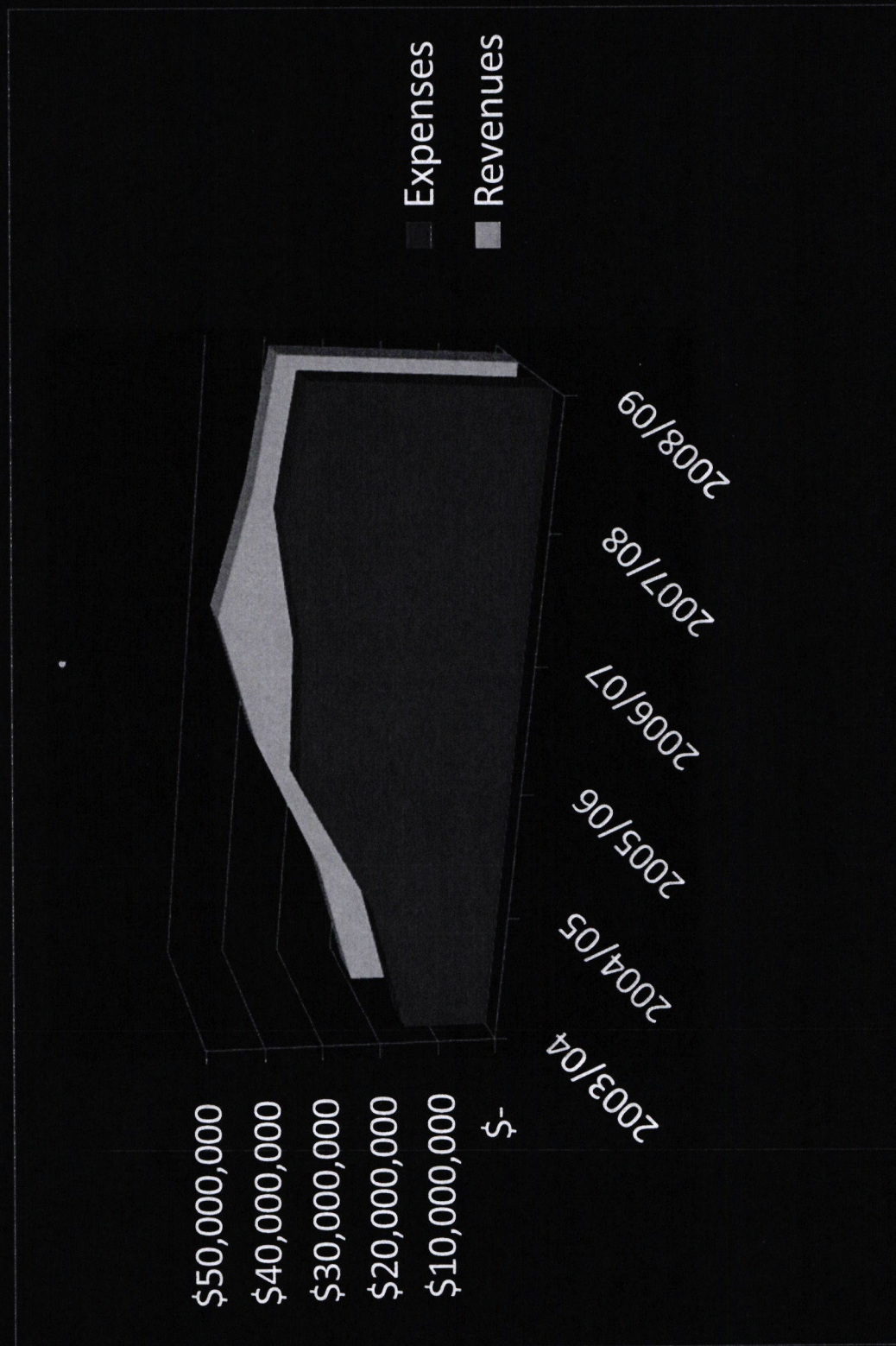


**RANCHO
CORDOVA**

City Life. Reinvented.

• Bldg Permit
• Business license } coming in January
• all franchise fees }
Franchise Tax Board Interpreter Program

GENERAL FUND PERFORMANCE SINCE INCORPORATION



FINANCIAL ISSUES WORKSHOP

THURSDAY
FEBRUARY 18TH

