

**CONCURRENT MEETING
CITY COUNCIL/CRA/RCFC**

Monday, December 6, 2010

4:00 p.m. – Study Session

5:30 p.m. – Regular Meeting

AGENDA



Ken Cooley, Mayor

Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Linda Budge, Council Member

Dan Skoglund, Council Member

Regular City Council meeting dates are scheduled on the 1st and 3rd Monday's of each month, unless when Monday is a holiday.

If Monday is a holiday, the meeting will be scheduled for the following Tuesday. Dates are subject to change.

City Council Regular Mtg	CANCELLED MTG	City Council Special Mtg	CANCELLED MTG	CITY HALL CLOSED
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CITY HALL CLOSURE DATES	
Fr, Jan 1	- New Years Day Holiday
Mon, Jan 18	- Martin Luther King Jr. Day Holiday
Mon, Feb 15	- Presidents Day Holiday
Fr, Apr 2	- Furlough Day
Fr, May 28	- Furlough Day
Mon, May 31	- Memorial Day Holiday
Mon, Jul 5	- Independence Day Observed
Mon, Jul 26	- Furlough Day
Fr, Sep 3	- Furlough Day
Mon, Sep 6	- Labor Day Holiday
Mon, Oct 11	- Furlough Day
Thu, Nov 11	- Veteran's Day Holiday
Wed, Nov 24	- Furlough
Thu, Nov 25	- Thanksgiving Holiday
Fr, Nov 26	- Day After Thanksgiving Day Holiday
Thu, Dec 23	- Christmas Observed
Fr, Dec 24	- Christmas Observed
Mon, Dec 27	- Furlough Day
Fr, Dec 31	- New Year's Eve Holiday

* Tuesday, November 9 - Special Meeting - Closed Session for City Manager & Department Annual Review & Development

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CITY HALL CLOSURE DATES	
Mon, Jan 17	- Martin Luther King Jr. Day Holiday
Fr, Feb 18	- Furlough Day
Mon, Feb 21	- President's Day Holiday
Fr, Mar 11	- Furlough Day
Fr, Apr 22	- Furlough Day
Fr, May 27	- Furlough Day
Mon, May 30	- Memorial Day Holiday
Fr, Jun 17	- Furlough Day
*Mon, Jul 4	- Independence Day Holiday
*Mon, Sep 5	- Labor Day Holiday
*Fr, Nov 11	- Veteran's Day Holiday
*Thu, Nov 24	- Thanksgiving Holiday
*Fr, Nov 25	- Day After Thanksgiving Day Holiday
*Thu, Dec 22	- Christmas Observed
*Fr, Dec 23	- Christmas Observed
*Fr, Dec 30	- Day Before New Year's Eve Holiday

*Dates Pending Approval

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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, December 6, 2010

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

AGENDA

A. STUDY SESSION – CALL TO ORDER / ROLL CALL

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

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

- C.1 **Subject:** Status Report on Strong Neighborhoods Program
Recommendation: That Council receives, discusses, and provides input as to the priorities of suggested projects.
Result of Recommended Action: Council Member Sander along with city staff will continue to develop projects that improve the City, per the desired direction provided by City Council Members. The projects are designed to address a series of metrics developed to measure the overall "health" of the City, on a short- and long-term horizon.
Staff Report: Nancy Pearl, City Manager's Office, Curt Haven, Economic Development Department and Paul Junker, Planning Department
Advances Goals: 1 through 13
GROWING STRONG NEIGHBORHOODS

D. ADJOURNMENT OF STUDY SESSION



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

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

Monday, December 6, 2010

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

AGENDA

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

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

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The 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

Chaplain Katie Nielsen, Law Enforcement Chaplaincy, will give the invocation.

5. ELECTION CERTIFICATION

- 5.1 **Subject:** Certification of the Results of the November 2, 2010 General Municipal Election with Regard to Members of the City Council and Three Measures

Recommendation: Adopt Resolution No. 134-2010.

Result of Recommended Action: Adoption of the Resolution results in the City's compliance with California Elections Code Regulations 10262, 10263, and 10264, which, in part, state that the governing body shall declare the results of each election under its jurisdiction.

Staff Report: Mindy Cuppy, City Clerk's Department

6. SPECIAL CEREMONIES

- 6.1 **Subject:** Swearing-in and Seating of Re-elected Council Members
Recommendation: That Incumbent Council Members Linda Budge and Dan Skoglund be sworn in and seated to fill their respective full four-year term of office.

CELEBRATORY BREAK

Mayor Cooley will break for refreshments in honor of new Council officers.

7. PRESENTATIONS

- 7.1 Recognition of Council Member Sander and Vice Mayor McGarvey for Achieving Diamond Level Certificate in Leadership from the National League of Cities.

8. 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.

9. COUNCIL REPORTS

10. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

- 10.1 **Subject:** Regular Meeting Minutes of November 15, 2010.
Recommendation: Adopt Minutes.
- 10.2 **Subject:** First Amended Development Agreement By and Between the City of Rancho Cordova and Elliot Homes Relative to the Rio del Oro Project (RC-04-052)
Recommendation: Waive second reading and adopt Ordinance No. 33-2010. **(Roll Call Vote)**
Result of Recommended Action: The amendment would result in the City entering into the Development Agreement with Elliott Homes as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities, Elliott Whiterock, LLC and Stonecreek Industrial, LLC, rather than the City entering into the Development Agreement with Elliott Homes as owner of the subject property. There are no other proposed amendments or changes to the Development Agreement of the other approvals for the Rio del Oro project.
Staff Report: Adam U. Lindgren, City Attorney's Office
Advances Goals: 1, 2, 4, 7, 8, and 9

- 10.3 **Subject:** Resolution Awarding a Construction Contract and Rejecting Bids for Several Construction Categories for Tenant Improvements to the New Rancho Cordova Police Station and Granting Authority to the City Manager to Approve Change Orders in an Amount Not to Exceed Ten Percent (10%) of the Aggregate Amount of all the Contracts

Recommendation: Adopt Resolution No. 138-2010.

Result of Recommended Action: Adoption of this resolution will award a construction contract to the lowest responsive bidder for building insulation for the new Rancho Cordova Police Station, and would reject all the remaining bids for surveying, site fencing, landscape/irrigation, glass and glazing, fiberglass, toilet accessories and partitions, fire extinguishers and cabinets, flagpoles, and window covering. Staff will consolidate the remaining construction items into appropriate bid packages and re-advertise. This resolution will grant authority to the City Manager to approve change orders in an amount not to exceed ten percent of the aggregate amount of all of the contracts.

Staff Report: Cyrus Abhar, Public Works Director

Advances Goals: 1 and 4

- 10.4 **Subject:** Resolution Authorizing the City Manager to Execute First Contract Amendment No. 142-2010 with Quincy Engineering, Inc. to Continue Providing Construction Management Services in the Amount of \$158,300 for the International Drive Extension Project

Recommendation: Adopt Resolution No. 139-2010.

Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute the first contract amendment with Quincy Engineering, Inc. in an amount of \$158,300 to continue providing construction management and construction inspection services for the International Drive Extension Project. The current contract amount will increase from \$900,000 to \$1,058,300. This amendment will allow for extended contract duration due to an estimated fifty additional working days for the construction of the project.

Staff Report: Cyrus Abhar, Public Works Director

Advances Goals: 1, 2, and 4

- 10.5 **Subject:** Resolution to Increase Parking Penalties to Offset State Trial Court Trust Fund Surcharge Required by Senate Bill 857 Enacted October of 2010

Recommendation: Adopt Resolution No. 140-2010.

Result of Recommended Action: Adoption of this resolution will increase the Parking Violation Fine Schedule by \$3.00 per violation to offset the State Trial Court Trust Fund surcharge required by SB 857 enacted October 2010.

Staff Report: Doug Diamond, Rancho Cordova Police Department

Advances Goal: 11

11. CONSENT PUBLIC HEARING ITEMS

NONE

12. PUBLIC HEARING ITEMS

NONE

13. REGULAR CALENDAR ITEMS

- 13.1 **Subject:** Final Hearing on the Establishment of the Rancho Cordova Tourism Business Improvement District and Secession of the Lodging Businesses in Rancho Cordova from the Sacramento Tourism Business Improvement District

Recommendation: That Council:

- a) Adopt Resolution No. 136-2010 Forming the Rancho Cordova Tourism Business Improvement District; and
- b) Adopt Resolution No. 137-2010 Seceding from the Sacramento Tourism Business Improvement District

Result of Recommended Action: Adoption of Resolution No. 136-2010 will form the Rancho Cordova Tourism Business Improvement District (RCTBID) effective January 1, 2011. An assessment of \$1.50 per room per night will be collected by the City of Rancho Cordova, that will be remitted to the Rancho Cordova Travel and Tourism Corporation (RCTC), a non-profit corporation for the purpose of promoting travel and tourism in Rancho Cordova. The RCTC will be a 501(C)(6) Corporation with a Board of Directors of seven to nine members. Resolution No. 137-2010 will result in secession of lodging businesses in Rancho Cordova from the Sacramento Tourism Business Improvement District.

Staff Report: Megan McMurtry and Micah Runner, Economic Development Department

Advances Goals: 1 and 9

- 13.2 **Subject:** Discussion of Cultural Arts Commission Development

Recommendation: Receive information about the formation of a Cultural Arts Commission as called for in the General Plan and direct staff to take appropriate action, based upon the option selected.

Result of Recommended Action: Council will select one of three possible options and direct staff to take appropriate action:

Option A: Begin development of a Cultural Arts Commission as called for in the General Plan within a specified timeline and direct staff to work with Council in its development; or

Option B: Create an ad hoc steering committee to research and develop a plan for the development of a Cultural Arts Commission within a timeframe to be determined, working with staff on the development of the steering committee; or

Option C: Table the discussion for a future time as determined by the City Council.

Staff Report: Nancy Pearl, City Manager's Office

Advances Goals: 1, 8, 9, 10, and 13

GROWING STRONG NEIGHBORHOODS

- 13.3 **Subject:** Discussion of City Gateways Continued from November 1, 2010

Recommendation: That Council considers staffs presentation and provides direction for proceeding with the Design of City Gateways.

Result of Recommended Action: Staff will present an update to the Council on recent public outreach efforts on the City Gateways and request guidance for refining the proposed City Gateway designs, and for soliciting further community input.

Staff Report: Paul Junker, Planning Department

Advances Goals: 1 and 9

- 13.4 **Subject:** Discussion of South Sacramento Habitat Conservation Plan (SSHCP)
Recommendation: That Council selects a representative and an alternate to serve as the City's elected liaison to support the completion of the South Sacramento Habitat Conservation Plan (SSHCP).
Result of Recommended Action: Designation of liaisons by each of the elected boards of the SSHCP Local Agency Plan Partners (Plan Partners) will assist with ensuring that local elected officials are well informed on this complex project and will demonstrate to the State and Federal regulatory agencies the engagement of elected decision makers within the SSHCP process.
Staff Report: Paul Junker, Planning Department
Advances Goals: 8, 11, and 13
GROWING STRONG NEIGHBORHOODS
- 13.5 **Subject:** 2011 City Council Meeting Schedule
Recommendation: Staff recommends Council discuss and confirm its meeting schedule for 2011.
Result of Recommended Action: Action on this item will confirm the 2011 meeting schedule for the members of the Rancho Cordova City Council.
Staff Report: Ted Gaebler, City Manager's Department
Advances Goals: 1 through 13
- 13.6 **Subject:** Selection of 2011 Mayor and Vice Mayor
Recommendation: That Council selects its next Mayor and Vice Mayor for 2011.
Result of Recommended Action: Council will appoint its leadership officers, per Resolution No. 5-2004. The ceremonial seating of the new Mayor and Vice Mayor will take place at the next Council Meeting on December 20, 2010.
Staff Report: Mindy Cuppy, City Clerk's Department
Advances Goal: 13

14. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

15. CITY MANAGER'S REPORT

16. ADJOURNMENT OF REGULAR MEETING

17. CLOSED SESSION

Council may adjourn to Closed Session in the Community Board Room to discuss the following item(s):

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

Public Employee Performance Evaluation, City Manager - Government Code Section 54957, Continued from November 9, 2010.

18. OPEN SESSION – REPORT FROM CLOSED SESSION

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

19. ADJOURNMENT OF CLOSED SESSION

ADDITIONAL INFORMATION

Rancho Cordova Great Health Challenge - Rancho Cordova has launched a program intended to promote a healthier community by building awareness for those who live, work, play, or pray here. You are encouraged to join our commitment to get healthy, stay fit, and have fun! Go to <http://www.20tonsin2010.com/> to register.

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.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

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

UPCOMING MEETINGS	
<i>Monday, December 20, 2010</i>	<i>5:30 p.m. Regular Meeting</i>
<i>Thursday, December 23, 2010</i>	CHRISTMAS HOLIDAY – City Hall Closed
<i>Friday, December 24, 2010</i>	CHRISTMAS HOLIDAY – City Hall Closed
<i>Monday, December 27, 2010</i>	FURLOUGH DAY – City Hall Closed
<i>Friday, December 31, 2010</i>	NEW YEAR'S EVE – City Hall Closed

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
Housing Department	(916) 851-8784
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Park District)	(916) 362-1841
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9600
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 859-4300

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 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 December 6, 2010 Special and Regular Meeting of the Rancho Cordova City Council/CRA/RCFC was posted and available for review on December 2, 2010 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.cityofranchocordova.org.

Signed this 2nd day of December, 2010 at Rancho Cordova, California.


Mindy Cuppy, City Clerk

MEMORANDUM



DATE: December 6, 2010

TO: Honorable Mayor and Council Members

FROM: Nancy Pearl, Communications Director
Curt Haven, Economic Development Director
Paul Junker, Planning Director

SUBJECT: STATUS REPORT ON STRONG NEIGHBORHOODS PROGRAM

RECOMMENDATION

That Council receives, discusses, and provides input as to the priorities of suggested projects.

RESULT OF RECOMMENDED ACTION

Council Member Sander along with city staff will continue to develop projects that improve the City, per the desired direction provided by City Council Members. The projects are designed to address a series of metrics developed to measure the overall "health" of the City, on a short- and long-term horizon.

ADDITIONAL INFORMATION

No staff report will be provided for this item as Council Member Sander will present information via a PowerPoint presentation only.

MEMORANDUM

DATE: December 6, 2010
TO: Honorable Mayor and Council Members
FROM: Mindy Cuppy, CMC, City Clerk
SUBJECT: **NOVEMBER 2, 2010 GENERAL ELECTION CERTIFICATION**



RECOMMENDATION

Adopt Resolution No. 134-2010 (**Attachment 1**) certifying the results of the November 2, 2010 General Municipal Election with regard to Members of the City Council, and Passage of Measure E, Measure H, and Measure O.

RESULT OF RECOMMENDED ACTION

Adoption of the resolution results in the city's compliance with California Elections Code Regulations 10262, 10263, and 10264 which, in part, state that the governing body shall declare the results of each election under its jurisdiction.

BACKGROUND

The City Council, as the governing body of the city, declares the results of the election for each City Council office voted on at a municipal election. As a result of the election, the following Council Members have been re-elected to the City Council for full, four-year terms:

Linda Budge
Dan Skoglund

The City Council, as a governing body of the city, declares the results of the election for each measure voted on at a municipal election. Each measure approved an ordinance by a vote of the People of the City of Rancho Cordova on November 2, 2010, and approved by Declaration of the vote by the City Council on December 6, 2010. As a result of the election, the following Measures passed:

Measure E – Ordinance No. 9-2010 – An Ordinance of the City Council of the City of Rancho Cordova Adding Chapter 3.40 of the Rancho Cordova Municipal Code with Respect to a Utility Users' Tax (**Attachment 2**).

Measure H – Ordinance No. 18-2010 – An Ordinance of the City Council of the City of Rancho Cordova Adding Chapter 3.80 to the Rancho Cordova Municipal Code with Respect to a Cannabis Business Tax (**Attachment 3**).

Measure O – Ordinance No. 19-2010 – An Ordinance of the City Council of the City of Rancho Cordova Adding Chapter 3.85 to the Rancho Cordova Municipal Code with Respect to a Personal Cannabis Cultivation Tax (**Attachment 4**).

ATTACHMENT

1. Resolution No. 134-2010 including (**Exhibit A**) Certificate of Facts.
2. Ordinance No. 9-2010.
3. Ordinance No. 18-2010.
4. Ordinance No. 19-2010.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 134-2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 2, 2010 AND DECLARING THE RESULTS

WHEREAS, a General Municipal Election was held and conducted in the City of Rancho Cordova, California, on Tuesday, November 2, 2010, as required by law; and

WHEREAS, notice of the election was given in time, form and manner as provided by law; that voting precincts were properly established; that election officers were appointed and that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in the time, form, and manner required by the provisions of the Elections Code of the State of California for the holding of elections in general law cities; and

WHEREAS, pursuant to the following City of Rancho Cordova resolutions:

- a. Resolution No. 28-2010 called for the General Municipal Election on November 2, 2010, adopted May 3, 2010;
- b. Resolution No. 76-2010 established November 2, 2010 as the date of an election for Measure E – Utility Users' Tax, adopted on July 6, 2010;
- c. Resolution No. 94-2010 established November 2, 2010 as a date of an election for Measure H - Cannabis Business Tax, adopted on August 2, 2010; and
- d. Resolution No. 95-2010 established November 2, 2010 as a date of an election for Measure O - Personal Cannabis Cultivation Tax, adopted on August 2, 2010.

The Sacramento County Voter Registration and Elections Department canvassed the returns of the election and has certified the results to this City Council, and the results are received, attached, and made a part hereof as **(Exhibit A)**.

NOW, THEREFORE, THE CITY COUNCIL OF RANCHO CORDOVA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

MEMBERS OF THE CITY COUNCIL:

1. That the names of persons voted for at the election for Member of the City Council are as follows: Linda Budge, Dan Skoglund, Wayne Hart, and Paul Tassinari.

2. That the number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates are listed in **(Exhibit A)** attached.

3. The City Council does declare and determine that:
Linda Budge was elected as a Member of the City Council for the full term of four years; and
Dan Skoglund was elected as a Member of the City Council for the full term of four years.

BALLOT MEASURES:

1. That the measures voted for at the election are as follows: Measure E, Measure H, and Measure O.

2. That the number of votes given at each precinct and the number of votes given in the City to each of the measures above named are listed in **(Exhibit A)** attached.

3. That City Council does declare and determine that:
Measure E passed by the voters of the City of Rancho Cordova.
Measure H passed by the voters of the City of Rancho Cordova.
Measure O passed by the voters of the City of Rancho Cordova.

That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____ 2010, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

STATE OF CALIFORNIA

County of Sacramento

} ss.

CERTIFICATE OF FACTS

I, Jill LaVine, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that the names of the candidates shown below were submitted to the known qualified electors in the **City of Rancho Cordova** for the purpose of electing **Two (2) City Council members** at the November 2, 2010 General Election.

The results of the Official Canvass conducted by this office are as follows:

	Votes Cast
*Linda Budge	7,763
*Dan Skoglund	6,033
Wayne Hart	4,395
Paul Tassinari	4,182

And that the conduct of the election and canvass of the ballots was in every respect in accordance with the election laws of the State of California.

Witness My Hand and Seal this 19th day of November 2010.




JILL LAVINE
REGISTRAR OF VOTERS
County of Sacramento
State of California

* Candidates elected

STATE OF CALIFORNIA

County of Sacramento

} ss.

CERTIFICATE OF FACTS

I, Jill LaVine, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that **Measure "E"** (shown below) was submitted to the known qualified electors of the **City of Rancho Cordova** at the General Election held on November 2, 2010.

UTILITY USER TAX MODERNIZATION AND FAIRNESS MEASURE

Shall an ordinance be adopted to continue the City of Rancho Cordova's existing 2.5% utility users tax on telecommunication and video services; modernize the ordinance to treat taxpayers equally regardless of technology used; to preserve funding for general municipal services such as neighborhood improvements and safety including, but not limited to, police services, maintenance of and improvements to city streets, sidewalks, landscaping and graffiti removal?

The results of the Official Canvass conducted by this office are as follows:

YES VOTES

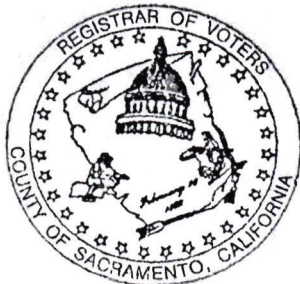
8,630

NO VOTES

7,068

And that the conduct of the election and canvass of the ballots was in every respect in accordance with the election laws of the State of California.

Witness My Hand and Seal this 19th day of November 2010.




JILL LAVINE
REGISTRAR OF VOTERS
County of Sacramento
State of California

STATE OF CALIFORNIA

County of Sacramento

} ss.

CERTIFICATE OF FACTS

I, Jill LaVine, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that **Measure "H"** (shown below) was submitted to the known qualified electors of the **City of Rancho Cordova** at the General Election held on November 2, 2010.

CANNABIS BUSINESS TAX MEASURE

Shall an ordinance be adopted requiring cannabis businesses to pay a tax to fund general municipal services, including police and code enforcement, ranging from \$120 to \$150 for each \$1000 of gross receipts, or \$100 for each square foot for non-profits . The tax would only be effective if Proposition 19 passes, or if any other law allowing cannabis businesses is adopted, and it would only be imposed if the City allows cannabis businesses.

The results of the Official Canvass conducted by this office are as follows:

YES VOTES

10,865

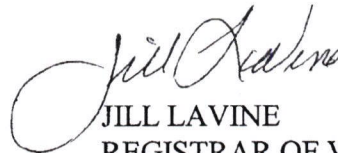
NO VOTES

5,061

And that the conduct of the election and canvass of the ballots was in every respect in accordance with the election laws of the State of California.

Witness My Hand and Seal this 19th day of November 2010.




JILL LAVINE
REGISTRAR OF VOTERS
County of Sacramento
State of California

STATE OF CALIFORNIA

County of Sacramento

} ss.

CERTIFICATE OF FACTS

I, Jill LaVine, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that **Measure "O"** (shown below) was submitted to the known qualified electors of the **City of Rancho Cordova** at the General Election held on November 2, 2010.

PERSONAL CANNABIS CULTIVATION TAX MEASURE

Shall an ordinance be adopted requiring individuals cultivating cannabis (marijuana) for personal use to pay a tax to fund general municipal services, including public safety and code enforcement, in an amount not to exceed the following: 1) for indoor cultivation, from \$600 to \$900 per year for each square foot of area cultivated; and 2) for outdoor cultivation, from \$600 to \$900 per year for each 12.5 square feet of area cultivated,

The results of the Official Canvass conducted by this office are as follows:

YES VOTES

8,777

NO VOTES

6,941

And that the conduct of the election and canvass of the ballots was in every respect in accordance with the election laws of the State of California.

Witness My Hand and Seal this 19th day of November 2010.



JILL LAVINE
REGISTRAR OF VOTERS
County of Sacramento
State of California

ORDINANCE NO. 9-2010

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING
CHAPTER 3.40 OF THE RANCHO CORDOVA MUNICIPAL CODE WITH RESPECT TO A
UTILITY USERS' TAX**

WHEREAS, the City desires to update the definitions of telecommunication and video (cable-like) services in the City's Municipal Code Chapter 3.40 pertaining to the utility users' tax in order that taxpayers be treated the same regardless of the technology used; and

WHEREAS, California Constitution Article XIII C, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

WHEREAS, California Constitution Article XIII C, Section 2, provides that a measure proposing to impose, extend or increase a general tax must be consolidated with a regularly scheduled general election for members of the City Council.

THE PEOPLE OF THE CITY OF RANCHO CORDOVA DO ORDAIN AS FOLLOWS:

SECTION 1: Chapter 3.40 of the Municipal Code is hereby deleted and replaced in its entirety to read as follows:

CHAPTER 3.40**UTILITY USERS' TAX**

- 3.40.010 Short Title.
- 3.40.020 Definitions.
- 3.40.030 Constitutional, Statutory, and Other Exemptions.
- 3.40.040 Telecommunication Tax.
- 3.40.050 Video Tax.
- 3.40.060 Electricity Tax.
- 3.40.070 Gas Tax.
- 3.40.080 Collection of tax from service users receiving direct purchase of gas or electricity.
- 3.40.090 Sewer Tax.
- 3.40.100 Bundling Taxable Items with Non-taxable Items.
- 3.40.110 Substantial Nexus / Minimum Contacts.
- 3.40.120 Duty to collect--Procedures.
- 3.40.130 Collection Penalties – Service Suppliers.
- 3.40.140 Actions to Collect.
- 3.40.150 Deficiency Determination and Assessment – Tax Application Errors.
- 3.40.160 Administrative Remedy - Non-Paying Service Users.
- 3.40.170 Additional powers and duties of the Tax Administrator.
- 3.40.180 Records.
- 3.40.190 Refunds.
- 3.40.200 Appeals.
- 3.40.210 Notice No Injunction/Writ of Mandate.
- 3.40.220 Notice of Changes to Ordinance.
- 3.40.230 Effect of State and Federal Reference/Authorization.
- 3.40.240 Independent Audit of Tax Collection, Exemption, Remittance, and Expenditure.
- 3.40.250 Remedies Cumulative.
- 3.40.260 Interaction with Prior Tax.

3.40.010 Short Title.

This Chapter shall be known as the "Utility Users' Tax Ordinance" of the City.

3.40.020 Definitions.

The following words and phrases whenever used in this Chapter shall be construed as defined in this section.

(a) "Ancillary telecommunication services" means services that are associated with or incidental to the provision, use or enjoyment of telecommunications services, including but not limited to the following services:

(1) "Conference bridging service" means an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunications services used to reach the conference bridge.

(2) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.

(3) "Directory assistance" means an ancillary service of providing telephone number information, and/or address information.

(4) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.

(5) "Voice mail service" means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.

(b) "Ancillary video services" means services that are associated with or incidental to the provision or delivery of video services, including but not limited to electronic program guide services, search functions, recording services, or other interactive services or communications that are associated with or incidental to the provision, use or enjoyment of video services.

(c) "Billing Address" shall mean the mailing address of the service user where the service supplier submits invoices or bills for payment by the customer.

(d) "City" shall mean the City of Rancho Cordova.

(e) "Gas" shall mean natural or manufactured gas or any alternate hydrocarbon fuel which may be substituted therefor.

(f) "Mobile Telecommunications Service" has the meaning and usage as set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124) and the regulations thereunder.

(g) "Month" shall mean a calendar month.

(h) "Non-Utility Service Supplier" means:

(1) a service supplier, other than a supplier of electric distribution services to all or a significant portion of the City, which generates electricity for sale to others, and shall include but is not limited to any publicly-owned electric utility, investor-owned utility, cogenerator, distributed generation provider, exempt wholesale generator (*15 U.S.C. Section 79z-5a*), municipal utility district, federal power marketing agency, electric rural cooperative, or other supplier or seller of electricity;

(2) an electric service provider (ESP), electricity broker, marketer, aggregator, pool operator, or other electricity supplier other than a supplier of electric distribution services to all or a significant portion of the City, which sells or supplies electricity or supplemental services to electricity users within the City; or

(3) a gas service supplier, aggregator, marketer or broker, other than a supplier of gas distribution services to all or a significant portion of the City, which sells or supplies gas or supplemental services to gas users within the City.

(i) "Paging service" means a "telecommunications service" that provides transmission of coded radio signals for the purpose of activating specific pagers; such transmissions may include messages and/or sounds.

(j) "Person" shall mean, without limitation, any natural individual, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and non-profit), municipal district or municipal corporation (other than the City), cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

(k) "Place of Primary Use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer.

(l) "Post-paid telecommunication service" means the telecommunication service obtained by making a payment on a telecommunication-by-telecommunication basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a service number which is not associated with the origination or termination of the telecommunication service.

(m) "Prepaid telecommunication service" means the right to access telecommunication services, which must be paid for in advance and which enables the origination of telecommunications using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

(n) "Private telecommunication service" means a telecommunication service that entitles the customer to exclusive or priority use of a telecommunications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels. A telecommunications channel is a physical or virtual path of telecommunications over which signals are transmitted between or among customer channel termination points (i.e., the location where the customer either inputs or receives the telecommunications).

(o) "Service Address" shall mean the residential street address or the business street address of the service user. For a telecommunication or video service user, "service address" means either:

(1) The location of the service user's telecommunication or video equipment from which the communication originates or terminates, regardless of where the communication is billed or paid; or,

(2) If the location in subsection (1) of this definition is unknown (e.g., mobile telecommunications service or VoIP service), the service address shall mean- the location of the service user's place of primary use.

(3) For prepaid telecommunication service, "service address" shall mean the location associated with the service number, or if unknown, the point of sale of the services.

(p) "Service Supplier" shall mean any entity or person, including the City, that provides telecommunication or video service to a user of such service within the City.

(q) "Service User" shall mean a person required to pay a tax imposed under the provisions of this Article.

(r) "State" shall mean the State of California.

(s) "Streamlined Sales and Use Tax Agreement shall mean the multi-state agreement commonly known and referred to as the Streamlined Sales and Use Tax Agreement, and as it is amended from time to time.

(t) "Tax Administrator" means the Finance Director of the City or his or her designee.

(u) "Telecommunications services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points, whatever the technology used. The term "telecommunications services" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such services are referred to as voice over internet protocol (VoIP) services or are classified by the Federal Telecommunications Commission as enhanced or value added, and includes video and/or data services that is functionally integrated with "telecommunication services". "Telecommunications services" include, but are not limited to the following services, regardless of the manner or basis on which such services are calculated or billed: ancillary telecommunication services; intrastate, interstate, and international telecommunication services; mobile telecommunications service; prepaid telecommunication service; post-paid telecommunication service; private telecommunication service; paging service; 800 service (or any other toll-free numbers designated by the Federal Telecommunications Commission); 900 service (or any other similar numbers designated by the Federal Telecommunications Commission for services whereby subscribers who call in to pre-recorded or live service).

(v) "Video Programming" means those programming services commonly provided to subscribers by a "video service supplier" including but not limited to basic services, premium services, audio services, video games, pay-per-view services, video on demand, origination programming, or any other similar services, regardless of the content of such video programming, or the technology used to deliver such services, and regardless of the manner or basis on which such services are calculated or billed.

(w) "Video Services" means "video programming" and any and all services related to the providing, recording, delivering, use or enjoyment of "video programming" (including origination programming and programming using Internet Protocol, e.g., IP-TV and IP-Video) using one or more channels by a "video service supplier", regardless of the technology used to deliver, store or provide such services, and regardless of the manner or basis on which such services are calculated or billed, and includes ancillary video services, data services, "telecommunication services", or interactive communication services that are functionally integrated with "video services".

(x) "Video Service Supplier" means any person, company, or service which provides or sells one or more channels of video programming, or provides or sells the capability to receive one or more channels of video programming, including any telecommunications that are ancillary, necessary or common to the provision, use or enjoyment of the video programming, to or from a business or residential address in the City, where some fee is paid, whether directly or included in dues or rental charges for that service, whether or not public rights-of-way are utilized in the delivery of the video programming or telecommunications. A "video service supplier" includes, but is not limited to, multichannel video programming distributors [as defined in 47 U.S.C.A. Section 522(13)]; open video systems (OVS) suppliers; and suppliers of cable television; master antenna television; satellite master antenna television; multichannel multipoint distribution services (MMDS); video services using internet protocol (e.g., IP-TV and IP-Video, which provide, among other things, broadcasting and video on demand), direct broadcast satellite to the extent federal law permits taxation of its video services, now or in the future; and other suppliers of video services (including two-way communications), whatever their technology.

(y) VoIP (voice over internet protocol) means the digital process of making and receiving real-time voice transmissions over any Internet Protocol network.

(z) "800 service" means a "telecommunications service" that allows a caller to dial a toll-free number without incurring a charge for the call. The service is typically marketed under the name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers designated by the Federal Communications Commission.

(aa) "900 service" means an inbound toll "telecommunications service" purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service. "900 service" does not include the charge for: collection services provided by the seller of the "telecommunications services" to the subscriber, or service or product sold by the subscriber to the subscriber's customer. The service is typically marketed under the name "900" service, and any subsequent numbers designated by the Federal Communications Commission.

3.40.030 Constitutional, Statutory and Other Exemptions.

(a) Nothing in this Chapter shall be construed as imposing a tax upon any person or service when the imposition of such tax upon such person or service would be in violation of a federal or state statute, the Constitution of the United States or the Constitution of the State.

(b) Any service user that is exempt from the tax imposed by this Chapter pursuant to subsection (a) of this section shall file an application with the Tax Administrator for an exemption; provided, however, this requirement shall not apply to a service user that is a state or federal agency or subdivision with a commonly recognized name for such service. Said application shall be made upon a form approved by the Tax Administrator and shall state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and shall include the names of all utility service suppliers serving that service user. If deemed exempt by the Tax Administrator,

such service user shall give the Tax Administrator timely written notice of any change in utility service suppliers so that the Tax Administrator can properly notify the new utility service supplier of the service users' tax exempt status. A service user that fails to comply with this section shall not be entitled to a refund of utility users' taxes collected and remitted to the Tax Administrator from such service user as a result of such noncompliance.

The decision of the Tax Administrator may be appealed pursuant to Section 3.40.200 of this Chapter. Filing an application with the Tax Administrator and appeal to the Chief Executive Officer pursuant to Section 3.40.200 of this Chapter is a prerequisite to a suit thereon.

The City Council may, by resolution, establish one or more classes of persons or one or more classes of utility service otherwise subject to payment of a tax imposed by this Chapter and provide that such classes of persons or service shall be exempt, in whole or in part from such tax for a specified period of time.

3.40.040 Telecommunication Users' Tax.

(a) There is hereby imposed a tax upon every person in the City using telecommunication services. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such services and shall be collected from the service user by the telecommunication services supplier or its billing agent. There is a rebuttable presumption that telecommunication services, which are billed to a billing or service address in the City, are used, in whole or in part, within the City's boundaries, and such services are subject to taxation under this Chapter. There is also a rebuttable presumption that prepaid telecommunication services sold within the City are used, in whole or in part, within the City and are therefore subject to taxation under this Chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used for purposes of imposing the tax. As used in this Section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the telecommunication services.

(b) "Mobile Telecommunications Service" shall be sourced in accordance with the sourcing rules set forth in the *Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124)*. The Tax Administrator may issue and disseminate to telecommunication service suppliers, which are subject to the tax collection requirements of this Chapter, sourcing rules for the taxation of other telecommunication services, including but not limited to post-paid telecommunication services, prepaid telecommunication services, VoIP, and private communication services, provided that such rules are based upon custom and common practice that further administrative efficiency and minimize multi-jurisdictional taxation (e.g., Streamline Sales and Use Tax Agreement).

(c) The Tax Administrator may issue and disseminate to telecommunication service suppliers, which are subject to the tax collection requirements of this Chapter, an administrative ruling identifying those telecommunication services, or charges therefor, that are subject to or not subject to the tax of subsection (a) above.

(d) As used in this section, the term "telecommunication services" shall include, but are not limited to charges for: connection, reconnection, termination, movement, or change of telecommunication services; late payment fees; detailed billing; central office and custom calling features (including but not limited to call waiting, call forwarding, caller identification and three-way calling); voice mail and other messaging services; directory assistance; access and line charges; universal service charges; regulatory, administrative and other cost recovery charges; local number portability charges; and text and instant messaging. "Telecommunication services" shall not include digital

downloads that are not "ancillary telecommunications services", such as books, music, ringtones, games, and similar digital products.

(e) To prevent actual multi-jurisdictional taxation of telecommunication services subject to tax under this section, any service user, upon proof to the Tax Administrator that the service user has previously paid the same tax in another state or local jurisdiction on such telecommunication services, shall be allowed a credit against the tax imposed to the extent of the amount of such tax legally imposed in such other state or local jurisdiction; provided, however, the amount of credit shall not exceed the tax owed to the City under this section.

(f) The tax on telecommunication services imposed by this section shall be collected from the service user by the service supplier. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month.

3.40.050 Video Users' Tax.

(a) There is hereby imposed a tax upon every person in the City using video services. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such services and shall be collected from the service user by the video service supplier or its billing agent. There is a rebuttable presumption that video services, which are billed to a billing or service address in the City, are used, in whole or in part, within the City's boundaries, and such services are subject to taxation under this Chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used for purposes of imposing the tax.

(b) As used in this section, the term "charges" shall include, but is not limited to, charges for the following:

- (1) regulatory fees and surcharges, franchise fees and access fees (PEG);
- (2) initial installation of equipment necessary for provision and receipt of video services;
- (3) late fees, collection fees, bad debt recoveries, and return check fees;
- (4) activation fees, reactivation fees, and reconnection fees;
- (5) video programming and video services;
- (6) ancillary video programming services (e.g., electronic program guide services, search functions, recording functions, or other interactive services or communications that are ancillary, necessary or common to the use or enjoyment of the video services);
- (7) equipment leases (e.g., remote, recording and/or search devices; converters); and,
- (8) service calls, service protection plans, name changes, changes of services, and special services.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the video services.

(d) The Tax Administrator may issue and disseminate to video service suppliers, which are subject to the tax collection requirements of this Chapter, an administrative ruling identifying those video services, or charges therefor, that are subject to or not subject to the tax of subsection (a) above.

(e) The tax imposed by this section shall be collected from the service user by the video service supplier, its billing agent, or a reseller of such services. In the case of video service, the service user shall be deemed to be the purchaser of the bulk video service (e.g., an apartment owner), unless such service is resold to individual users, in which case the service user shall be the ultimate purchaser of the video service. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month.

3.40.060 Electricity Users Tax.

(a) There is hereby imposed a tax upon every person using electricity in the City. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such electricity, and for any supplemental services or other associated activities directly related to and/or necessary for the provision of electricity to the service user, which are provided by a service supplier or non-utility service supplier to a service user. The tax shall be collected from the service user by the service supplier or non-utility service supplier, or its billing agent. Notwithstanding the foregoing, the first forty-five dollars (\$45.00) in total monthly charges made for electrical energy to a residential service user shall be exempt from the tax levied by this Section 3.40.060.

(b) As used in this section, the term "charges" shall apply to all services, components and items that are: i) necessary for or common to the receipt, use or enjoyment of electric service; or, ii) currently are or historically have been included in a single or bundled rate for electric service by a local distribution company to a class of retail customers. The term "charges" shall include, but is not limited to, the following charges:

(1) energy charges;

(2) distribution or transmission charges;

(3) metering charges;

(4) stand-by, reserves, firming, ramping, voltage support, regulation, emergency, or other similar charges for supplemental services to self-generation service users;

(5) customer charges, late charges, service establishment or reestablishment charges, demand charges, fuel or other cost adjustments, power exchange charges, independent system operator (ISO) charges, stranded investment or competitive transition charges (CTC), public purpose program charges, nuclear decommissioning charges, trust transfer amounts (bond financing charges), franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees or surcharges which are necessary for or common to the receipt, use or enjoyment of electric service; and,

(6) charges, fees, or surcharges for electricity services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the electricity or services related to the provision of such electricity.

(d) The Tax Administrator, from time to time, may survey the electric service suppliers to identify the various unbundled billing components of electric retail service that they commonly provide to residential and commercial/industrial customers in the of the City, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such electric service. The Tax Administrator, thereafter, may issue and disseminate to such electric service suppliers an administrative ruling identifying those components and items which are: i) necessary for or common to the receipt, use or enjoyment of electric service; or, ii) currently are or historically have been included in a single or bundled rate for electric service by a local distribution company to a class of retail customers. Charges for such components and items shall be subject to the tax of subsection (a) above.

(e) As used in this section, the term "using electricity" shall not include the mere receiving of such electricity by an electrical corporation or governmental agency at a point within the City for resale.

(f) The tax on electricity provided by self-production or by a non-utility service supplier not under the jurisdiction of this Chapter shall be collected and remitted in the manner set forth in Section 3.40.080 of this Chapter. All other taxes on charges for electricity imposed by this section shall be collected from the service user by the electric service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month; or, at the option of the person required to collect and/or remit the tax, such person shall remit an estimated amount of tax measured by the tax billed in the previous month or upon the payment pattern of the service user, which must be received by the Tax Administrator on or before the twentieth (20th) day of the following month, provided that such person shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator, may be applied against any subsequent remittance that becomes due.

3.40.070 Gas Users' Tax.

(a) There is hereby imposed a tax upon every person using gas in the City, which is transported and delivered through a pipeline or by mobile transport. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such gas, including all services related to the storage, transportation and delivery of such gas. The tax shall be collected from the service user by the service supplier or non-utility service supplier, or its billing agent, and shall apply to all uses of gas, including but not limited to, heating, electricity generation, and the use of gas as a component of a manufactured product. Notwithstanding the foregoing, the charges made for the baseline rate usage approved by the California Public Utilities Commission for gas furnished to a residential service user shall be exempt from the tax levied by this Section 3.40.080.

(b) As used in this section, the term "charges" shall apply to all services, components and items for gas service that are: i) necessary for or common to the receipt, use or enjoyment of gas service; or, ii) currently are or historically have been included in a single or bundled rate for gas service by a local distribution company to a class of retail customers. The term "charges" shall include, but is not limited to, the following charges:

(1) the commodity charges for purchased gas, or the cost of gas owned by the service user (including the actual costs attributed to drilling, production, lifting, storage, gathering, trunkline, pipeline, and other operating costs associated with the production and delivery of such gas), which is delivered through a gas pipeline distribution system;

(2) gas transportation charges (including interstate charges to the extent not included in commodity charges);

(3) storage charges; provided, however, that the service supplier shall not be required to apply the tax to any charges for gas storage services when the service supplier cannot, as a practical matter, determine the jurisdiction where such stored gas is ultimately used; but it shall be the obligation of the service user to self-collect the amount of tax not applied to any charge for gas storage by the service supplier and to remit the tax to the appropriate jurisdiction;

(4) capacity or demand charges, late charges, service establishment or reestablishment charges, transition charges, customer charges, minimum charges, annual and monthly charges, and any other charges which are necessary for or common to the receipt, use or enjoyment of gas service; and,

(5) charges, fees, or surcharges for gas services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the gas or services related to the delivery of such gas.

(d) The Tax Administrator, from time to time, may survey the gas service suppliers to identify the various unbundled billing components of gas retail service that they commonly provide to residential and commercial/industrial customers in the City, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such gas service. The Tax Administrator, thereafter, may issue and disseminate to such gas service suppliers an administrative ruling identifying those components and items which are: i) necessary for or common to the receipt, use or enjoyment of gas service; or, ii) currently are or historically have been included in a single or bundled rate for gas service by a local distribution company to a class of retail customers. Charges for such components and items shall be subject to the tax of subsection (a) above.

(e) There shall be excluded from the calculation of the tax imposed in this section, charges made for gas which is to be resold and delivered through a pipeline distribution system.

(f) The tax on gas provided by self-production or by a non-utility service supplier not under the jurisdiction of this Chapter shall be collected and remitted in the manner set forth in Section 3.40.080 of this Chapter. All other taxes on charges for gas imposed by this section shall be collected from the service user by the gas service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator, on or before the twentieth (20th) day of the following month; or, at the option of the person required to collect and/or remit the tax, such person shall remit an estimated amount of tax measured by the tax billed in the previous month or upon the payment pattern of the service user, which must be received by the Tax Administrator on or before the twentieth (20th) day of the following month, provided that such person shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar

quarter. The credit, if approved by the Tax Administrator, may be applied against any subsequent remittance that becomes due.

3.40.080 Collection of Tax from Service Users Receiving Direct Purchase of Gas or Electricity.

(a) Any service user subject to the tax imposed by Section 3.40.060 or by Section 3.40.070 of this Chapter, which produces gas or electricity for self-use; which receives gas or electricity, including any related supplemental services, directly from a non-utility service supplier not under the jurisdiction of this Chapter; or which, for any other reason, is not having the full tax collected and remitted by its service supplier, a non-utility service supplier, or its billing agent on the use of gas or electricity in the City, including any related supplemental services, shall report said fact to the Tax Administrator and shall remit the tax due directly to the Tax Administrator within thirty (30) days of such use, based on the charges for, or value of, such gas or electricity, or supplemental services, as provided in subsection (b). In lieu of paying said actual tax, the service user may, at its option, remit to the Tax Administrator within thirty (30) days of such use an estimated amount of tax measured by the tax billed in the previous month, or upon the payment pattern of similar customers of the service supplier using similar amounts of gas or electricity, provided that the service user shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator in writing, may be applied against any subsequent tax bill that becomes due.

(b) The Tax Administrator may require said service user to identify its non-utility service supplier, and otherwise provide, subject to audit: invoices; books of account; or other satisfactory evidence documenting the quantity of gas or electricity used, including any related supplemental services, and the cost or price thereof. If the service user is unable to provide such satisfactory evidence, or if the administrative cost of calculating the tax in the opinion of the Tax Administrator is excessive, the Tax Administrator may determine the tax by applying the tax rate to the equivalent charges the service user would have incurred if the gas or electricity used, including any related supplemental services, had been provided by the service supplier that is the primary supplier of gas or electricity within the City. Rate schedules for this purpose shall be available from the City.

3.40.090 Sewer Tax.

(a) There is hereby imposed a tax upon every person in the City using sewer services within the City. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such sewer service. The tax shall be paid by the person using such sewer service.

(b) As used in this section, the term "charges" shall apply to all services, components and items that are: i) necessary for or common to the receipt, use or enjoyment of sewer service; or, ii) currently are or historically have been included in a single or bundled rate for sewer service to retail customers. The term "charges" shall include, but is not limited to, the following charges:

- (1) customer charges, late charges, service establishment or reestablishment charges, annual and monthly charges, and other charges, fees and surcharges which are necessary for or common to the receipt, use or enjoyment of sewer service; and,
- (2) charges, fees, or surcharges for sewer services or programs, which are mandated by the City, a state or federal agency, whether or not such

charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) The tax on sewer service imposed by this section shall be collected from the service user by the sewer service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month.

3.40.100 Bundling Taxable Items with Non-Taxable Items.

If any nontaxable charges are combined with and not separately stated from taxable service charges on the customer bill or invoice of a service supplier, the combined charge is subject to tax unless the service supplier identifies, by reasonable and verifiable standards, the portions of the combined charge that are nontaxable and taxable through the service supplier's books and records kept in the regular course of business, and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. If the service supplier offers a combination of taxable and non-taxable services, and the charges are separately stated, then for taxation purposes, the values assigned the taxable and non-taxable services shall be based on its books and records kept in the regular course of business and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. The service supplier has the burden of proving the proper valuation and apportionment of the taxable and non-taxable services.

3.40.110 Substantial Nexus / Minimum Contacts.

For purposes of imposing a tax or establishing a duty to collect and remit a tax under this Chapter, "substantial nexus" and "minimum contacts" shall be construed broadly in favor of the imposition, collection and/or remittance of the utility users tax to the fullest extent permitted by state and federal law, and as it may change from time to time by judicial interpretation or by statutory enactment. Any telecommunication service (including VoIP) used by a person with a service address in the City, which service is capable of terminating a call to another person on the general telephone network, shall be subject to a rebuttable presumption that "substantial nexus/minimum contacts" exists for purposes of imposing a tax, or establishing a duty to collect and remit a tax, under this Chapter. A service supplier shall be deemed to have sufficient activity in the City for tax collection and remittance purposes if its activities include, but are not limited to, any of the following: maintains or has within the City, directly or through an agent, affiliate, or subsidiary, a place of business of any nature; solicits business in the City by employees, independent contractors, resellers, agents or other representatives; solicits business in the City on a continuous, regular, seasonal or systematic basis by means of advertising that is broadcast or relayed from a transmitter within the City or distributed from a location within the City; or advertises in newspapers or other periodicals printed and published within the City or through materials distributed in the City by means other than the United States mail; or if there are activities performed in the City on behalf of the service supplier that are significantly associated with the service supplier's ability to establish and maintain a market in the City for the provision of utility services that are subject to a tax under this Chapter.

3.40.120 Duty to Collect-Procedures.

(a) **Collection by Service Suppliers.** The duty of service suppliers to collect and remit the taxes imposed by the provisions of this Chapter shall be performed as follows:

(1) The tax shall be collected by service suppliers insofar as practicable at the same time as, and along with, the collection of the charges made in accordance with the regular billing practice of the service supplier. Where the amount paid by a service user to a service supplier is less than the full amount of the charge and tax which was accrued for the billing period, a proportionate share of both the charge and the tax shall be deemed to have been paid. In those cases where a service user has notified the service supplier of refusal to pay the tax imposed on said charges, Section 3.40.160 shall apply.

(2) The duty of a service supplier to collect the tax from a service user shall commence with the beginning of the first regular billing period applicable to the service user where all charges normally included in such regular billing are subject to the provisions of this Chapter. Where a service user receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period.

(b) **Filing Return and Payment.** Each person required by this Chapter to remit a tax shall file a return to the Tax Administrator, on forms approved by the Tax Administrator, on or before the due date. The full amount of the tax collected shall be included with the return and filed with the Tax Administrator. The Tax Administrator is authorized to require such additional information as he or she deems necessary to determine if the tax is being levied, collected, and remitted in accordance with this Chapter. Returns are due immediately upon cessation of business for any reason. Pursuant to *Revenue and Tax Code Section 7284.6*, the Tax Administrator, and its agents, shall maintain such filing returns as confidential information that is exempt from the disclosure provisions of the Public Records Act.

3.40.130 Collection Penalties – Service Suppliers.

(a) Taxes collected by service supplier from a service user are delinquent if not received by the Tax Administrator on or before the due date. Should the due date occur on a weekend or legal holiday, the return must be received by the Tax Administrator on the first regular working day following the weekend or legal holiday. A direct deposit, including electronic fund transfers and other similar methods of electronically exchanging monies between financial accounts, made by a service supplier in satisfaction of its obligations under this subsection shall be considered timely if the transfer is initiated on or before the due date, and the transfer settles into the City's account on the following business day.

(b) If the person required to collect and/or remit the utility users' tax fails to collect the tax (by failing to properly assess the tax on one or more services or charges on the customer's billing) or fails to remit the tax collected on or before the due date, the Tax Administrator shall attach a penalty for such delinquencies or deficiencies at the rate of fifteen (15%) percent of the total tax that is delinquent or deficient in the remittance, and shall pay interest at the rate of and 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid.

(c) The Tax Administrator shall have the power to impose additional penalties upon persons required to collect and remit taxes pursuant to the provisions of this Chapter for fraud or gross negligence in reporting or remitting at the rate of fifteen (15%) percent of the amount of the tax collected and/or required to be remitted, or as recomputed by the Tax Administrator.

(d) For collection purposes only, every penalty imposed and such interest that is accrued under the provisions of this section shall become a part of the tax herein required to be paid.

(e) Notwithstanding the foregoing, the Tax Administrator may, in his or her discretion, modify the due dates of this Chapter to be consistent with any uniform standards or procedures that are mutually agreed upon by other public agencies imposing a utility users tax, or otherwise legally established, to create a central payment location or mechanism.

3.40.140 Actions to Collect. Any tax required to be paid by a service user under the provisions of this Chapter shall be deemed a debt owed by the service user to the City. Any such tax collected from a service user which has not been remitted to the Tax Administrator shall be deemed a debt owed to the City by the person required to collect and remit and shall no longer be a debt of the service user. Any person owing money to the City under the provisions of this Chapter shall be liable to an action brought in the name of the City for the recovery of such amount, including penalties and interest as provided for in this Chapter, along with any collection costs incurred by the City as a result of the person's noncompliance with this Chapter, including, but not limited to, reasonable attorneys fees. Any tax required to be collected by a service supplier or owed by a service user is an unsecured priority excise tax obligation under *11 U.S.C.A. Section 507(a)(8)(C)*. Service suppliers who seek to collect charges for service in bankruptcy proceedings shall also include in any such claim the amount of taxes due the City for those services, unless the Tax Administrator determines that such duty is in conflict with any federal or state law, rule, or regulation or that such action would be administratively impractical.

3.40.150 Deficiency Determination and Assessment – Tax Application Errors.

(a) The Tax Administrator shall make a deficiency determination if he or she determines that any service supplier or service user required to pay, collect, and/or remit taxes pursuant to the provisions of this Chapter has failed to pay, collect, and/or remit the proper amount of tax by improperly or failing to apply the tax to one or more taxable services or charges. Nothing herein shall require that the Tax Administrator institute proceedings under this Section 3.40.150 if, in the opinion of the Tax Administrator, the cost of collection or enforcement likely outweighs the tax benefit.

(b) The Tax Administrator shall mail a notice of such deficiency determination to the person or entity allegedly owing the tax, which notice shall refer briefly to the amount of the taxes owed, plus interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax from the date on which the tax should have been received by the City. Within fourteen (14) calendar days after the date of service of such notice, the person or entity allegedly owing the tax may request in writing to the Tax Administrator for a hearing on the matter.

(c) If the person or entity allegedly owing the tax fails to request a hearing within the prescribed time period, the amount of the deficiency determination shall become a final assessment, and shall immediately be due and owing to the City. If the person requests a hearing, the Tax Administrator shall cause the matter to be set for hearing, which shall be scheduled within thirty (30) days after receipt of the written request for hearing. Notice of the time and place of the hearing shall be mailed by the Tax Administrator to such person or entity at least ten (10) calendar days prior to the hearing, and, if the Tax Administrator desires said person or entity to produce specific records at such hearing, such notice may designate the records requested to be produced.

(d) At the time fixed for the hearing, the Tax Administrator shall hear all relevant testimony and evidence, including that of any other interested parties. At the discretion of the Tax Administrator, the hearing may be continued from time to time for the purpose of allowing the

presentation of additional evidence. Within a reasonable time following the conclusion of the hearing, the Tax Administrator shall issue a final assessment (or non-assessment), thereafter, by confirming, modifying or rejecting the original deficiency determination, and shall mail a copy of such final assessment to person or entity owing the tax. The decision of the Tax Administrator may be appealed pursuant to Section 3.40.200 of this Chapter. Filing an application with the Tax Administrator and appeal to the Chief Executive Officer pursuant to Section 3.40.200 of this Chapter is a prerequisite to a suit thereon.

(e) Payment of the final assessment shall become delinquent if not received by the Tax Administrator on or before the thirtieth (30th) day following the date of receipt of the notice of final assessment. The penalty for delinquency shall be fifteen percent (15%) on the total amount of the assessment, along with interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date of delinquency, until paid. The applicable statute of limitations regarding a claim by the City seeking payment of a tax assessed under this Chapter shall commence from the date of delinquency as provided in this subsection (e).

(f) All notices under this section may be sent by regular mail, postage prepaid, and shall be deemed received on the third calendar day following the date of mailing, as established by a proof of mailing.

3.40.160 Administrative Remedy - Non-Paying Service Users.

(a) Whenever the Tax Administrator determines that a service user has deliberately withheld the amount of the tax owed by the service user from the amounts remitted to a person required to collect the tax, or whenever the Tax Administrator deems it in the best interest of the City, he or she may relieve such person of the obligation to collect the taxes due under this Chapter from certain named service users for specific billing periods. To the extent the service user has failed to pay the amount of tax owed for a period of two (2) or more billing periods, the service supplier shall be relieved of the obligation to collect taxes due. The service supplier shall provide the City with the names and addresses of such service users and the amounts of taxes owed under the provisions of this Chapter. Nothing herein shall require that the Tax Administrator institute proceedings under this Section 3.40.160 if, in the opinion of the Tax Administrator, the cost of collection or enforcement likely outweighs the tax benefit.

(b) In addition to the tax owed, the service user shall pay a delinquency penalty at the rate of fifteen percent (15%) of the total tax that is owed, and shall pay interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the due date, until paid.

(c) The Tax Administrator shall notify the non-paying service user that the Tax Administrator has assumed the responsibility to collect the taxes due for the stated periods and demand payment of such taxes, including penalties and interest. The notice shall be served on the service user by personal delivery or by deposit of the notice in the United States mail, postage prepaid, addressed to the service user at the address to which billing was made by the person required to collect the tax; or, should the service user have a change of address, to his or her last known address.

(d) If the service user fails to remit the tax to the Tax Administrator within thirty (30) days from the date of the service of the notice upon him or her, the Tax Administrator may impose an additional penalty of fifteen percent (15%) of the amount of the total tax that is owed.

3.40.170 Additional Powers and Duties of the Tax Administrator.

(a) The Tax Administrator shall have the power and duty to enforce each and all of the provisions of this Chapter.

(b) The Tax Administrator may adopt administrative rules and regulations consistent with provisions of this Chapter for the purpose of interpreting, clarifying, carrying out and enforcing the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be on file in the Tax Administrator's office. To the extent that the Tax Administrator determines that the tax imposed under this Chapter shall not be collected in full for any period of time from any particular service supplier or service user, that determination shall be considered an exercise of the Tax Administrator's discretion to settle disputes and shall not constitute a change in taxing methodology for purposes of *Government Code Section 53750* or otherwise. The Tax Administrator is not authorized to amend the City's methodology for purposes of *Government Code Section 53750* and the City does not waive or abrogate its ability to impose the utility users' tax in full as a result of promulgating administrative rulings or entering into agreements.

(c) Upon a proper showing of good cause, the Tax Administrator may make administrative agreements, with appropriate conditions, to vary from the strict requirements of this Chapter and thereby: (1) conform to the billing procedures of a particular service supplier so long as said agreements result in the collection of the tax in conformance with the general purpose and scope of this Chapter; or, (2) to avoid a hardship where the administrative costs of collection and remittance greatly outweigh the tax benefit. A copy of each such agreement shall be on file in the Tax Administrator's office, and are voidable by the Tax Administrator or the City at any time.

(d) The Tax Administrator may conduct an audit, to ensure proper compliance with the requirements of this Chapter, of any person required to collect and/or remit a tax pursuant to this Chapter. The Tax Administrator shall notify said person of the initiation of an audit in writing. In the absence of fraud or other intentional misconduct, the audit period of review shall not exceed a period of three (3) years next preceding the date of receipt of the written notice by said person from the Tax Administrator. Upon completion of the audit, the Tax Administrator may make a deficiency determination pursuant to Section 3.40.150 of this Chapter for all taxes (and applicable penalties and interest) owed and not paid, as evidenced by information provided by such person to the Tax Administrator. If said person is unable or unwilling to provide sufficient records to enable the Tax Administrator to verify compliance with this Chapter, the Tax Administrator is authorized to make a reasonable estimate of the deficiency. Said reasonable estimate shall be entitled to a rebuttable presumption of correctness.

(e) Upon receipt of a written request of a taxpayer, and for good cause, the Tax Administrator may extend the time for filing any statement required pursuant to this Chapter for a period of not to exceed forty-five (45) days, provided that the time for filing the required statement has not already passed when the request is received. No penalty for delinquent payment shall accrue by reason of such extension. Interest shall accrue during said extension at the rate of 75/100ths (0.75%) percent per month, prorated for any portion thereof.

(f) The Tax Administrator shall determine the eligibility of any person who asserts a right to exemption from, or a refund of, the tax imposed by this Chapter.

(g) Notwithstanding any provision in this Chapter to the contrary, the Tax Administrator may waive any penalty or interest imposed upon a person required to collect and/or remit for failure to collect the tax imposed by this Chapter if the non-collection occurred in good faith. In determining whether the non-collection was in good faith, the Tax Administrator shall take into consideration the uniqueness of the product or service, industry practice or other precedence.

The Tax Administrator may also participate with other UUT public agencies in conducting coordinated compliance reviews with the goal of achieving administrative efficiency and uniform tax application determinations, where possible. To encourage full disclosure and on-going cooperation on annual compliance reviews, the Tax Administrator, and its agents, may enter into agreements with the tax-collecting service providers and grant prospective only effect on any changes regarding the taxation of services or charges that were previously deemed by the service provider, in good faith and without gross negligence, to be non-taxable. In determining whether the non-collection was in good faith and without gross negligence, the Tax Administrator shall take into consideration the uniqueness of the product or service, industry practice or other precedence.

3.40.180 Records.

(a) It shall be the duty of every person required to collect and/or remit to the City any tax imposed by this Chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he/she may have been liable for the collection of and remittance to the Tax Administrator, which records the Tax Administrator shall have the right to inspect at a reasonable time.

(b) The City, through the City Council, may issue an administrative subpoena to compel a person to deliver, to the Tax Administrator, copies of all records deemed necessary by the Tax Administrator to establish compliance with this Chapter, including the delivery of records in a common electronic format on readily available media if such records are kept electronically by the person in the usual and ordinary course of business. As an alternative to delivering the subpoenaed records to the Tax Administrator on or before the due date provided in the administrative subpoena, such person may provide access to such records outside the City on or before the due date, provided that such person shall reimburse the City for all reasonable travel expenses incurred by the City to inspect those records, including travel, lodging, meals, and other similar expenses, but excluding the normal salary or hourly wages of those persons designated by the City to conduct the inspection.

(c) The Tax Administrator is authorized to execute a non-disclosure agreement approved by the City Attorney to protect the confidentiality of customer information pursuant to *California Revenue and Tax Code Sections 7284.6 and 7284.7*.

(d) If a service supplier uses a billing agent or billing aggregator to bill, collect, and/or remit the tax, the service supplier shall: i) provide to the Tax Administrator the name, address and telephone number of each billing agent and billing aggregator currently authorized by the service supplier to bill, collect, and/or remit the tax to the City; and, ii) upon request of the Tax Administrator, deliver, or effect the delivery of, any information or records in the possession of such billing agent or billing aggregator that, in the opinion of the Tax Administrator, is necessary to verify the proper application, calculation, collection and/or remittance of such tax to the City.

(e) If any person subject to record-keeping under this section unreasonably denies the Tax Administrator access to such records, or fails to produce the information requested in an administrative subpoena within the time specified, then the Tax Administrator may impose a penalty of \$500 on such person for each day following: i) the initial date that the person refuses to provide such access; or, ii) the due date for production of records as set forth in the administrative subpoena. This penalty shall be in addition to any other penalty imposed under this Chapter.

3.40.190 Refunds.

Whenever the amount of any tax has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Tax Administrator under this Chapter from a service user or service supplier, it may be refunded as provided in this section:

(a) The Tax Administrator may refund any tax that has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Tax Administrator under this Chapter from a service user or service supplier, provided that no refund shall be paid under the provisions of this section unless the claimant or his or her guardian, conservator, executor, or administrator has submitted a written claim to the Tax Administrator within one year of the overpayment or erroneous or illegal collection of said tax. Such claim must clearly establish claimant's right to the refund by written records showing entitlement thereto. Nothing herein shall permit the filing of a claim on behalf of a class or group of taxpayers unless each member of the class has submitted a written claim under penalty of perjury as provided by this subsection. It is the intent of the City Council that the one year written claim requirement of this subsection be given retroactive effect; provided, however, that any claims which arose prior to the commencement of the one year claims period of this subsection, and which are not otherwise barred by a then applicable statute of limitations or claims procedure, must be filed with the Tax Collector as provided in this subsection within ninety days following the effective date of this ordinance.

(b) The City Manager, where the claim is less than the settlement authority established in 2.04.110 of the Municipal Code, or the City Council where the claim is in excess of that amount, shall act upon the refund claim within forty-five (45) days of the initial receipt of the refund claim. Said decision shall be final. If the City Manager/City Council fails or refuses to act on a refund claim within the forty-five (45) day period, the claim shall be deemed to have been rejected by the City Manager/City Council on the forty-fifth (45th) day. The Tax Administrator shall give notice of the action in a form which substantially complies with that set forth in California Government Code Section 913.

(c) The filing of a written claim pursuant to California Government Code Section 935 is a prerequisite to any suit thereon. Any action brought against the City pursuant to this section shall be subject to the provisions of California Government Code Sections 945.6 and 946.

(d) Notwithstanding the notice provisions of subsection (a) of this Section, the Tax Administrator may, at his or her discretion, give written permission to a service supplier, who has collected and remitted any amount of tax in excess of the amount of tax imposed by this Chapter, to claim credit for such overpayment against the amount of tax which is due the City upon a subsequent monthly return(s) to the Tax Administrator, provided that: i) such credit is claimed in a return dated no later than one year from the date of overpayment or erroneous collection of said tax; ii) the Tax Administrator is satisfied that the underlying basis and amount of such credit has been reasonably established; and, iii) in the case of an overpayment by a service user to the service supplier that has been remitted to the City, the Tax Administrator has received proof, to his or her satisfaction, that the overpayment has been refunded by the service supplier to the service user in an amount equal to the requested credit.

3.40.200 Appeals.

(a) The provisions of this section apply to any decision (other than a decision relating to a refund pursuant to Section 3.40.190 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator. Any person aggrieved by any decision (other than

a decision relating to a refund pursuant to Section 3.40.200 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator, shall be required to comply with the appeals procedure of this section. Compliance with this section shall be a prerequisite to a suit thereon. [See *Government Code Section 935(b)*]. Nothing herein shall permit the filing of a claim or action on behalf of a class or group of taxpayers.

(b) If any person is aggrieved by any decision (other than a decision relating to a refund pursuant to Section 3.40.190 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator; he or she may appeal to the City Manager by filing a notice of appeal with the City Clerk within fourteen (14) days of the date of the decision, deficiency determination, assessment, or administrative ruling of the Tax Administrator which aggrieved the service user or service supplier.

(c) The matter shall be scheduled for hearing before an independent hearing officer selected by the City Manager, no more than thirty (30) days from the receipt of the appeal. The appellant shall be served with notice of the time and place of the hearing, as well as any relevant materials, at least five (5) calendar days prior to the hearing. The hearing may be continued from time to time upon mutual consent. At the time of the hearing, the appealing party, the Tax Administrator, and any other interested person may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

(d) Based upon the submission of such evidence and the review of the City's files, the hearing officer shall issue a written notice and order upholding, modifying or reversing the determination from which the appeal is taken. The notice shall be given within fourteen (14) days after the conclusion of the hearing and shall state the reasons for the decision. The notice shall specify that the decision is final and that any petition for judicial review shall be filed within ninety (90) days from the date of the decision in accordance with *Code of Civil Procedure Section 1094.6*.

(e) All notices under this section may be sent by regular mail, postage prepaid, and shall be deemed received on the third calendar day following the date of mailing, as established by a proof of mailing.

3.40.210 No Injunction/Writ of Mandate.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against this City or against any officer of the City to prevent or enjoin the collection under this Chapter of any tax or any amount of tax required to be collected and/or remitted.

3.40.220 Notice of Changes to Ordinance.

If a tax under this Chapter is added repealed, increased, reduced, or the tax base is changed, the Tax Administrator shall follow the notice requirements of *California Public Utilities Code Section 799*.

3.40.230 Effect of State and Federal Reference/Authorization.

Unless specifically provided otherwise, any reference to a state or federal statute in this Chapter shall mean such statute as it may be amended from time to time, provided that such reference to a statute herein shall not include any subsequent amendment thereto, or to any subsequent change of interpretation thereto by a state or federal agency or court of law with the duty to interpret such law, to the extent that such amendment or change of interpretation would require

voter approval under California law, or to the extent that such change would result in a tax decrease (as a result of excluding all or a part of a utility service, or charge therefor, from taxation). Only to the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent.

To the extent that the City's authorization to collect or impose any tax imposed under this Chapter is expanded or limited as a result of changes in state or federal law, no amendment or modification of this Chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this Chapter.

3.40.240 Independent Audit of Tax Collection, Exemption, Remittance, and Expenditure.

The City shall annually verify that the taxes owed under this Chapter have been properly applied, exempted, collected, and remitted in accordance with this Chapter, and properly expended according to applicable municipal law. The annual verification shall be performed by a qualified independent third party and the review shall employ reasonable, cost-effective steps to assure compliance, including the use of sampling audits. The verification shall not be required of tax remitters where the cost of the verification may exceed the tax revenues to be reviewed.

3.40.250 Remedies Cumulative.

All remedies and penalties prescribed by this Chapter or which are available under any other provision of law or equity, including but not limited to the California False Claims Act (*Government Code Section 12650 et seq.*) and the California Unfair Practices Act (*Business and Professions Code Section 17070 et seq.*), are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

3.40.260 Interaction with Prior Tax.

(a) Collection of Tax by Service Providers. Service providers shall begin to collect the tax imposed by this amended Chapter 3.40 as soon as feasible after the effective date of the Chapter, but in no event later than permitted by *Section 799 of the California Public Utilities Code*.

(b) Satisfaction of Tax Obligation by Service Users. Prior to April 1, 2011, any person who pays the tax levied pursuant to Chapter 3.40 of this Code, as it existed prior to its amendment as provided herein, with respect to any charge for a service shall be deemed to have satisfied his or her obligation to pay the tax levied pursuant to Chapter 3.40 as amended herein, with respect to that charge. The intent of this paragraph is to prevent the imposition of multiple taxes upon a single utility charge during the transition period from the prior Utility Users' Tax ordinance to the amended Utility Users' Tax ordinance (which transition period ends April 1, 2011) and to permit service providers or other persons with an obligation to remit the tax hereunder, during that transition period, to satisfy their collection obligations by collecting either tax.

(c) In the event that a final court order should determine that the election enacting this Chapter 3.40 (as amended herein) is invalid for whatever reason, or that any tax imposed under this Chapter 3.40 (as amended herein) is invalid in whole or in part, then the taxes imposed under

Chapter 3.40 of this Code, as it existed prior to its amendment as provided herein, shall automatically continue to apply with respect to any service for which the tax levied pursuant to this Chapter has been determined to be invalid. Such automatic continuation shall be effective beginning as of the first date of service (or billing date) for which the tax imposed by this Chapter is not valid. However, in the event of an invalidation, any tax (other than a tax that is ordered refunded by the court or is otherwise refunded by the City) paid by a person with respect to a service and calculated pursuant to this Chapter 3.40 (as amended herein) shall be deemed to satisfy the tax imposed under Chapter 3.40, as it existed prior to its amendment as provided herein, on that service, so long as the tax is paid with respect to a service provided no later than six months subsequent to the date on which the final court order is published.

SECTION 2. Effective Date. This Chapter shall become effective immediately upon the date that this Ordinance is approved by the voters of the City of Rancho Cordova at the Election of November 2, 2010, as confirmed by the City Council's declaration of the vote.

SECTION 3. Amendment or Repeal. Chapter 3.40 of the Municipal Code may be repealed or amended by the City Council without a vote of the people. However, as required by Chapter XIII C of the California Constitution, voter approval is required for any amendment provision that would increase the rate of any tax levied pursuant to this Ordinance. The People of the City of Rancho Cordova affirm that the following actions shall not constitute an increase of the rate of a tax:

1. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance, if the City Council has acted to reduce the rate of the tax.
2. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Ordinance.
3. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Ordinance).
4. The collection of the tax imposed by this Ordinance, even if the City had, for some period of time, failed to collect the tax.

SECTION 4. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declares that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 5. Ratification of Prior Tax. The voters of the City of Rancho Cordova hereby ratify and approve the past collection of the Utility Users' Tax under Chapter 3.40 of the Municipal Code as it existed prior to the effective date of this Ordinance.

APPROVED by the following vote of the People of the City of Rancho Cordova on November 2, 2010

ADOPTED by Declaration of the vote by the City Council of the City of Rancho Cordova
on _____, 2010:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren, City Attorney

ORDINANCE NO. 18-2010

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING
CHAPTER 3.80 TO THE RANCHO CORDOVA MUNICIPAL CODE WITH RESPECT TO A
CANNABIS BUSINESS TAX**

WHEREAS, if passed by the voters of the State of California on November 2, 2010, Proposition 19, also known as the Regulate, Control and Tax Cannabis Act of 2010, would legalize use of marijuana for personal consumption, authorize the establishment of commercial businesses that sell cannabis, allow local governments to regulate the commercial marijuana industry, and allow local governments to impose taxes and fees on marijuana related activities; and

WHEREAS, the City Council of the City of Rancho Cordova desires to impose a tax on cannabis businesses that may seek to operate within Rancho Cordova, in the event that Proposition 19 passes, or the adoption of any other State or Federal law allowing such businesses, which would be imposed only if the City decides to allow for the establishment of such businesses in the future; and

WHEREAS, the tax on cannabis businesses that would be imposed shall be \$120 for each \$1000 of gross receipts of \$1 million or less, and then \$150 for each \$1000 of gross receipts for gross receipts over \$1 million annually, or for such businesses that elect to obtain nonprofit status, \$100 per square foot; and

WHEREAS, California Constitution Article XIII C, Section 2(b), provides that no local government may impose a general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

WHEREAS, the proposed Cannabis Business Tax is a general tax, the revenues of which would be used for general governmental purposes, such as providing Code Enforcement and Police services, and placed in the City's general fund for the usual expenses of the City; and

WHEREAS, the tax imposed by this Ordinance is an excise tax on the privilege of conducting business within the City. The tax is not on real property, nor is an other kind of tax on property or the ownership of property; and

WHEREAS, California Constitution Article XIII C, Section 2(b), requires that a measure proposing to impose a general tax must be consolidated with a city's general municipal election for members of the City Council; and

WHEREAS, November 2, 2010 is the date of the City's regular municipal election; and

WHEREAS, if approved by the voters of the City of Rancho Cordova on November 2, 2010, the Cannabis Business Tax imposed by this Ordinance, Chapter 3.80, would only take effect if Proposition 19 is adopted by the voters of the State of California or if any other State or Federal law allowing such businesses is adopted, and would only be imposed if the City allows for the establishment of cannabis businesses within Rancho Cordova.

THE PEOPLE OF THE CITY OF RANCHO CORDOVA DO ORDAIN AS FOLLOWS:

SECTION 1: Chapter 3.80, titled "Cannabis Business Tax," is hereby added to the Rancho Cordova Municipal Code to read as follows:

CHAPTER 3.80

CANNABIS BUSINESS TAX

- 3.80.010 Short Title.
- 3.80.020 Purpose and Intent.
- 3.80.030 Definitions.
- 3.80.040 Payment of Tax.
- 3.80.050 Declaration Statement Required.
- 3.80.060 Payment – Timing.
- 3.80.070 Audit of Declaration Statement and Payment.
- 3.80.080 Notice Not Required by City.
- 3.80.090 Tax Deemed Debt to City.
- 3.80.100 Deficiency Determinations.
- 3.80.110 Tax Assessment; Nonpayment; Fraud.
- 3.80.120 Tax Assessment; Notice Requirements.
- 3.80.130 Tax Assessment; Hearing.
- 3.80.140 Remedies for Chapter Violation; Taxes Not Waived.

3.80.010 Short Title.

This Chapter shall be known as the Rancho Cordova Cannabis Business Tax Ordinance.

3.80.020 Purpose and Intent.

This Chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation. This Chapter shall only take effect if Proposition 19, also known as the "The Regulate Control and Tax Cannabis Act of 2010" is passed and adopted by the voters of the State of California, or upon the adoption of any other State or Federal law allowing such businesses. No special business license for a Cannabis Business shall be issued until and unless the City Council adopts or enacts regulations which specifically allow the establishment and operation of Cannabis Businesses, as defined by this Chapter, within the City.

3.80.030 Definitions.

A. "Annual Gross Receipts" shall mean the Gross Receipts produced by the Cannabis Business during the twelve month period between issuance and renewal of the special business license for the Cannabis Business.

B. "Building" shall mean any structure having a roof supported by a columns or by walls and designed for the shelter or housing of any person, chattel or property of any kind. The word "Building" includes the word "Structure."

C. "Business Improvements" shall mean square footage used, on a regular basis, for the operation of a nonprofit organization as defined in Article XIII, Section 26 of the California Constitution, regardless of whether it is owned or leased.

D. "Cannabis Business" shall mean any business, nonprofit organization, or activity including, but not limited to, planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing storing, packaging, testing, wholesale and/or retail sales of marijuana, any part of the plant Cannabis sativa L. or any of its derivatives, and specifically excludes the activity of cultivating Cannabis sativa L., or any of its derivatives on personal property for personal consumption by the owner, lawful occupant, or other lawful resident or guest of the private property owner, or lawful occupant.

E. "Discontinued, dissolved or otherwise terminated" shall mean the date the Cannabis Business is no longer in operation as described in the special business license for operation of a Cannabis Business issued to the Cannabis Business by the City pursuant to Title 4 of this Code. The Finance Director, using all evidence, including evidence provided by the Cannabis Business Licensee, shall make the determination as to whether a Cannabis Business has been discontinued, dissolved or otherwise terminated.

F. "Gross Receipts" shall mean the total of the amounts actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in conjunction with the sale of materials, goods, wares, or merchandise. Included in Gross Receipts shall be all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from "Gross Receipts" are the following:

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold;
3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchases upon rescission of the contract of sale as is refunded either in cash or by credit.

G. "Licensee" or "Cannabis Business Licensee" shall mean a person who has been issued a special business license for operation of a Cannabis Business under Title 4 of this Code.

H. "Nonprofit Organization" shall mean any association, corporation or other entity that is exempt from taxation measured by income or Gross Receipts under Article XIII, Section 26 of the California Constitution, and that its purpose or involvement is with Cannabis sativa L. or its derivatives.

I. "Square foot" and "square footage" shall mean the horizontal areas of all floors, including usable basement and cellars, below the roof and within the outer surface of the main walls of buildings (or the center lines of party walls separating such building or portions thereof) or within lines drawn parallel to and two feet within the roof line of any building or portion thereof without walls (which includes square footage of all porches), and including pedestrian access walkways or corridors and shelf space if used or equipped for cultivation, but excluding the following:

1. Areas used for off-street parking spaces or loading berths and driveways and maneuvering aisles relating thereto.
2. Areas which are outdoor or semi-outdoor areas included as part of the building to provide a pleasant and health environment for the occupants thereof and the neighborhood in which the building is located. This exempted area is limited to stoops, balconies and to natural ground areas, terraces, pools and patios which are landscaped and developed for active or passive recreational use, and which are accessible for use by occupants of the building.
3. Arcades, porticoes, and similar open areas which are located at or near street level, which are accessible to the general public, and which are not designed or used as sales, display, storage, service or production areas.

J. "Structure" shall mean anything constructed or erected, the use of which requires location on the ground or attachment to something having location on the ground.

3.80.040 Payment of Tax.

In addition to any requirements imposed by Title 4 of this Code, each Licensee operating a Cannabis Business shall pay the following taxes:

- A. Every for profit Cannabis Business with annual Gross Receipts of \$1 million or less shall pay an annual tax of \$120 for each \$1,000 of Gross Receipts.
- B. Every for profit Cannabis Business with annual Gross Receipts of over \$1 million shall pay an annual tax of \$120 for each \$1,000 of Gross Receipts for the first \$1 million, and then \$150 for each \$1,000 of Gross Receipts over \$1 million. For example, if the annual Gross Receipts of a Cannabis Business are \$2 million, then the tax owed the City will be \$270,000 calculated as follows: \$120 for each \$1,000 of Gross Receipts for the first \$1 million equals \$120,000, plus \$150 for each \$1,000 of Gross Receipts for the second million dollars which equals \$150,000 for a total of \$270,000.
- C. Every Nonprofit Organization Cannabis Business, including all of its ancillary locations regardless of the number of square feet it occupies, shall pay an annual tax of \$100 per square foot on all Business Improvements occupied by the Cannabis Business. For purposes of this Section, all of the square feet of Business Improvements owned, rented, leased or otherwise occupied or used by the a Cannabis Business within the City shall be accumulated.
- D. The City Council may impose the tax authorized by this Section at a lower rate. No action by the City Council under this Subsection shall prevent it from subsequently increasing the tax rate for Cannabis Business to the maximum rate specified in this Section.

3.80.050 Declaration Statement Required.

A. For Profit. At the time of payment of the taxes imposed by this Chapter, each for profit Cannabis Business Licensee shall file with the City Finance Department a statement, under oath, showing the true and correct amount of Annual Gross Receipts derived from the Cannabis Business allowed by the special business license issued to the Licensee. A signed

declaration shall be attached to the statement included therein, which shall be in substantially the same form as: "I hereby declare under penalty of perjury that the foregoing is true and correct." Pursuant to Section 3.80.070 of this Chapter, the City shall have the right to audit the matters reported in the statement to determine the accuracy of the figures contained therein.

B. Nonprofit Organization. At the time of payment of the taxes imposed by this Chapter, each Nonprofit Organization Cannabis Business Licensee shall file with the City Finance Department a statement, under oath, setting forth the then applicable factor or factors that constitute the measure of tax, including square footage calculations, together with such other information as is required by the Finance Director to enable it to administer the provisions of this Chapter. A signed declaration shall be attached to the statement included therein, which shall be in substantially the same form as: "I hereby declare under penalty of perjury that the foregoing is true and correct." Pursuant to Section 3.80.070 of this Chapter, the City shall have the right to audit the matters reported in the statement to determine the accuracy of the information and calculations contained therein.

3.80.060 Payment – Timing.

A. All taxes imposed by this Chapter on a Cannabis Business whether it is a Nonprofit Organization or a for profit business shall be paid to the City's Finance Department on or before the fifteenth day after the close of the month for which the tax is due. Licensees or Operators of Cannabis Businesses will file a monthly report with the City, even if there are no taxes currently due. The report will show their Annual Gross Receipts to date, as of the close of the prior month and will be used to calculate the amount of tax due. Payment will accompany the form. The form will be provided by the City and the City may revise the report from time to time. Payment of taxes imposed by this Chapter shall be in the correct amount of taxes due and owing in accordance with Section 3.80.040 of this Chapter. Such sums correctly reflecting taxes shall be accepted by the City, subject, however, to the City's right to conduct an audit pursuant to Section 3.80.070 of this Chapter.

B. If any Licensee or operator of a Cannabis Business is liable for any amount of tax, interest or penalty under this Chapter, sells or otherwise disposes of the business, his successors or assigns shall withhold from the purchase price a sum sufficient to cover such amount until the former Licensee or operator produces from the City either a receipt reflecting full payment or a certificate stating that no amount is due.

C. If the purchaser of a Cannabis Business fails to withhold a sum from the purchase price as required in Section 3.80.060(B), he/she shall be personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price.

3.80.070 Audit of Declaration Statement and Payment.

A. The City shall have the right to audit the matters referred to in the declaration statement, and to determine the correctness of the figures set forth in such statement, and the amount payable to the City pursuant to the provisions of Section 3.80.040.

B. The books, records and accounts of any Licensee may be inspected and audited by the City.

C. Such an inspection and audit may be performed by the Finance Director, a qualified accountant or City official who shall be selected by the Finance Director.

D. To facilitate such audits, the Licensee shall keep complete records of all transactions related to the receipt or disbursement of funds arising out of or related to Cannabis Business operations during the preceding three-year period. All such records shall be made available to the City for audit at the Licensee's place of doing business during normal business hours after reasonable prior notice.

E. Any failure or refusal of any Licensee to make and file a declaration statement within the required time period, or to pay such sums by way of taxes when the same are due and payable in accordance with the provisions of this Chapter, or to permit such inspection of such books, records and accounts of such Licensee shall be and constitute full and sufficient grounds for suspension or revocation of any special business license for operation of a Cannabis Business.

3.80.080 Notice Not Required by City.

The City is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Chapter, and failure to send such notice or bill shall not affect the validity of any tax, interest or penalty due under the provisions of this Chapter.

3.80.090 Tax Deemed Debt to City.

The amount of any tax, penalties and interest imposed by the provisions of this Chapter shall be deemed a debt to the City, and any Licensee carrying on any business without having paid the tax under this Chapter to the City shall be liable to an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such business.

3.80.100 Deficiency Determinations.

A. If the Finance Director is not satisfied that a declaration statement filed, as required under the provisions of this Chapter, is correct, or that the amount of tax is correctly computed, the Finance Director may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the declaration statement or upon the basis of any information in the City's possession or that may come into the City's possession.

B. The City may make more than one deficiency determinations of the amount of tax due for a period or periods.

C. In the case of a Cannabis Business which is discontinued, dissolved or otherwise terminated, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due.

D. Whenever a deficiency determination is made, the City shall provide a notice to the Licensee concerned in the same manner as notices of assessment are given under Section 3.80.120.

3.80.110 Tax Assessment; Nonpayment; Fraud.

A. Under any of the following circumstances, the Finance Director may make and give notice of an assessment of the amount of tax owed by a Cannabis Business under this Chapter:

1. If the Licensee has not filed any declaration statement required under the provisions of this Chapter;
2. If the Licensee has not paid any tax due under the provisions of this Chapter;
3. If the Licensee has not, after demand by the Finance Director, filed a corrected declaration statement or furnished to the Finance Director adequate substantiation of the information contained in a statement of revenue already filed, or paid any additional amount of tax due under the provisions of this Chapter.

B. The notice of assessment shall separately set forth the amount of any tax known or estimated by the Finance Director to be due, after full consideration of all information within his or her knowledge concerning the Cannabis Business activities of the person or Licensee assessed and shall include the amount of any penalties, costs or interest accrued on each amount to the date of the notice of assessment.

3.80.120 Tax Assessment; Notice Requirements.

The notice of assessment shall be served upon the Licensee either by personal service on the Licensee, or by depositing the notice in the United States mail, postage prepaid thereon, addressed to the Licensee at the address of the location of the business appearing on the face of the special business license(s) issued under Title 4 to the Licensee, or to such other address as the Licensee registers with the Finance Director for the purpose of receiving notices provided under this Chapter. For the purposes of this Section, service by mail is complete at the time of deposit in the United States mail.

3.80.130 Tax Assessment; Hearing.

A. Within ten (10) days after the date of service of a notice under Section 3.80.120 of this Chapter, the Licensee may apply in writing to the Finance Director for a hearing on the assessment.

B. If application for a hearing before the Finance Director is not made within the time herein prescribed, the tax assessed by the Finance Director shall become final and conclusive.

C. Within thirty (30) days of the receipt of any such application for hearing, the Finance Director shall cause the matter to be set for hearing before him or her not later than thirty (30) days after the date of application, unless a later date is agreed to by the Finance Director and the Licensee requesting the hearing.

D. Notice of such hearing shall be given by the Finance Director to the Licensee requesting such hearing not later than five (5) days prior to such hearing. At such hearing, said Licensee may appear and offer evidence why the assessment as made by the Finance Director should not be confirmed and fixed as a tax.

E. After such hearing, the Finance Director shall determine and reassess the proper tax to be charged and shall give written notice thereof to the Licensee in the manner prescribed in Section 3.80.120 for giving notice of assessment.

3.80.140 Remedies for Chapter Violation; Taxes Not Waived.

A. Nothing in this Chapter shall limit the City from using any remedy legally available for violations of this Chapter, including, but not limited to, the penalties under Section 16.18.205 of this Code.

B. The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction.

C. No civil action shall prevent a criminal prosecution for any violation of the provisions of this Chapter or of any State Law requiring the payment of all taxes.

SECTION 2. Effective Date of Chapter 3.80. Section 1 of this Ordinance, adding Chapter 3.80 to the Rancho Cordova Municipal Code, shall become effective immediately upon the date that this Ordinance is approved by the voters of the City of Rancho Cordova at the Election of November 2, 2010 as confirmed by the City Council's declaration of the vote, only in the event that Proposition 19 is adopted by voters of the State of California at the same election or the adoption of any other State or Federal law allowing such businesses, and imposed only if the City decides to allow for the establishment of such businesses.

SECTION 3. Amendment or Repeal. Chapter 3.80 of the Municipal Code may be repealed or amended by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would increase the rate of tax levied pursuant to this Ordinance. The People of the City of Rancho Cordova affirm that the following actions shall not constitute an increase of the rate of a tax:

1. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance, if the City Council has acted to reduce the rate of the tax;

2. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Ordinance.

3. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Ordinance); and

4. The collection of the taxes imposed by this Ordinance, even if the City had, for some period of time, failed to collect the tax.

SECTION 4. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declares that they would have adopted each section,

subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

APPROVED by the following vote of the People of the City of Rancho Cordova on November 2, 2010.

ADOPTED by Declaration of the vote by the City Council of the City of Rancho Cordova on _____, 2010:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren, City Attorney

ORDINANCE NO. 19-2010

AN ORDINANCE OF THE CITY OF RANCHO CORDOVA ADDING CHAPTER 3.85 TO THE RANCHO CORDOVA MUNICIPAL CODE WITH RESPECT TO A PERSONAL CANNABIS CULTIVATION TAX

WHEREAS, if passed by the voters of the State of California on November 2, 2010, Proposition 19, also known as the Regulate, Control and Tax Cannabis Act of 2010, would legalize use and cultivation of marijuana for personal consumption, authorize the establishment of commercial businesses that sell cannabis, allow local governments to regulate the commercial marijuana industry, and allow local governments to impose taxes and fees on marijuana related activities; and

WHEREAS, currently, State law allows individuals to cultivate marijuana for personal medical use as long as they have a prescription or authorization from their doctor; and

WHEREAS, marijuana cultivation is associated with increases in the frequency of vandalism, home invasion robberies and threats to neighbors, house fires and loss of a neighborly community; and

WHEREAS, regardless of whether Proposition 19 is adopted by the voters, the City Council desires to impose a tax as follows: 1) for indoor cultivation, if the Cultivated Area is equal to or less than 25 square feet, \$600 per year for each square foot of Cultivated Area, or if the Cultivated Area is over 25 square feet, \$900 per year for each square foot of Cultivated Area; and 2) for outdoor cultivation, if the Cultivated Area is equal to or less than 25 square feet, \$600 per year for each 12.5 square feet of Cultivated Area, or if the Cultivated Area is over 25 square feet, \$900 per year for each 12.5 square feet of Cultivated Area; and

WHEREAS, California Constitution Article XIII C, Section 2(b), provides that no local government may impose a general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

WHEREAS, the proposed Personal Cannabis Cultivation Tax is a general tax, the revenues of which would be used for general governmental purposes, such as providing Code Enforcement and Police services, and placed in the City's general fund for the usual expenses of the City; and

WHEREAS, the tax imposed by this Ordinance is an excise tax on the privilege of conducting certain activities within the City.

WHEREAS, California Constitution Article XIII C, Section 2(b), requires that a measure proposing to impose a general tax must be consolidated with a city's general municipal election for members of the City Council; and

WHEREAS, November 2, 2010 is the date of the City's regular municipal election; and

WHEREAS, if approved by the voters of the City of Rancho Cordova on November 2, 2010, the Personal Cannabis Cultivation Tax imposed by this Ordinance, Chapter 3.85, would take effect regardless of whether Proposition 19 is adopted by the voters of the State of California and shall only apply to the lawful cultivation of marijuana.

THE PEOPLE OF THE CITY OF RANCHO CORDOVA DO ORDAIN AS FOLLOWS:

SECTION 1: Chapter 3.85, titled "Personal Cannabis Cultivation Tax," is hereby added to the Rancho Cordova Municipal Code to read as follows:

CHAPTER 3.85

PERSONAL CANNABIS CULTIVATION TAX

- 3.85.010 Short Title.
- 3.85.020 Purpose and Intent.
- 3.85.030 Definitions.
- 3.85.040 Payment of Tax.
- 3.85.050 Registration.
- 3.85.060 Payment – Timing.
- 3.85.070 Termination of Personal Cannabis Cultivation Activities.
- 3.85.080 Delinquency Notice by City.
- 3.85.090 Tax Deemed Debt to City.
- 3.85.100 Tax Assessment; Nonpayment; Fraud.
- 3.85.110 Tax Assessment; Notice Requirements.
- 3.85.120 Tax Assessment; Hearing.
- 3.85.130 Fines, Penalties and Remedies for Chapter Violation; Taxes Not Waived.

3.85.010 Short Title.

This Chapter shall be known as the Rancho Cordova Personal Cannabis Cultivation Tax Ordinance.

3.85.020 Purpose and Intent.

This Chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation. Revenue raised by this Chapter may be used for a variety of City services, including protecting the City's housing stock and maintaining strong neighborhoods.

3.85.030 Definitions.

A. "Personal Cannabis Cultivation" shall mean the activity of cultivating cannabis sativa L., or any of its derivatives on, private property for personal consumption by the owner, lawful occupant, or other lawful resident or guest of the private property owner, or lawful occupant. Personal Cannabis Cultivation specifically excludes Cannabis Cultivation activities which are done as part of a Cannabis Business. "Cannabis Business" means any business, nonprofit organization, or activity including, but not limited to, planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing storing, packaging, testing, wholesale and/or retail sales of marijuana, any part of the plant Cannabis sativa L., or any of its derivatives.

B. "Cannabis Grower" shall mean the owner, lawful occupant or other lawful resident of a property where the individual, or his/her guest, is engaged in Personal Cannabis Cultivation. For purposes of this Chapter, the owner, lawful occupant or other lawful resident of the private property that allows another individual to engage in Personal Cannabis Cultivation

on such property shall be responsible for all obligations of a Cannabis Grower under this Chapter.

C. "Cultivated Area" shall mean:

1. For indoor cultivation, the greater of either (a) the total area of a property that is densely or primarily occupied by marijuana cultivation, or (b) one square foot per juvenile or mature marijuana plant indoors on the property; and,

2. For outdoor cultivation, the greater of either (a) the total area of the property that is densely or primarily occupied by marijuana cultivation, or (b) 12.5 square feet per juvenile or mature plant outdoors on the property.

3.85.040 Payment of Tax.

A. In addition to any other requirements imposed by Federal, State or local law, each Cannabis Grower engaged in Personal Cannabis Cultivation shall pay the City an excise tax as follows:

1. For indoor cultivation:

a. If the Cultivated Area is equal to or less than 25 square feet, \$600 per year for each square foot of Cultivated Area, or

b. If the Cultivated Area is over 25 square feet, \$900 per year for each square foot of Cultivated Area.

For example: A residence where the Cultivated Area indoors is 10.5 square feet, shall pay \$6,300 annually ($\$600/\text{sq. foot} \times 10.5 \text{ sq. feet}$). A residence where the Cultivated Area indoors is 30 square feet shall pay \$27,000 annually ($\$900/\text{sq. foot} \times 30 \text{ sq. feet}$).

2. For outdoor cultivation:

a. If the Cultivated Area is equal to or less than 25 square feet, \$600 per year for each 12.5 square feet of Cultivated Area, or

b. If the Cultivated Area is over 25 square feet, \$900 per year for each 12.5 square feet of Cultivated Area.

For example: A residence where the Cultivated Area outdoors is 25 square feet, shall pay \$1,200 annually ($(25 \text{ sq. feet}/12.5 \text{ sq. feet}) = 2 \times \$600/12.5 \text{ sq. feet}$). A residence where the total Cultivated Area outdoors is 30 square feet shall pay \$2,160 annually ($(30 \text{ sq. feet}/12.5 \text{ sq. feet}) = 2.4 \times \$900/12.5 \text{ sq. feet}$).

3. If a property has cultivated area both indoors and outdoors, the Cannabis Grower shall pay the sum of the indoor and outdoor taxes.

B. The City Council may impose the tax authorized by this Section at a lower rate. No action by the City Council under this Subsection shall prevent it from subsequently

increasing the tax rate for Personal Cannabis Cultivation to the maximum rate specified in this Section.

C. This tax is based upon the voluntary action of the Cannabis Grower to engage in Personal Cannabis Cultivation.

3.85.050 Registration.

A. Before engaging in Personal Cannabis Cultivation, a Cannabis Grower must register with the City by completing and filing an application form for Personal Cannabis Cultivation with the City's Finance Department.

B. Among other information, the registration application will require the Cannabis Grower to provide the following information:

1. Address where Personal Cannabis Cultivation will occur;
2. Property interest of the Cannabis Grower (i.e. whether the Cannabis Grower is the property owner, lawful occupant or lawful resident of the property); and
3. Where on the property Personal Cannabis Cultivation will occur. This will be shown by attaching a diagram depicting the location that will be used for cultivation, including the dimensions of the area to be cultivated.

C. Failure to register with the City before engaging in Personal Cannabis Cultivation is a violation of this Chapter and punishable pursuant to Section 3.85.130 of this Chapter.

D. If the Cannabis Grower is not the owner of the property, the Cannabis Grower shall provide the City a signed declaration from the owner of the property indicating that the Cannabis Grower has permission to engage in Personal Cannabis Cultivation activities on the property. Such declaration by the owner of the property shall include with the following statement: "I hereby declare under penalty of perjury that the foregoing is true and correct."

3.85.060 Payment – Timing.

A. First payment of the Personal Cannabis Cultivation Tax imposed by Section 3.85.040 shall be made at the same time the Cannabis Grower registers with the City pursuant to Section 3.85.050. All subsequent annual payments shall be due on that date's anniversary.

B. Tax payments not received before the deadline imposed under this Section will be subject to a late fee of one and one half percent (1.5%) per month of the amount past due, plus all reasonable collection fees and costs.

C. The City shall send a reminder of the Personal Cannabis Cultivation Tax due-date to any persons subject to the provisions of this Chapter, however, failure to send such a reminder or bill shall not affect the validity of the tax, interest or penalty due under the provisions of this Chapter.

3.85.070 Termination of Personal Cannabis Cultivation Activities

A. Cannabis Growers will only be responsible for paying the tax imposed under this Chapter while engaging in Personal Cannabis Cultivation. Once the Cannabis Grower completely terminates all Personal Cannabis Cultivation activities, it shall be the Cannabis Grower's responsibility to inform the City's Finance Department of such termination in order to avoid future tax obligations. The Cannabis Grower shall provide the City's Finance Department with a written declaration containing the following statement: "I hereby declare under penalty of perjury that I have ceased all Personal Cannabis Cultivation activities."

B. If requested by the City, the Cannabis Grower will permit City representatives to inspect the property, or portion of the property, previously used for Personal Cannabis Cultivation in order to verify that the cultivation has ceased within fifteen (15) days of the date the Cannabis Grower provides the City with the written declaration under Section 3.85.070(A). If the inspection by City personnel reveals that the Cannabis Grower has not ceased Personal Cannabis Cultivation activities on the property, the Cannabis Grower shall be responsible for paying all costs associated with the City inspection.

C. Using all evidence presented by the Cannabis Grower, and any evidence gathered by the City, the City will make its determination as to whether the Personal Cannabis Cultivation has been terminated within thirty (30) days of the date the Cannabis Grower provides the City with the written declaration under Section 3.85.070(A).

D. Once the City receives the Cannabis Grower's declaration under this Section and determines that Personal Cannabis Cultivation has been terminated, the Cannabis Grower shall not be responsible for making any future Personal Cannabis Cultivation Tax payments until such individual re-engages in Personal Cannabis Cultivation activities. Prior to reengaging in Personal Cannabis Cultivation activities, the Cannabis Grower shall register with the City as required in Section 3.85.050.

E. The termination of Personal Cannabis Cultivation activities shall not relieve the Cannabis Grower from paying any taxes and fees owed to the City by Cannabis Grower prior to termination under this Chapter.

3.85.080 Delinquency Notice by City.

The City will send a delinquency notice to persons subject to the provisions of this Chapter which fail to pay the Personal Cannabis Cultivation Tax as provided in Section 3.85.060, however, failure to send such notice or bill shall not affect the validity of any tax, interest or penalty due under the provisions of this Chapter.

3.85.090 Tax Deemed Debt to City.

The amount of any tax, penalties and interest imposed by the provisions of this Chapter shall be deemed a debt to the City, and any Cannabis Grower engaged in Personal Cannabis Cultivation without having paid the tax under this Chapter shall be liable to an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such individual.

3.85.100 Tax Assessment; Nonpayment; Fraud.

A. If the Cannabis Grower fails to pay the full amount of the Personal Cannabis Cultivation Tax, the Finance Director may make and give notice of an assessment for the amount of tax owed by a Cannabis Grower under the provisions of this Chapter on the annual date such taxes are due.

B. The notice of assessment shall separately set forth the amount of any tax due, and shall include the amount of any penalties, costs or interest accrued on each amount to the date of the assessment.

3.85.110 Tax Assessment; Notice Requirements.

The notice of assessment shall be served upon the Cannabis Grower either by personal service, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the Cannabis Grower at the address of the location of the private property appearing on the face of the registration form under Section 3.85.050. For the purposes of this Section, a service by mail is complete at the time of deposit in the United States mail.

3.85.120 Tax Assessment; Hearing.

A. Within ten (10) days after the date of service of a notice of assessment under Section 3.85.110 of this Chapter, the Cannabis Grower may apply in writing to the Finance Director for a hearing on the assessment.

B. If application for a hearing before the Finance Director is not made within the time herein prescribed, the tax assessed by the Finance Director shall become final and conclusive.

C. Within thirty (30) days of the receipt of any such application for hearing, the Finance Director shall cause the matter to be set for hearing before him or her not later than thirty (30) days after the date of application, unless a later date is agreed to by the Finance Director and the Cannabis Grower requesting the hearing.

D. Notice of such hearing shall be given by the Finance Director to the Cannabis Grower not later than five (5) days prior to such hearing. At such hearing, said Cannabis Grower may appear and offer evidence why the assessment as made by the Finance Director should not be confirmed and fixed as a tax.

E. After such hearing, the Finance Director shall determine and reassess the proper tax to be charged and shall give written notice thereof to the Cannabis Grower in the manner prescribed in Section 3.85.110.

3.85.130 Fines, Penalties and Remedies for Chapter Violation; Taxes Not Waived.

A. Nothing in this Chapter shall limit the City from using any remedy legally available for violations of this Chapter, including, but not limited to, the fines and penalties under Section 16.18.205 of this Code.

B. The conviction and punishment of any person for failure to register with the City prior to engaging in Personal Cannabis Cultivation activities or pay the required tax shall be

punishable by all remedies by law, and shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction.

SECTION 2. Effective Date of Chapter 3.85. Section 1 of this Ordinance, adding Chapter 3.85 to the Rancho Cordova Municipal Code, shall become effective immediately upon the date that this Ordinance is approved by the voters of the City of Rancho Cordova at the Election of November 2, 2010 as confirmed by the City Council's declaration of the vote.

SECTION 3. Amendment or Repeal. Chapter 3.85 of the Municipal Code may be repealed or amended by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would increase the rate of tax levied pursuant to this Ordinance. The People of the City of Rancho Cordova affirm that the following actions shall not constitute an increase of the rate of a tax:

1. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance, if the City Council has acted to reduce the rate of the tax;

2. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Ordinance.

3. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Ordinance); and

4. The collection of the taxes imposed by this Ordinance, even if the City had, for some period of time, failed to collect the tax.

SECTION 4. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declares that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

APPROVED by the following vote of the People of the City of Rancho Cordova on November 2, 2010.

ADOPTED by Declaration of the vote by the City Council of the City of Rancho Cordova on _____, 2010:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren, City Attorney

MEMORANDUM



DATE: December 6, 2010
TO: Honorable Mayor and Council Members
FROM: Mindy Cuppy, CMC, City Clerk
SUBJECT: SWEARING-IN AND SEATING OF RE-ELECTED COUNCIL MEMBERS

RECOMMENDATION

That Incumbent Council Members Linda Budge and Dan Skoglund be sworn-in and seated to fill their respective full four-year term of office.



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

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

Monday, November 15, 2010

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

MINUTES

A. CLOSED SESSION – CALL TO ORDER

Mayor Cooley called the closed session to order in the Community Board Room at 4:11 p.m.

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

Council Members Absent: Skoglund

Staff Members Present: Gaebler, Lindgren, Chinn, and Abhar

B. PUBLIC COMMENT

At a 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. CLOSED SESSION ITEM

Council met in Closed Session to discuss the following items:

Conference with Legal Counsel – Anticipated Litigation Government Code 54956.9 (b) (two potential cases).

Public Employee Performance Evaluation, City Manager - Government Code Section 54957, Continued from November 9, 2010.

D. ADJOURNMENT OF CLOSED SESSION

Mayor Cooley adjourned the closed session to regular meeting in the David B. Roberts Council Chambers at 5:07 p.m.



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

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

Monday, November 15, 2010

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

MINUTES

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Mayor Cooley called the regular meeting to order in the David B. Roberts Council Chambers at 5:44 p.m.

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

Council Members Absent: Skoglund

Staff Members Present: Gaebler, Lindgren, Cuppy, Lehr, Blair, Diamond, Haven, Junker, Chinn, Abhar, Silva, Snyder, Thomas, Harriman, Flory, Loveless, Snipes, Gassaway, and Pearl

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Mayor announced the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor called on Assistant Chief Arend of the Sac Metro Fire Department to lead the Pledge.

4. INVOCATION

Mark Shetler, First Covenant Church, gave the invocation.

5. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that there was no reportable action taken in closed session, and that no discussion was had regarding the City Manager's Evaluation on November 9 due to Council Member Skoglund's absence.

6. PRESENTATIONS

- 6.1 Mayor recognized Council Member David Sander's Birthday on November 25, 2010.

7. PUBLIC COMMENT

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

8. COUNCIL REPORTS

Council Members reported on events since the last meeting.

9. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

ACTION: Motion by Budge second by McGarvey and carried by a 4:0 roll call vote (Skoglund absent); Council approved the Consent Calendar.

- 9.1 **Subject:** Meeting Minutes:

- a) Regular Meeting Minutes of November 1, 2010; and
- b) Closed Session Meeting Minutes of November 9, 2010.

Recommendation: Adopt Minutes.

- 9.2 **Subject:** Quarterly Treasurer's Report

Recommendation: Receive and file report.

Result of Recommended Action: This report provides Council with information concerning the City's investment portfolio. This report will meet requirements as provided by state law.

Staff Report: Donna Silva, Finance Department

- 9.3 **Subject:** Resolution Awarding Construction Contracts and Granting Authority to the City Manager to Approve Change Orders in an Amount not to Exceed Ten Percent (10%) of the Aggregate Amount of all the Contracts for the New Rancho Cordova Police Station

Recommendation: Adopt Resolution No. 130-2010.

Result of Recommended Action: Adoption of this resolution would authorize the City Manager, or his designee, to execute construction contracts to various Trade Contractors and authority to approve contract change orders in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts for the new Rancho Cordova Police Station.

Bids are expected to be received on November 12, 2010 and are not available to include in this staff report. In order to expedite the award of contracts, staff will provide City Council with the results of the lowest bidders prior to the November 15, 2010 City Council meeting.

Staff Report: Cyrus Abhar, Public Works Department

- 9.4 **Subject:** Community Redevelopment Agency Resolution Authorizing the Executive Director to Terminate the Existing Owner Participation Agreement (OPA) with Urban Housing Communities for the Development of Crossings @ New Rancho

Recommendation: Adopt Agency Resolution No. CRA-10-2010.

Result of Recommended Action: The OPA will be replaced by the City Loan Agreement that will continue to direct the development of the Crossings @ New Rancho

Staff Report: Reed Flory, Housing Administration

GROWING STRONG NEIGHBORHOODS

COUNCIL ACTING AS COMMUNITY REDEVELOPMENT AGENCY

- 9.5 **Subject:** Resolution Authorizing the City Manager to Execute a Loan Agreement that Directs the use of Neighborhood Stabilization Program Grant Funds in an Amount not to Exceed \$4,621,180, and Interim Bridge Loan Financing in an Amount not to Exceed \$3,800,000 as Loans to UHC 00516 RANCHO Cordova L.P for the Development of the Crossings @ New Rancho

Recommendation: Adopt Resolution No. 131-2010.

Result of Recommended Action: Adoption of this resolution will allow the City Loan Agreement to replace the rescinded Owner Participation Agreement and will provide the financing needed to complete the development of the Crossings @ New Rancho development.

Staff Report: Reed Flory, Housing Administration

GROWING STRONG NEIGHBORHOODS

- 9.6 **Subject:** Resolutions Authorizing the City Manager to Execute Contracts Associated with the Folsom Boulevard Streetscape Enhancement Project with DeSilva Gates Construction for Construction Services in an Amount of \$8,995,555, and with Salaber Associates, Inc. for Construction Management Services in an Amount of \$743,000

Recommendation: That Council

a) Adopt Resolution No. 132-2010 with DeSilva Gates Construction; and

b) Adopt Resolution No. 133-2010 with Salaber Associates, Inc.

Result of Recommended Action: Adoption of these resolutions will authorize the City Manager to execute two contracts associated with the Folsom Boulevard Streetscape Enhancement Project. Construction Contract No. 152-2010 with DeSilva Gates Construction in the amount from \$8,995,555 and Construction Management Contract No. 153-2010 with Salaber Associates, Inc. in the amount of \$743,000. Work will be performed on Folsom Blvd. between Mather Field Road and Kilgore Road.

Staff Report: Cyrus Abhar, Public Works Department

9. CONSENT PUBLIC HEARING ITEMS

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

ACTION: Motion by Budge second by McGarvey and carried by a 4:0 roll call vote (Skoglund absent); Council approved the Consent Public Hearing Calendar.

- 10.1 **Subject:** Ordinances Adopting Local Building Codes

Recommendation: Waive second readings and adopt the following ordinances (**Roll Call Vote**):

1. Ordinance No. 22-2010; and
2. Ordinance No. 23-2010; and
3. Ordinance No. 24-2010; and
4. Ordinance No. 25-2010; and
5. Ordinance No. 26-2010; and
6. Ordinance No. 27-2010; and
7. Ordinance No. 28-2010; and
8. Ordinance No. 29-2010; and
9. Ordinance No. 30-2010; and
10. Ordinance No. 31-2010.

Result of Recommended Action: The recommended actions will result in the City's building codes being updated to current industry best practices and to coincide with new codes mandated by the state of California.

Staff Report: Cyrus Abhar and Elizabeth Sparkman, Public Works Department

GROWING STRONG NEIGHBORHOODS

- 10.2 **Subject:** Resolution Approving the Abandonment of a 10 Foot Planting Easement Parallel to and Adjacent to Highway 50 on Lot 42 of Bradshaw Woods Unit No. 4 Located on Residential Property at 3128 Hogarth Drive
Recommendation: Adopt Resolution No. 129-2010.
Result of Recommended Action: Adoption of this resolution will remove the 10 foot Planting Easement shown on the map of Bradshaw Woods Unit No. 4 and recorded in Book 128 of Maps, at Page 8 to allow the resident to pull a building permit.
Staff Report: Cyrus Abhar, Public Works Department
- 10.3 **Subject:** First Amended Development Agreement by and between the City of Rancho Cordova and Elliot Homes relative to the Rio Del Oro Project (RC-04-052)
Recommendation: Waive first reading and introduce Ordinance No. 33-2010 (Roll Call Vote)
Result of Recommended Action: The amendment would result in the City entering into the Development Agreement with Elliott Homes as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities, Elliott Whiterock, LLC and Stonecreek Industrial, LLC, rather than the City entering into the Development Agreement with Elliott Homes as owner of the subject property. There are no other proposed amendments or changes to the Development Agreement of the other approvals for the Rio del Oro project.
Staff Report: Adam U. Lindgren, City Attorney's Office

110. PUBLIC HEARING ITEMS

- 11.1 **Subject:** Application for Conditional Use Permit and Letter of Public Convenience & Necessity, Project No. DD7021, for the Target Store Located at 10881 Olson Drive
Recommendation: Adopt Resolution No. 117-2010 denying the applicant's request for a Conditional Use Permit and Letter of Public Convenience and Necessity, based on the findings contained in the resolution.
Result of Recommended Action: The applicant is requesting a Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) to allow the off-sale of distilled spirits, in addition to the currently permitted off-sale of beer and wine. Denying this request will allow Target to continue to sell beer and wine under their existing license, but they will not be permitted to sell distilled spirits.
Staff Report: Shannan Loveless, Planning Department

The Mayor opened the public comment period.

- Wayne Hart in support of the item

The Mayor closed the public comment period.

ACTION: Motion by Budge second by McGarvey and carried by a 4:0 roll call vote (Skoglund Absent); Council adopted Resolution No. 117-2010 approving the applicant's request for a Conditional Use Permit and Letter of Public Convenience and Necessity, based on the findings contained in the resolution, deletion of Conditions of Approval Nos. 7 and 9, and revisions requested by the applicant to Conditions of Approval Nos. 13, 19, and 20.

12. REGULAR CALENDAR ITEMS

NONE

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

NONE

14. CITY MANAGER'S REPORT

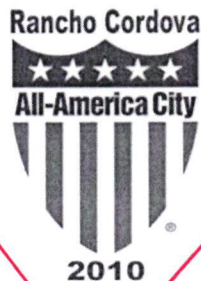
NONE

15. ADJOURNMENT

Mayor Cooley adjourned the regular meeting to special meeting in the American River North Community Room at 6:58 p.m.

BREAK

The Mayor announced that Council will break for celebratory refreshments in honor of Council Member Sander's Birthday prior to convening the study session.



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

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

Monday, November 15, 2010

**7:00 P.M. to 10:00 P.M. – Work Session
American River Room North**

~~MINUTES~~

A. WORK SESSION – CALL TO ORDER / ROLL CALL

Mayor Cooley called the special meeting to order in the American River North Community Room at 7:29 p.m.

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

Council Members Absent: Skoglund

Staff Members Present: Gaebler, Lindgren, Cuppy, Haven, Junker, Chinn, Abhar, Silva, Pearl, Gassaway

B. PUBLIC COMMENT

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

C. WORK SESSION ITEM

Subject: Update on Infrastructure and Developer Standards and Policies (Building Industry Association (BIA) Discussion Update)

Recommendation: Discuss and provide comments and direction as appropriate.

Result of Recommended Action: Receive update on the status and progress of negotiations with the BIA regarding cost of development and the options and alternatives considered to reduce these costs; discuss the potential implication of some of these proposed reductions on the City's General Plan standards and policies; and provide direction to staff on key policy issues to guide future discussions with the BIA

Staff Report: Joe Chinn, Assistant City Manager

ACTION: Discussion item only, no action taken.

D. ADJOURNMENT OF STUDY SESSION

Mayor Cooley adjourned the special meeting at 10:06 p.m.

Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 33-2010

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
REAPPROVING THE TIER 1 DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND ELLIOTT HOMES, INC.
FOR THE RIO DEL ORO PROJECT**

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

Section 1. Recitals

WHEREAS, on September 20, 2010, the City approved various items related to the Rio del Oro Specific Plan, a mixed use development on a total of approximately 3,828 acres northeast of Sunrise and Douglas Boulevards. One of those approvals was a Tier 1 Development Agreement for the 1,516-acre Elliott Homes ("Elliott") portion of the Rio del Oro property ("Original Development Agreement"); and

WHEREAS, following the approval, Elliott Homes contacted the City and requested a technical amendment to the approved Development Agreement; and

WHEREAS, State law authorizes cities to enter into development agreements with entities that hold a legal or equitable interest in the real property that is the subject of the agreement. Option agreements have been expressly recognized as such a legal or equitable interest. The requested modifications to the Elliott Tier 1 Development Agreement would result in the City entering into the Development Agreement with Elliott Homes as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities, Elliott Whiterock, LLC and Stonecreek Industrial, LLC, rather than the City entering into the Development Agreement with Elliott as owner of the subject property; and

WHEREAS, the revised Tier 1 Development Agreement, making the requested modifications, by and between the City and Elliott ("Revised Development Agreement"), attached hereto as **Attachment 1**, is intended solely to make the technical modification to the Original Development Agreement indicating Elliott as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities. The attached Revised Development Agreement will, therefore, not result in any additional direct physical change in the environment, or any additional reasonably foreseeable indirect physical change in the environment; and

WHEREAS, all environmental impacts have been reviewed and addressed at the time the Original Development Agreement was approved. An Environmental Impact Report ("EIR") was prepared for the Project and circulated in accordance with the requirements of the California Environmental Quality Act ("CEQA"). All recitals and findings of determination in Ordinance 16-2010, which adopted the Development Agreement on September 20, 2010, are still accurate and relevant to the attached Revised Development Agreement. Ordinance 16-2010 is adopted herein by reference; and

WHEREAS, in accordance with Government Code sections 65854 and 65867, the Rancho Cordova Planning Commission ("Planning Commission") held a noticed, public hearing on July 8, 2010 to consider the Development Agreement; and

WHEREAS, following the conclusion of the public hearing on July 8, 2010, the Planning Commission voted to recommend to the City Council approval of the original Tier 1 Development Agreement and certification of the EIR for the Rio del Oro project; and

WHEREAS, the technical modifications being made by the attached Revised Development Agreement do not change any of the substantive Original Development Agreement provisions that were considered and recommended by the Planning Commission, and therefore the Revised Development Agreement is not required to be submitted to the Planning Commission for their consideration and recommendation; and

WHEREAS, in accordance with Government Code section 65867, the Rancho Cordova City Council held a noticed public hearing on November 15, 2010, to consider approval of the Revised Development Agreement between the City and Elliott Homes, Inc., attached hereto as Attachment 1; and

WHEREAS, the public hearing was noticed in accordance with the requirements set forth in Government Code section 65090 and 65091.

Section 2. Findings and Determination

On the basis of (a) the foregoing Recitals, which are incorporated herein, (b) the Rio del Oro Specific Plan, (c) the City of Rancho Cordova's General Plan, (d) the Environmental Impact Report for the Rio del Oro project, and (e) on the basis of the specific conclusions set forth below, the City Council finds and determines that:

A. The Revised Development Agreement between the City and Elliott is consistent with the objectives, policies, general land uses and programs specified and contained in the City's General Plan, in that:

In accordance with Government Code section 65867.5(b), the Revised Development Agreement consistent with the City's General Plan. The Revised Development Agreement does not change any development rights of Elliott which were granted by the Original Development Agreement which was approved by the City Council on September 20, 2010. The Revised Development Agreement still vests Elliott's right to proceed with development of the property in accordance with the Rio del Oro Specific Plan. The Revised Development Agreement does not amend or revise the development standards in the Rio Del Oro Specific Plan. Therefore, the Revised Development Agreement will be consistent with the General Plan if development under the Rio del Oro Specific Plan, which is consistent with the City's General Plan. As required by Government Code section 65867.5(b), the City Council finds that the Revised Development Agreement, which vests development under the Specific Plan, are consistent with the City's General Plan. The findings and evidence to support this General Plan consistency determination is set forth, and incorporated herein by reference, in Ordinance 16-2010, which adopted the Original Development Agreement.

B. The Revised Development Agreement between the City and Elliott is consistent with the Rio Del Oro Specific Plan, in that the development standards under the Rio Del Oro Specific Plan are incorporated into and vested by the Revised Development Agreement. The Revised Development Agreement does not amend or alter the development standards under the Rio Del Oro Specific Plan.

C. The Revised Development Agreement is compatible with the uses authorized in, and the regulations prescribed for, the land use area in which the real property is located in that the project approvals include the Rio del Oro Specific Plan.

D. The Revised Development Agreement is in conformity with public convenience, general welfare and good land use policies in that it will implement land use guidelines set forth in the General Plan, which have planned for mixed-use development, consisting of both residential and commercial uses at this location.

E. The Revised Development Agreement will not be detrimental to the health, safety and general welfare in that the Rio del Oro project will proceed in accordance with all the programs and policies of the General Plan and Rio del Oro Specific Plan. The impacts of the development on existing land uses, public services and the environment have been evaluated and mitigated through the CEQA process, except for those impacts found to be significant and unavoidable for which the City Council adopted a Statement of Overriding Considerations.

F. The Revised Development Agreement will not adversely affect the orderly development of property or the preservation of property values in that the project will be consistent with the General Plan.

G. The Revised Development Agreement is consistent with the provisions of Government Code sections 65864 through 65869.5 in that they include all the substantive elements, and have been processed consistent with, all the procedural requirements of Government Code sections 65864 through 65869.5.

Section 3. CEQA Compliance

In compliance with the California Environmental Quality Act, on September 7, 2010, the Rancho Cordova City Council, pursuant to Resolution No. 92-2010 certified the EIR, adopted environmental findings pursuant to CEQA guidelines section 15091, adopted a statement of overriding considerations, and adopted a mitigation monitoring plan for the Rio del Oro project, including the two Tier 1 Development Agreements, prior to approval of the Development Agreements.

The only difference between the attached Revised Development Agreement by and between the City and Elliott and the originally approved Development Agreement is that the revised version makes technical modifications indicating Elliott as the holder of an option to acquire the property that is the subject to the Development Agreement from two other Elliott entities. The attached Revised Development Agreement will, therefore, not result in any additional direct physical change in the environment, or any additional reasonably foreseeable indirect physical change in the environment and will not require additional environmental analysis.

Section 4. Approval

The City Council hereby reapproves the Tier 1 Development Agreement between the City and Elliott Homes, Inc. (Attachment 1).

Section 5. Recordation

Within ten (10) days after the Development Agreement is executed by the City Manager, the City Clerk shall submit the Agreement to the County Recorder for recordation. The City Clerk will record the Revised Development Agreement instead of the Tier 1 Development Agreement

between the City and Elliott Homes, Inc. originally approved by the City Council on September 20, 2010.

Section 6. Severability

If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. This City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. 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 _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

TIER 1 DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF RANCHO CORDOVA

AND

ELLIOTT HOMES, INC.

RELATIVE TO THE RIO DEL ORO PROJECT

**DEVELOPMENT AGREEMENT
RELATIVE TO RIO DEL ORO PROJECT**

This Development Agreement is entered into as of this ____ day of _____, 2010, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), and Elliott Homes, Inc., an Arizona corporation ("Elliott"), pursuant to the authority of Government Code section 65864 et seq. relating to Development Agreements. City and Elliott are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

A. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, California Government Code Section 65864, *et seq.* (the "Development Agreement Statute") and Rancho Cordova Municipal Code Chapter 23.158, which authorize City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

B. Definitions. All capitalized terms as used herein are defined in Section 3 of this Agreement.

C. Elliott Property. Elliott holds an option to acquire that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, attached hereto. Elliott represents that all persons holding legal or equitable interests in the property shall be bound by this Elliott Tier 1 Development Agreement, including the fee owners of the Elliott Property, Elliott Whiterock, LLC, and Stonecreek Industrial, LLC, who shall sign the consent to the Elliott's execution of this Elliott Tier 1 Development Agreement, attached hereto as Exhibit E, and agree to be bound to the terms and conditions hereof if Elliott fails to purchase the Elliott Property.

D. Concurrent Approval of Aerojet Tier 1 Development Agreement. Concurrent with the approval of this Elliott Tier 1 Development Agreement, a second Tier 1 development agreement with near identical terms is being processed and approved by and between the City of Rancho Cordova and Aerojet General Corporation for the remaining 2,312-acre portion of the Rio Del Oro Specific Plan Area.

E. Joint Planning of Rio Del Oro. Elliott, Aerojet General Corporation, the City, and other public agencies have jointly planned for the development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto. The Rio Del Oro Specific Plan, this Elliott Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Aerojet Tier 1 Development Agreement are the result of this joint effort.

F. Public Hearing. On August 5, 2010, the Planning Commission of City of Rancho Cordova, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867 and Rancho Cordova Municipal Code Chapter 23.158, considered this Elliott Tier 1 Development Agreement and recommended approval of this Agreement to the City Council.

G. Relationship of Tier 1 Entitlements to Tier 2 Entitlements and Subsequent Entitlements. This Elliott Tier 1 Development Agreement establishes certain initial, mutual

obligations relating to the development of the Property under the Tier 1 Entitlements. This Elliott Tier 1 Development Agreement also describes the requirements and standards for processing Tier 2 Entitlements and Subsequent Entitlements.

H. Environmental Review. In compliance with the National Environmental Policy Act and the California Environmental Quality Act, on September 7, 2010, by Resolution No. 92-2010, the City approved the Rio Del Oro Specific Plan Project EIS/EIR ("EIS/EIR"). Elliott agrees that the City may in its discretion determine that additional environmental review under CEQA, beyond that contained in the EIS/EIR, is required for future Tier 2 Entitlements and Subsequent Entitlements to implement the Project. Government Code section 65457 provides that any residential development project that is consistent with a specific plan for which an environmental impact report has been certified is generally exempt from further CEQA review; notwithstanding section 65457 or any successor or related state statute establishing exemptions from or restrictions on further CEQA environmental review, Elliott agrees that City may, in its sole discretion, require further CEQA review for any Tier 2 Entitlement or Subsequent Entitlement.

I. Development Agreement Ordinance. City and Elliott have taken all actions mandated by, and fulfilled all requirements set forth in Rancho Cordova Municipal Code Chapter 23.158, the Development Agreement Ordinance of the City of Rancho Cordova.

J. Consistency with General and Specific Plan. Having duly examined and considered this Elliott Tier 1 Development Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 16-2010, the City found that this Elliott Tier 1 Development Agreement satisfies the Government Code §65867.5 and this Agreement is consistent with the requirements of the General Plan and Specific Plan.

K. Negotiations. The Parties have, in good faith, negotiated terms set forth in this Elliott Tier 1 Development Agreement, which terms are intended to carry out the legislative purposes of the Development Agreement Statutes, and which provide for the mutually desirable development of the Elliott Property.

AGREEMENT

1. Incorporation of Recitals. The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Elliott Tier 1 Development Agreement as if set forth herein in full.

2. Relationship of City and Elliott. It is understood that this Elliott Tier 1 Development Agreement is a contract that has been negotiated and voluntarily entered into by City and Elliott and that neither Party is an agent of the other Party. City and Elliott hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Elliott joint venturers or partners.

3. Definitions.

"Aerojet" means Aerojet General Corporation, an Ohio corporation.

"Aerojet Property" means that certain 2,312-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in

Exhibit C-1 and Exhibit C-2, and attached hereto, which is subject to the Aerojet Tier 1 Development Agreement.

"Aerojet Tier 1 Development Agreement" means the Tier 1 Development Agreement, with near identical terms to this Elliott Tier 1 Development Agreement, which is being concurrently processed and approved by and between the City of Rancho Cordova and Aerojet for the Aerojet Property.

"Aerojet Tier 2 Development Agreement" means that development agreement which may be approved for the entire Aerojet Property pursuant to the process and terms set forth in the Aerojet Tier 1 Development Agreement.

"Affordable Housing Plan" means a plan prepared by Elliott or Aerojet General Corporation in compliance with the City of Rancho Cordova General Plan Housing Element, and in particular with Policy H.1.5 of thereof, for review and approval by the City, that identifies the plans of the Rio del Oro Project for providing affordable housing.

"City Council" means the City Council of the City of Rancho Cordova.

"Development Activity" means any development, construction and land use pursuant to or in furtherance of the Rio Del Oro Specific Plan, including without limitation ground disturbance, grading, land alteration, and construction of any improvements, including, but not limited to, structures, roadways, infrastructure, dwelling units, and non-residential buildings. Development Activity expressly does not include: (a) any development, construction or land use authorized by laws regulations, plans, policies or permits, of the City applicable to the Property that were in effect prior to the effective date of the Rio del Oro Specific Plan and the other Tier 1 Entitlements, including without limitation, Rio del Oro Mining Permit pertaining to Grantline West Mining Operation (Teichert) Permit affecting Assessor's Parcel No. 072--370-071, City of Rancho Cordova Resolution No. 81-2005, and (b) activities necessary to fill "waters of the United States," as defined by then applicable federal law and pursuant to a valid and unexpired Section 404 permit for the Property; and (c) any work of any nature that Aerojet or the Boeing Company may be required or authorized to conduct by local, state or federal regulatory agencies, in connection with the McDonnell Douglas Inactive Rancho Cordova Test Site (IRCTS), including, by way of example and not by way of limitation, orders, consent decrees, waste discharge requirements, monitoring/reporting program orders and any amendments thereto that have been issued or may in the future be issued by the California Department of Toxic Substance Control (DTSC), United States EPA, United States Fish and Wildlife Service, United States Army Corps of Engineers, and/or the Central Valley Regional Water Quality Control Board, pertaining to, arising out of or related to soil and groundwater remediation, endangered species mitigation, wetlands mitigation, or any other similar activity required or authorized by said local, state or federal regulatory agencies.

"Elliott Property" means that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, and attached hereto, which is subject to this Elliott Tier 1 Development Agreement.

"Elliott Project" means the planned development of the Elliott Property pursuant to the Tier 1 Entitlements.

"Elliott Tier 2 Development Agreement" means that development agreement which may be approved for the entire Elliott Property pursuant to the process and terms set forth in this Elliott Tier 1 Development Agreement, in particular section 6.2 hereto.

"Financing Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define: (a) the specific mechanisms that will be required to fund the capital costs of all infrastructure necessary as a result of build-out of the Specific Plan; (b) the funding mechanisms necessary to maintain new infrastructure and public services needed by the future residents and businesses in the Specific Plan Area; and (c) the funding and financing of the activities and actions described in the Affordable Housing Plan.

"Phasing Master Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define in detail the on-site and off-site facility requirements to develop each phase of the Specific Plan Area, including location of facilities, cost estimates, and construction timing requirements.

"Master Large Lot Map Conditions of Approval" means the set of conditions and requirements that will be placed on large lots maps for the Elliott Property and other property within the Rio Del Oro Specific Plan Area, and that, together with the Financing Plan, the Phasing Master Plan, and the Affordable Housing Plan will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area.

"Minor Revision" shall have that meaning set forth on page 8-4 of the Rio Del Oro Specific Plan approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Rio del Oro Project" means the planned development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto, pursuant to the Rio Del Oro Specific Plan, this Elliott Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Aerojet Tier 1 Development Agreement.

"Specific Plan" means the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan", approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Specific Plan Area" and "Rio Del Oro Specific Plan Area" mean the entire 3,832-area which is the subject of the "Rio Del Oro Specific Plan."

"Subsequent Entitlements" mean those additional permits, plans and approvals, that may be approved following approval of the Tier 2 Entitlements, and which will allow for implementation of the Tier 2 Entitlements by subdivision, development and construction within the Specific Plan Area. Subsequent Entitlements may include, without limitation, small lot tentative subdivision maps, small lot final subdivision maps, parcel maps for non-residential areas, lot line adjustments, conditional use permits, and design review permits.

"Substantially comply with" or "substantial compliance with" the "terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval" shall mean that developers in the Specific Plan Area (including any Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Map Conditions of Approval.

"Tier 1 Entitlements" mean (a) the City of Rancho Cordova General Plan in effect on the Effective Date of this Elliott Tier 1 Development Agreement; (b) the Rio Del Oro Specific Plan Project EIS/EIR, approved by the City on September 7, 2010 by Resolution No. 92-2010 (the Mitigation Measures in the EIR/EIS are incorporated into the Elliott Project and into the terms and conditions of this Agreement, unless the mitigation measures pertain solely to the Aerojet Property); (c) the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan", approved by the City on September 20, 2010, by Ordinance No. 14-2010; (d) the Amendment to the Aerojet Special Planning Area (SPA), approved by the City on September 20, 2010 by Ordinance No. 15-2010; and (e) this Elliott Tier 1 Development Agreement, approved by the City on September 20, 2010 by Ordinance No. 16-2010 (the "Adopting Ordinance").

"Tier 2 Entitlements" mean (a) the Financing Plan, (b) the Phasing Master Plan, (c) the Master Large Lot Tentative Map Conditions of Approval, (d) additional Mitigation Measures, beyond or different from those in the EIS/EIR, as provided in the additional environmental documentation required for the Tier 2 Entitlements, unless the mitigation measures pertain solely to the Aerojet Property, (e) the Affordable Housing Plan, and (f) and the amendments to Tier 1 Development Agreements or Tier 2 Development Agreements necessary to bind every landowner and all the property within the entire Specific Plan Area (which includes Elliott, Aerojet and their respective successors in interest) to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

4. Effective Date, Term and Termination.

4.1 Effective Date. The effective date of this Elliott Tier 1 Development Agreement ("Effective Date") is [REDACTED], 2010 which is the effective date of City Ordinance No. [REDACTED]-2010, adopting this Elliott Tier 1 Development Agreement.

4.2 Term. The term of this Elliott Tier 1 Development Agreement shall commence on the Effective Date and extend for a period of ten (10) years, unless said term is terminated, modified or extended by the terms of this Elliott Tier 1 Development Agreement. Following the expiration of the term, this Elliott Tier 1 Development Agreement shall be deemed terminated and of no further force and effect. If this Elliott Tier 1 Development Agreement expires, Elliott shall have no vested right under the Tier 1 Entitlements and the City shall have the right to modify or repeal the remaining Tier 1 Entitlements and apply new laws and regulations to the development of the Property, subject to then applicable notice and hearing requirements. However, while the Parties have no present agreement to extend the term of this Agreement, the Parties anticipate that negotiations will occur on the Elliott Tier 2 Development Agreement prior to the expiration of this Elliott Tier 1 Development Agreement. The Parties anticipate that the Elliott Tier 2 Development Agreement will (i) replace this Elliott Tier 1 Development Agreement or modify it and extend its term, and (ii) establish further vested rights

for the Property. If a Tier 2 Development Agreement has not been approved for the Elliott Property six (6) months prior to the expiration of the term of this Elliott Tier 1 Development Agreement, the City and Elliott shall meet to discuss the possibility of amending this Elliott Tier 1 Development Agreement to extend its term.

4.3 Tolling and Extension During Legal Challenge or Moratoria. In the event that this Elliott Tier 1 Development Agreement or any of the Tier 1 Entitlements or the EIR or any subsequent approvals or permits required to implement the Tier 1 Entitlements (such as any required wetlands fill permit or environmental document required under the National Environmental Protection Act ("NEPA") related thereto) are subjected to legal challenge by a third party, and Elliott is unable to proceed with the Project due to such litigation or Elliott gives written notice to City that it is electing not to proceed with the Project until such litigation is resolved to Elliott's satisfaction, the term of this Elliott Tier 1 Development Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Elliott, be extended and tolled for a maximum period of three (3) years during such litigation until the entry of final order of judgment upholding this Elliott Tier 1 Development Agreement and/or Tier 1 Entitlements, or the litigation is dismissed by stipulation of the parties; provided, however, that, notwithstanding the foregoing, Elliott shall have the right to elect, in Elliott's sole discretion, to proceed with the Elliott Project at any point by providing the City with written notice that it is electing to proceed with Elliott Project, in which event the tolling of the term of this Elliott Tier 1 Development Agreement shall cease as of the date of such notice.

5. Vested Rights. Elliott shall have the vested right to proceed with development of the Elliott Property in accordance with the Tier 1 Entitlements, and to have the Tier 2 Entitlements and Subsequent Entitlements considered for approval or denial, based upon the standards and requirements set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan.

5.1 Permitted Uses, Density and Intensity, Maximum Height and Size of Structures, and Reservation or Dedication of Land. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, shall be those set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan. City acknowledges that the Rio Del Oro Specific Plan includes the land uses and approximate acreages for the Project as shown and described on page 3-7 of the Specific Plan.

5.2 Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Elliott and City intend that, except as otherwise provided in or limited by Section 5.3 or other provisions of this Agreement, this Elliott Tier 1 Development Agreement shall vest the Tier 1 Development Entitlements against subsequent City resolutions, ordinances and initiatives that directly or indirectly limit the rate, timing, sequencing of development, or prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Tier 1 Development Entitlements; provided however, Elliott shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, City-wide or area-wide basis, and directly concerns an imminent public health or safety issue, in which case City shall treat Elliott in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by that public health or safety issue.

5.3 Vested Rights Exclude and Do Not Authorize Development Activity.

Neither the vested rights conferred by this Section 5 (including 5.1 and 5.2) nor any other provision of this Elliott Tier 1 Development Agreement nor of the Tier 1 Entitlements grant Elliott a vested right to engage in Development Activity on the Elliott Property. Development Activity shall occur on the Elliott Property only following approval of Tier 2 Entitlements as further provided in Section 7 hereto. This Elliott Tier 1 Development Agreement does not guarantee approval of the Tier 2 Entitlements or Subsequent Entitlements.

6. Processing of Tier 2 Entitlements and Subsequent Entitlements.

6.1. Intent of Tiered Entitlement Approval Process. The primary intent of the tiered entitlement approval process set forth in this Elliott Tier 1 Development Agreement, and in particular in this Section 6, is to ensure, to the City's satisfaction, that the provisions of the Specific Plan, the Financing Plan and the Phasing Master Plan are uniformly applied in the entire Specific Plan Area in both the Elliott Property and the Aerojet Property.

6.2 Timing of Application for Tier 2 Development Agreement for Elliott Property. Prior to any Development Activity on the Property, Elliott shall apply to City to request approval of the Elliott Tier 2 Development Agreement, which shall cover the entire Elliott Property. Elliott shall have the right to apply for the Elliott Tier 2 Development Agreement at any time during the term of this Elliott Tier 1 Development Agreement. The Elliott Tier 2 Development Agreement and the Aerojet Tier 2 Development Agreement shall not be required to be simultaneously processed by the City.

6.3 Processing of Tier 2 Development Agreement for Elliott Property, Requirement of Rio Del Oro Phasing Master Plan and Rio Del Oro Master Large Lot Map. If Elliott requests approval of the Elliott Tier 2 Development Agreement before Aerojet requests approval of the Aerojet Tier 2 Development Agreement, Elliott shall be responsible for working with the City to prepare the Financing Plan, the Phasing Master Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. The Elliott Tier 2 Development Agreement shall be approved at the same time as, but not before, the City approves the Financing Plan, Phasing Master Plan and Affordable Housing Plan for the entire Specific Plan Area, and a large lot tentative map for the Elliott Property which map includes the Master Conditions of Approval to implement the Specific Plan, the Financing Plan, Phasing Master Plan and Affordable Housing Plan.

If Aerojet requests approval of the Aerojet Tier 2 Development Agreement before Elliott requests approval of the Elliott Tier 2 Development Agreement, Aerojet shall be responsible for working with the City to prepare a single Financing Plan, a single Phasing Master Plan, a single Affordable Housing Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. Thereafter, when Elliott requests approval of the Elliott Tier 2 Development Agreement, City shall have the discretion to deny approval of the Elliott Tier 2 Development Agreement and any other Tier 2 entitlements for any portion of the Elliott Property unless Elliott agrees to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Tentative Map Conditions of Approval as previously adopted with the Aerojet Tier 2 Development Agreement

by either (a) amending this Elliott Tier 1 Development Agreement or (b) agreeing to such terms and entering into the Elliott Tier 2 Development Agreement.

As provided in Section 5 of this Elliott Tier 1 Development Agreement, the City shall consider approval or denial, of the Elliott Tier 2 Development Agreement, the other Tier 2 Entitlements and the Subsequent Approvals based upon the standards and requirements in the Tier 1 Entitlements.

7. No Development Activity Until Tier 2 Approved. Notwithstanding the vested rights granted by this Elliott Tier 1 Development Agreement and consistent with the limitation on Elliott's rights in Section 5.3 of this Agreement, the City shall have the full, unrestrained and sole discretion to deny any and all Development Activity on any property in the Specific Plan Area unless and until every landowner in the entire Specific Plan Area (which includes Elliott, Aerojet and their respective successors in interest) has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval as adopted by the City by either (a) amending its Tier 1 Development Agreement or (b) agreeing to such terms and entering into a Tier 2 Development Agreement.

8. Amendment or Cancellation.

8.1 Modification Because of Conflict with State or Federal Laws. In the event that State or Federal laws or regulations enacted after the Effective Date of this Elliott Tier 1 Agreement prevent or preclude compliance with one or more provisions of this Agreement or any Tier 1 Entitlements, the Parties shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Elliott Tier 1 Agreement and such Tier 1 Entitlements to comply with such Federal or State law or regulation. Any such amendment or suspension of this Elliott Tier 1 Agreement or Tier 1 Entitlements shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

8.2 Amendment by Mutual Consent. This Elliott Tier 1 Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State law and Municipal Code. Any amendment of the Tier 1 Entitlements that does not constitute a Minor Revision shall require amendment of this Elliott Tier 1 Agreement.

8.3 Cancellation by Mutual Consent. Except as otherwise permitted herein, this Elliott Tier 1 Agreement may be canceled in whole or in part only by the mutual consent of the Parties or their successors in interest, in accordance with Municipal Code. Any fees paid pursuant to this Agreement and spent by the City prior to the date of cancellation shall be retained by City.

9. Annual Review.

9.1 Annual Review. The City shall annually monitor and review Elliott's good faith compliance with the terms of this Elliott Tier 1 Agreement and the Initial Entitlements.

9.2 Monitoring. The City has the responsibility and discretion to monitor the continuing compliance of Elliott with the terms of this Elliott Tier 1 Agreement and the Tier 1 Entitlements by updating decision makers, conducting field inspections, implementing and interpreting requirements, monitoring any litigation relating to the Property, and taking such

other actions as the City may deem appropriate. As a result of the limited scope of the Tier 1 Entitlements, the Parties anticipate that, the focus of the Annual Review will generally, in the discretion of the City, be on whether or not any Development Activity is occurring.

9.3 Annual Review Date. The annual review shall occur each year during the term of this Elliott Tier 1 Agreement on or about the anniversary date of the Effective Date.

9.4 Initiation of Review. The City's Planning Director shall initiate the annual review by giving to Elliott written notice that the City intends to undertake such review, including an estimate of the total costs the City expects to incur in connection with the review. Within thirty (30) days of City's notice, Elliott shall provide evidence to the Planning Director to demonstrate good faith compliance with this Elliott Tier 1 Development Agreement. The burden of proof, by substantial evidence of compliance, is upon Elliott. The City's failure to timely initiate the annual review is not deemed to be a waiver of the right to conduct review at a later date or otherwise enforce the provisions of this Elliott Tier 1 Agreement. Elliott is not deemed to be in compliance with the Agreement by virtue of such failure to timely initiate review.

9.5 Staff Reports. City shall deposit in the mail to Elliott a copy of all staff reports, and related exhibits, concerning contract performance at least twenty (20) days prior to any annual review. City shall also, to the extent practicable, make reasonable efforts to provide simultaneous notice by e-mail or other then available means of electronic technology.

9.6 Costs. Costs reasonably and directly incurred by the City in connection with the annual review and monitoring shall be paid by Elliott in accordance with the City's schedule of fees and billing rates in effect at the time of review. The City may require Elliott to provide deposits for the City's estimated costs in connection with the City's annual review and monitoring in the year following the current compliance review. The costs that Elliott may be required to pay shall not be limited to the amount in the Planning Director's estimate.

9.7 Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Elliott has not complied in good faith with the terms and conditions of the Elliott Tier 1 Agreement during the period under review, the City Council, upon receipt of any report or recommendation from the Planning Commission, may initiate proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted, in accordance with the procedures of State law. As part of that final determination, the City Council may impose conditions on the Elliott Project that it considers necessary and appropriate to protect the interest of the City. Elliott may, at the same hearing, raise any and all issues of non-compliance by the City with the terms of this Elliott Tier 1 Development Agreement, and the City Council shall review and make findings concerning the compliance of all Parties to the Agreement.

9.8 Appeal of Determination. The decision of the City Council as to Elliott's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Council shall be commenced within thirty (30) days.

10. Default and Opportunity to Cure. Subject to any applicable extension of time agreed to by the Parties in writing, failure by any party to perform any term or provision of this Elliott Tier 1 Agreement required to be performed by such Party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is

in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." Except as provided in Section 10, a Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 20, and the Party in Default fails to cure such Event of Default within the applicable cure period.

10.1 Procedure Regarding Defaults.

10.1.1 Notice of Default. If an Event of Default occurs, prior to exercising any remedies except as provided in Section 10, the Complaining Party shall give the Party in Default written notice of such default. Where the City provides notice of an Event of Default by Elliott, the City shall not be obligated to issue any permit or approve any entitlement for which an application has been filed until the Default is cured pursuant to the procedures in this Section 10.

10.1.2 Cure. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot, practicably be cured within such thirty (30) day period, the cure shall be deemed to have occurred within such thirty (30) day period if: (a) the cure is commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the Party in Default receipt of the notice), the Party in Default provides written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given. If the Event of Default is discovered or determined in the course of the Annual Compliance Review, in addition to other remedies and potential cures, the City shall have the statutory authority pursuant to Government Code section 65865.1 to decide to terminate or modify the Elliott Tier 1 Agreement following the opportunity to cure as provided in this Section 10.1.2.

10.1.3 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

10.1.4 Legal Proceedings. If the Party in Default fails to cure a default in accordance with the provisions of Section 10.1.2, the Complaining Party, at its option, may institute legal proceedings pursuant to this Elliott Tier 1 Agreement or terminate this Elliott Tier 1 Development Agreement. Upon the occurrence of an Event of Default, the Parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or the City's regulations governing development agreements, expressly including the remedy of specific performance of this Elliott Tier 1 Agreement. In no event, except as provided in Sections 14, 17 and 18 of this Agreement shall either Party be liable to the other Party for any monetary damage for claims arising out of this Agreement and both Parties hereby expressly waive any such monetary damages City. Notwithstanding the foregoing, the City may immediately institute any legal proceedings relating to this Elliott Tier 1 Development Agreement

without the notice and opportunity to cure required in the case of an emergency or immediate danger to public health, safety or welfare.

11. Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party certify in writing that, to the knowledge of the certifying party, (i) this Elliott Tier 1 Agreement is in full force and effect and a binding obligation of the parties, (ii) this Elliott Tier 1 Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Elliott Tier 1 Agreement, or if in default, describing therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each Party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by City establishing the status of this Elliott Tier 1 Development Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording Party.

12. Severability. Except as set forth herein, if any term, covenant or condition of this Elliott Tier 1 Development Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Elliott Tier 1 Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Elliott Tier 1 Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Elliott Tier 1 Agreement from and after such determination.

13. Applicable Law. This Elliott Tier 1 Agreement shall be construed and enforced in accordance with the laws of the State of California.

14. Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement. Should any legal action be brought by either party for breach of this Elliott Tier 1 Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

15. Agreement Runs with the Land. Except as otherwise provided for in this Elliott Tier 1 Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Elliott Tier 1 Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Elliott Tier 1 Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property: (1) is for the benefit of such properties and is a burden upon such properties; (2) runs with such properties; and (3) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a

benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

16. Bankruptcy. The obligations of this Elliott Tier 1 Agreement shall not be dischargeable in bankruptcy.

17. Indemnification From Construction, Improvement, Operation and Maintenance Claims. Elliott agrees to indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by Elliott, or any actions or inactions of Elliott's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, provided, however, that Elliott shall have no indemnification obligation with respect to the gross negligence or willful misconduct of City, or its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives with respect to the maintenance, use or condition of any improvement after the time it has been dedicated to and accepted by City or another public entity (except as provided in an improvement agreement or maintenance bond). The provisions of this Section 17 shall survive the termination of this Elliott Tier 1 Agreement.

18. Cooperation and Elliott Indemnification of City in Event of Legal Challenge to Agreement or Initial Entitlements. In the event of any legal or equitable action or other proceeding instituted by a third party or other governmental entity or official challenging the validity of any provisions of this Elliott Tier 1 Agreement or the Tier 1 Entitlements or seeking to overturn or invalidate any approval granted pursuant to this Elliott Tier 1 Agreement, the Parties hereby agree to cooperate in defending said action or proceeding; provided, however, that Elliott shall be solely responsible for costs incurred for such defense. In any such legal or equitable action or proceeding, Elliott shall indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability. Neither Elliott nor the City shall settle any action or proceeding on grounds that include non-monetary relief or admissions of liability without written consent of the other Party. The provisions of this Section 18 shall survive the termination of this Elliott Tier 1 Agreement.

19. Third Party Beneficiaries. This Elliott Tier 1 Agreement is made and entered into for the sole protection and benefit of Elliott and, City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

20. Notices. All notices required by this Elliott Tier 1 Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to City shall be addressed as follows:

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Notice required to be given to Elliott shall be addressed as follows:

ELLIOTT HOMES
Harry C. Elliott, III
80 Iron Point Circle, Suite 110
Folsom, CA 95630

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

21. Assignment and Release. Elliott shall have the full right to assign this Elliott Tier 1 Development Agreement in connection with any sale, transfer or conveyance of all or any portion of the Property, subject to the limitations and terms in this Section 21. Upon the express written assignment by Elliott, and assumption by the assignee of such assignment in the form attached hereto as Exhibit D, Elliott shall be released from further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Elliott," with all rights and obligations related thereto, with respect to such conveyed property (the "Assigned Property").

21.1 Effect of Partial Assignments on Tier 2 Development Agreement and Application for Subsequent Entitlements. In the event of a sale, transfer or conveyance of only a portion of the Property prior to approval of the Tier 2 Development Agreement or the Subsequent Entitlements, the assignee of a partial assignment ("Partial Assignee") shall have no right to conduct Development Activity on the Elliott Property. The City shall have the discretion to deny approval of any Tier 2 Entitlements for any portion of the Specific Plan area until every Elliott and Partial Assignee has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval by either (1) amending its Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Landowners (including any Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval.

22. Priority of Enactment. In the event of conflict between this Elliott Tier 1 Development Agreement and the Tier 1 Entitlements, the Parties agree that the following sequence of approvals establishes the relative priority of approvals, each approval superior to the approvals listed thereafter: (1) the Elliott Tier 1 Development Agreement and (2) the Tier 1 Entitlements.

23. Form of Agreement; Recordation; Exhibits. Except when this Elliott Tier 1 Agreement is automatically terminated due to the expiration of the Term of this Agreement, City shall cause this Agreement, any amendment hereto and any termination of any parts or provisions hereof, to be recorded with the County Recorder within ten (10) days of the effective date thereof. Any amendment or termination of this Elliott Tier 1 Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 14 pages and 6 exhibits, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Elliott Tier 1 Development Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. [REDACTED]-2010 adopted by the Council of the City on the [REDACTED] day of [REDACTED] 2010, and Elliott has caused this Agreement to be executed.

"CITY"

CITY OF RANCHO CORDOVA,
a municipal corporation

By: _____

Name: _____

Its: _____

Date: _____

"ELLIOTT"

ELLIOTT HOMES, INC
an Arizona corporation

By: _____

Name: _____

Its: _____

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
City Attorney
Date: _____

EXHIBIT LIST

Exhibit A-1:	Legal Description of the Elliott Property
Exhibit A-2:	Diagram of the Elliott Property
Exhibit B:	Rio Del Oro Specific Plan area (Rio Del Oro Project)
Exhibit C-1:	Legal Description of the Aerojet Property
Exhibit C-2:	Diagram of the Aerojet Property
Exhibit D:	Form of Assignment
Exhibit E:	Consent to Elliott Execution of Agreement

EXHIBIT A-1

Legal Description of the Elliott Homes Property

PARCEL 1:

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being more particularly described as follows:

Beginning at the Northwest corner of said Parcel 15; thence from said point of beginning along the Westerly line of said Parcel the following five (5) courses: (1) South 07°44'05" West 30.44 feet, (2) South 06°36'05" East 3603.85 feet, (3) South 08°08'17" East 2073.42 feet, (4) South 08°47'03" East 2197.91 feet, and (5) South 08°48'24" East 419.75 feet to a point on the Westerly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said right-of-way line South 39°18'38" East 4093.39 feet; thence South 89°10'03" East 990.37 feet; thence South 89°06'40" East 933.19 feet; thence North 00°53'20" East 2290.81 feet to a point on an existing fence line; thence along said fence line, the following fourteen (14) courses and distances: (1) North 89°32'35" West 367.46 feet, (2) North 89°24'25" West 402.97 feet; (3) North 00°30'05" East 722.15 feet, (4) North 00°34'11" East 608.94 feet, (5) North 87°30'22" West 39.63 feet, (6) North 00°50'49" East 225.19 feet, (7) North 71°12'32" West 459.31 feet, (8) North 18°32'48" East 299.22 feet, (9) North 18°43'33" East 581.68 feet, (10) North 18°52'10" East 260.18 feet, (11) North 87°29'23" East 30.58 feet, (12) North 86°35'54" East 79.74 feet, (13) North 87°23'08" East 104.15 feet, and (14) South 71°22'21" East 494.50 feet; thence North 00°53'20" East 4230.53; thence North 90°00'00" West 1078.83 feet; thence

North 04°03'36" West 192.34 feet; thence North 15°38'51" West 253.09 feet; thence North 10°48'50" West 497.39 feet; thence North 06°52'34" West 292.93 feet; thence North 05°51'41" West 169.64 feet; thence North 00°52'23" West 152.03 feet; thence North 72°06'34" East 146.02 feet; thence North 74°39'41" East 462.88 feet; thence North 85°19'48" East 66.67 feet; thence North 11°27'56" East 102.96 feet; thence North 03°39'36" West 197.73 feet; thence North 02°17'57" East 318.01 feet; thence North 01°15'08" East 494.52 feet; thence South 84°44'15" West 1242.18 feet; thence curving to the right on an arc having a radius of 3000.00 feet, said arc being subtended by a chord bearing South 88°53'53" West 435.31 feet; thence North 86°56'29" West 389.84 feet; thence curving to the left on an arc having a radius of 1500.00 feet, said arc being subtended by a chord bearing south 87°03'12" West 313.85 feet, thence South 81°02'54" West 2579.08 feet to the point of beginning.

EXCEPTING THEREFROM as a mineral interest, and not as a royalty interest, all of the minerals of every kind in, under, or that may be produced from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting as a mineral interest, and not as a royalty interest, all oil, gas, hydrocarbons, and associated substances in, under, or produced and saved from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting all water and rights, including, but not limited to, all rights of access, to water lying below the surface of the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; provided, however, that Grantor, and its successors and assigns, shall not have the right for any purpose whatsoever to enter upon, into, or through the surface of the Real Property, or within one hundred (100) feet below, as measured vertically from, the surface of the Real Property.

PARCEL 2:

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Beginning at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Beginning, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, South 89°56'25" West, a distance of 367.46 feet along said common line;

Thence, North 89°55'25" West, a distance of 402.97 feet along said common line;

Thence, North 00°00'55" West, a distance of 722.15 feet along said common line;

Thence, North 00°03'11" East, a distance of 608.94 feet along said common line;

Thence, North 88°01'22" West, a distance of 39.63 feet along said common line;

Thence, North 00°19'49" East, a distance of 225.19 feet along said common line;

Thence, North 71°43'32" West, a distance of 459.31 feet along said common line;

Thence, North 18°01'48" East, a distance of 299.22 feet along said common line;

Thence, North 18°12'33" East, a distance of 581.68 feet along said common line;

Thence, North 18°21'10" East, a distance of 260.18 feet along said common line;

Thence, North 86°58'23" East, a distance of 30.58 feet along said common line;

Thence, North 86°04'54" East, a distance of 79.74 feet along said common line;

Thence, North 86°52'08" East, a distance of 104.15 feet along said common line;

Thence, South 71°53'21" East, a distance of 494.50 feet along said common line;

Thence, North 00°22'20" East, a distance of 1401.37 feet along said common line;

Thence, South 51°45'32" East, a distance of 723.29 feet;

Thence, North 27°42'33" East, a distance of 850.47 feet;

Thence, North 38°10'20" East, a distance of 125.00 feet;

Thence, South 51°49'40" East, a distance of 453.85 feet;

Thence, on the arc of a curve to the right a distance of 498.28 feet, said curve has a central angle of 25°22'37" and a radius of 1125.00 feet;

Thence, on the arc of a curve to the left a distance of 784.77 feet, said curve has a central angle of 46°07'00" and a radius of 975.00 feet;

Thence, South 72°34'03" East, a distance of 651.82 feet;

Thence, South 17°25'57" West, a distance of 25.00 feet;

Thence, South 72°34'03" East, a distance of 856.47 feet;

Thence, South 17°25'57" West, a distance of 1542.41 feet to the arc of a non-tangent curve having a radial bearing of South 42°47'17" West;

Thence, on the arc of said non-tangent curve to the right a distance of 665.31 feet, said curve has a central angle of 19°03'35" and a radius of 2000.00 feet;

Thence, South 28°09'08" East, a distance of 236.87 feet;

Thence, North 79°02'16" West, a distance of 274.71 feet;

Thence, on the arc of a curve to the left a distance of 1060.28 feet, said curve has a central angle of 108°28'52" and a radius of 560.00 feet;

Thence, on the arc of a curve to the right a distance of 555.35 feet, said curve has a central angle of 58°55'26" and a radius of 540.00 feet;

Thence, on the arc of a curve to the left a distance of 550.67 feet, said curve has a central angle of 50°28'53" and a radius of 625.00 feet;

Thence, South 89°31'57" West, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South 89°24'23" West;

Thence, on the arc of said non-tangent curve to the right a distance of 135.81 feet, said curve has a central angle of $47^{\circ}26'53''$ and a radius of 164.00 feet;

Thence, on the arc of a curve to right a distance of 269.45 feet, said curve has a central angle of $27^{\circ}49'00''$ and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 567.31 feet, said curve has a central angle of $08^{\circ}53'18''$ and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 614.63 feet, said curve has a central angle of $66^{\circ}04'15''$ and a radius of 533.00 feet;

Thence, South $00^{\circ}17'18''$ East, a distance of 423.57 feet to the south line of said Parcel 15;

Thence, North $89^{\circ}37'40''$ West, a distance of 418.60 feet along said south line to the Point of Beginning.

Containing 401.202 Acres gross, more or less.

Excepting therefrom the following described parcels of land:

Exception A

All that property described as "Beta Area Well Site 'B'-806" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows;

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North $00^{\circ}22'20''$ East, a distance of 1075.90 feet along the common line between said properties;

Thence, South $89^{\circ}37'45''$ East, a distance of 120.05 feet to the Point of Beginning;

Thence, from the Point of Beginning, North $00^{\circ}02'10''$ West, a distance of 79.89 feet;

Thence, South $89^{\circ}58'18''$ East, a distance of 78.00 feet;

Thence, South 00°00'36" West, a distance of 79.95 feet;

Thence, North 89°55'38" West, a distance of 77.93 feet to the Point of Beginning.

Containing 0.143 Acres, more or less.

Exception B

All that property described as "Tank Site No. 804" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, North 18°24'30" West, a distance of 263.84 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 18°10'05" East, a distance of 276.73 feet;

Thence, South 71°48'29" East, a distance of 146.44 feet;

Thence, South 18°10'43" West, a distance of 276.46 feet;

Thence, North 71°55'01" West, a distance of 146.39 feet to the Point of Beginning.

Containing 0.930 Acres, more or less.

Exception C

All that property described as "Beta Area Well Site 'A'-805" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between

Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, North 26°40'21" East, a distance of 268.14 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 00°02'08" East, a distance of 79.98 feet;

Thence, North 89°57'06" East, a distance of 70.00 feet;

Thence, South 00°00'09" East, a distance of 80.01 feet;

Thence, South 89°58'15" West, a distance of 70.05 feet to the Point of Beginning.

Containing 0.129 Acres, more or less.

End of Legal Description

EXHIBIT A-2
Diagram of the Elliott Homes Property

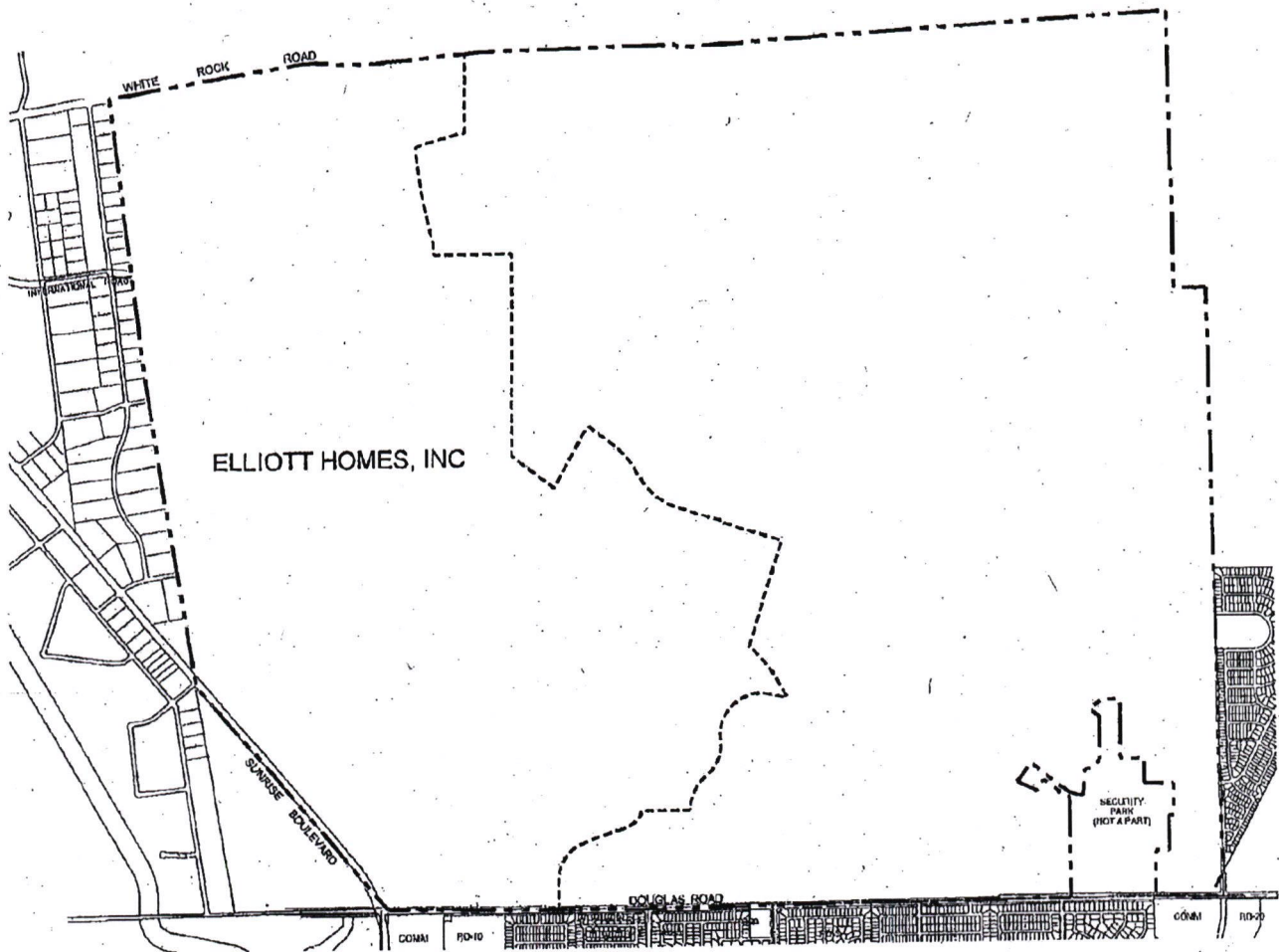


EXHIBIT B

RIO DEL ORO SPECIFIC PLAN AREA

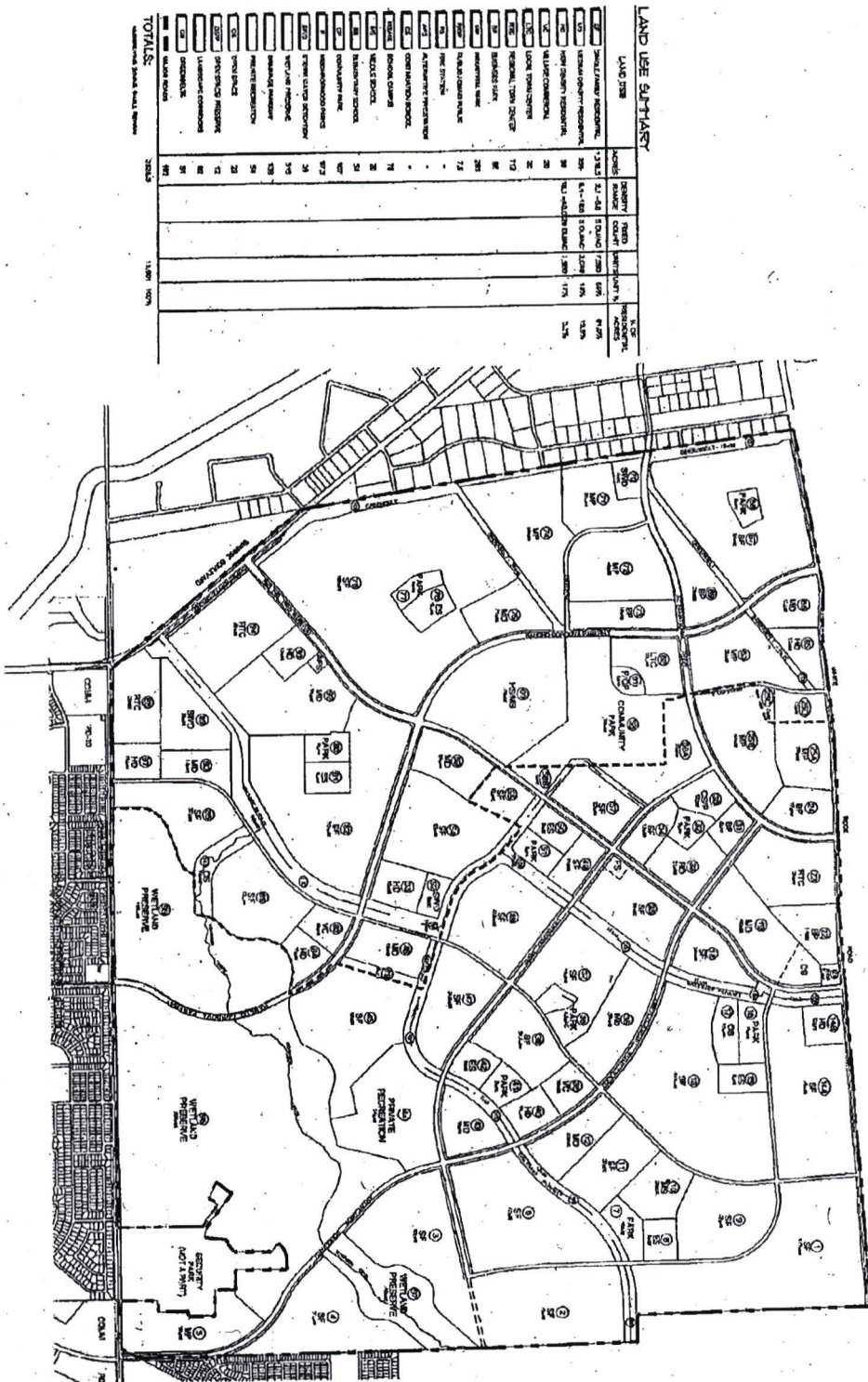


EXHIBIT C-1
Legal Description of the Aerojet Property

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 and Parcel 23 as shown in Book 55 of Parcel Maps at Page 30 as shown in book 20080325, at Page 1226, all in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, South $89^{\circ}37'40''$ East, a distance of 418.60 feet to the Point of Beginning;

Thence from the Point of Beginning, North $00^{\circ}17'18''$ West, a distance of 423.57 feet;

Thence, on the arc of a curve to the right a distance of 614.63 feet, said curve has a central angle of $66^{\circ}04'15''$ and a radius of 533.00 feet;

Thence, on the arc of a curve to the right a distance of 567.31 feet, said curve has a central angle of $08^{\circ}53'18''$ and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 269.45 feet, said curve has a central angle of $27^{\circ}49'00''$ and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 135.81 feet, said curve has a central angle of $47^{\circ}26'53''$ and a radius of 164.00 feet;

Thence, North $89^{\circ}31'57''$ East, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South $89^{\circ}04'35''$ East;

Thence, on the arc of said non-tangent curve to the right a distance of 550.67 feet, said curve has a central angle of $50^{\circ}28'53''$ and a radius of 625.00 feet;

Thence, on the arc of a curve to the left a distance of 555.35 feet, said curve has a central angle of $58^{\circ}55'26''$ and a radius of 540.00 feet;

Thence, on the arc of a curve to the right a distance of 1060.28 feet; said curve has a central angle of 108°28'52" and a radius of 560.00 feet;

Thence, South 79°02'16" East, a distance of 274.71 feet;

Thence, North 28°09'08" West, a distance of 236.87 feet;

Thence, on the arc of a curve to the left a distance of 665.31 feet, said curve has a central angle of 19°03'35" and a radius of 2000.00 feet;

Thence, North 17°25'57" East, a distance of 1542.41 feet;

Thence, North 72°34'03" West, a distance of 856.47 feet;

Thence, North 17°25'57" East, a distance of 25.00 feet;

Thence, North 72°34'03" West, a distance of 651.82 feet;

Thence, on the arc of a curve to the right a distance of 784.77 feet, said curve has a central angle of 46°07'00" and a radius of 975.00 feet;

Thence, on the arc of a curve to the left a distance of 498.28 feet, said curve has a central angle of 25°22'37" and a radius of 1125.00 feet;

Thence, North 51°49'40" West, a distance of 453.85 feet;

Thence, South 38°10'20" West, a distance of 125.00 feet;

Thence, South 27°42'33" West, a distance of 850.47 feet;

Thence, North 51°45'32" West, a distance of 723.29 feet to the common line between Lot A and Lot B of said Lot Line Adjustment;

Thence, North 00°22'20" East, a distance of 2829.16 feet along said common line;

Thence, South 89°29'00" West, a distance of 1078.83 feet along said common line;

Thence, North 04°34'36" West, a distance of 192.34 feet along said common line;

Thence, North 16°09'51" West, a distance of 253.09 feet along said common line;

Thence, North 11°19'50" West, a distance of 479.39 feet along said common line;

Thence, North 07°23'34" West, a distance of 292.93 feet along said common line;

Thence, North 06°22'41" West, a distance of 169.64 feet along said common line;

Thence, North 01°23'23" West, a distance of 152.03 feet along said common line;

Thence, North 71°35'34" East, a distance of 146.02 feet along said common line;

Thence, North 74°08'41" East, a distance of 462.88 feet along said common line;

Thence, North 84°48'48" East, a distance of 66.67 feet along said common line;

Thence, North 10°56'56" East, a distance of 102.96 feet along said common line;

Thence, North 04°10'36" West, a distance of 197.73 feet along said common line;

Thence, North 01°46'57" East, a distance of 318.01 feet along said common line;

Thence, North 00°44'08" East, a distance of 496.43 feet along said common line to the north line of said Parcel 15;

Thence, North 84°12'46" East, a distance of 56.52 feet along said north line to the arc of a non-tangent curve having a radial bearing of South 05°46'55" East;

Thence, on the arc of said non-tangent curve to the right a distance of 404.13 feet along said north line, said non-tangent curve has a central angle of 04°37'52" and a radius of 5000.00 feet;

Thence, North 88°50'57" East, a distance of 2409.24 feet along said north line to the arc of a non-tangent curve having a radial bearing of North 01°08'48" West;

Thence, on the arc of said non-tangent curve to the left a distance of 62.58 feet along said north line, said non-tangent curve has a central angle of 01°11'43" and a radius of 3000.00 feet;

Thence, South 00°58'24" East, a distance of 40.54 feet along said north line;

Thence, North 86°31'01" East, a distance of 6897.56 feet to the northeast corner of said Parcel 15;

Thence, South 00°57'26" East, a distance of 3869.39 feet along said east line;

Thence, North 89°05'46" East, a distance of 466.94 feet along said east line;

Thence, South 00°56'26" East, a distance of 5357.51 feet along said east line;

Thence, South 89°02'10" West, a distance of 3214.24 feet along said east line;

Thence, South 00°58'22" East, a distance of 860.88 feet along said east line to the most northerly corner of Parcel 23 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, South 51°47'34" East, a distance of 610.84 feet along the northeast line of said Parcel 23;

Thence, South 38°12'24" West, a distance of 298.46 feet along the southeast line of said Parcel 23;

Thence, South 89°01'38" West, a distance of 284.95 feet along the south line of said Parcel 23 to the east line of said Parcel 15;

Thence, South 00°58'22" East, a distance of 1635.90 feet along said east line to the south east corner of said Parcel 15;

Thence, South 89°23'14" West, a distance of 3090.85 feet along the south line of said Parcel 15;

Thence, South 89°37'42" West, a distance of 1947.08 feet along said south line;

Thence, North 89°37'40" West, a distance of 1009.49 feet along said south line to the Point of Beginning.

Containing 2150.616 Acres, more or less.

Together with the following described Parcels of land:

Parcels 18 through 20, Area "B", Parcels 24 through 31, Parcels 35 through 37, filed in Book 55 of Parcel Maps, at Page 30 and New Parcel Eighteen filed in Book 20080221, at Page 0781, both Official Records Sacramento County

See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

Excepting therefrom the following described parcels of land:

Exception D

All that property described as "Alpha Area Tank Site No. 803" recorded in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the northwest corner of Parcel 26 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, from the Point of Commencement, North $31^{\circ}28'35''$ West, a distance of 1296.42 feet to the Point of Beginning;

Thence, from the Point of Beginning, North $11^{\circ}48'07''$ West, a distance of 82.96 feet;

Thence, North $78^{\circ}12'53''$ East, a distance of 69.57 feet;

Thence, South $11^{\circ}46'01''$ East, a distance of 82.97 feet;

Thence, South $78^{\circ}13'32''$ West, a distance of 69.52 feet to the Point of Beginning.

Containing 0.132 Acres, more or less.

Exception E

All that property described in a Grant Deed recorded in Book 801215 at Page 499 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the west end of a line described as (N. $89^{\circ}36'00''$ E. 467.64) which is on the east line of said Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 of the Official Records of Sacramento County, thence, North $62^{\circ}26'47''$ West a distance of 2547.29 feet;

Thence, North $89^{\circ}53'58''$ West, a distance of 200.00 feet;

Thence, North $00^{\circ}05'32''$ East, a distance of 200.00 feet;

Thence, South 89°54'15" East, a distance of 199.92 feet;

Thence, South 00°04'05" West, a distance of 200.02 feet to the Point of Beginning.

Containing 0.918 Acres, more or less.

See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

End of Description

Description prepared by:

MACKAY & SOMPS CIVIL ENGINEERS, INC.
1552 Eureka Road, Suite 100, Roseville, CA 95661



David W Kopp, PLS 4533
License Expiration Date: 12-31-10

Date: 8/17/2010



EXHIBIT C-2
Diagram of the Aerojet Property

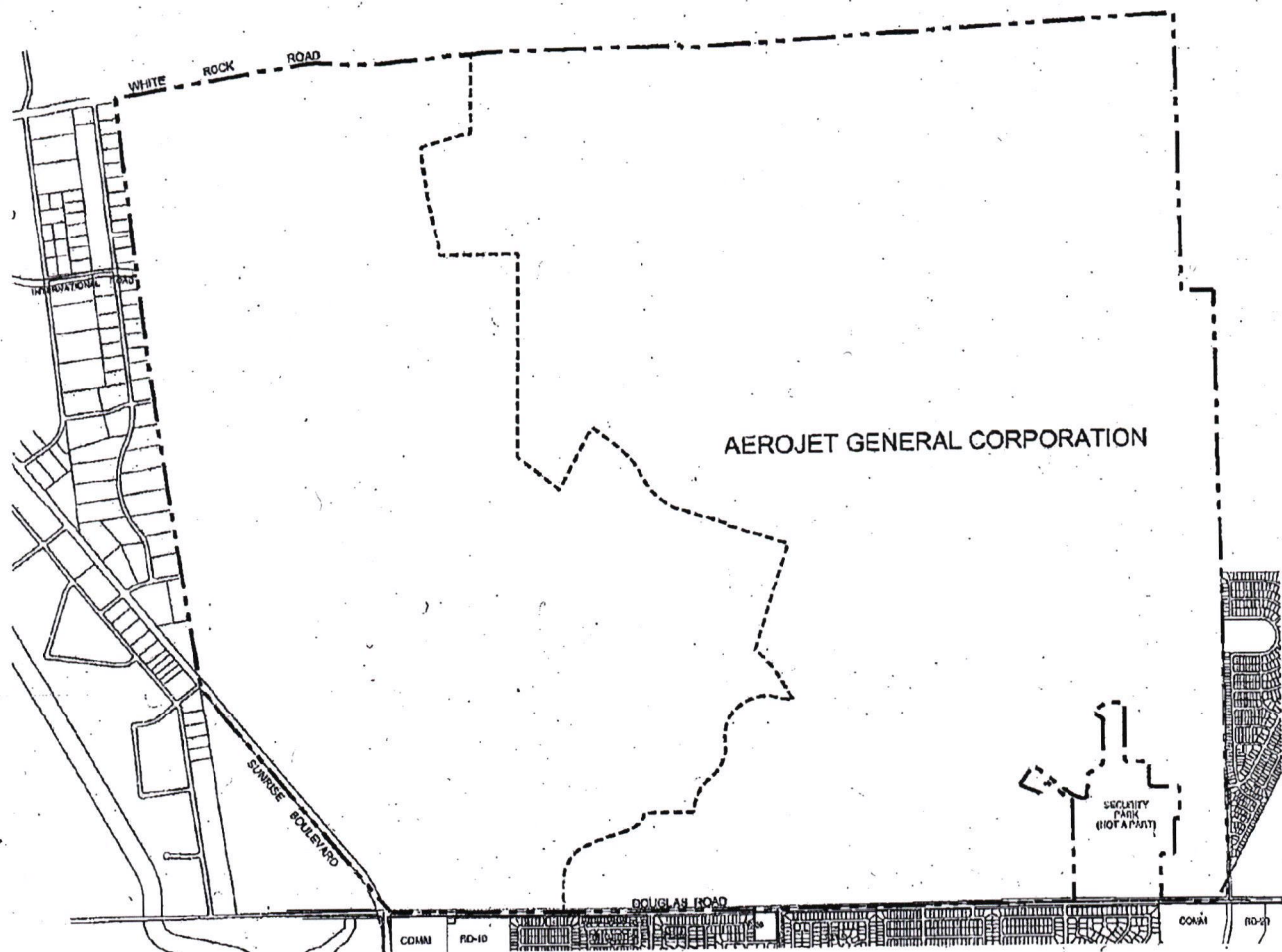


EXHIBIT D

FORM OF ASSIGNMENT

OFFICIAL BUSINESS

Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova

(SPACE ABOVE THIS LINE RESERVED
FOR RECORDER'S USE)

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO _____

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this _____ day of _____, 2010, by and between Elliott Homes, Inc, an Arizona corporation (hereinafter "Elliott"), and _____, a _____ (hereinafter "Assignee").

RECITALS

On September 21, 2010, the City of Rancho Cordova and Elliott entered into that certain agreement entitled "Tier 1 Development Agreement By and Between the City of Rancho Cordova and Relative to the Development Known as Rio Del Oro (hereinafter the "Development Agreement"). Pursuant to the Development Agreement, Elliott agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Sacramento County on _____, 2010, as Instrument No. 2010-_____.

Elliott intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel _____, and more particularly

identified and described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel").

Elliott desires to assign and Assignee desires to assume all of Elliott's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Elliott and Assignee hereby agree as follows:

Elliott hereby assigns, effective as of Elliott's conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel. Elliott retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Elliott.

Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Elliott as the "Elliott" under the Development Agreement with respect to the Assigned Parcel and Elliott shall be released of and from any obligations or liabilities under the Development Agreement with respect to the Assigned Parcel.

Assignee understands and acknowledges that pursuant to Section 7 of the Development Agreement, Assignee shall have no right to conduct Development Activity on the Assigned Parcel beyond that which is expressly provided for in Section 7 of the Development Agreement, and that City shall have the discretion to deny approval for any Tier 2 Entitlements for the Assigned Parcel until Elliott, Assignee and any other owners of record in the Specific Plan area have agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval by either (1) amending the respective Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Elliott and Assignees achieve the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

The Notice Address described in Section 20 of the Development Agreement for the Elliott with respect to the Assigned Parcel shall be:

Attn: _____

[Signatures follow on next page]

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

ELLIOTT:

ELLIOTT HOMES INC.,
an Arizona Corporation

By: _____

Print Name: _____

Title: _____

ASSIGNEE:

a _____

By: _____

Print Name: _____

Title: _____

1474520.5

EXHIBIT E

**CONSENT TO ELLIOTT EXECUTION OF AGREEMENT
BY FEE OWNERS OF ELLIOTT PROPERTY**

THE UNDERSIGNED ("**OWNERS**") HEREBY REPRESENT THAT THEY OWN FEE TITLE TO THE ELLIOTT PROPERTY DESCRIBED IN THIS ELLIOTT TIER 1 DEVELOPMENT AGREEMENT AND THAT ELLIOTT HOLDS AN OPTION TO ACQUIRE THE ELLIOTT PROPERTY FROM THE OWNERS. THE UNDERSIGNED OWNERS HEREBY CONSENT TO THE EXECUTION OF THIS ELLIOTT TIER 1 DEVELOPMENT AGREEMENT BY ELLIOTT AND ACKNOWLEDGE AND AGREE THAT, IF FOR ANY REASON ELLIOTT FAILS TO ACQUIRE THE ELLIOTT PROPERTY PURSUANT TO ITS OPTION, THEN THE UNDERSIGNED OWNERS WILL BE BOUND BY THE TERMS AND CONDITIONS OF THIS ELLIOTT TIER 1 DEVELOPMENT AGREEMENT.

**ELLIOTT WHITEROCK, LLC,
a California limited liability company**

Dated: _____, 2010

By: Elliott Homes, Inc.,
an Arizona corporation,
Its Manager

By: _____
Harry C. Elliott, III
President

**STONECREEK INDUSTRIAL, LLC,
a California limited liability company**

Dated: _____, 2010

By: Elliott Homes, Inc.,
an Arizona corporation,
Its Manager

By: _____
Harry C. Elliott, III
President

ALL-PURPOSE ACKNOWLEDGMENT

State of California)

County of _____)

On _____ before me, _____

Date

Here Insert Name and Title of Officer

Personally appeared _____

Name(s) of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer is Representing: _____

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer is Representing: _____

MEMORANDUM

DATE: December 6, 2010
TO: Mayor and Council Members
FROM: Cyrus Abhar, Public Works Director



SUBJECT: RESOLUTION AWARDING A CONSTRUCTION CONTRACT AND REJECTING BIDS FOR SEVERAL CONSTRUCTION CATEGORIES FOR TENANT IMPROVEMENTS TO THE NEW RANCHO CORDOVA POLICE STATION AND GRANTING AUTHORITY TO THE CITY MANAGER TO APPROVE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED TEN PERCENT (10%) OF THE AGGREGATE AMOUNT OF ALL THE CONTRACTS

RECOMMENDATION

Adopt Resolution No. 138-2010.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will award a construction contract to the lowest responsive bidder for building insulation for the new Rancho Cordova Police Station, and would reject all the remaining bids for surveying, site fencing, landscape/irrigation, glass and glazing, fiberglass, toilet accessories and partitions, fire extinguishers and cabinets, flag poles, and window covering. Staff will consolidate the remaining construction items into appropriate bid packages and re-advertise. This resolution will grant authority to the City Manager to approve change orders in an amount not to exceed ten percent of the aggregate amount of all of the contracts.

BACKGROUND

On October 25, 2010, the tenant improvements for the Rancho Cordova Police Station located at 2897 Kilgore Road and 2880 Gold Tailings ("Project") were advertised on the City's website and plans were made available to contractors. The project was subsequently advertised in the Grapevine on October 30, 2010 and on November 5, 2010. Bids for the Project were publicly opened and read on Friday, November 12, 2010.

The Project was broken down into 31 construction categories with bids solicited independently for each of the 29 of the 31. A total of 88 bids were received for all these categories advertised and staff examined all bid proposals and determined which bids are the lowest responsible bids for the contracts in accordance with Public Contracts Code Section 20162.

On November 15, City Council awarded 17 construction contracts for the project. Since then, staff has completed their evaluation of the outstanding bids and recommends awarding one construction contract and rejecting the remaining bids. Staff will consolidate the remaining construction items into appropriate bid packages and re-advertise. Staff believes consolidation of these items into several bid packages will provide greater efficiency and will result in additional cost savings.

The construction contract that staff is recommending to award is for building insulation services. Performance Contracting, Inc. was the apparent low bidder with a bid of \$23,451. However, the proposal did not acknowledge all bid addendums appropriately and as a result is considered non-responsive. Therefore, staff recommends rejection of their bid and award to the second lowest responsive bidder; F. Rodgers Corp. in an amount of \$25,575. A bid summary sheet listing the second lowest responsive bidder who will be awarded the construction contract is attached as **Exhibit A** to Resolution No. 138-2010. This exhibit also lists the bid categories that will be rejected.

In addition to awarding a contract for improvements to the new police station, Resolution No. 138-2010 would also grant the City Manager the authority to approve change orders for the contracts in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is approximately 3.3 million dollars. Staff recommends that the City Manager be given this authority in order to expedite the change order process so that improvements to the police station can be made in a timely fashion.

Rancho Cordova Municipal Code Section 2.04.110(b) states in pertinent part that "unless otherwise directed by the City Council, the City Manager shall have authority to approve and execute payment of all warrants of \$100,000 or less drawn upon the city treasury without presentation to the City Council." This section prohibits the City Manager from approving and executing warrants in excess of \$100,000, unless the City Council grants additional authority to the City Manager to approve warrants in excess of \$100,000. This may occur through specifying a maximum additional amount over \$100,000 that the City Manager may approve warrants for. In this case, staff is requesting that the City Manager be granted the authority to approve change orders for the contracts in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is approximately 3.3 million dollars. Staff is requesting that this authority be given to the City Manager in Resolution No. 138-2010.

FISCAL IMPACT

The project's funding plan was presented to Council at the November 15, 2010 City Council meeting. All the categories identified in this staff report fall within the Project's budget.

ATTACHMENT

Resolution No. 138-2010 including (**Exhibit A**) Bid Summary Sheet.

CITY OF RANCHO CORDOVA
RESOLUTION NO. 138-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AWARDING A CONSTRUCTION CONTRACT AND REJECTING BIDS FOR
TENANT IMPROVEMENTS TO THE NEW RANCHO CORDOVA POLICE STATION
LOCATED AT 2897 KILGORE ROAD AND 2880 GOLD TAILINGS DRIVE AND
GRANTING AUTHORITY TO THE CITY MANAGER TO APPROVE CONTRACT
CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE
AGGREGATE AMOUNT OF ALL THE CONTRACTS FOR THE NEW RANCHO
CORDOVA POLICE STATION**

WHEREAS, bids for tenant improvements to the new Rancho Cordova Police Station located at 2897 Kilgore Road and 2880 Gold Tailings Drive ("Project") were solicited to the Sacramento County, El Dorado County and Placer County Builders Exchange beginning October 26, 2010. The project was also advertised in the Grapevine Independent on October 29, 2010 and November 5, 2010; and

WHEREAS, bids for the project were publicly opened and read on November 12, 2010 at 2729 Prospect Park Drive, Rancho Cordova 95670; and

WHEREAS, on November 15, 2010, City Council awarded 17 construction contracts for the project to the lowest responsive bidders; and

WHEREAS, the City recommends awarding an additional construction contract for the project to the second lowest responsive bidder as further described on the bid summary sheet attached hereto as **Exhibit A**; and

WHEREAS, it is possible that change orders for the project will exceed the maximum amount that the City Manager has the authorization to approve, unless additional authority to approve amounts in excess of \$100,000 is granted to the City Manager pursuant to Section 2.04.110(b) of the Rancho Cordova Municipal Code Section; and

WHEREAS, the City Council wishes to grant authority to the City Manager to approve contract change orders in an amount not to exceed ten percent (10%) of the aggregate amount of all the contracts, which is currently 3.3 million dollars; and

WHEREAS, the City recommends rejection of the remaining bids, as listed on the bid summary sheet attached hereto as **Exhibit A**, to allow staff to consolidate the remaining construction items into appropriate bid packages and to re-advertise; and

WHEREAS, consolidation of these items into several bid packages will provide greater efficiency and will result in additional cost savings.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does award a construction contract to the lowest responsive bidder for tenant improvements for the new Rancho Cordova Police Station and rejects all remaining bids as further described in **Exhibit A**, and grants authority to the City Manager to

approve change orders for the contracts in an amount not to exceed ten percent of the aggregate amount for all the contracts.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

EXHIBIT A



Rancho Cordova Police Department (CP10-2090)
Rancho Cordova City Hall
2729 Prospect Park Drive, Rancho Cordova, CA 95670
6-Dec-10

Contractor:	Base Bid Amount:	Notes:
Bid Package 9 - Building Insulation		
F. Rodgers Corp.	\$ 25,575.00	<i>Lowest responsive bidder</i>
Performance Contracting, Inc	\$ 23,451.00	Non-responsive - bid shall be rejected
Bobo Construction, Inc.	\$ 41,000.00	

Remaining bid packages recommended for rejection:

CONSTRUCTION CATEGORIES:	NOTES:
Bid Package 1 - Surveying	Reject
Bid Package 3 - Site Fencing	Reject
Bid Package 4 - Landscape / Irrigation	No Bids Solicited
Bid Package 13 - Glass and Glazing	No Bid Received
Bid Package 19 - Fiberglass Reinforced Plastic (FRP)	Reject
Bid Package 20 - Signage	No Bids Solicited
Bid Package 21 - Toilet Accessories & Partitions	Reject
Bid Package 22 - Fire Extinguishers & Cabinets	Reject
Bid Package 23 - Flag Poles	Reject
Bid Package 24 - Window Coverings	Reject
Bid Package 29 - Projection Screens	Reject
Bid Package 30 - Unit Appliances	Reject
Bid Package 31 - Dry Marker Boards	Reject

MEMORANDUM



DATE: December 6, 2010

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE FIRST CONTRACT AMENDMENT NO. 142-2010 WITH QUNICY ENGINEERING, INC. TO CONTINUE PROVIDING CONSTRUCTION MANAGEMENT SERVICES IN AN AMOUNT OF \$158,300 FOR THE INTERNATIONAL DRIVE EXTENSION PROJECT

RECOMMENDATION

Adopt Resolution No. 139-2010.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize the City Manager to execute the first contract amendment with Quincy Engineering, Inc. in an amount of \$158,300 to continue providing construction management and construction inspection services for the International Drive Extension Project. The current contract amount will increase from \$900,000 to \$1,058,300. This amendment will allow for extended contract duration due to an estimated fifty additional working days for the construction of the project.

BACKGROUND

The City initiated the design for the International Drive Extension project in late 2006. In April 2008, staff presented project scope, environmental studies and design concept to the City Council. At that time Council approved the environmental document and authorized staff to proceed with the final design.

The Council approved the award of the construction contract for the International Drive Extension Project on October 5, 2009. At that time, the City entered into a consultant services agreement (Contract No. 114-2009) with Quincy Engineering, Inc. to provide construction management and inspection services for the International Drive Extension Project.

This amendment will allow for extended contract duration due to an estimated fifty additional working days for the construction of the project. The additional time involved in construction engineering and inspection services was not covered in the original contract. The contractor has increased their production by working longer days and by working on Saturdays and some holidays.

FISCAL IMPACT

The project budget has sufficient contingency to cover the cost of the requested contract amendment.

ATTACHMENT

Resolution 139-2010 including **(Exhibit A)** First Amendment Contract No. 142-2010.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 139-2010

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO EXECUTE A FIRST CONTRACT AMENDMENT
WITH QUNICY ENGINEERING, INC. TO CONTINUE PROVIDING CONSTRUCTION
MANAGEMENT SERVICES FOR THE INTERNATIONAL DRIVE EXTENSION PROJECT**

WHEREAS, on October 5, 2009, the City of Rancho Cordova executed an agreement (Contract No. 114-2009) with Quincy Engineer, Inc. in the amount of \$900,000 to provide construction management services for the construction of the International Drive Extension Project; and

WHEREAS, the City has received a revised scope of work and cost estimate for specific services which would exceed the existing contract maximum; and

WHEREAS, the City wishes to extend the contracted amount to \$1,058,300; and

WHEREAS, the amendment will allow for extended contract duration due to an estimated fifty additional working days for the construction of the project; and

WHEREAS, the project budget has sufficient contingency to cover the cost of the requested contract amendment.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA does authorize the City Manager to execute a first contract amendment (**Exhibit 1A**) with Quincy Engineering, Inc., Consultant, in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

**FIRST AMENDMENT TO THE CONSULTING SERVICES AGREEMENT
BETWEEN THE CITY OF RANCHO CORDOVA AND QUINCY ENGINEERING, INC.**

This First Amendment to the Agreement for Consultant Services ("Amendment") is made by and between the City of Rancho Cordova ("City") and Quincy Engineering, Inc. ("Consultant") as of _____, 2010 to provide Construction Management services for the International Drive Extension Project. City and Consultant are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties entered into a Consultant Services Agreement ("CSA") dated October 9, 2009 for the purpose of providing construction management services for the International Drive Extension Project; and

WHEREAS, this Amendment will provide additional construction management services; and

WHEREAS, the Parties agree that changes to the term and services provided for in the CSA are necessary in order for the City to continue receiving services by Consultant.

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT

1. Section 2 of the CSA, "Compensation," provides for the City to pay Consultant a sum not to exceed \$900,000. The Parties agree to amend Section 2 of the CSA in order to increase the compensation amount to pay Consultant for additional services. The first sentence of Section 2 of the CSA is amended to read as follows:

"City hereby agrees to pay Consultant a sum not to exceed One Million Fifty Eight Thousand and Three Hundred Dollars (\$1,058,300), notwithstanding any contrary indication that may be contained in Consultant's proposal, for services to be performed and reimbursable costs incurred under this Agreement."

2. The document entitled "Scope of Work," attached hereto as Exhibit A, shall be added to and supplement the CSA's Exhibit A.
3. The document entitled "Compensation Schedule," attached hereto as Exhibit B, shall be added to and supplement the CSA's Exhibit B.
4. All other terms and conditions in the CSA shall remain in full force and effect to the extent they are not in conflict with this Amendment.
5. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the day and year first above written.

CITY OF RANCHO CORDOVA

CONSULTANT

Ted A. Gaebler, City Manager

John Quincy, Principal

Date: _____

Date: _____

Attest:

Mindy Cuppy, City Clerk

Date: _____

Approved as to Form:

Adam Lindgren, City Attorney

Date: _____

November 19, 2010

Kathy Garcia
City of Rancho Cordova
Planning Department
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Subject: Contract Amendment Request
International Drive Extension Project
City Contract No. 114-2009

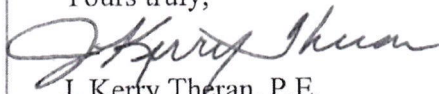
Dear Kathy:

This letter is to request a contract amendment for City Contract 114-2009 dated October 5, 2009 for the construction management services of the International Drive Extension project. Costs for this project are anticipated to exceed the original cost proposal due to the following reasons:

1. Extended Contract Duration- the original proposal assumed a total of 200 contract working days plus allowance for 20 weather days. To date, the Contractor is expected to utilize the full 240 working days plus and estimated additional 10 working days by Contract Change Order. Additionally, the weather allowance has increased to an estimated 55 days. This represents a time increase of nearly 40% over the originally assumed project duration. We request an additional \$115,300 to cover this extended work.
2. Extended Working Hours – the original proposal assumed that the Contractor would perform work 8 hours per day, Monday through Friday. The Contractor has increased their production by working longer days, typically 10 hours per day, and by working on Saturdays and some holidays. We request an additional \$43,000 to cover this out of scope work.

The total amendment request is \$158,300. Please call if you have any questions regarding this amendment request.

Yours truly,


J. Kerry Theran, P.E.
Construction Manager



3247 Ramos Circle
Sacramento, CA
95827-2501
(916) 368-9181
Fax: (916) 368-1308

200 Hawthorne Ave., SE
Suite E-530
Salem, OR 97301-4996
(503) 763-9995
Fax: (503) 763-9981

International Drive Extension Budget Adjustment Request

Prepared by: J. Kerry Theran

9-Nov-10

Task	Budget Spent as of 9/30/10	Assumed Additional Budget to Complete	Additional Budget Need
01	\$29,300.00	\$0.00	-\$2,000.00
02	\$632,000.00	\$207,600.00	\$207,600.00
03	\$3,800.00	\$1,200.00	-\$27,000.00
04	\$0.00	\$0.00	-\$3,300.00
05	\$43,600.00	\$12,000.00	-\$60,000.00
06	\$0.00	\$75,000.00	\$0.00
07	\$37,000.00	\$6,000.00	\$43,000.00
			\$158,300.00

Total Budget Adjustment Request**\$158,300.00**

Current QEI Contract

200 Working Days
20 Non-working Days

Total = 220 Days

Current Contractor's
Contract240 Working Days
50 Non-working Days
5 Non-working Days
(anticipated through
12/31/10)
10 Added Working
Days

Total = 305 Days

305 - 220 = 85 additional days or 39% increase in assumed Task 02 level of effort**Original Task 02 Budget = \$625,000.00****39% increase of \$625,000.00 = \$243,750.00****Out of Scope Work (Task 07) = \$55,000.00****Total Un-scoped effort budget = \$298,750.00 >> \$158,300.00**

Note: This budget adjustment increase is based on the following:

1. All Construction Operations are completed on or before 01/15/2011.
2. Up to 5 additional non-working days are given the Contractor.
3. Up to 10 additional contract days given the Contractor.
3. Additional Materials Testing costs are less than \$12,000.00
4. Post Construction activities are no greater than \$75,000.00
5. This sheet supplements the sheet prepared by Kerry Theran on 10/26/10

Quincy Engineering, Inc.**Year 2010 Hourly Rates**

Rates are effective January 1, 2010 through December 31, 2010

Labor by Classification	Hourly Rate
--------------------------------	--------------------

Principal Engineer/ Project Manager	\$50-80
Senior Engineer / Project Engineer	
Resident Engineer	\$44-78
Senior Engineer / Design Engineer	\$40-73
Associate Engineer / Bridge Representative	\$35-68
Assistant Engineer	\$25-46
Engineering Assistant/Technician	\$16-33
Engineering Detailer/ Draftsman	\$20-46
Drafting Technician	\$15-30
Administrative Assistant	\$15-36
Office Support Staff	\$10-26

Overhead	156.3%
-----------------	---------------

Other Direct Costs	Rate
---------------------------	-------------

Office Computer & Software	Included in Overhead
Office Phone/Cell/Fax	Included in Overhead
Reproduction	
Black & White in office	Included in Overhead
Color in office	\$.07 per page
Vendor	Cost
Delivery	Cost
Car Mileage	Current Federal Rate (\$.50/mi. eff. 1-1-10)
Other Travel	Cost
Subconsultants	Cost
Short Term Per Diem	Not Applicable
Long Term Per Diem	Not Applicable
Pickup Truck	Not Applicable
Field Computer/Printer	Not Applicable
Field Cellular Phone	Not Applicable
Misc.	Cost

Fee

Labor + Overhead	10%
Other Direct Costs	0%

Note: Labor Costs to be invoiced based on actual hourly rate plus overhead plus fee. Other Direct Costs to be invoiced at actual cost.

MEMORANDUM



DATE: December 6, 2010

TO: Honorable Mayor and Council Members

FROM: Douglas Diamond, Chief of Police

SUBJECT: RESOLUTION TO INCREASE PARKING PENALTIES TO OFFSET
STATE TRIAL COURT TRUST FUND SURCHARGE REQUIRED BY
SENATE BILL 857 ENACTED OCTOBER 2010

RECOMMENDATION

Adopt Resolution No. 140-2010.

RESULT OF RECOMMENDED ACTION

Approval of this resolution will increase the Parking Violation Fine Schedule by \$3.00 per violation to offset the State Trial Court Trust Fund surcharge required by SB 857 enacted October 2010.

BACKGROUND

Upon incorporation, the City entered into a contract with the Sacramento Sheriff's Department to provide Law Enforcement Services, including the Traffic Enforcement Division, which is responsible for enforcing parking regulations; The Parking Enforcement Program is responsible for identifying parking violators and issuing appropriate citations within the city limits of the City of Rancho Cordova.

Parking fees were last increased on July 6, 2009. City Council approved an increase in parking violation fines (Resolution No. 61-2009) to account for the State Court Construction Parking Penalties enacted in 2008.

In October of this year, the governor signed into law SB 857 adding a penalty of \$3.00 to be included in the total penalty, fine, or forfeiture, for parking violations. The bill would require the City to transmit the penalty to the State Treasurer for deposit in the Trial Court Trust Fund. This increase is effective 60 days after the signing of the State Budget which will be December 7, 2010.

Authorization is requested to increase the Parking Violation Fine Schedule by \$3.00 per violation to offset the \$3.00 State penalty.

ATTACHMENT

1. Resolution No. 140-2010 Correcting a Previous Increase in Parking Violation Fines including **(Exhibit A)** New Parking Fine Schedule.
2. Resolution No. 61-2009.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 140-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA TO
INCREASE PARKING PENALTIES TO OFFSET STATE TRIAL COURT TRUST FUND
SURCHARGE REQUIRED BY SENATE BILL 857 ENACTED OCTOBER 2010**

WHEREAS, upon incorporation, the City entered into a contract with the Sacramento County Sheriff's Department to provide Law Enforcement Services, including the Traffic Enforcement Division, which is responsible for enforcing parking regulations; and

WHEREAS, upon incorporation, the City of Rancho Cordova adopted all the fees and fines of the County of Sacramento by reference; and

WHEREAS, the Board of Supervisors for the County of Sacramento approved a fee increase on July 15, 2008; and

WHEREAS, the updated fees include an additional \$3 per fee to compensate for a \$3 increase in the state court construction penalty, which became effective January 1, 2009, and was enacted by Chapter 311 Statutes of 2008 (SB 1407); and

WHEREAS, the City parking violation fines were increased on July 6, 2009, pursuant to Resolution No. 61-2009; and

WHEREAS, the City's update of the Parking Violation Fines is consistent with the County of Sacramento and with neighboring municipalities within Sacramento County; and

WHEREAS, this update will result in an increase in revenue collected through the issuance of parking citations. This increase in revenue is needed in order to compensate for the \$3 increase in the State Senate Bill 857, enacted October 2010, effective 60 days after the signing of the state budget on December 7, 2010

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does hereby approve the update of Parking Violation Fines as shown in Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Ken Cooley, Mayor

Mindy Cuppy, CMC, City Clerk

6/29/2009

City of Rancho Cordova Police Department
New Parking Enforcement Bail Schedule by Violation

VIOLATION	CODE	SECTION	SUB	Fine Approved July 6, 2009 Including Previous State Fees	SB 857 State Fee effective Feb 6, 2011	
					New Fine*	
18" FROM CURB	CVC	22502	a	\$54.50	\$3.00	\$57.50
72 HOURS OR MORE PARKING OR STORING	SCC	10.24.070	b	\$54.50	\$3.00	\$57.50
ABANDONED VEHICLE-HIGHWAY	CVC	22523	a	\$104.50	\$3.00	\$107.50
ABANDONED VEHICLE-PRIVATE PROPERTY	CVC	22523	b	\$104.50	\$3.00	\$107.50
ALLEYS-PARKWAYS	SCC	10.24.060		\$54.50	\$3.00	\$57.50
ALTERED LICENSE PLATE DISPLAYED ON VEHICLE	CVC	4464		\$112.50	\$3.00	\$115.50
ANGLE PARKING	SCC	10.24.140		\$54.50	\$3.00	\$57.50
BLOCKED DRIVEWAY	CVC	22500	e	\$54.50	\$3.00	\$57.50
BUS ZONE	CVC	22500	i	\$364.50	\$3.00	\$367.50
CONTINUING PARKING VIOLATION	SCC	10.24.110		\$54.50	\$3.00	\$57.50
PARKED IN CROSSWALK	CVC	22500	b	\$54.50	\$3.00	\$57.50
CURB MARKING-GREEN	SCC	10.24.010	4	\$54.50	\$3.00	\$57.50
CURB MARKING-WHITE	SCC	10.24.010	3	\$54.50	\$3.00	\$57.50
CURB MARKING-BLUE	SCC	10.24.010	5	\$404.50	\$3.00	\$407.50
CURB MARKING-RED	SCC	10.24.010	1	\$54.50	\$3.00	\$57.50
CURB MARKING-YELLOW	SCC	10.24.010	2	\$54.50	\$3.00	\$57.50
CURB PARKING-RIGHT OF WAY	SCC	10.24.120		\$54.50	\$3.00	\$57.50
CURRENT TABS	CVC	5204	a	\$112.50	\$3.00	\$115.50
DISABLED SPACE-PARKING BLOCKING SPACE	CVC	22507.8	b	\$404.50	\$3.00	\$407.50
DISABLED SPACE-PARKED ON LINES/BOUNDARIES	CVC	22507.8	c1	\$404.50	\$3.00	\$407.50
DISABLED SPACE-PARKED IN STALL/SPACE	CVC	22507.8	a	\$404.50	\$3.00	\$407.50
DISABLED SPACE-PARKED IN CROSSHATCH LINES	CVC	22507.8	c2	\$404.50	\$3.00	\$407.50
DISPLAY OF PLATE	CVC	5200		\$54.50	\$3.00	\$57.50
DOUBLE PARKED	CVC	22500	h	\$54.50	\$3.00	\$57.50
EMERGENCY PARKING SIGN	SCC	10.24.050		\$54.50	\$3.00	\$57.50
EXPIRED REGISTRATION	CVC	4000	a	\$112.50	\$3.00	\$115.50
EXTENDED PARKING-TIME OVER MAXIMUM	SCC	10.28.110		\$54.50	\$3.00	\$57.50
FIRE HYDRANT	CVC	22514		\$104.50	\$3.00	\$107.50
FIRE LANE	CVC	22500.1		\$104.50	\$3.00	\$107.50
ILLEGAL PARKING IN PARK AND RIDE LOT	CVC	22518		\$104.50	\$3.00	\$107.50
IMPROPER USE OF EVIDENCE OF REGISTRATION	CVC	4461		\$112.50	\$3.00	\$115.50
IMPROPER USE OF EVIDENCE OF REGISTRATION	CVC	4462	b	\$112.50	\$3.00	\$115.50
KEYS IN IGNITION	SCC	10.24.160		\$54.50	\$3.00	\$57.50
LICENSE PLATE IMPROPERLY DISPLAYED	CVC	5201		\$112.50	\$3.00	\$115.50
LIMITED TIME PARKING 7AM TO 6PM	SCC	10.24.100	a	\$54.50	\$3.00	\$57.50
LIMITED TIME PARKING SIGNS	SCC	10.24.100	b	\$54.50	\$3.00	\$57.50
LOADING ZONE	SCC	10.24.090		\$54.50	\$3.00	\$57.50
MISUSE OF HANDICAPPED PLACARD	CVC	22511.56		\$104.50	\$3.00	\$107.50
NO COVER PERMITTED ON LICENSE PLATE	CVC	5201	e	\$112.50	\$3.00	\$115.50
NO PARKING ZONES	SCC	10.24.030		\$54.50	\$3.00	\$57.50
OBSTRUCTION OF BIKEWAY/PATH/TRAIL	CVC	21211	b	\$54.50	\$3.00	\$57.50
ONE WAY STREET	SCC	10.24.080		\$54.50	\$3.00	\$57.50
OVERTIME PARKING AT METER	SCC	10.28.100		\$54.50	\$3.00	\$57.50
PARALLEL PARKING (LEFT) ONE WAY STREET	CVC	22502	e	\$54.50	\$3.00	\$57.50
PARKING ADJACENT TO SAFETY ZONE	CVC	22500	c	\$54.50	\$3.00	\$57.50
PARKING BLOCKING EVACUATION	CVC	22500	g	\$54.50	\$3.00	\$57.50

6/29/2009

City of Rancho Cordova Police Department
New Parking Enforcement Bail Schedule by Violation

VIOLATION	CODE	SECTION	SUB	Fine Approved July 6, 2009 Including Previous State Fees	SB 857 State Fee effective Feb 6, 2011	
					New Fine*	
PARKING BLOCKING WHEELCHAIR ACCESS	CVC	22500	I	\$404.50	\$3.00	\$407.50
PARKING IN DESIGNATED AREAS-ONE WAY ROAD	SCC	10.24.070	c	\$54.50	\$3.00	\$57.50
PARKING IN OFF-STREET HANDICAP SPACE	CVC	22511.8		\$404.50	\$3.00	\$407.50
PARKING ON NARROW STREETS/SPECIAL PLACES	SCC	1.24.040		\$54.50	\$3.00	\$57.50
PARKING NEAR SCENE OF EMERGENCY	SCC	10.36.050		\$104.50	\$3.00	\$107.50
PARKING NEAR SIDEWALK ACCESS RAMP	CVC	22522		\$364.50	\$3.00	\$367.50
PARKING ON PRIVATE PROPERTY	SCC	10.24.180		\$54.50	\$3.00	\$57.50
PARKING PROHIBITED, LIMITED, RESTRICTED	SCC	09.36.048	b	\$54.50	\$3.00	\$57.50
PARKING PROHIBITED, LIMITED, RESTRICTED	SCC	10.24.170	b	\$54.50	\$3.00	\$57.50
PARKING ON/NEAR RAILROAD TRACKS	CVC	22521		\$54.50	\$3.00	\$57.50
PARKING WITHIN A CLOSED PARK	SCC	09.36.065	e	\$54.50	\$3.00	\$57.50
PROHIBITED STOP, STAND, PARK	CVC	22500		\$54.50	\$3.00	\$57.50
PROHIBITED STOP, STAND, PARK	SCC	10.28.030	b	\$54.50	\$3.00	\$57.50
PROHIBITED ZONE WITHIN PARK	SCC	09.36.065	d	\$54.50	\$3.00	\$57.50
PARKING ON SIDEWALK	CVC	22500	f	\$54.50	\$3.00	\$57.50
STATE HIGHWAY PARKING RESTRICTED	CVC	22505	b	\$54.50	\$3.00	\$57.50
STOPPING ON FREEWAY	CVC	22520		\$54.50	\$3.00	\$57.50
UNATTENDED VEHICLE/MOTOR RUNNING/NO BRAKE SET	CVC	22515	a	\$54.50	\$3.00	\$57.50
UNAUTHORIZED COMMERCIAL VEHICLE	SCC	10.24.070	h	\$104.50	\$3.00	\$107.50
UNAUTHORIZED RECREATIONAL VEHICLE	SCC	10.24.070	I	\$104.50	\$3.00	\$107.50
STOP, STAND, PARK ON HIGHWAY IN UNINCORP AREA	CVC	22504	a	\$54.50	\$3.00	\$57.50
VEHICLE FOR SALE	SCC	10.24.070	a	\$54.50	\$3.00	\$57.50
VEHICLE ON SCHOOL GROUNDS IN UNDESIGNATED AREA	CVC	22113	a	\$54.50	\$3.00	\$57.50
VIOLATION OF SIGNS	SCC	10.24.175		\$54.50	\$3.00	\$57.50

CITY OF RANCHO CORDOVA

RESOLUTION NO. 61-2009

A RESOLUTION OF THE CITY COUNCIL INCREASING PARKING VIOLATION FINES TO BE CONSISTENT WITH THE COUNTY OF SACRAMENTO AND STATE LAW

WHEREAS, upon incorporation, the City entered into a contract with the Sacramento County Sheriff's Department to provide Law Enforcement Services, including the Traffic Enforcement Division, which is responsible for enforcing parking regulations; and

WHEREAS, pursuant to City Resolution No. 01-2009, the City parking violation fines were increased on May 4, 2009; and

WHEREAS, the City's update of the Parking Violation Fines was intended to be consistent with the County of Sacramento and State law; and

WHEREAS, The City's updated fees included an additional \$3 per fee to compensate for a \$3 increase in the state court construction penalty, which became effective January 1, 2009, and enacted by Chapter 311 Statutes of 2008 (SB 1407), Government Code section 70372 (b); and

WHEREAS, on May 19, 2009, the County Board of Supervisors for the County of Sacramento approved a fee increase which included an additional \$4.50 per fee to compensate for both the \$3 increase in the state court construction penalty, as well as a \$1.50 increase which had previously been adopted by the legislature in 2003 and codified in Government Code section 70372; and

WHEREAS the City was under the impression that the County had previously incorporated this amount in their fee structure. The City now wishes to increase its fees \$1.50 in order to account for the previous increase and keep consistent with both the County of Sacramento and State law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the Council hereby approves the update of Parking Violation Fines as shown in the attached **Exhibit A-1** in order to keep consistent with both the County of Sacramento and State law.

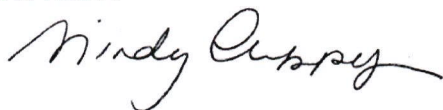
PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of July 2009 by the following vote:

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 Police Department
Corrected Parking Enforcement Bail Schedule by Violation

6/29/2009

VIOLATION	CODE	SECTION	SUB	Fine	SB 1407 State Fee effective Jan. 1 2009	Fine Approved May 4, 2009	Previous State Fee	Corrected Fine*
18" FROM CURB	CVC	22502	a	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
72 HOURS OR MORE PARKING OR STORING	SCC	10.24.070	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
ABANDONED VEHICLE-HIGHWAY	CVC	22523	a	\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
ABANDONED VEHICLE-PRIVATE PROPERTY	CVC	22523	b	\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
ALLEYS-PARKWAYS	SCC	10.24.060		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
ALTERED LICENSE PLATE DISPLAYED ON VEHICLE	CVC	4464		\$108.00	\$3.00	\$111.00	\$1.50	\$112.50
ANGLE PARKING	SCC	10.24.140		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
BLOCKED DRIVEWAY	CVC	22500	e	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
BUS ZONE	CVC	22500	i	\$360.00	\$3.00	\$363.00	\$1.50	\$364.50
CONTINUING PARKING VIOLATION	SCC	10.24.110		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKED IN CROSSWALK	CVC	22500	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
CURB MARKING-GREEN	SCC	10.24.010	4	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
CURB MARKING-WHITE	SCC	10.24.010	3	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
CURB MARKING-BLUE	SCC	10.24.010	5	\$400.00	\$3.00	\$403.00	\$1.50	\$404.50
CURB MARKING-RED	SCC	10.24.010	1	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
CURB MARKING-YELLOW	SCC	10.24.010	2	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
CURB PARKING-RIGHT OF WAY	SCC	10.24.120		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
CURRENT TABS	CVC	5204	a	\$108.00	\$3.00	\$111.00	\$1.50	\$112.50
DISABLED SPACE-PARKING BLOCKING SPACE	CVC	22507.8	b	\$400.00	\$3.00	\$403.00	\$1.50	\$404.50
DISABLED SPACE-PARKED ON LINES/BOUNDARIES	CVC	22507.8	c1	\$400.00	\$3.00	\$403.00	\$1.50	\$404.50
DISABLED SPACE-PARKED IN STALL/SPACE	CVC	22507.8	a	\$400.00	\$3.00	\$403.00	\$1.50	\$404.50
DISABLED SPACE-PARKED IN CROSSHATCH LINES	CVC	22507.8	c2	\$400.00	\$3.00	\$403.00	\$1.50	\$404.50
DISPLAY OF PLATE	CVC	5200		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
DOUBLE PARKED	CVC	22500	h	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
EMERGENCY PARKING SIGN	SCC	10.24.050		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
EXPIRED REGISTRATION	CVC	4000	a	\$108.00	\$3.00	\$111.00	\$1.50	\$112.50
EXTENDED PARKING-TIME OVER MAXIMUM	SCC	10.28.110		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
FIRE HYDRANT	CVC	22514		\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
FIRE LANE	CVC	22500.1		\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
ILLEGAL PARKING IN PARK AND RIDE LOT	CVC	22518		\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
IMPROPER USE OF EVIDENCE OF REGISTRATION	CVC	4461		\$108.00	\$3.00	\$111.00	\$1.50	\$112.50
IMPROPER USE OF EVIDENCE OF REGISTRATION	CVC	4462	b	\$108.00	\$3.00	\$111.00	\$1.50	\$112.50
KEYS IN IGNITION	SCC	10.24.160		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
LICENSE PLATE IMPROPERLY DISPLAYED	CVC	5201		\$108.00	\$3.00	\$111.00	\$1.50	\$112.50
LIMITED TIME PARKING 7AM TO 6PM	SCC	10.24.100	a	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
LIMITED TIME PARKING SIGNS	SCC	10.24.100	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
LOADING ZONE	SCC	10.24.090		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
MISUSE OF HANDICAPPED PLACARD	CVC	22511.56		\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
NO COVER PERMITTED ON LICENSE PLATE	CVC	5201	e	\$108.00	\$3.00	\$111.00	\$1.50	\$112.50
NO PARKING ZONES	SCC	10.24.030		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
OBSTRUCTION OF BIKEWAY/PATH/TRAIL	CVC	21211	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
ONE WAY STREET	SCC	10.24.080		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
OVERTIME PARKING AT METER	SCC	10.28.100		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARALLEL PARKING (LEFT) ONE WAY STREET	CVC	22502	e	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING ADJACENT TO SAFETY ZONE	CVC	22500	c	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING BLOCKING EVACUATION	CVC	22500	g	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING BLOCKING WHEELCHAIR ACCESS	CVC	22500	l	\$400.00	\$3.00	\$403.00	\$1.50	\$404.50
PARKING IN DESIGNATED AREAS-ONE WAY ROAD	SCC	10.24.070	c	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING IN OFF-STREET HANDICAP SPACE	CVC	22511.8		\$400.00	\$3.00	\$403.00	\$1.50	\$404.50
PARKING ON NAROW STREETS/SPECIAL PLACES	SCC	1.24.040		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING NEAR SCENE OF EMERGENCY	SCC	10.36.050		\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
PARKING NEAR SIDEWALK ACCESS RAMP	CVC	22522		\$360.00	\$3.00	\$363.00	\$1.50	\$364.50
PARKING ON PRIVATE PROPERTY	SCC	10.24.180		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING PROHIBITED, LIMITED, RESTRICTED	SCC	09.36.048	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING PROHIBITED, LIMITED, RESTRICTED	SCC	10.24.170	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING ON/NEAR RAILROAD TRACKS	CVC	22521		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING WITHIN A CLOSED PARK	SCC	09.36.065	e	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PROHIBITED STOP, STAND, PARK	CVC	22500		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PROHIBITED STOP, STAND, PARK	SCC	10.28.030	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PROHIBITED ZONE WITHIN PARK	SCC	09.36.065	d	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
PARKING ON SIDEWALK	CVC	22500	f	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
STATE HIGHWAY PARKING RESTRICTED	CVC	22505	b	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
STOPPING ON FREEWAY	CVC	22520		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50

Corrected Parking Enforcement Bail Schedule by Violation

VIOLATION	CODE	SECTION	SUB	Fine	SB 1407		Previous State Fee	Corrected Fine*
					State Fee effective Jan. 1 2009	Fine Approved May 4, 2009		
UNATTENDED VEHICLE/MOTOR RUNNING/NO BRAKE	CVC	22515	a	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
UNAUTHORIZED COMMERCIAL VEHICLE	SCC	10.24.070	h	\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
UNAUTHORIZED RECREATIONAL VEHICLE	SCC	10.24.070	l	\$100.00	\$3.00	\$103.00	\$1.50	\$104.50
STOP, STAND, PARK ON HIGHWAY IN UNINCORP ARE	CVC	22504	a	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
VEHICLE FOR SALE	SCC	10.24.070	a	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
VEHICLE ON SCHOOL GROUNDS IN UNDESIGNATED	CVC	22113	a	\$50.00	\$3.00	\$53.00	\$1.50	\$54.50
VIOLATION OF SIGNS	SCC	10.24.175		\$50.00	\$3.00	\$53.00	\$1.50	\$54.50

* In addition, all fines shall include a surcharge for any additional state fees, fines or penalties enacted after May 4, 2009, which are required to be remitted to the State.

MEMORANDUM



DATE: December 6, 2010

TO: Honorable Mayor and Council Members

FROM: Micah Runner, Economic Development Manager
Megan McMurtry, Economic Development Specialist

SUBJECT: FINAL HEARING ON THE ESTABLISHMENT OF THE RANCHO CORDOVA TOURISM BUSINESS IMPROVEMENT DISTRICT AND SECESSION OF LODGING BUSINESSES IN RANCHO CORDOVA FROM THE SACRAMENTO TOURISM BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION

That Council:

- a) Adopt Resolution No. 136-2010 Forming the Rancho Cordova Tourism Business Improvement District (RCTBID); and
- b) Adopt Resolution No. 137-2010 Seceding from the Sacramento Tourism Business Improvement District (STBID).

RESULT OF RECOMMENDED ACTION

The Rancho Cordova Tourism Business Improvement District (RCTBID) will be formed, effective January 1, 2011. The assessment of \$1.50 per room per night will be collected by the City of Rancho Cordova, and remitted to the Rancho Cordova Travel and Tourism Corporation (RCTC), a non-profit corporation, for the purposes of promoting travel and tourism in Rancho Cordova. The RCTC will be a 501(C)(6) corporation with a board of directors of seven to nine members. Resolution No. 137-2010 will result in secession of lodging businesses in Rancho Cordova from the Sacramento Tourism Business Improvement District.

BACKGROUND

At the October 4, 2010 City Council meeting, Resolution of Intention No. 116-2010 was approved by the City Council, expressing the intention to form the RCTBID. Notices were mailed to the owners of all businesses proposed to be within the district on October 5th, which began a forty-five day period in which owners could protest district formation. At the October 18, 2010 City Council meeting, a public meeting was held to hear testimony on the establishment of the district. No protests were received during the forty-five day period, therefore the final hearing is taking place on December 6 to form the district. If the city council adopts the resolution of formation, it will also be necessary to secede from the Sacramento Tourism Business Improvement District by adopting the resolution to revoke consent to being included in the Sacramento TBID.

The RCTBID is a benefit assessment district proposed to help fund marketing and sales promotion efforts for Rancho Cordova lodging businesses. This approach has been used successfully in other destination areas throughout the state to improve tourism and drive additional room nights. The proposed RCTBID includes all lodging businesses located within the boundaries of the City of Rancho Cordova, which is currently 17 hotels.

Rancho Cordova hotels have been part of the Sacramento TBID since 2000; which also includes hotels in downtown Sacramento and Sacramento County. Rancho Cordova hoteliers decided to pursue formation of a local TBID in order to maximize control of revenues devoted to marketing Rancho Cordova as a tourist, meeting and event destination. If established, the RCTBID would generate approximately \$580,000 on an annual basis for promotion of travel and tourism specific to Rancho Cordova.

TOURISM BUSINESS IMPROVEMENT DISTRICTS

Tourism Business Improvement Districts (TBIDs) utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging and tourism-related business owners to organize their efforts to increase tourism. Tourism-related business owners within the district fund a TBID, and those funds are used to provide services that the businesses desire and that benefit the lodging businesses within the District.

Benefits of TBIDs:

- Funds cannot be diverted for other government programs
- TBIDs are customized to fit the needs of each tourism district
- They allow for a wide range of services; including: Marketing of the Destination, Tourism Promotion Activities and Sales Lead Generation
- TBIDs are designed, created and governed by those who will pay the assessment
- They provide a stable funding source for tourism promotion

In California, Tourism Business Improvement Districts are formed pursuant to the Property and Business Improvement District Law of 1994 (PBID Law). This law allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. The key difference between TBIDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.

MANAGEMENT DISTRICT PLAN

The Management District Plan (**Exhibit B**) includes the proposed boundary of the RCTBID, a service plan and budget and a proposed means of governance. The RCTBID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Rancho Cordova. The boundary currently includes 17 lodging business with a total of 2095 hotel rooms.

The proposed RCTBID will have a five year life. The RCTBID assessment will be implemented beginning January 1, 2011. Once per year beginning on the anniversary of the formation of the district there is a 30 day period in which owners paying more than 50% of the assessment may protest and terminate the district.

The RCTC shall serve as the Owner's Association for the RCTBID. The initial Board of Directors shall have no less than seven and no more than nine members, including five

to seven representatives of assessed hotels, one representative of the City of Rancho Cordova and one representative of the Rancho Cordova Chamber of Commerce.

The City of Rancho Cordova will be responsible for collecting the assessment on a monthly basis from each lodging business located in the boundaries of the RCTBID. The City of Rancho Cordova shall forward the assessments to the RCTC, which will have the responsibility of managing TBID programs as provided in the Management District Plan. The City of Rancho Cordova shall be paid a fee equal to 2% of the amount of assessment collected to cover its costs of collection and administration.

The Draft Annual Budget detailed below was developed under the assumption of a \$1.50 per room per night fee generating approximately \$580,000 in revenue to the RCTC.

**Rancho Cordova Tourism Business Improvement District
Draft Annual Budget, Years One through Five**

Category	Percent	Dollar Amount
Sales and Marketing	93%	\$539,400
City Collection Costs	2%	\$11,600
Contingency/Renewal	5%	\$29,000
Total Estimated Annual Budget	100%	\$580,000

The majority of the budget will be spent on a sales and marketing program to promote Rancho Cordova as a tourist and meeting destination; including sports marketing, sales development and Highway 50 Co-op marketing. A preliminary marketing plan for the district was compiled by John Poimiroo, a hotel marketing and tourism expert. Many of the marketing ideas involve sports marketing efforts, such as positioning Rancho Cordova as a recreation destination able to draw large tournaments.

DISTRICT FORMATION PROCESS

October 4, 2010
Status

RESOLUTION OF INTENTION HEARING

Approved by City Council October 4, 2010.

Upon the submission of a written petition, signed by the business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district.

Petition Status: Petitions in favor of district formation were submitted to the City by 11 hotels, which represent 1355 total rooms. This accounts for 65% of the total of 2095 hotel rooms in the proposed district. This majority petition allows the council to initiate proceedings for district formation at the October 4, 2010 City Council meeting.

October 5, 2010
Status

NOTICE

Notice mailed to all owners within the proposed district on October 5, 2010.

The Property and Business Improvement District Law of 1994 requires the City mail written notice to the owners of all businesses proposed to be within the district. Mailing the notice begins a mandatory forty-five day period in which owners may protest district formation.

October 18, 2010
Status

PUBLIC MEETING

No protests were received from the owners of businesses in the proposed district.

Allow public testimony on the establishment of the TBID and levy of assessments. No council action required.

December 6, 2010

FINAL PUBLIC HEARING & SECESSION FROM SACRAMENTO TBID

If written protests are received from the owners of businesses in the proposed district which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them.

If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation.

If the city council adopts the resolution of formation, it will also be necessary to secede from the Sacramento Tourism Business Improvement District. A resolution revoking consent to being included in the Sacramento TBID, which will effectively remove Rancho Cordova from the Sacramento TBID, will be presented to council for adoption at the final hearing.

ATTACHMENT

1. Resolution No. 136-2010.
2. Resolution No. 137-2010.
3. Resolution of Intention No. 116-2010 including **(Exhibit A)** City of Rancho Cordova Boundary Map and **(Exhibit B)** Management District Plan.

MEMORANDUM



DATE: December 6, 2010

TO: Honorable Mayor and Council Members

FROM: Micah Runner, Economic Development Manager
Megan McMurtry, Economic Development Specialist

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Rancho Cordova hotels have been part of the Sacramento TBID since 2000; which also includes hotels in downtown Sacramento and Sacramento County. Rancho Cordova hoteliers decided to pursue formation of a local TBID in order to maximize control of revenues devoted to marketing Rancho Cordova as a tourist, meeting and event destination. If established, the RCTBID would generate approximately \$580,000 on an annual basis for promotion of travel and tourism specific to Rancho Cordova.

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The RCTC shall serve as the Owner's Association for the RCTBID. The initial Board of Directors shall have no less than seven and no more than nine members, including five

to seven representatives of assessed hotels, one representative of the City of Rancho Cordova and one representative of the Rancho Cordova Chamber of Commerce.

The City of Rancho Cordova will be responsible for collecting the assessment on a monthly basis from each lodging business located in the boundaries of the RCTBID. The City of Rancho Cordova shall forward the assessments to the RCTC, which will have the responsibility of managing TBID programs as provided in the Management District Plan. The City of Rancho Cordova shall be paid a fee equal to 2% of the amount of assessment collected to cover its costs of collection and administration.

The Draft Annual Budget detailed below was developed under the assumption of a \$1.50 per room per night fee generating approximately \$580,000 in revenue to the RCTC.

**Rancho Cordova Tourism Business Improvement District
Draft Annual Budget, Years One through Five**

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DISTRICT FORMATION PROCESS

October 4, 2010
Status

RESOLUTION OF INTENTION HEARING

Approved by City Council October 4, 2010.

Upon the submission of a written petition, signed by the business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district.

Petition Status: Petitions in favor of district formation were submitted to the City by 11 hotels, which represent 1355 total rooms. This accounts for 65% of the total of 2095 hotel rooms in the proposed district. This majority petition allows the council to initiate proceedings for district formation at the October 4, 2010 City Council meeting.

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NOTICE

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October 18, 2010
Status

PUBLIC MEETING

No protests were received from the owners of businesses in the proposed district.

Allow public testimony on the establishment of the TBID and levy of assessments. No council action required.

December 6, 2010

FINAL PUBLIC HEARING & SECESSION FROM SACRAMENTO TBID

If written protests are received from the owners of businesses in the proposed district which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them.

If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation.

If the city council adopts the resolution of formation, it will also be necessary to secede from the Sacramento Tourism Business Improvement District. A resolution revoking consent to being included in the Sacramento TBID, which will effectively remove Rancho Cordova from the Sacramento TBID, will be presented to council for adoption at the final hearing.

ATTACHMENT

1. Resolution No. 136-2010.
2. Resolution No. 137-2010.
3. Resolution of Intention No. 116-2010 including **(Exhibit A)** City of Rancho Cordova Boundary Map and **(Exhibit B)** Management District Plan.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 136-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND ESTABLISHING
THE RANCHO CORDOVA TOURISM BUSINESS IMPROVEMENT DISTRICT**

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et. seq.) authorizes cities and counties to establish property and business improvement districts upon petition by a weighted majority of the lodging business owners located within the boundaries of the district; and

WHEREAS, lodging business owners who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the petitioner, within the boundaries of the Rancho Cordova Tourism Business Improvement District ("RCTBID") have petitioned the City Council to establish the RCTBID; and

WHEREAS, included with the petitions was a Management District Plan summary that describes the proposed assessment to be levied on lodging businesses within the RCTBID to pay for sales promotion and marketing activities, and other improvements and activities set forth in the Management District Plan; and

WHEREAS, the assessed lodging businesses within the RCTBID will be benefited by the activities and improvements set forth in the Management District Plan; and

WHEREAS, on October 4, 2010, at 2729 Prospect Park Drive, Rancho Cordova, California 95670, the City Council adopted a Resolution of Intention, Resolution No. 116-2010; and

WHEREAS, the public meeting and hearing to consider the establishment of the RCTBID have been properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on October 18, 2010, at 2729 Prospect Park Drive, Rancho Cordova, California 95670, the City Council held a public meeting regarding the establishment of the RCTBID, and the City Council heard and received objections and protests, if any, to the establishment of the RCTBID and the levy of the proposed assessment; and

WHEREAS, on December 6, 2010 At 2729 Prospect Park Drive, Rancho Cordova, California 95670, the City Council held a hearing regarding the establishment of the RCTBID, and the City Council heard and received all objections and protests, if any, to the establishment of the RCTBID and the levy of the proposed assessment; and

WHEREAS, the City Clerk has determined that there was no majority protest. A majority protest is defined as written protests received from owners of businesses in the proposed district which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA THAT:

1. The recitals set forth herein are adopted by the City Council as findings and they are true and correct.
2. The Rancho Cordova Tourism Business Improvement District is hereby established for a five-year term.
3. The effective date for collections to begin for the RCTBID is January 1, 2011.
4. The assessments levied for the RCTBID shall be applied towards sales, promotions and marketing programs to market Rancho Cordova as a tourist, meeting and event destination, and other improvements and activities as set forth in the Management District Plan.
5. The revenue from the levy of the assessments on lodging businesses within the RCTBID may not be used to provide for activities or improvements outside the RCTBID or for any purpose other than those specified herein, in the Management District Plan, and in the Resolution of Intention.
6. Assessments levied on lodging businesses pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.
7. The amount of assessment, if passed on to each transient, shall be separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business.
8. The assessments for the entire District will total approximately \$580,000 in year one.
9. The activities and improvements set forth will be funded by the levy of an assessment on lodging businesses within the RCTBID as described in the Management District Plan that is on file with the City Clerk.
10. Bonds shall not be issued to fund the RCTBID.
11. The boundaries of the RCTBID shall be the boundaries of the City of Rancho Cordova. Please see the attached map, incorporated herein as Exhibit A.
12. The assessments shall be used for the purposes set forth above and any funds remaining at the end of any year may be used in subsequent years in which the RCTBID assessment is levied as long as they are used consistent with the requirements set forth herein.
13. The assessments to fund the activities and improvements for the RCTBID will be collected at the same time and in the same manner as are transient occupancy taxes, and in accordance with Streets and Highways Code §36631.

14. The Rancho Cordova Travel and Tourism Corporation shall be the Owners Association pursuant to Streets and Highways Code §36614.5.
15. The Rancho Cordova Travel and Tourism Corporation, pursuant to Streets and Highways Code §36650, shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The first report shall be due after the first year of operation of the district.
16. The RCTBID established pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).
17. The City Clerk, or his or her designee, is directed to take all necessary actions to complete the establishment of the RCTBID and to levy the assessments.
18. The City Clerk is directed to record in the Sacramento County Recorder's Office a notice and assessment diagram, as required by Streets and Highways Code §36627. The text of the recorded notice shall state that the assessment is levied only against lodging businesses within the area of the RCTBID.
19. This Resolution shall take effect immediately upon its adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

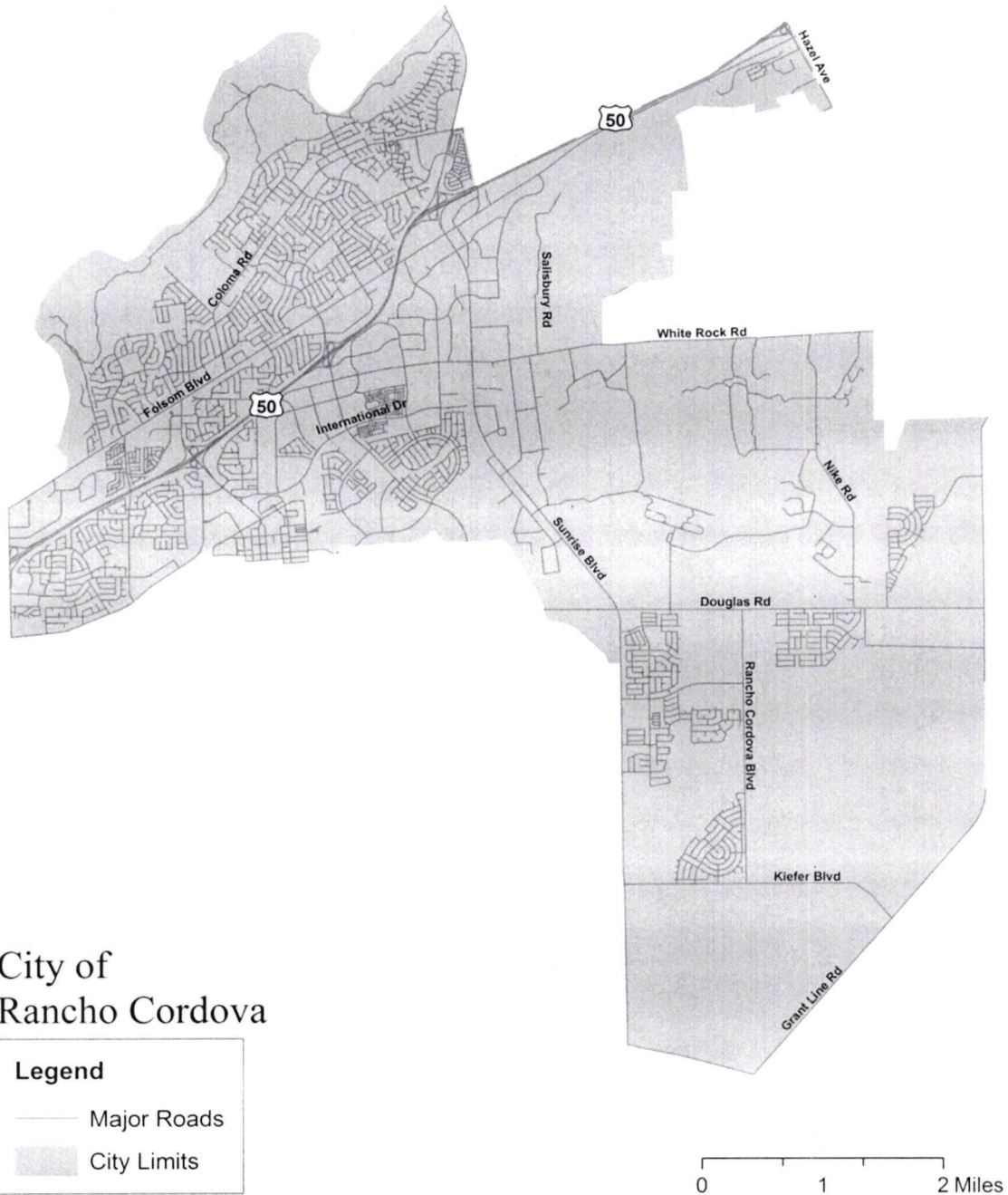
Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

EXHIBIT A

District Boundaries



CITY OF RANCHO CORDOVA

RESOLUTION NO. 137-2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA NOT GRANTING CONSENT TO BE INCLUDED IN THE SACRAMENTO TOURISM BUSINESS IMPROVEMENT DISTRICT

WHEREAS, on December 5, 2000, the City Council of the City of Sacramento ("Sacramento Council") adopted Ordinance Number 2000-051 establishing the Sacramento Tourism Business Improvement District in accordance with the Parking and Business Improvement Area Law of 1989 (1989 Law); and

WHEREAS, the Sacramento Tourism Business Improvement District formed in 2000 included the then unincorporated areas of Sacramento County; and

WHEREAS, a portion of the unincorporated area of Sacramento County was incorporated as the City of Rancho Cordova in 2003; and

WHEREAS, the City of Rancho Cordova has continued to participate in the Sacramento Tourism Business Improvement District; and

WHEREAS, the 1989 Law provides that a city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city; and

WHEREAS, the City Council of Rancho Cordova has not consented to participate in the Sacramento Tourism Business Improvement District.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA:

1. The recitals set forth herein are true and correct.
2. The City of Rancho Cordova does not consent to be included in the Sacramento Tourism Business Improvement District, effective January 1, 2011.
3. The City Clerk, or his or her designee, is directed to provide a copy of this Resolution to the Clerk of the City of Sacramento.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Ken Cooley, Mayor

Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

RESOLUTION OF INTENTION NO. 116-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
DECLARING ITS INTENTION TO ESTABLISH THE RANCHO CORDOVA TOURISM
BUSINESS IMPROVEMENT DISTRICT (RCTBID), AND FIXING THE TIME AND PLACE OF A
PUBLIC MEETING AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF**

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq., authorizes cities and counties to establish property and business improvement districts for the purposes of promoting tourism; and

WHEREAS, Rancho Cordova lodging business owners, members of the business community and representatives from the City of Rancho Cordova have met to consider the formation of the Rancho Cordova Tourism Business Improvement District (RCTBID); and

WHEREAS, Rancho Cordova lodging businesses have drafted a Management District Plan (**Exhibit B**) which sets forth the proposed boundary of the RCTBID, a service plan and budget, and a proposed means of governance; and

WHEREAS, a majority of the lodging business owners subject to assessment under the RCTBID have petitioned the City Council to establish the RCTBID.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does hereby:

1. The recitals set forth herein are true and correct.
2. The City Council finds that the lodging businesses that will pay more than fifty percent (50%) of the assessment proposed in the Management District Plan have signed and submitted petitions in support of the formation of the RCTBID. The City Council accepts the petitions and adopts this resolution of intention to establish the RCTBID and to levy an assessment on certain lodging businesses within the RCTBID boundaries in accordance with the Property and Business Improvement District Law of 1994.
3. The City Council finds that the Management District Plan satisfies all requirements of Streets and Highways Code § 36622.
4. The City Council declares its intention to establish the RCTBID and to levy and collect assessments on lodging businesses within the RCTBID boundaries pursuant to the Property and Business Improvement District Law of 1994.
5. The boundaries of the RCTBID shall be the boundaries of the City of Rancho Cordova. Please see the attached map, incorporated herein as (**Exhibit A**).
6. The name of the district shall be the Rancho Cordova Tourism Business Improvement District (RCTBID).
7. Annual assessment rates are \$1.50 per paid occupied room per night.
8. The assessments levied for the RCTBID shall be applied toward sales promotion and marketing programs to market Rancho Cordova as a tourist, meeting and event destination as described in the Management District Plan, and for other capital improvements as set forth in Streets and Highways Code §36610. Funds remaining at

the end of any year may be used in subsequent years in which RCTBID assessments are levied as long as they are used consistent with the requirements of this resolution.

9. The RCTBID will have a five year term unless renewed pursuant to Streets and Highways Code § 36660.
10. Bonds shall not be issued.
11. The time and place for the public meeting to hear testimony onto establishing the RCTBID and the and levying the of RCTBID assessments are set for October 18, 2010, at 5:30 p.m., or as soon thereafter as the matter may be heard, at the David B. Roberts Council Chambers, 2729 Prospect Park Drive, Rancho Cordova, California 95670.
12. The time and place for the public hearing to establish the RCTBID and the levy of assessments are set for December 6, 2010, at 5:30 p.m., or as soon thereafter as the matter may be heard, at the David B. Roberts Council Chambers, 2729 Prospect Park Drive, Rancho Cordova, California 95670. The City Clerk is directed to provide written notice to the lodging businesses subject to assessment of the date and time of the hearing and to provide that notice as required by Streets and Highways Code § 36623.
13. At the public hearing on December 6, 2010, the testimony of all interested persons for or against the establishment of the RCTBID may be received. If at the conclusion of the public hearing, there are of record written protests by the owners of the lodging businesses within the proposed RCTBID that will pay fifty percent (50%) or more of the estimated total assessment of the entire RCTBID, no further proceedings to establish the RCTBID shall occur.
14. The complete Management District Plan is on file with the City Clerk and may be reviewed upon request.
15. This resolution shall take effect immediately upon its adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 4th day of October, 2010 by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

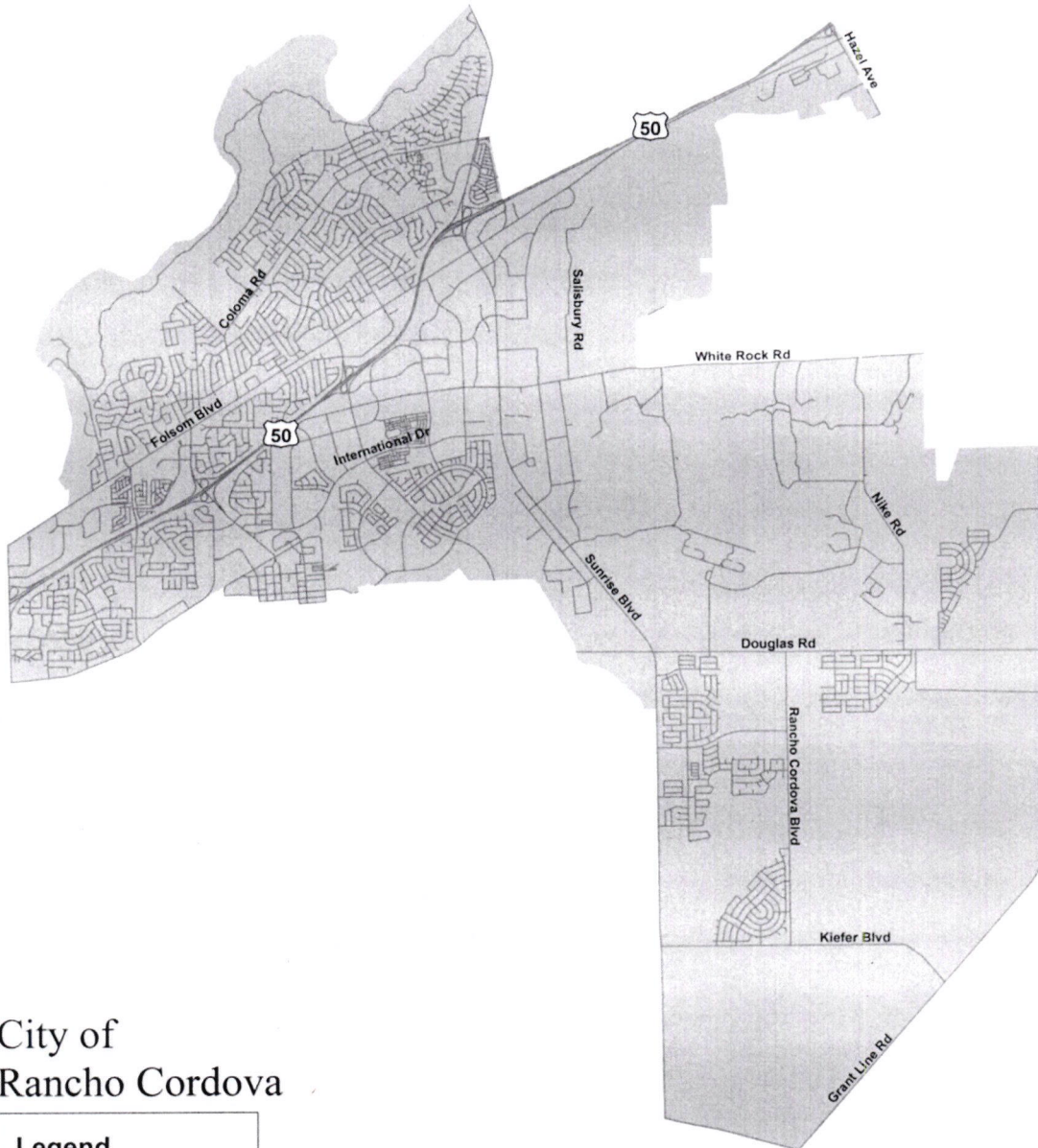

Ken Cooley, Mayor

ATTEST:


Mindy Cuppy, CMC, City Clerk

EXHIBIT A

District Boundaries



City of
Rancho Cordova

Legend

- Major Roads
- City Limits

0 1 2 Miles

EXHIBIT B

**RANCHO CORDOVA TOURISM BUSINESS
IMPROVEMENT DISTRICT**

MANAGEMENT DISTRICT PLAN

*Formed pursuant to the Property and Business Improvement District Act of 1994
(Streets and Highways Code §36600 et seq.)*

Submitted to

the City of Rancho Cordova

August 25, 2010

by



RANCHO CORDOVA TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

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I. INTRODUCTION AND OVERVIEW

Developed by the lodging businesses within Rancho Cordova, and the City of Rancho Cordova (the City), the Rancho Cordova Tourism Business Improvement District (RCTBID) is a benefit assessment district proposed to help fund marketing and sales promotion efforts for Rancho Cordova lodging businesses. This approach has been used successfully in other destination areas throughout the country to improve tourism and drive additional room nights.

Location: The proposed RCTBID includes all lodging businesses located within the boundaries of the City of Rancho Cordova.

Services: Marketing and sales promotions to increase tourism and to market Rancho Cordova as a tourist, meeting and event destination.

Budget: The total RCTBID annual budget for each year of its five year operation is anticipated to be approximately \$580,000.

Cost: Annual assessment rates are \$1.50 per paid occupied room per night.

Formation: TBID formation requires submittal of petitions from lodging businesses representing more than 50% of the total annual assessment followed by a City Council hearing and an opportunity for a written protest. The assessed lodging business owners will receive notice of the public hearing by mail. If there is a majority written protest, the TBID will not be formed.

Duration: The proposed RCTBID will have a five year life. The RCTBID assessment will be implemented beginning January 1, 2011. Once per year beginning on the anniversary of the formation of the district there is a 30 day period in which owners paying more than 50% of the assessment may protest and terminate the district.

II. WHY A TOURISM BUSINESS IMPROVEMENT DISTRICT FOR RANCHO CORDOVA?

There are several reasons why now is the right time to form a TBID in Rancho Cordova; the most compelling reasons are as follows:

1. *The Need to Increase Occupancy*

The formation of the RCTBID is a proactive effort to provide supplemental funding beyond that provided by the City. The funding will ensure that adequate financing exists for the investment required to increase occupancy in the lodging industry and be competitive in the conference segment of the tourism market. The investment will cover an expanded marketing and promotional budget needed to reach this market segment.

2. *An Opportunity for Increasing City Tax Revenues*

As occupancy rates increase, so too will the City's TOT revenue. With stable public/private funding for tourism marketing efforts, annual occupancy rates should increase significantly as new marketing and sales promotion programs are implemented. Greater occupancy will also produce an increase in sales tax revenues from tourist spending. This represents a substantial return to the City. The formation of the RCTBID in partnership with the the City creates a stable funding source tied directly to tourism promotion.

3. *Stable Funding for Tourism Promotion*

The RCTBID will provide a stable source of funding for consistent tourism promotion efforts. The RCTBID will provide funding for tourism promotion free of the political and economic circumstances that can reduce or eliminate government funding for tourism promotion.

III. WHAT IS A TOURISM BUSINESS IMPROVEMENT DISTRICT?

Tourism Business Improvement Districts (TBIDs) utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging and tourism-related business owners to organize their efforts to increase tourism. Tourism-related business owners within the district fund a TBID, and those funds are used to provide services that the businesses desire and that benefit the lodging businesses within the District.

Tourism Business Improvement District services may include, but are not limited to:

- Marketing of the Destination
- Tourism Promotion Activities
- Sales Lead Generation

In California, Tourism Business Improvement Districts are formed pursuant to the Property and Business Improvement District Law of 1994 (PBID Law). This law allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to Tourism Business Improvement Districts:

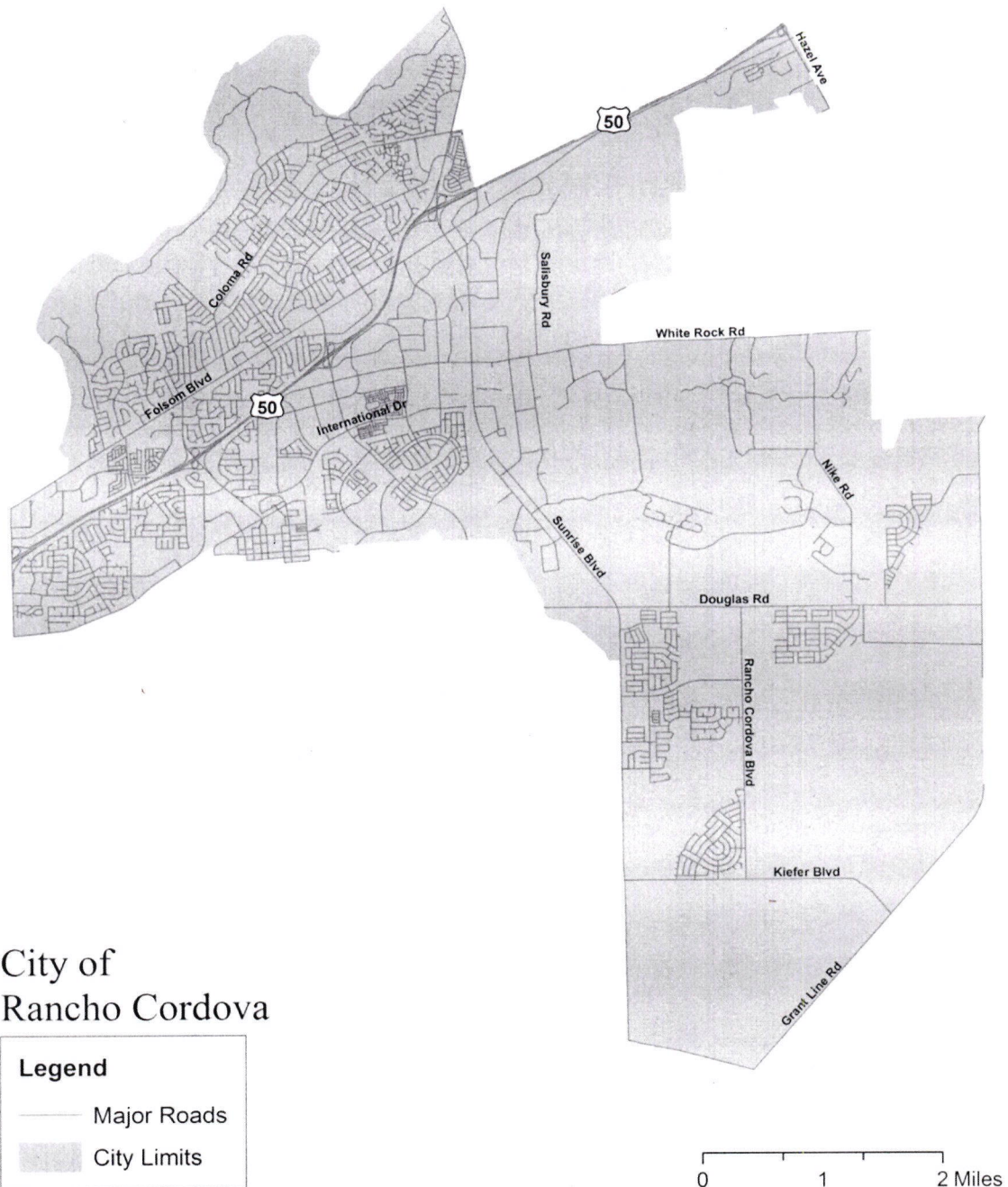
- Funds cannot be diverted for other government programs;
- Tourism Business Improvement Districts are customized to fit the needs of each tourism district;
- They allow for a wide range of services, including those listed above;
- Tourism Business Improvement Districts are ***designed, created and governed by those who will pay*** the assessment;
- They provide a stable funding source for tourism promotion.

The Property and Business Improvement District Law of 1994 is provided in Appendix 1 of this document.

IV. RANCHO CORDOVA TBID BOUNDARY

The RCTBID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Rancho Cordova.

The boundary currently includes 17 lodging business. Please see the map below. A complete listing of lodging businesses within the proposed RCTBID can be found on Appendix 2 of this Plan.



V. SERVICE PLAN AND BUDGET

A. Assessment

The Tourism Business Improvement District annual assessment rates are based upon \$1.50 per paid occupied room per night. The amount of assessment, if passed on to each transient, shall be separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business.

B. Determination of Special Benefit

State law provides that the expenses of the district shall be apportioned in proportion to the benefit received by assessed businesses.

A special benefit is defined as a particular and distinct benefit over and above general benefits conferred on the public at large. Conversely, a general benefit is a benefit to businesses in the surrounding community or a benefit to the public in general resulting from the improvement, activity or service to be provided by the assessment levied. Many general benefits to the public at large are conveyed by municipal services, such as fire protection, police services and public transit services. These services are targeted to serve the public at large and do not confer special benefits on particular businesses.

The services in this Management District Plan are designed to provide targeted services to lodging businesses. These services are tailored not to serve the general public, but rather to serve the specific lodging businesses within the District, e.g., the proposed activities are specifically targeted to increase room nights for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. RCTBID funds will be used exclusively to benefit the assesseees.

The activities paid for from assessment revenues are lodging business services creating special benefit to those businesses. In addition, these activities are not for the benefit of the general public and do not provide general benefit as defined above. All general benefits (if any) to the surrounding community and general public are intangible and unquantifiable. It is appropriate that these special business-related benefits be funded through business assessments.

C. Time and Manner for Collecting Assessments

The RCTBID assessment will be implemented beginning January 1, 2011 and will continue for five years. The City of Rancho Cordova will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the RCTBID. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City of Rancho Cordova shall forward the assessments to the Rancho Cordova Travel and Tourism Corporation (RCTTC) which will have the responsibility of managing TBID programs as provided in this Management District Plan.

D. Service Plan Budget Summary

A summary of the annual service plan budget for the RCTBID is provided on the following pages. The total five year improvement and service plan budget is projected at approximately \$580,000 annually, or \$2,900,000 through 2015.

E. Annual Service Plan:

A service plan budget has been developed to deliver services throughout the District. An annual service plan and budget will be developed and approved by the RCTTC Board. Bonds shall not be issued. Please see the budget exhibit below. The budget also includes a portion for contingencies and renewal of the District. Should the RCTTC Board approve, funds may be appropriated for the renewal effort. If there are funds remaining at the end of the District term and lodging businesses choose to renew, these remaining funds could be transferred to the renewed District. If there are funds remaining at the end of the District and lodging businesses choose not to renew, any remaining funds will be spent consistent with this Plan or returned to assessed businesses in equal proportions to the assessment paid by each business.

In the first year of operations, the RCTBID may reimburse the City of Rancho Cordova for district formation costs, up to \$42,000. This reimbursement will be deducted from the budget categories pro-rata.

Rancho Cordova Tourism Business Improvement District Draft Annual Budget, Years One through Five

Category	Percent	Dollar Amount
Sales and Marketing	93%	\$539,400
City Collection Costs	2%	\$11,600
Contingency/Renewal	5%	\$29,000
Total Estimated Annual Budget	100%	\$580,000

Sales and Marketing

A sales and marketing program will promote Rancho Cordova as a tourist and meeting destination. The sales and marketing program will have a central theme of promoting Rancho Cordova as a desirable place to visit, and may include the following activities:

- Sports marketing
- Sales development
- Collateral and fulfillment (website, social media, graphic design, printed materials)
- Highway 50 Co-op marketing
- Public relations / publicity
- Photo library creation
- California Welcome Center, El Dorado Hills advertising
- Memberships

City Administration Fee

The City of Rancho Cordova shall be paid a fee equal to 2% of the amount of assessment collected to cover its costs of collection and administration.

Contingency/Renewal

A prudent portion of the budget will be set aside in a contingency fund, to be used for unforeseeable costs in carrying out the sales and marketing programs. If at the expiration of the district there are contingency funds remaining, and business owners wish to renew the district, the remaining contingency funds may be used for renewal costs.

F. Adjustments

Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget below shall remain the same. The City RCTTC board shall have the authority to adjust budget allocations between the categories below by no more than fifteen percent (15%) per year. If the Board chooses to fund a sports related capital improvement project as a catalyst to gaining events, it can do so by Board action, funding the improvement from the budget categories on a pro-rata basis.

VI. TBID GOVERNANCE

A. Owners' Association

The Rancho Cordova Travel and Tourism Corporation (RCTTC) shall serve as the Owner's Association for the RCTBID. The initial RCTTC Board of Directors shall have no less than seven and no more than nine members. No less than five, and no more than seven, members of the Board shall be representatives of assessed lodging businesses. One member shall be a representative of the City of Rancho Cordova, and one shall be a representative of the Rancho Cordova Chamber of Commerce.

B. Brown Act and California Public Records Act Compliance

The owner's association is subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act, designed to promote public accountability. The owners' association of a TBID is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the RCTTC board must be held in compliance with the public notice and other requirements of the Brown Act. The Owner's Association is also subject to the record keeping requirements of the California Public Records Act.

C. Annual Report

The RCTTC board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1).

APPENDIX 1 – THE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994 STREETS AND HIGHWAYS CODE Division 18. Parking

*** THIS DOCUMENT IS CURRENT THROUGH 2009-2010 EXTRAORDINARY SESSIONS 1-5, ***
AND 7, AND URGENCY LEGISLATION THROUGH CH 4 OF THE 2010 REGULAR SESSION

§ 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

§ 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

§ 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

§ 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

§ 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

§ 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

§ 36605. [Section repealed 2001.]

§ 36606. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

§ 36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

§ 36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county.

§ 36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

§ 36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

§ 36611. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

§ 36612. "Property"

"Property" means real property situated within a district.

§ 36613. "Activities"

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.

- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

§ 36614. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

§ 36614.5. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of *Part 1 of Division 2 of Title 5 of the Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of *Division 7 of Title 1 of the Government Code*), for all documents relating to activities of the district.

§ 36615. "Property owner"; "Owner"

"Property owner" or "owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. The city council has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this subdivision requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient.

§ 36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

§ 36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

§ 36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

- (1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or

businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

§ 36622. Contents of management district plan

The management district plan shall contain all of the following:

(a) A map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

(l) Any other item or matter required to be incorporated therein by the city council.

§ 36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners of businesses in the proposed district which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

§ 36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

§ 36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties or businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

§ 36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

§ 36626.5. [Section repealed 1999.]

§ 36626.6. [Section repealed 1999.]

§ 36626.7. [Section repealed 1999.]

§ 36627. Notice and assessment diagram

Following adoption of the resolution establishing the district pursuant to Section 36625 or 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. If the assessment is levied on businesses, the text of the recorded notice shall be modified to reflect that the assessment will be levied on businesses, or specified categories of businesses, within the area of the district. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

§ 36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

§ 36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

§ 36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

§ 36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

§ 36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution establishing the management district plan described in Section 36622. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

§ 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

§ 36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

§ 36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

§ 36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

§ 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623 . Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

§ 36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of *Chapter 5* of *Division 7*

of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

§ 36641. [Section repealed 2001.]

§ 36642. [Section repealed 2001.]

§ 36643. [Section repealed 2001.]

§ 36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

§ 36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

§ 36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesseees may request disestablishment of the district. The first such period shall begin one year

after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners of real property or of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

§ 36671. Refund of remaining revenues upon disestablishment of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – LODGING BUSINESSES TO BE ASSESSED WITHIN THE RCTBID

HOTEL	ADDRESS
Cordova Inn	10701 Folsom Blvd
Courtyard by Marriott	10683 White Rock Rd
Days Inn & Suites	3240 Mather Field Rd
Extended Stay #903	10721 White Rock Rd
Fairfield Inn & Suites	10745 Gold Center Dr
Hampton Inn	10755 Gold Center Dr
Hyatt Place	10744 Gold Center Dr
La Quinta Inn	11131 Folsom Blvd
Motel 6	10694 Olson Drive
Red Roof Inn	10800 Olson Dr
Residence Inn	2779 Prospect Park Dr.
Vagabond Inn RC	10713 White Rock Rd
Comfort Inn	12249 Folsom Blvd.
Crossland #421	11299 Point East Drive
Hotel Sierra	11260 Point East Drive
Holiday Inn	11269 Point East Drive
Marriott	11211 Point East Drive

MEMORANDUM



DATE: December 6, 2010
TO: Honorable Mayor and Council Members
FROM: Nancy J. Pearl, Communication's Director
SUBJECT: CULTURAL ARTS COMMISSION DEVELOPMENT

RECOMMENDATION

Receive information about the formation of a Cultural Arts Commission as called for in the General Plan and direct staff to take appropriate action, based upon the option selected.

RESULT OF RECOMMENDED ACTION

Council will select one of three possible options and direct staff to take appropriate action:

Option A: Begin development of a Cultural Arts Commission as called for in the General Plan within a specified timeline and direct staff to work with Council in its development; or

Option B: Begin development of an ad hoc steering committee to research and develop a plan for the creation of a Cultural Arts Commission directing staff to work with Council as desired, within a timeframe to be determined; or

Option C: Table the discussion for a future time as determined by the City Council.

BACKGROUND

The City of Rancho Cordova General Plan, adopted in 2006, calls for the establishment of a "Cultural Arts Commission that will be responsible for coordinating cultural events, parades, festivals, coordinate and communicate with cultural and ethnic communities (with the City's Public Information Officer), and other activities as determined by the City Council." (**CHR.2.1.1 et seq**)

In addition to highlighting cultural and ethnic diversity in the community, the General Plan also sees the Cultural Arts Commission (CAC) as the body that "is responsible for establishing a public art program, directing the use of public funds for art in public places, encouraging the use of art in private development projects, and administering other cultural and artistic programs for the city as deemed appropriate by the City Council." (**CHR.3.2.1**) The General Plan timeframe for the formation of the Commission was the year 2007.

The reinvigoration of the Cordova Community Council over the past three years has created a reliable and effective home for such activities as festivals (July 4th, i-Fest, Christmas Tree Lighting, Celebration of Faith, etc.) and parades (State Fair and July 4th). There is no centralized organization for overseeing arts in public places or for the coordination of other organizations' involvement in artistic endeavors.

Members of the 2009 Leadership IV class presented a letter to the City Council on June 10, 2010 requesting action towards the development of a "Cultural Arts Commission as called for in the City's General Plan." The letter expressed support of the items in the plan as they "address our belief that artistic expression in a community is fundamental to ensuring a wonderful quality of life. In fact, great civilizations and cities are often identifiable beyond their times and borders, simply by the public art which they have incorporated into their communities and cultures. Our City of Rancho Cordova deserves to be recognizable in this same way..." They envisioned that this would be a "citizen body that includes members who represent a broad base of perspectives such as experts in art and art appreciation, youth, business, government, education and the rich cultural diversity of our City."

City staff subsequently met on September 30 with three members of this class: Linda Burkholder, Otis Scott and Ross Johnson. They felt that, while disparate groups may be taking steps to integrate arts into life in Rancho Cordova, a need exists for creating a mechanism by which to coordinate activities, design characteristics, funding, and other criteria to formalize and coalesce efforts for a more satisfactory, effective and impactful result. That mechanism would be a Cultural Arts Commission (CAC) as defined in the General Plan.

It should first be determined if the City Council wishes to proceed at this time with the development of a CAC, an entity of some other capacity, such as an advisory committee, and, if so, whether of permanent or shorter-term duration. The second option is an interim steering committee to develop a recommendation as to purpose, composition, funding and structure of a CAC. The third option is to address the concept at a future time.

If either options A or B are selected, several factors would need to be considered:

- Defining the internal structure (i.e., committee chairs, rules, responsibilities) for self-governance
- Researching other entities' comparable arts organizations
- Making recommendations for adoption by the Council
 - composition of members
 - terms
 - purpose/scope
 - funding
 - activities
 - calendar
- Exploring the scope of the group
 - Rancho Cordova-centric
 - Regional (e.g., including Citrus Heights, Folsom, etc.)

- Determining/recommending the appropriate structure, e.g.,
 - Advisory committee
 - Ad hoc committee
 - Council sub-committee
 - Commission
- Developing a timeline
- Reporting status/progress to Council

If the Council chooses to proceed with either option A or B, the next steps would be identifying community stakeholders to take action on the abovementioned items. These stakeholders might represent the following and/or other disciplines, such as:

- Arts
 - Performing
 - Fine, written and graphic
- Education
- Development
- Faith
- Seniors
- Youth
- Architecture
- Ethnic diversity
- Miscellaneous

In addition, it would be appropriate to include City staff from the disciplines of public works, planning, communications/community relations, economic development. Should funding become part of the program, finance staff would also need to participate.

It was the suggestion of the Leadership class delegates to form a steering committee to conduct the abovementioned research and outlines. This would be an ad hoc committee which would be disbanded at the end of the development stage, most likely after a final recommendation is made to and voted on by the Council. Staff is seeking direction on how the council wishes to proceed on this topic.

ATTACHMENTS

1. Applicable General Plan pages.
2. Leadership IV Class letter.

2006 Implementation Matrix for General Plan Annual Report

ATTACHMENT 1

No.	Action	Responsible Party	Time Frame	Funding Source	Status/Steps Taken
X – Cultural and Historic Resources Element					
	Establish a Cultural Arts Commission that will be responsible for coordinating cultural events, parades, festivals, coordinate and communicate with cultural and ethnic communities (with the City's Public Information Officer), and other activities as determined by the City Council.				
CHR.2.1.1		CM / PIO	2007	GF	Pending action in 2007.
CHR.2.1.2	Encourage development projects to include design features that identify and celebrate the different cultures that make up Rancho Cordova by updating, as necessary, the Design Guidelines to include provisions for cultural identity in development projects.	CM / PIO	2007	GF	Pending action in 2007.
CHR.2.1.3	Encourage and invite cultural groups and organizations to participate/plan/operate citywide events and to showcase the City's cultural diversity at these events	CAC / PIO	Ongoing	GF	Pending implementation of the Cultural Arts Commission.
CHR.2.2.1	Provide City information (news, bulletins, application forms, etc) pursuant to programs designed to best capture the ethnic diversity of the community (i.e. in the four major languages used in the community and other languages on demand).	PIO / CM / CAC / PL / B / PW	Ongoing	GF	Material being translated into 2 to 3 languages. Outreach efforts looking at multicultural opportunities.
CHR.2.2.2	Reach out to all ethnic groups in the City and invite and encourage their participation in City government.	PIO / CAC / CM / PL / PW	Ongoing	GF	Outreach efforts looking at multicultural opportunities.
CHR.3.1.1	Work with community groups to establish a performing arts center in Rancho Cordova, ideally within the Downtown or Convention Overlay.	CAC	2010	GF	Pending action in 2010.
CHR.3.1.2	Work with local schools and other educational and youth outlets to promote artistic performances by children and artistic education programs for children. Work with school districts to establish performing arts facilities in high school and junior high school campuses.	CAC	Ongoing	GF	Pending implementation of the Cultural Arts Commission.
CHR.3.1.3	Showcase youth artwork in public venues such as City Hall, public libraries, and other places throughout the community.	CAC	Ongoing	GF	Ongoing. Further implementation pending implementation of the Cultural Arts Commission.
CHR.3.1.4	As necessary, revise City ordinances to allow and promote on street visual art, dance, and theatrical performances in the Downtown. Include such provisions in the Downtown Specific Plan.	CAC / PL	2008	GF	Pending action in 2008.
CHR.3.1.5	Work with existing theatre, music, arts, and other performing arts groups to help them find locations in Rancho Cordova.	CM / ED	Ongoing	GF	Pending.
CHR.3.2.1	Establish a Cultural Arts Commission that is responsible for establishing a public art program, directing the use of public funds for art in public places, encouraging the use of art in private development projects, and administering other cultural and artistic programs for the City as deemed appropriate by the City Council.	CM / PL	2007	GF	Pending action in 2007.

2006 Implementation Matrix for General Plan Annual Report

No.	Action	Responsible Party	Time Frame	Funding Source	Status/Steps Taken
CH.R.3.2.2	Promote the incorporation of monuments, plaques, signs, or artwork identifying Rancho Cordova's diverse history into development projects and on pedestrian and bicycle trails. Possible highlights include the area's agricultural, mining, Pony Express, and aerospace and aviation activities.	CAC / PL	Ongoing	GF	Implemented as part of project processing and review of individual development applications.

Leadership Rancho Cordova, Class IV
C/O The Rancho Cordova Chamber of Commerce
2729 Prospect Park Drive
Rancho Cordova, CA 95670

June 10, 2010

Members, City Council of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Dear Mayor Cooley and Members of the City Council:

As participants in Leadership Rancho Cordova Class IV, we want to express our deep appreciation to the City of Rancho Cordova, for its active support of this leadership development program. We have enjoyed the opportunity to learn important details about so many aspects of this wonderful city, which means so much to each of us. In particular, we appreciate the intent of this program to educate us and encourage us to step up into various and new leadership roles in our community. Thus, as emerging leaders in Rancho Cordova, we want to bring an important matter to your attention, and to urge your consideration of a recommendation we outline in this letter.

Background

Our class was interested in creating a mural on a frontage wall as part of its class project. The wall selected was determined to be owned by the City of Rancho Cordova. As the class moved forward in trying to secure permission from the City to complete this art project, we were unsuccessful in identifying any formal process within the City for making determinations regarding art in public places. We did, eventually, receive approval from the Department of Public Works to upgrade the frontage wall by painting the wall and placing a series of thin brick pilasters along its length. These pilasters could, if installed, "frame" future public art opportunities on that wall. However, because the City's fiscal and operational accountability for maintaining such artwork on public structures was apparently unclear, the Department asked that we not incorporate the mural artwork onto the wall.

As a result of our unsuccessful experience in trying to develop this public artwork, we had determined as a class, that we would submit a position paper to the City. This paper would urge the creation of an ordinance supporting and defining procedures for carrying out a vibrant art in public places initiative in our city. We felt the idea of a position paper was appropriate, given the intent of the Leadership Rancho Cordova program to enhance our skills in building community capacity. However, upon discussion with Councilmember Budge, it came to our attention that the City's existing General Plan contains language supporting the concept of art in public places. Councilmember Budge indicated that she believed a city ordinance was unnecessary, given the content of the General Plan. Therefore, we deferred submission of a position paper, while we reviewed the General Plan document and the most recent annual report. We found that the intent to promote art in public places is included in ***Section X, Cultural and Historic Resources Element*** of the City's General Plan document.

We are heartened by the values expressed through the goals, policies and action statements in this section of the General Plan. Collectively, they address our belief that artistic expression in a community is fundamental to ensuring a wonderful quality of life. In fact, great civilizations and cities are often identifiable beyond their times and borders, simply by the public art which they have incorporated into their communities and cultures. Our City of Rancho Cordova deserves to be recognizable in this same way, and we are pleased that our City's General Plan acknowledges this important concept.

We were also pleased to note in reviewing the most recent annual report for the General Plan, that certain goals and activities outlined in the Plan have been achieved. For example, the City Hall Display and the creation of the International Festival (IFest), both projects of previous Leadership Rancho Cordova classes, by happy coincidence, relate to the General Plan and have assisted the City in achieving some of its goals related to celebrating art and culture. Furthermore, the Cordova Community Council, which is closely aligned with both the Chamber of Commerce and the City of Rancho Cordova, is maintaining IFest and City history initiatives, thus also aiding the City in accomplishing its objectives within the General Plan.

However, we also note that the City's General Plan called for the creation of a Cultural Arts Commission in 2007. This Commission is charged in the General Plan, with exclusive or major responsibilities for implementing almost all of the activities related to art in public places which are contained within the General Plan. It is our understanding that the Cultural Arts Commission has not yet been established. Currently, as far as our research and experience informs us, guidance for "art" projects in Rancho Cordova typically occurs as a minor component of the design review process which is conducted by the Planning Commission. And, while the efforts by several Leadership Rancho Cordova classes, the Cordova Community Council, and the City's Planning Commission related to promoting art and culture in our community are deeply appreciated, none of these groups has the authority or responsibility that is described for the Cultural Arts Commission in our City's General Plan. In fact, in the absence of the Cultural Arts Commission anticipated in the General Plan, there is an insurmountable gap in our City's capacity to vigorously and effectively implement an art in public places initiative.

Recommendation

The Leadership Rancho Cordova Class IV strongly urges the City of Rancho Cordova to establish, within the next six months, the Cultural Arts Commission called for in the City's General Plan. Furthermore, we urge the City of Rancho Cordova to create this Commission as a citizen body that includes members who represent a broad base of perspectives such as experts in art and art appreciation, youth, business, government, education, and the rich cultural diversity of our City.

Thank you for considering our recommendation.

Sincerely,

Members of Leadership Rancho Cordova Class IV

Proposal for an Art in Public Places Ordinance

DRAFT

- I. Introductory statement (establishes justification and background for the proposal).

- II. Cohort IV of Leadership Rancho Cordova strongly urges the city administrative leadership of Rancho Cordova develop and implement an ordinance establishing an art in public places program.

- III. For the purposes of explanation, "art" in this proposal refers to, but is not limited to: paintings, mosaics, murals, sculptures, photographic, crafts, and mixed media. Artistic works intended to enhance the aesthetics of a building, park, streetscape, bridge, waterway or other public structure meets are included.

- IV. Among the important values we believe should be reflected in the ordinance are:
 - A. Works of art appeal to and nourish the intellect and imagination of people and enhance the general welfare of residents of this city, those employed in this city and visitors to Rancho Cordova.
 - B. Art is a reflection of the importance the city of Rancho Cordova places on acknowledging and displaying works of human creativity.
 - C. Public spaces are made more inviting, livable and humane by displays of assorted works of art.
 - D. Publically displayed works of art will reflect the diverse social, ethnic, linguistic, cultural and historical communities in Rancho Cordova.
 - E. The participation from various age groups will be actively sought.
 - F. The contributions, achievements, and products of local (city, county) artists are encouraged.
 - G. All new capital construction and proposed aesthetic improvements to existing structures are included within the provisions of the ordinance.

MEMORANDUM



DATE: December 6, 2010
TO: Honorable Mayor and Council Members
FROM: Paul Junker, Planning Director
SUBJECT: CITY GATEWAY SIGN DESIGN CONCEPTS

RECOMMENDATION

That Council considers staff's presentation and provides direction for proceeding with the Design of City Gateways.

RESULT OF RECOMMENDED ACTION

Staff will present an update to the Council on recent public outreach efforts on the City Gateways and request guidance for refining the proposed City Gateway designs, and for soliciting further community input.

BACKGROUND

The City of Rancho Cordova has been actively engaged in the process of designing Community Gateways for the past year. This process has involved the following milestone efforts and/or meetings:

- February 2009: City staff and community members began initial discussions of community gateways
- November 2009: Report to Council regarding opportunities to establish Community Gateways – formal Council direction to proceed
- December 2009: Presentation to Council on major concepts of Gateway design – received concurrence on locations for near term and ultimate Gateway locations
- February – August 2010: Gateways Working Group (several residents, various City Departments and design consultants) developed Gateway design concepts
- September 2010: Joint Work Session with City Council and Planning Commission - presented current concept and received general support to proceed with specific refinements
- November 2010: Report back to Council with refined Community Gateway design concepts – Council received concerned comments from the public and directed additional public outreach
- November 2010: Additional public outreach - City Gateway comment web link; November 17, 2010 Gateways Community Workshop; November 19, 2010 Cordova Community Council Presentation

CURRENT STATUS

City staff, working with several residents and engineering/design consultants, have developed design concepts for Community Gateways. These concepts have focused on two distinct themes, an early version that presented words upon a steel grid and a second concept based on a river theme with the sign constructed of 3Form, a translucent material. Based upon public comments made at the Council's November 1, 2010 meeting, Council directed that additional community be solicited.

Since the November 1, 2010 Council meeting, the City has received comments through its website and through two community meetings. Detailed notes on input received are provided as attachments to this report. In general, the comments cover a wide range from outright support for design proposals to outright opposition to the design concepts. Comments received during November 2010 are summarized below:

Comments received via City Gateway Web Page

Presented below are summations of comments received through the City's web page. Full text of these comments is provided as **(Attachment 1)** of this report.

- Does not like concept or colors – did not recognize squiggly line as a river.
- Prefers City Seal for Gateways - more nearly represents the history of Rancho Cordova. Likes having the Service club decals on the sign?
- Yes, yes, yes, put up the signs. Long overdue.
- Construct monument to prevent defacing, tagging, etc.
- Signs are a little bit on the drab side. Likes the design and colors that are on the State of the City Pins Chamber.
- Does not like small sign standing sideways. Not sure I am in favor of moving service organization plaques.
- I think this is a great addition to our city, giving it a 'face' to be recognized.
- Design seems kind of blah without much creativity... maybe place river rock in the base or structure of the sign.
- Implement some other elements of the parkway in the sign - maybe (statues of) a couple of deer or a red tailed hawk.
- The lighting ideas are great.
- Likes the graphic emphasis on the river, add lines representing the bluffs as faint white line contours.
- Much better than the old wooden signs! Thanks for a big step in the right direction.
- "Welcome to Rancho Cordova" is far better than just "Rancho Cordova".
- Try to find somewhere to attach the organizational logos/plaques.
- The small vertical sign in the median does not seem very good. It appears cramped and hard to read.

Gateways Community Workshop, November 17, 2010

City staff conducted an evening workshop on the Community Gateways that was attended by 10 Rancho Cordova residents. Full comments from the workshop are provided as **(Attachment 2)** of this report. Overall the workshop attendees commented favorably on the proposed designs, with the exception of the vertical sign (Hazel/Folsom median) that received strongly negative comments. During the workshop several informal votes were taken to gauge resident's feelings on major issues, with the results as follows:

1. Do you like "American River Parkway" on the Sunrise sign: No – 7-1
2. Are words turned sideways on vertical sign irritating: Yes – 9-1
3. Did you recognize the blue band as a river: Yes – 5-5
4. Do you like the River concept: Yes – 9-0
5. Did you recognize Rossmoor Bar: No – 8-2
6. Should the Service Club emblems be moved from the Gateways: No – 7-3
7. Should we "go back to the drawing boards" or "start over": No – 9-1

Cordova Community Council Presentation, November 19, 2010

Councilmember Budge provided a brief presentation of the Community Gateway concepts to the November 19, 2010 Cordova Community Council luncheon. Comment sheets were provided to all guests and 14 comment sheets were received. The comment sheet asked guests to select one of three comments:

- I like the design as it is – please move forward! (6 respondents)
- I generally like the design, but it needs some changes. (22 respondents)
- I don't like the design concept. Please start over on the design process. (13 respondents)

Comments provided by Community Council meeting participants were wide ranging and are compiled within **(Attachment 3)** of this report.

Summary of Recent Public Input

In reviewing the input received over the past month, staff offers the following observations for Council's consideration:

- Overall, comments on the proposed Gateways have been modestly favorable
 - Website comments were overall fairly neutral, with some comments very positive and some very negative.
 - At the November 17, 2010 workshop, nine out of ten participants considered the proposed designs to be generally on the right track.
 - 28 CCC guests liked or generally liked the proposed designs, while 13 guests disliked the proposed designs.

- Comments on the vertical sign were fairly consistently negative, with some comments noting that the words turned sideways were quite annoying.
- The range of comments is "all over the board." Some find proposed colors too bright, while others find colors too drab. Several comments encouraged a more historic look, while a few promoted a more forward thinking design.
- While it is unlikely that any design will receive favorable comments from all community members, the degree and strength of negative comments is a concern to staff.

NEXT STEPS

Staff requires direction from Council on how to proceed with designs for the Community Gateways. Staff offers the following options for consideration.

Option 1 – Proceed with Current Design Concept.

If the Council is prepared to move forward with the proposed Gateway design concepts, then the process of engineering and preparing construction drawings would be the next step. Under this approach, such designs could be prepared for the Folsom Boulevard west entry sign and construction of this Gateway could proceed in 2011.

Option 2 – Proceed with the Current Concepts, but return to Council with specific modifications prior to construction documents.

Under this option staff would request that Council identify any additional changes to the proposed designs and then staff would return to Council for a final review prior to finalizing the designs and preparing construction documents.

Option 3 – Conduct further community outreach/input.

Under this option staff would continue the design process through further participation by community members. If Council selects this option, then staff would request direction on the following:

- Suggestions for the form of additional input – community workshops, community Gateway Committee, etc.
- Direction on how much "rethinking" of the designs should occur – is the concept sound and needs improvements or should new design concepts be developed?

ATTACHMENTS

1. City Web Page Gateway Comments.
2. November 17, 2010 Community Workshop Notes.
3. November 19, 2010 Cordova Community Council Comments.
4. November 19, 2010 Letter from Ben Heningburg.

**Community Gateway Comments
Received Via City Web Link**

Bob Cashatt

I looked at the gateway signs proposal. I am sorry, but I don't like them at all, not even the color! Until I was told, I did not know that the wiggly shape on the sign represented the river. I don't think anyone coming into the city would have any idea what it represented. My first impression was that the designer had gotten on some bad weed. What is wrong with using the design that is at the top of the web page. This design more nearly represents the history of Rancho Cordova. What is wrong with having the Service club decals on the sign?

My wife does not agree with me!

Peter Culcasi

yes, yes, yes, put up the signs. Long overdue. The large one pictured on page a-16 is perfect. Can hiway-50 have some also?

Mr. & Marion L. Curtis, Jr.

Please construct our monument in such a manner and of such a material that will prevent it from being defaced with spray paint by taggers, gang members etc.

Thank you and have a wonderful weekend.

Amy Hiramoto

I think the gateway signs are a little bit on the drab side. I like the design and colors that are on the State of the City Pins that were given out on November 5th by the Chamber. Didn't have a chance to fill out the questionnaire at the Cordova Community Council Luncheon on Friday. Please let me know if you have any more community meetings, missed the last one, had a conflicting meeting.

Lisa Illinik

I think the small sign standing sideways looks like the person who hung it was drunk or high on drugs. Turn it around so people can read it. Will we be removing the signs that hold all of the organization's signs? I am not sure I am in favor of that.

Derek Jacks

Since I will not be able to attend the meeting held for this on the 17th at 5:30PM, I must submit my input reluctantly via email. As a resident I am interested in commenting on the proposed gateway sign designs. I think this is a great addition to our city, giving it a 'face' to be recognized.

My first question- is this the chosen format? If so, and without insult, I would like to state that the design seems kinda blah without much creativity. Has the council/group thought of maybe placing river rock in the base or structure of the sign, this would give it some uniqueness.

Also since Rancho Cordova exists parallel with the American River Parkway, why not implement some other elements of the parkway into the sign? Example, maybe a couple of Deer as depicted in the attached image or a Red Tailed Hawk perching or soaring off the top edge of the sign (these figures can be made and designed out of several materials easily, however I may not be aware that the city may be on a strict budget as to what choices it has).

The lighting ideas are great, but for daytime appearances maybe implement some of the above ideas.

I realize everyone has an opinion and there is probably a million ideas to choose from, I hope this input has been helpful.

Thanks for your time,

Larry Ladd

I like the graphic emphasis on the river, but feel the line of the river should be repeated/echoed as you move south to reflect what Rancho Cordova truly is: A series of fluvial terraces dating out to a million years staircasing out from a river that is migrating north and cutting into the bluffs. Perhaps a series of densely packed orange and brown lines representing the bluffs matched by a series of faint white line contours on green progressing at a wider interval to the south. Cosmically speaking these bands in the bluffs and terraces in Rancho represent ice ages in the Sierra coming and going in resonance to earth-sun relationships:

Craig Osborn

Here are my comments on the proposed City Gateway signage: (I got an email rejection message from the mailbox listed on the City's website)

1. Much better than the old wooden signs! Thanks for a big step in the right direction.

2. "Welcome to" would sure be good to add. "Welcome to Rancho Cordova" is far better than just "Rancho Cordova".

3. Is there any way to have space somewhere to attach the organizational logos/plaques? The Rotary, CCC, and all those others really add character - I realize we would lose a little of the visual simplicity, but I think it's a worthwhile tradeoff.

4. The small vertical sign in the median does not seem very good. It appears cramped and hard to read. Maybe leave that one out.

Thanks for sending these designs out for public comment.

Thom Quinn

I agree that the signs need to be replaced, or at least updated. I disagree with the elimination of the service club badges/banners for the Welcome signs. I think City Staff and the design team could find a way to incorporate those identifiers in the new City signs. I think placing them at a remote location, such as city hall, would do a disservice to these organizations that lend so much to the character and soul of Rancho Cordova.

As far as the current proposals go, I think they are on the right track with the focus being the American River. However, I think the proposed signs look very unprofessional for a city with the future that Rancho Cordova shows. I would like to see something similar to the signs for Redding. Not only does it put forth an image of professionalism, but such displays would go a great way towards freshening up the dismal locations of the current signs.

Linda Robinson

I am less than pleased with the concept signage I viewed in the Grapevine. As an artist and resident, I find it too simple and it does not represent our community. Maybe something more on the lines of the banners which hang on the streets is a better indication of what our city represents. And DEFINITELY DO NOT use yellow and green!!! This is a city sign that must be in place for a long time, and as the concept is now it is quite ugly.

Roberta Snyder

Congratulations on creating the City of Rancho Cordova "welcome signs." I like the horizontal versions very much, but the vertical sign looks crazy to me. Keep up the great work some of your members are achieving. The street signs in RC are very much appreciated by the older citizens especially. We tend not to see well in the dark, and the beautiful street signs are bright and clear.

Rancho Cordova Gateway Community Meeting
November 17, 2010

The City held a community meeting to solicit input on proposed Gateway Signs that was attended by 10 community members. Specific comments and questions received from participants included:

1. Can the Gateway Signs be customized for different locations – River is good for Sunrise North sign, but interested in different themes for other locations.
2. Color catches the attention of people – should incorporate eye-catching colors in Gateway Signs.
3. Look for options to keep the Service Organization emblems in the Gateway Signs.
4. Safety concerns over Folsom Boulevard sign – the larger monument to the west. Close to road and concern that a car hitting it would cause injury.
5. Question: Were more traditional sign materials such as brick and stone considered? Answer: Yes, concern over graffiti and ability to remove graffiti.
6. Comment in favor of using the font on the City Hall outside wall – clean and readable.
7. Head count votes – informal tallies were taken on the following questions:
 - a. Do you like “American River Parkway” on the sign Sunrise sign: No – 7-1
 - b. Should we “go back to the drawing boards” or “start over”: No – 9-1
 - c. Words turned sideways on vertical sign (Hazel/Folsom) is irritating: Yes – 9-1
 - d. Did you recognize the blue band as a river: Yes – 5-5
 - e. Do you like the River concept: Yes – 9-0
 - f. Did you recognize Rossmoor Bar: No – 8-2
 - g. Should we relocate the Service Club emblems away from the Gateways: Yes – 7-3
8. Speaker presented a Rainbow/Prosperity concept for consideration. He asked for group input and no one supported the graphic concept as presented.
9. Consider using “Inc.” instead of “Incorporated” to shorten text on sign.
10. All America City Logo:
 - a. Not sure what the AAC Logo stands for – comments that it looks like railroad logo.
 - b. Should replace the AAC Logo with the City Seal.
 - c. Should use City Seal with words “All America City” beneath
11. Post/Median Sign at Hazel:
 - a. Seems too small/inconsequential – consider going taller
 - b. Look for alternate sites that will allow a larger sign – Aerojet property to south, further west on Folsom, or on adjacent private property.
 - c. Consider an arch over Folsom Boulevard near Hazel.
 - d. For vertical sign, consider vertically stacked the letters instead of turning words vertical.
12. Solid rock/stone monuments get attention – Empire Ranch example mentioned.
13. General comments that icons are interesting, but not well executed on the version with posts,
14. Like the modern, forward thinking quality of proposal.
15. Cobblestones are ubiquitous in Rancho Cordova – Cobbles with 3Form sign could provide interesting play between historic and future.
16. Cobble base could present problems for graffiti removal.

17. Consider a “field of cobbles” or “piles of cobbles” – permanently installed with cement. Idea is low angle cobble/boulder base with 3Form sign rising from the field.
18. Consider locating Gateway Sign within freeway interchange landscaping.
19. Consider securing two billboards on Hwy 50 (east and west boundaries) to identify entry into the community.

**Cordova Community Council Presentation
November 19, 2010**

A brief presentation on the City Gateways was provided at the November 19 Cordova Community Council meeting and guests were asked to identify their general level of support for the designs and to provide specific comments. Comments below were provided by guests under the noted heading:

I like the design as it is – please move forward! (6 respondents)

- Put Welcome to Rancho Cordova
- I hope we can use All America City on the big tanks (water towers?)

I generally like the design, but it needs some changes.(22 respondents)

- Is there some way, near the sign, not necessarily on the sign, where organizations can be listed?
- The "river" running through is not well defined; could we use the official logo somewhere on the sign?
- Needs more pizzazz! Incorporation date not needed. Very cool blue ribbon – water. Yellow background is cheery.
- Not colorful enough – needs our heritage. Vineyards, hope, and mining.
- Need brighter colors.
- Yellow and green colors too light.
- I think we have more in Rancho to tell about than the American River Parkway. I am thinking of a different slogan.
- I like when City signs say "Welcome to..."
- You could put the "symbols" or icons in patches around the base – suggests they are the foundation and support to the City.
- The blue ribbon really did not represent the American River, only when told did I know that was its purpose.
- Spot or way to highlight community groups; "All American City" – We are more than just this; Like high tech product feel; Like focus on "nature" with river; What about "Home" – Living Community & "Work"? These are important parts of the City.
- Colors are going neutral; I like it (them). Can you add the "seal of Rancho" anywhere on the sign? I like the materials; great idea!
- Will it be lighted up at night? Solar Power Source? Tiny low power light bulbs w/colors?
- The colors are a little over the top.
- I don't feel the positive energy in the sign. I think it needs to embrace the future as well as honor the past.

- Have the original logos and new logos of Youth Council Groups so people could see the groups that help our community.
- Change color and too industrial. Look should show more Rancho Cordova landmarks.
- More snazzy. Maybe a "Rancho Motto" at the bottom "Home of the Lancers" perhaps.
- The concrete base is too plain. I like that the middle will light up. I would suggest the City seal go on the base, but I think the City logo is old fashioned, and should be changed.

I don't like the design concept. Please start over on the design process.(13 respondents)

- No comment.
- I don't like the color and the "so called" river would not mean anything to someone who does not live here. Use the City logo at the top of this form [standard City logo].
- Use City Seal; [standard City logo; they've crossed out 'California' to read 'All-America City']
- I would prefer they use our City seal. The colors are better and it covers all that Rancho Cordova is. Hope weed abatement goes with the new sign.
- Not attractive.
- The words are too small and will not be readable from a vehicle. Are we to lose the community activity/organizational signs? The vertical sign is awkward and not attractive. The horizontal sign is attractive enough though I like "The City of Rancho Cordova". Is the sign okay within the parkway? How about "Welcome"?
- I'd like to brand more symbols onto it, add some life & color to it.
- I think it's ugly. I don't like the colors & there's no reason to put the river on there. The old sign looked better.
- A design more to our history – not modern. Include: "All American City 2010" not just the All America City logo. Include: City logo. Consider an arch design.
- Something more classic. I'm afraid this design will look dated quickly. I think that graffiti will be easy to remove and also the more industrial base. I like the font. I also like having the incorporation year. I don't mind that the seals, etc. will go away to a new home.
- It looks like a puzzle piece.
- I like the design but more for a mall or aquatic center. I suggest something more clean and stunning.
- The current seal should be used on the design. The colors should also incorporate red and black. The parkway is only a small part of Rancho Cordova. The sign should depict the whole history.
- What is wrong with the City logo? Just add the AAC on the bottom. Most people I spoke to in Rancho do not think of it being a major part of the "American parkway" (maybe Sac, Fair Oaks or Carmichael, even Gold River who wants no association w/ RC) RC is not known as a "River City", that part of the design should go.

RECEIVED

NOV 19 2010

RANCHO CORDOVA
PLANNING

Honorable Mayor and Council Members,

Here are my comments on the proposed CITY GATEWAY SIGN DESIGN CONCEPTS dated November 1, 2010.

Materials and Lighting

Issues:

1. Lighting of any type requires added maintenance and ongoing costs.
2. When lights go out the sign will say "Rancho Cordova" big ideas, poor follow-up.
3. Internal lights will be an even bigger nightmare.
4. Existing street lights will provide ample lighting.
5. The signs seem to be bright enough without additional lighting. Think National Parks, Ca Caverns, Big Trees, Tall Trees, American River Parkway!
6. The proposed locations are in non-urban entrances to the city. Signs without lighting seem to fit better with natural landscape and overall river parkway theme.
7. Don't over engineer this thing. We don't need high-tech "glowing" signs.

Suggestions:

1. Incorporate very low levels of reflective particles into the material of the larger yellow and green areas of the sign for better night visibility.
2. Incorporate slightly higher levels of reflective particles into the blue, gray and green river ribbon. Picture the warm almost invisible sophisticated glow of soft back lighting --- not bedazzle, flash, bang, pop, or glitter.
3. For contrast, lettering, shield, and dark blue? / black river lines river should not contain reflective materials.
4. I had to dig deep a little too deep to find out that the sign is made out of **40% pre-consumer recycled content**. We need to elevate attention to this "green" component of the signage.
5. The word City requires a level of sophistication or subtle grace. In this instance we shouldn't miss this opportunity to include more sophisticated elements (not high-tech or frilly) into the proposed design.

Composition and Verbiage

Comments:

1. At first glance, the words "Welcome to" would seem to be a major missing element. However, in keeping with the natural landscape and overall river parkway theme of the sign, I like the sign without those words.
2. The shield wording "All-American City" against the flag background help to create an inviting symbol.
3. Images and pictures of happy and or jumping fish lack sophistication.
4. Hazel Sign - This sign is too small and does not match the other signs.

Suggestions:

1. Folsom Sign - Incorporate one small image of the "B-52 Statofortress" into the "empty" upper right corner of the panel. Maybe a very faint or translucent white, image, similar to bomber in the city letterhead logo. No Jets!! Alternately, this same faint slightly larger image could be engraved into the humped "plain face" portion of the concrete base to symbolize our airbase roots and honor our veteran community.
2. Sunrise Sign - Similar to suggestion 1... Incorporate one small very faint image of a flying egret bird into the "empty" upper right corner and one small but elongated very faint non-jumping, image of a Salmon into the "empty" lower green "bowl" portion of the panel. Alternately, 3-4 two slightly larger images of

birds, non-jumping fish and river islands could be engraved into the humped plain face portion of the concrete base to symbolize a more nature feel to show off our City's crown jewel. I think the Watt Ave. Bridge has sophisticated engravings in the concrete.

3. Hazel Sign – Much smaller font on "2003" numbers. If you use a "break away" pressure treated post for the sign, please cover the wood with plastic similar to PVC fencing. If you choose a larger matching sign, consider incorporating one small image of the "Rocket" into the "empty" upper right corner of the panel. Maybe a very faint or translucent white, image. No Jets!! Alternately, this same faint slightly larger image could be engraved into the humped "plain face" portion of the concrete base to symbolize our/Aerojet's role within the Aerospace Industry.
4. Jackson Road Sign – Similar to suggestion 2... Incorporate 1 small very faint image of a standing blue heron into the "empty" upper right corner and 1 small very faint image of an non-jumping "other than Salmon" fish into the "empty" lower green bowl portion of the panel. Alternately, 3-4 two slightly larger images of birds, non-jumping fish and river islands could be engraved Into the humped plain face portion of the concrete base to symbolize a more nature feel to show off our City' crown jewel.

Overall, I think you all did a great job of coming up with a workable theme. I can see that you've already identified the American River and the American River Parkway as major almost untapped natural resources in our community. I think that a slightly more sophisticated but understated version of the proposed signs will elevate the image of the City of Rancho Cordova for years to come. Thank you for considering my input.

Respectfully,
Ben Heningburg
3412 Durello Circle
Rancho Cordova
916.859.0453

MEMORANDUM



DATE: December 6, 2010

TO: Honorable Mayor and Council Members

FROM: Paul Junker, Planning Director

SUBJECT: MULTI-JURISDICTIONAL UPDATE AND REQUEST TO SELECT A COUNCIL REPRESENTATIVE AND ALTERNATE REPRESENTATIVE FOR THE SOUTH SACRAMENTO HABITAT CONSERVATION PLAN

RECOMMENDATION

Staff recommends that the City Council select a representative and an alternate to serve as the City's elected liaison to support the completion of the South Sacramento Habitat Conservation Plan (SSHCP).

RESULT OF RECOMMENDED ACTION

Designation of liaisons by each of the elected boards of the SSHCP Local Agency Plan Partners (Plan Partners) will assist with ensuring that local elected officials are well informed on this complex project and will demonstrate to the State and Federal regulatory agencies the engagement of elected decision makers within the SSHCP process.

BACKGROUND

The SSHCP is a regional approach to balance the effects of urban development, including infrastructure improvements, with the preservation and protection of biological resources and wildlife habitat. The SSHCP is a voluntary mechanism by which project proponents within the permitting scope of the SSHCP will be able to obtain permits from State and Federal regulatory agencies in an expedited and predictable manner. Completing the SSHCP is a condition of the United States Fish & Wildlife Service's (USFWS) authorization for the construction of Sacramento County's Freeport Drinking Water Facility and is supposed to be in place before water from the facility is delivered.

The SSHCP is being prepared through a collaborative effort between local agencies that are collectively identified as the Plan Partners. The Plan Partners include: Sacramento County, the City of Rancho Cordova, the City of Galt, the City of Elk Grove, the Sacramento County Regional Sanitation District, and the Sacramento County Water Agency.

The City of Rancho Cordova has been actively involved in the SSHCP for over 6 years participating in the SSHCP Steering Committee and subcommittees. The city and the other Plan Partners have jointly convened a Local Agency Working Group composed of

representatives of the local governments that has provided support and guidance in drafting and amending various sections of the SSHCP Chapters and the related SSHCP Implementing Agreement. Because these local government agencies will receive permits from the state and federal agencies and will be responsible for implementing the SSHCP, the Local Agency Working Group serves as a project management group for the development of the SSHCP.

A Working Draft of the SSHCP was released in August, 2010. That draft has been made available to all permitting agencies and the public and is available online at <http://www.southsachcp.com>.

An overview of the document has been presented to the SSHCP Steering Committee and the permitting agencies. The Steering Committee has formed a core group, the Steering Committee Working Group, which is reviewing the Plan document in detail.

The purpose of this agenda item is to request that the City Council select a representative and an alternate to serve as the city's elected liaison to support the completion of the South Sacramento Habitat Plan. As part of the process of reviewing the SSHCP working document, the regulatory agencies have requested that elected representatives of each of the Plan Partner agencies be included in these discussions. The role of the Elected Liasons will be to:

- Ensure that elected representatives are part of the working group discussion with the permitting agencies
- Ensure good communication with the elected board of each Plan Partner through their elected representative
- To alert staff to issues of concern

The selected City Council Member will be asked to attend and participate in future working sessions. At the present time these specific working sessions have not been scheduled; however meetings are anticipated to continue through much of 2011.

Currently a technical staff working group is scheduled to meet from December 8 through December 10, in order to address and resolve issues, and to develop a clear path for the advancement of the Plan document. The city's designated elected liaison will be asked to participate in the final day of these meetings on December 10, 2010.

FISCAL IMPLICATIONS

The City Council has previously approved Resolution No. 66-2010, authorizing the City Manager to execute a Memorandum of Agreement for the city to participate in the SSHCP and authorizing expenditure of up to \$200,000 to support the preparation of the SSHCP. This action will not modify that previous commitment of funds.

MEMORANDUM



Date: December 6, 2010

To: Honorable Mayor and Council Members

From: Ted Gaebler, City Manager
Mindy Cuppy, CMC, City Clerk

Subject: 2011 CITY COUNCIL MEETING SCHEDULE

RECOMMENDATION

Staff recommends Council discuss and confirm its meeting schedule for 2011.

RESULT OF RECOMMENDED ACTION

Action on this item will confirm the 2011 meeting schedule for Rancho Cordova City Council Members.

BACKGROUND

In November, as part of its annual business planning for the upcoming year, the City Council reviews the next year's calendar and determines its meeting schedule for 2011.

Attached is a month-by-month detailed calendar (with colored legend) listing local, state, and national events, including the League of California Cities, the National League of Cities, the California Redevelopment Association, the American Society for Public Administration, and various other organization conferences.

In 2010 we made the following improvements:

- This draft calendar is created in Outlook and pushed out to all City Council and staff calendars.
- The City Clerk's department constantly monitors the calendar for accuracy and modifications and updates instantly the master calendar which in effect updates City Council and Staff Outlook calendars.
- Saves Administrative Support staff time.
- Clerk staff is on many e-mail distribution lists so that we get updates and can make changes instantly.

ATTACHMENT

2011 Council Meeting & Conference Calendar

MEMORANDUM

Date: December 6, 2010
To: Honorable Mayor and Council Members
From: Mindy Cuppy, CMC, City Clerk
Subject: **SELECTION OF MAYOR AND VICE MAYOR**



RECOMMENDATION

That Council selects its next Mayor and Vice Mayor for 2011.

RESULT OF RECOMMENDED ACTION

Result of recommended action is that Council appoints its leadership officers, per Resolution No. 05-2004. The ceremonial seating of the new Mayor and new Vice Mayor will take place at the next Council Meeting on December 20th.

BACKGROUND

On January 5, 2004, the City Council adopted Resolution No. 5-2004 to set forth the Council policy that one of its members would be selected as Mayor and one of its members selected as Mayor Pro Tempore at the first regular City Council meeting in December. Subsequently, Council adopted Resolution No. 185-2004 changing to Vice Mayor designation from Mayor Pro Tempore.

ATTACHMENTS

1. Resolution No. 5-2004
2. Resolution No. 185-2004

CITY OF RANCHO CORDOVA

RESOLUTION NO. 5-2004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
SELECTING DATE ON WHICH THE CITY COUNCIL SHALL ANNUALLY SELECT
A MAYOR AND MAYOR PRO TEMPORE

RECITALS

WHEREAS, Government Code §36801 provides that the City Council shall select one of its members as mayor and one of its members as mayor pro tempore.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council shall select one of its members as Mayor and one of its members as Mayor Pro Tempore at the first regular City Council meeting in December.

ADOPTED, THIS 5th day of January, 2004 by the following vote:

AYES: Cooley, McGarvey, Sander, Budge, Roberts

NOES: None

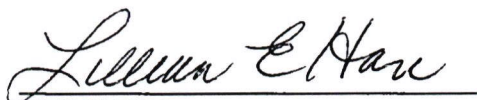
ABSENT: None

ABSTENTIONS: None

APPROVED:


MAYOR

ATTEST:


CITY CLERK

RESOLUTION NO. 185-2004

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO
CORDOVA, CALIFORNIA AMENDING RESOLUTION 31-2004 AND
CHANGING THE DESIGNATION OF MAYOR PRO TEMPORE TO VICE
MAYOR**

WHEREAS, the City Council is desirous of changing the designation of "Mayor Pro Tempore" to "Vice Mayor."

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Rancho Cordova does hereby determine and order that:

1. Section 4 and 5 of Resolution No. 31-2003 is amended to replace the "Mayor Pro Tempore" designation with "Vice Mayor" and that
2. That references to "Mayor Pro Tempore" in Resolution No. 5-2004 are hereby amended to be "Vice Mayor."

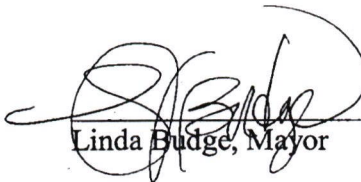
I HEREBY CERTIFY that the foregoing resolution was introduced and passed at a regular meeting of the City Council of the City of Rancho Cordova, held on the 6th day of December, 2004, by the following vote:

AYES: Skoglund, Sander, McGarvey, Cooley, Budge

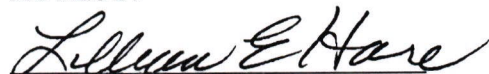
NOES: None

ABSENT: None

ABSTAIN: None


Linda Budge, Mayor

ATTEST:


Lillian E. Hare, City Clerk