

CITY COUNCIL AGENDA

Special Meeting

Tuesday, July 1, 2003

9:30 A.M.

California Office of Emergency Services Building

West Multipurpose Room

3650 Schriever Avenue

Rancho Cordova, CA

www.cityofranchocordova.org

City Council

David Roberts

Linda Budge

Robert McGarvey

Kenneth Cooley

David Sander

1. Opening Matters

- 1.1 Call to Order
- 1.2 Pledge of Allegiance
- 1.3 Invocation by a Member of the Rancho Cordova Ministerial Association
- 1.4 Roll Call
- 1.5 Swearing In Ceremony
- 1.6 Council Comments
- 1.7 Congratulatory Remarks & Presentation to Council Members
- 1.8 Approval of Agenda
- 1.9 Approval of Minutes: June 2, 2003
- 1.10 Selection of Mayor and Mayor Pro Tempore
 - by Motion, Select a Mayor and Mayor Pro Tempore

2. Public Comments

At this time, the public is permitted to address the City Council on non-agendized items. COMMENTS SHOULD NOT EXCEED THREE (3) MINUTES. In accordance with State Law, no action or discussion may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may request Staff review the matter and report back at a future meeting. Any member of the public may contact the City Clerk's Office related to the proper procedure for placing an item on a future City Council agenda. The exceptions under which the City council MAY discuss and/or take action on items not appearing on the agenda are contained in Government Code § 54954.2(b)(1-3).

3. Consent Calendar

Consent Calendar items are typically non-controversial in nature and are considered for approval by the City Council with one single action. Members of the audience, Staff or the City Council who would like an item removed from the Consent Calendar for purposes of public input may request the Mayor to remove the item.

AGENDA FOR JULY 1 COUNCIL MEETING

- 3.1 Waive the Reading and Adopt An Urgency Ordinance Providing for All County Ordinances to Remain in Effect for 120 Days

Explanation: This ordinance will adopt the Sacramento County Code as the ordinances within the City of Rancho Cordova, together with all administrative interpretations, for 120 days. Adoption is required by Government Code section 57376 and Paragraph 8 of LAFCO Resolution No. 1243. The ordinance will become effective immediately. Requires a 4/5th vote.

- 3.2 Adoption of Resolution Regarding Mayor and Mayor Pro Tempore

Explanation: This resolution will establish the procedure for selection of mayor and mayor pro tempore and their responsibilities.

- 3.3 Adoption of Resolution Designating the Place and Time for Regular City Council Meetings

Explanation: This resolution will designate the place and time of regular Council meetings as required by Government Code section 54954(a). The regular meetings will be held on the first and third Monday of each month at 6:30 p.m. at the City Council Chambers.

- 3.4 Waive the Reading and Adopt an Urgency Ordinance Creating and Establishing a City Manager Form of Government and the Position of City Manager and Adoption of Resolution to Approve the Assistant to the City Manager/Economic Development Position and Job Specification

Explanation: Pursuant to Government Code section 34581 and Paragraph 13 of LAFCO Resolution No. 1243, this ordinance will establish the City Manager form of government as the system of governance in Rancho Cordova and creates the position of City Manager. The ordinance will become effective immediately. Requires a 4/5th vote. The second action will approve the Assistant to the City Manager/Economic Development position and job specification.

- 3.5 Adoption of Resolution Adopting the Sacramento County General Plan as the City's General Plan on an Interim Basis

Explanation: This resolution will adopt the County General Plan as the general plan for the City of Rancho Cordova to be effective for a maximum period of 30 months or until the City adopts its own general plan, pursuant to Government Code section 65360 and as required by Paragraph 8 of LAFCO Resolution No. 1243.

AGENDA FOR JULY 1 COUNCIL MEETING

- 3.6 Adoption of Resolution Adopting the Mather Field Specific Plan on an Interim Basis

Explanation: This resolution will adopt the Mather Field Specific Plan for a maximum period of 30 months or until modified by the Council.

- 3.7 Adoption of Resolution Adopting the SunRidge Specific Plan on an Interim Basis

Explanation: This resolution will adopt the SunRidge Specific Plan for a maximum period of 30 months or until modified by the Council.

- 3.8 Adoption of Resolution Adopting County Zoning Map on an Interim Basis

Explanation: This resolution will adopt Sacramento County's Zoning Map as in effect on July 1, 2003, as the zoning map for the City of Rancho Cordova.

- 3.9 Waive the Reading and Introduce Ordinance Imposing a Sales and Use Tax to be Administered by the State Board of Equalization and Providing Penalties for Violations; Adopt Resolution Approving Agreement for State Administration of Local Sales and Use Taxes; and Adopt Resolution Authorizing Examination of Sales and Use Tax Records

Explanation: The Council will take three actions related to sales and use taxes. The first is to waive the reading and introduce an ordinance to adopt a Sales and Use Tax within the City of Rancho Cordova in accordance with the Bradley-Burns Act. The ordinance will be continued to the July 7, 2003 Council meeting for second reading and adoption. The second action is to approve an agreement with the State Board of Equalization (Board) for collection of the tax. The third action is to adopt a resolution authorizing the Board to examine records. These actions will not increase the amount of the current sales and use tax paid by consumers; the result of these actions is that the City will receive 1.0% of the existing sales and use tax beginning October 1, 2003. However, pursuant to Paragraph 9(h) of LAFCO Resolution No. 1243, any sales and use taxes received by the County during the period July 1 through September 30, 2003 will be used to offset charges to the City for County services after incorporation. These actions are required by Paragraph 9(o)(i) of LAFCO Resolution 1243.

- 3.10 Waive the Reading and Adopt an Urgency Ordinance to Continue the Existing Transient Occupancy Tax

Explanation: This ordinance will continue the County's transient occupancy (hotel) tax in effect at the current County rate. Adoption is

AGENDA FOR JULY 1 COUNCIL MEETING

required by Paragraph 9(o)(iv) of LAFCO Resolution No. 1243. The ordinance will become effective immediately. Requires a 4/5th vote.

- 3.11 Waive the Reading and Adopt an Urgency Ordinance to Continue the Existing Documentary Transfer Tax

Explanation: This ordinance will continue the County's documentary (real property) transfer tax in effect at the current County rate. Adoption is required by Paragraph 9(o)(v) of LAFCO Resolution No. 1243. The ordinance will become effective immediately. Requires a 4/5th vote.

- 3.12 Adoption of Resolution Appointing Charles Cate as City Manager and Approving Agreement for Interim City Manager Services

Explanation: This resolution will appoint Charles Cate as the Interim City Manager. The terms of his appointment, including compensation, will be as provided in the agreement signed with Mr. Cate, which will also be approved by the resolution.

- 3.13 Adoption of Resolution Appointing Steven R. Meyers as City Attorney and Adam U. Lindgren as Assistant City Attorney and Approving Agreement for Legal Services with Meyers, Nave, Riback, Silver & Wilson

Explanation: This resolution will appoint Steven R. Meyers as the City Attorney and Adam U. Lindgren as Assistant City Attorney. The Agreement for Legal Services, governing the terms of compensation for legal services, will also be approved.

- 3.14 Adoption of Resolution Authorizing County Officials to Enforce Laws in City During Transition Year

Explanation: Sacramento County is required to continue to provide all services in the City of Rancho Cordova which it provided prior to incorporation through June 30, 2004. This resolution will authorize all County employees who are performing services within the City of Rancho Cordova to enforce any laws within the City while the County is providing such services.

- 3.15 Adoption of Resolution Requiring Bonds for City Employees

Explanation: This resolution will establish the amount of the official bond for designated city employees and direct the City Manager to acquire a "blanket bond" covering all employees.

AGENDA FOR JULY 1 COUNCIL MEETING

- 3.16 Adoption of Resolution Adopting the Appropriation Limit (Provisional) for Fiscal Year 2003-2004

Explanation: California Constitution Article XIII B requires the City to adopt an "appropriations limit". Paragraph (9)(m) of LAFCO Resolution No. 1243 establishes the initial appropriations limit as \$34,250,000. This resolution will formally adopt that amount as the City's appropriations limit until voter approval.

- 3.17 Adoption of Resolution Designating U.S. Bank as the City's Bank and Providing for Authorized Signatures on Warrants and Checks

Explanation: This resolution will designate the U.S. Bank, Rancho Cordova branch, as the City's bank. It will also designate the City Manager and Mayor as the officials authorized to sign warrants and checks over \$2,500, with the City Manager authorized to sign checks for less than \$2,500.

- 3.18 Adoption of Resolution Authorizing Investment of City Monies in the Local Agency Investment Fund

Explanation: This resolution will authorize the City to invest monies in the State's Local Agency Investment Fund. The City Manager and the City Treasurer are authorized to deposit or withdraw monies.

- 3.19 Adoption of Resolution Establishing a Petty Cash Fund

Explanation: This resolution will establish a petty cash fund for minor expenses of the daily operations of the City.

- 3.20 Adoption of Resolution Consenting to Cancellation of Uncollected Taxes, Penalties and Costs Based on the Consent of the County Counsel

Explanation: This resolution will authorize the County Counsel to consent to cancellation of uncollected taxes, penalties and costs on behalf of the City.

- 3.21 Waive the Reading and Adopt An Urgency Ordinance Establishing a Special Gas Tax Street Improvement Fund

Explanation: This resolution will establish a special fund into which all gas tax revenues will be deposited. The ordinance will become effective immediately. Requires a 4/5th vote.

- 3.22 Waive the Reading and Adopt a Purchasing Ordinance as an Urgency Ordinance

AGENDA FOR JULY 1 COUNCIL MEETING

Explanation: This ordinance will create a purchasing system to establish efficient procedures for the purchase of supplies, services and equipment to secure for the city supplies, services and equipment at the lowest possible cost commensurate with the level of quality required, to exercise financial control over purchases, and to clearly define authority for the purchasing function. This will become effective immediately. Requires a 4/5th vote.

3.23 Adoption of Resolution Establishing Cost Recovery Program for Land Use, Zoning and Building Approvals

Explanation: This resolution will require applicants for land use approvals to pay the cost of processing such applications. The costs will include all staff time, including overhead, and the City's actual costs paid for legal and other services required to review and process the application.

3.24 Waive the Reading and Adopt An Urgency Ordinance Providing for Council Reimbursement for Expenses

Explanation: This ordinance will provide a policy for Councilmembers to receive reimbursement for actual, reasonable and necessary expenses incurred in performing their duties. The ordinance is authorized by Government Code section 36514.5. The ordinance will become effective immediately. Requires a 4/5th vote.

3.25 Waive the Reading and Adopt An Urgency Ordinance Providing for Council Salaries

Explanation: This ordinance is authorized by Government Code section 36516(a). It will provide Councilmembers with a monthly salary of \$500. The ordinance will become effective immediately. Requires a 4/5th vote.

3.26 Waive the Reading and Adopt an Urgency Ordinance Establishing a Local Claims Procedure and Authorizing the City Manager to Reject or Settle Claims

Explanation: This ordinance will require that claims be presented to the City before filing a law suit for those types of claims that are exempt from the California Tort Claims Act. The ordinance would require that all members of a class action properly present a claim to the City. The ordinance would also authorize the City Manager to reject or settle claims less than \$2,500. This ordinance is authorized by Government Code sections 935 and 935.4. The ordinance will become effective immediately. Requires a 4/5th vote.

AGENDA FOR JULY 1 COUNCIL MEETING

- 3.27 Adoption of Resolution Authorizing the Mayor to Enter into a Tax Sharing Agreement with the County of Sacramento

Explanation: Paragraph 9(s) of LAFCO Resolution No. 1243 requires that the County of Sacramento and the City of Rancho Cordova enter into a "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova." This resolution will approve the "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova" submitted to the electorate for approval as part of the incorporation ballot measure with reservation.

- 3.28 Adoption of Resolution Providing for Posting of Ordinances

Explanation: This resolution will allow the City to provide notice of proposed actions when notice is legally required by posting in three public places.

- 3.29 Adoption of Resolution Adopting CEQA Guidelines

Explanation: This resolution will adopt the State CEQA Guidelines as the City's CEQA guidelines.

- 3.30 Adoption of Resolution Consenting to Enforcement by County Health Officer of All Health Laws Within City

Explanation: This resolution will consent to the enforcement by the County Health Officer of all laws relating to public health. This resolution is authorized by Health & Safety Code section 101375.

- 3.31 Adoption of Resolution Regarding Insurance

Explanation: This resolution will authorize and direct the City Manager to obtain insurance.

- 3.32 Adoption of Resolution of Intent to Adopt Conflict of Interest Code and to Invite Public Comments

Explanation: The City needs to adopt a conflict of interest code. A 60-day public comment period is required prior to adoption. This resolution will provide notice of the intent to adopt the conflict of interest code.

- 3.33 Waive the Reading and Introduce Ordinance to Consolidate the General Municipal Election with the Statewide General Election to be Held on November 2, 2004; and to Request the

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Board of Supervisors of Sacramento County to Order Consolidation with the Statewide General Election

Explanation: This ordinance will establish a municipal election on the date of the statewide general election. This ordinance will also consolidate the City election with the County election. The ordinance will be continued to the July 7, 2003 Council meeting for second reading and adoption.

- 3.34 Waive the Reading and Adopt an Urgency Ordinance Continuing County Fees, Charges and Rates in Effect; Resolution Authorizing Sacramento County to Continue the Collection of Fees, Charges, and Rates for Fiscal Year 2003-2004

Explanation: The Council will take two actions related to fees, charges and rates, currently in effect within the City. The ordinance will continue County fees, charges and rates in effect as the City's fees, charges and rates for programs and services. The ordinance does not apply to development impact fees. The ordinance will become effective immediately. The ordinance requires a 4/5th vote. The resolution authorizes the County to continue to collect these fees, charges and rates.

- 3.35 Adoption of Resolution Authorizing Sacramento County to Continue Collecting Special Taxes, Fees, Charges and Assessments on County Tax Rolls for Fiscal Year 2003-2004

Explanation: The resolution will authorize Sacramento County to continue collecting property taxes on property within the boundaries of the City that was on County tax rolls prior to incorporation.

- 3.36 Adoption of Resolution Adopting Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982

Explanation: The resolution will adopt goals and policies concerning the use of the Community Facilities Act of 1982. It is required before the City can initiate the proceedings to establish any Community Facilities District (CFD).

- 3.37 Adoption of Resolution Declaring the Intent of the City of Rancho Cordova to Establish the Rancho Cordova SunRidge Anatolia Community Facilities District No. 2003-1 and to Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Facilities and the Payment of Certain Fees in and for Such Community Facilities District

Explanation: This resolution will indicate the intent of the City to establish a Community Facilities District and will set a public hearing on August 4, 2003 for the formation of the District.

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- 3.38 Adoption of Resolution of the City Council Declaring its Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities and the Payment of Certain Fees In and For the City of Rancho Cordova SunRidge Anatolia Community Facilities District No. 2003-1

Explanation: This resolution is required to be adopted before the City can incur bonded indebtedness for the Rancho Cordova SunRidge Anatolia Community Facilities District No. 2003-1.

- 3.39 Adoption of Resolution Creating the Rancho Cordova Police Tax Area and Indicating Council's Intent to Impose a Tax on New Development

Explanation: This resolution will establish the entire City as a special tax area. It approves the form of documents to impose a special police services tax within zones in newly-developing areas. No tax will be imposed unless it is approved by the voters within the zone.

- 3.40 Adoption of Resolution Establishing Rules for the Conduct of Meetings of the City Council of the City of Rancho Cordova

Explanation: This resolution will adopt procedures and other rules of order for the conduct of City Council meetings.

- 3.41 Adoption of Resolution Ratifying Previous Actions and Agreements Approved or Entered into by the Council-Elect and Interim City Manager Prior to Incorporation

Explanation: This resolution will ratify the actions taken by the Council-Elect and the Interim City Manager prior to incorporation to assure that any actions undertaken and any agreements, contracts and leases entered into have the full effect of legislative and contractual approval by the City.

- 4. Reports
- 5. Discussion/Action Items
- 6. Closing Comments
- 7. Adjourn

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Ordinance Providing for County Ordinances to Remain in Effect and Declaring Said Ordinance to be an Urgency Measure to Take Effect Immediately
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Urgency Ordinance Providing for County Ordinances to Remain in Effect.

RECOMMENDATION: 1. Waive the reading and adopt ordinance as an urgency ordinance (4/5 vote required).

DESCRIPTION:

Government Code § 57376 provides that the city council of a new city shall, immediately following its organization and prior to performing any other official act, adopt an ordinance providing that all county ordinances previously applicable shall remain in full force and effect as city ordinances for 120 days after incorporation or until the new city council has enacted ordinances superseding the county ordinances, whichever occurs first.

The Sacramento County Code includes all County ordinances that have been codified. The draft ordinance would continue all provisions of the Sacramento County Code in effect until October 29, 2003, which is 120 days following July 1, 2003. Because some ordinances are not codified, the draft ordinance also continues in effect all uncoded ordinances of the County. It also continues any resolutions, regulations or other enactments which implement the County ordinances. Finally, the draft ordinance provides that references in the County ordinances to the County and County boards and officials shall be references to the appropriate City boards or officials in the incorporated area of Rancho Cordova.

The Council will need to take action prior to October 29, 2003 either to adopt by reference (pursuant to Government Code §§ 50022.1 *et seq.*) those provisions of the County Code that are necessary for the City of Rancho Cordova or to adopt its own ordinances to supersede the County Code provisions. It is not necessary at this time to identify which provisions of the County Code should be adopted by reference and which provisions of the County Code should be replaced by City ordinances.

As a result of adoption of this urgency ordinance, all the County's laws relating to traffic will remain in effect for 120 days. The City Council may modify any of those traffic regulations by ordinance at any time. For example, the City Council may wish to prohibit the use of particular highways or streets by certain vehicles such as large trucks. Particular modifications to the County traffic ordinances could require significant analysis. They could also raise a great deal of community interest. Staff recommends that the City Manager work with the Sheriff's Department to identify any need for traffic related revisions.

Adoption of the draft resolution will require a four-fifths (4/5) vote inasmuch as it is an urgency measure to take effect immediately.

Adoption of this ordinance will satisfy Paragraph 8 of LAFCO Resolution No. 1243 approving incorporation.

634297

CITY OF RANCHO CORDOVA

ORDINANCE NO. 01-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
PROVIDING FOR COUNTY ORDINANCES TO REMAIN IN EFFECT**

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

SECTION 1. Continuation of County Ordinances. Pursuant to the provisions of Government Code §57376 of the State of California, all county ordinances of the County of Sacramento, whether codified in the Sacramento County Code or not, which are applicable to or within the area now within the boundaries of the City of Rancho Cordova in effect on the day immediately preceding July 1, 2003, which is the date of incorporation of said City, including the zoning ordinance, are hereby adopted and shall remain in full force and effect, as ordinances of the City of Rancho Cordova, for a period of 120 days from and after the date hereof. Notwithstanding the foregoing, any such county ordinance hereby adopted and continued in effect shall expire and terminate on such earlier date as an ordinance shall be enacted by the City Council specifically referring thereto and stating an intention to supersede the County ordinance.

SECTION 2. Continuation of County Resolutions, Rules, Regulations and Interpretations. All resolutions, rules, regulations and interpretations of the County of Sacramento which have been applicable to implementation of the aforesaid ordinances of the County of Sacramento shall remain in full force and effect as resolutions, rules, regulations, and administrative interpretations respectively, of the City of Rancho Cordova.

SECTION 3. Declaration of Intent. Certain provisions of the county enactments referred to in Sections 1 and 2 of this ordinance reflect the county governmental structure and contain references to officials, official titles, commissions, and other designations which are not a part of the structure of this City's government. In order to effectively and intelligently administer the county enactments to the extent that they are continued in effect by this ordinance, it is the purpose of this ordinance to provide for the substitution of the appropriate city official, title, or designation in county enactments.

SECTION 4. Substitution of Appropriate Reference to City.

- (a) Whenever in the enactments of the County of Sacramento that are continued in effect by the City there is a reference to "Board of Supervisors" or "board", this reference shall be interpreted to mean the "City Council of the City of Rancho Cordova."
- (b) Whenever it is appropriate under the circumstances and in the enactments of the County of Sacramento that are continued in effect by the City, there is a reference

to the "County of Sacramento", said reference shall be interpreted to mean the "City of Rancho Cordova."

- (c) Whenever in the enactments of the County of Sacramento that are continued in effect by the City there is a reference to an office, official title, board, commission or other designation, the reference shall be interpreted to mean the similar office, title, board, commission or designation in the governmental structure of the City, or if there is none, any official, board, commission or titleholder in the City who has been specifically directed by City Council or City Manager to perform the functions referred to or the duties imposed.

SECTION 5. Enforcement of Continuing County Ordinances. The enforcement of the continuing County ordinances in the incorporated area shall be by the City except insofar as services of enforcement are furnished by the County in accordance with Government Code §57384 or by agreement with the County of Sacramento.

SECTION 6. Effective Immediately. The City of Rancho Cordova has become incorporated on this date and comprises territory formerly unincorporated. The City Council has just organized and has not yet performed any other official act. Unless this ordinance becomes effective immediately, no local laws or ordinances would be effective within the newly incorporated territory, to protect the public peace, health and safety. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code §36937(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with Government Code §36933 of the State of California.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Regarding Designation of Mayor and Mayor Pro Tempore
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution regarding Mayor and Mayor Pro Tempore.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Government Code § 36801 provides that the Council meets on the first Tuesday after the general municipal election to select one of its members as mayor and one as mayor pro tempore. This provision has been interpreted by most cities to require that the Council select the mayor and mayor pro tempore at the first meeting after the general municipal election after the results of the election are certified by the County Registrar of Voters.

Although not consistent with State law, in some cities the mayor serves for a fiscal year or for a calendar year.

The mayor presides at Council meetings, may make or second any motion and present and discuss any matter as a member of the Council. (Government Code § 36802-3.) If the mayor is absent, the mayor pro tempore serves until the mayor returns or is able to act.

The draft resolution will establish the process for selection of the mayor and mayor pro tempore and will describe the privileges of the mayor. This resolution will not need to be revised when a different Councilmember is selected to serve as Mayor.

The resolution provides that the Council will by motion select one member to be Mayor and another member to be Mayor Pro Tempore. Thereafter, the Council will select the Mayor and Mayor Pro Tempore at the first regular council meeting after January 1 of each year.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 01-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
REGARDING MAYOR AND MAYOR PRO TEMPORE**

WHEREAS, pursuant to Government Code § 36801, the Council shall select one of its members to serve as mayor and one of its members to serve as mayor pro tempore.

NOW THEREFORE, the City Council of the City of Rancho Cordova resolves that, on July 1, 2003 and at the first regular Council meeting after January 1 of each year thereafter, the City Council shall select one of its members to serve as Mayor and one of its members to serve as Mayor Pro Tempore.

BE IT FURTHER RESOLVED that the Mayor and the Mayor Pro Tempore (in the absence or inability of the Mayor to act) shall have all the powers conferred by State law (including Government Code § 36802) and the following privileges and responsibilities:

1. To serve as chair at all meetings of the City Council;
2. To place items on the Council agenda for consideration at Council meetings;
3. To represent the City of Rancho Cordova at the Sacramento County Mayor's Conference or, if unable to attend, designate another council member to attend; and
4. To represent the City of Rancho Cordova at public events and forums or, if unable to attend, designate another council member to attend.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

628323

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Establishing Regular Meeting Date
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

California Government Code § 54954(a) requires the Council to establish a regular meeting date, time and place. The draft resolution establishes the first and third Monday of the month at 6:30 p.m. as the date and time for regular Council meetings. The resolution designates the City Council Chambers at 3121 Gold Canal Drive as the location of regular meetings. The resolution can be amended to designate different dates, times, and location.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 02-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
DESIGNATING THE PLACE AND TIME FOR
REGULAR CITY COUNCIL MEETINGS**

WHEREAS, the City Council of the City of Rancho Cordova wishes to encourage and maximize participation of the public in the proceedings and discussions of the City Council; and

WHEREAS, one way to encourage and maximize participation is to establish a regular meeting date by resolution; and

WHEREAS, the Ralph M. Brown Act requires the City Council to establish a regular meeting date by resolution.

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

1. The Regular Meeting days for the City Council of the City of Rancho Cordova shall be the first and third Monday of the month, provided that if a regular meeting date is an official holiday, the meeting will be held on the following day.
2. The Regular Meeting time of the City Council of the City of Rancho Cordova shall be 6:30 p.m.
3. The Regular Meeting place of the City Council of the City of Rancho Cordova shall be the City Council Chambers at 3121 Gold Canal Drive, Rancho Cordova, California.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627459

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Ordinance Establishing City Manager Form of Government and Position of City Manager; Resolution Establishing Position of Assistant to the City Manager/Economic Development
(Prepared by City Attorney)

ATTACHMENTS:

1. Draft Ordinance Establishing City Manager Form of Government and Position of City Manager;
2. Draft Resolution Establishing Position of Assistant to the City Manager/Economic Development; and
3. Attachment enumerating duties of Assistant to the City Manager/Economic Development.

RECOMMENDATION:

1. Waive Reading and Adopt Ordinance as an Urgency Ordinance Establishing City Manager Form of Government and Position of City Manager (4/5 vote required).
2. Adopt the Resolution Establishing Position of Assistant to the City Manager/Economic Development.

DESCRIPTION:

A general law city is authorized by Government Code §§ 34851 to 34859 to establish a "city manager" form of government in one of three ways: (1) by an ordinance enacted by the city council; (2) by an ordinance submitted by the council to and approved by the electorate; or (3) by an initiative ordinance approved by the electorate. (Government Code § 34851.) The ordinance must define the powers and duties of the city manager and may fix the city manager's compensation. (Government Code § 34852.)

Under the Government Code provisions, the city manager may appoint and dismiss the chief of police and other subordinate appointive officers and employees, except the city attorney. The city manager shall also appoint the city clerk and city treasurer if the council vests such power in the city manager; otherwise, the council shall appoint the city clerk and city treasurer. (Government Code § 34856.)

A draft ordinance is attached for the Council's review and consideration. This ordinance is patterned after similar "council/city manager" ordinances in other cities. The ordinance establishes the position of City Manager; provides that compensation shall be as determined by the Council; provides that the City Manager is the administrative head of the City government under the direction and control of the Council with authority to appoint and remove all other City employees (including the City Clerk and City Treasurer) except the City Attorney; provides the City Manager's duties include negotiation of service contracts, recommendation of ordinances, attendance at Council meetings, preparation of financial reports and the City budget, control over expenditures, supervision of City property; provides that the City Manager will approve and execute all warrants drawn on the city treasury for under \$100,000; provides that the City Manager will sign and approve all contracts and conveyances entered into by the City; and provides that the Council shall deal with the City Manager and not with City staff except for purposes of inquiry.

the Council shall deal with the City Manager and not with City staff except for purposes of inquiry.

The ordinance must take effect immediately for the City's form of governance to be in place immediately upon the City's incorporation.

Adoption of this ordinance will satisfy paragraph 13 of LAFCO Resolution No. 1243 approving incorporation.

A draft resolution is also attached to establish an Assistant to the City Manager/Economic Development. The Assistant to the City Manager/Economic Development will perform the duties described in "Exhibit A" attached to the resolution, previously reviewed and approved by the City Council. The duties include providing assistance to the City Manager and City Council; the planning, organizing, and directing of the overall administrative activities and operations of the City; and the planning, organizing, and directing of economic development and public information.

The draft resolution establishes a single position in the classification of Assistant to the City Manager/Economic Development and designates a salary of \$72,500. The City Manager will appoint Curt Haven to be Assistant to the City Manager/Economic Development.

Finally, all cities establish a personnel system with standards, requirements, and procedures for hiring. California Government Code § 45000 *et seq.* sets out the standards for creation of a "civil service" system, which some cities adopt. A civil service system includes comprehensive procedures for personnel recruitment, hiring, testing and promotion. The City should consider the adoption of a personnel system and/or civil service system. Staff will assist with the development of such a system, including providing model systems from cities of similar size.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 02-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
CREATING AND ESTABLISHING CITY MANAGER
FORM OF GOVERNMENT AND POSITION OF CITY MANAGER**

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

SECTION 1. Position Created. The position of the City Manager of the City of Rancho Cordova is hereby created and established pursuant to Government Code § 34851. The City Manager shall be appointed by the City Council wholly on the basis of administrative and executive ability and qualifications and skill hold the position at the pleasure of the City Council.

SECTION 2. Residence. Residency within the City shall not be a condition of employment.

SECTION 3. Bond. The City Manager shall furnish a corporate surety bond to be approved by the City Council in such sum as may be determined by the City Council, and shall be conditioned upon the faithful performance of the duties imposed upon the City Manager as herein prescribed. Any premium for such bond shall be a proper charge against the City of Rancho Cordova.

SECTION 4. Acting City Manager. Within thirty (30) days after appointment, the City Manager shall recommend for Council approval one of the officers or department heads of the City to serve as Acting City Manager during any temporary absence or disability of the City Manager. The approval of the City Council and the appointment by the City Council of an Acting City Manager shall be recorded in the minutes. In case of the absence or disability of the City Manager and failure to choose an Acting City Manager, the City Council may designate some qualified City employee to perform the duties of the City Manager during the period of absence or disability of said City Manager, subject, however, to the person furnishing a corporate surety bond conditioned upon faithful performance of the duties required to be performed unless the person is covered by the City's blanket bond.

SECTION 5. Compensation. The City Manager shall receive such compensation as the City Council shall from time to time determine. In addition, the City Manager shall be reimbursed for all actual and necessary expenses incurred in the performance of official duties with approval of the Council.

SECTION 6. Powers and Duties. The City Manager shall be the administrative head of the government of the City under the direction and control of the City Council except as otherwise provided in this ordinance. The City Manager shall be responsible for the efficient administration of all the affairs of the City which are under the Manager's control. In addition to general powers as administrative head, and not as a limitation thereon, the City Manager shall have the duties and powers set forth in Sections 7 through 20.

SECTION 7. Law Enforcement. It shall be the duty of the City Manager to enforce or cause to be enforced all laws and ordinances of the City and to see that all franchises, contracts, permits and privileges granted by the City Council are faithfully observed.

SECTION 8. Authority over Employees. It shall be the duty of the City Manger, and the City Manager shall have the authority to control, order and give directions to all heads of departments and to subordinate officers and employees of the City under the City Manger's jurisdiction through their department heads.

SECTION 9. Appointment and Removal of City Officers. It shall be the duty of the City Manager pursuant to Government Code § 34856 to appoint and remove all officers and department heads, including the City Clerk and City Treasurer, but excluding the City Attorney. The City Manager shall either approve the appointment, removal, promotion or demotion of all other City employees or authorize department heads to appoint, remove, promote or demote in certain classes of positions subject to all applicable personnel rules and regulations which may be adopted by ordinance or resolution by the Council.

SECTION 10. Negotiation for City Service Contracts. It shall be the duty of the City Manager to negotiate all contracts for services for which the City has a service responsibility to its residents and desires to provide such service by contract. The contract shall be approved by the City Council. After the Council approves the contract, it shall be the duty of the City Manager to administer the contract and determine that its provisions are carried out. The City Manager shall report to the Council at such times as the Council may direct on the performance of the service provider.

SECTION 11. Administrative Reorganization. It shall be the duty and responsibility of the City Manager to conduct studies and to effect such administrative reorganization of services, offices, positions or units under the City Manager's direction as may be indicated in the interest of efficient, effective and economical conduct of the city's business.

SECTION 12. Ordinances and Measures — Recommendation to City Council. It shall be the duty of the City Manager to recommend to the City Council for adoption such measures and ordinances as are deemed necessary.

SECTION 13. Attendance at Council meetings. It shall be the duty of the City Manager to attend all meetings of the City Council unless excused there from by the Mayor individually or the City Council.

SECTION 14. Preparation of Financial Reports to City Council. It shall be the duty of the City Manager to keep the City Council at all times fully advised as to the financial condition and needs of the City.

SECTION 15. Preparation of City Budget. It shall be the duty of the City Manager to prepare and submit the proposed annual budget and the proposed annual salary plan to the City Council for its approval.

SECTION 16. Purchasing and Expenditure Control.

a. It shall be the duty of the City Manager to see that no expenditures shall be submitted or recommended to the City Council except on approval of the City Manager or authorized representative. The City Manager, or authorized representative, shall be responsible for the purchase of all supplies for all the departments or divisions of the city.

b. Unless otherwise directed by the City Council, the City Manager shall have authority to approve and execute payment of all warrants drawn upon the city treasury without presentation to the City Council. Warrants in excess of \$100,000, however, shall be presented to the City Council for approval.

SECTION 17. Signing of Instruments. Pursuant to the City Council's authority under Government Code § 40602, the City Manager, unless otherwise directed by the City Council, shall sign all warrants drawn on the city treasurer, all written contracts and conveyances made or entered into by the city, and all instruments requiring the City seal.

SECTION 18. Investigation in City Affairs — Complaint Investigation. It shall be the duty of the City Manager to make investigations into the affairs of the City and any department or division thereof, and any contract or the proper performance of any obligations of the City. Further, it shall be the duty of the City Manager to investigate all complaints in relation to matters concerning the administration of the city government and in regard to the service maintained by public utilities in the city.

SECTION 19. Supervision of Public Property. It shall be the duty of the City Manager to exercise general supervision over all public property which is under the control and jurisdiction of the City Council.

SECTION 20. Duties Delegated by City Council. It shall be the duty of the City Manager to perform such other duties and exercise such other powers as may be delegated from time to time by ordinance or other official action of the City Council.

SECTION 21. Internal Relations.

a. Council-Manager Relations. The City Council and its members shall deal with the administrative services of the city through the City Manager, except for the purpose of inquiry, and neither the City Council nor any member thereof shall give orders or instructions to any subordinates of the City Manager. The City Manager shall take orders and instructions from the City Council only when sitting in a duly convened meeting of the City Council, and no individual councilmember shall give any orders or instructions to the City Manager.

b. Department Cooperation. It shall be the duty of all subordinate officers to assist the City Manager in administering the affairs of the city efficiently, economically and harmoniously.

c. Attendance at Commission Meetings. The City Manager may attend any and all meetings of the Planning Commission and any other commissions, boards or committees created by the City Council. At such meetings, the City Manager shall be heard by such commissions, boards or committees as to all matters the City Manager wishes to address to the members thereof, and inform the members as to the status of the matter being considered by the City Council. The City Manager shall cooperate to the fullest extent with the members of all commissions, boards or committees appointed by the City Council.

SECTION 22. Agreement on Employment. Nothing in this chapter shall be construed as a limitation on the power or authority of the City Council to enter into any supplemental agreement with the City Manager delineating additional terms and conditions of employment not inconsistent with any provisions of the chapter.

SECTION 23. Effective Immediately. The City of Rancho Cordova has become incorporated on this date and comprises territory formerly unincorporated. The City Council has just organized and needs to establish its system of governance and provide for the appointment of a City Manager. Unless this ordinance becomes effective immediately, the City of Rancho Cordova will not have a system of governance in place or a position of City Manager, both of which are necessary to enable the City to apply and enforce local laws and ordinances as of this date to protect the public peace, health and safety. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code § 36937(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with Government Code § 36933 of the State of California.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

CITY OF RANCHO CORDOVA

RESOLUTION NO. 03-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ESTABLISHING AN ASSISTANT TO THE CITY MANAGER/ECONOMIC DEVELOPMENT**

WHEREAS, the City Council desires to establish the position of Assistant to the City Manager/Economic Development; and

WHEREAS, the Assistant to the City Manager/Economic Development will perform the duties described in the attached "Exhibit A."

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council of the City of Rancho Cordova establishes the position of Assistant to the City Manager/Economic Development to be appointed by and serve at the pleasure of the City Manager; and

BE IT FURTHER RESOLVED that the City Council of the City of Rancho Cordova hereby approves the description of duties and other job specifications for the position of Assistant to the City Manager/Economic Development in the attached "Exhibit A;" and

BE IT FURTHER RESOLVED that the City Council of the City of Rancho Cordova hereby establishes one position in the job classification Assistant to the City Manager/Economic Development; and

BE IT FURTHER RESOLVED that the City Council of the City of Rancho Cordova hereby establishes a salary of \$72,500 per year for the Assistant to the City Manager/Economic Development.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

City Rancho Cordova
Job Specification for
Assistant to City Manager/ Economic Development

Exhibit A

Definition

Receives administrative direction from the City Manager in planning, organizing and directing the overall administrative activities and operations of the City; plans and coordinates a variety of complex projects; plans, organizes, coordinates and manages economic development and public information; provides highly complex staff assistance to the City Manager and the City Council.

Essential Duties and Responsibilities

Coordinates a variety of projects requiring the involvement of department directors, government agencies, and local business for the expansion or improvement of City services, researches and prepares council reports at the direction of the City Manager; assists the City Manager in complex, confidential negotiations with private developers and outside agencies; staffs various Ad Hoc Committees established by the City Council with work assignments including agenda preparation, staff reports, and meeting follow-up; researches, prepares, and coordinates presentations, representing the City Manager to local business and education groups, and to professional associations; monitors development and demographic statistics, forecasts development trends and prepares economic development reports for the City Council; meets with members of the public, businesses and citizen groups to explain City policies, procedures, goals and objectives.

Recruit business interests to the City; interface with developers interested in the City market; act as the City's ambassador in industrial and commercial recruitment activities; conduct business outreach and marketing and develop related marketing materials. Guide projects through the development approval process; assist with resolution of potential roadblocks; establish and maintain effective working relations and partnerships with outside interests including businesses, property owners, brokers and others. Attend trade shows and meetings to market the City's economic development and revitalization programs opportunities to potential interests.

Employment Standards

Experience: Five years of increasingly responsible experience in economic development with knowledge of principles and practices of organizations and public administration.

Training: Equivalent to a Bachelor's degree from an accredited college or university with major course work in public administration, business administration, planning, economics or a related field.

Knowledge of: (cont)

Methods and techniques of report writing and contract administration.
Principles and practices of leadership, motivation, team building and conflict resolution.
Modern office procedures and computer equipment.

Principles and practices of organizational analysis and management.
Budgeting procedures and practices of supervision, training and personnel management.

Ability to:

Analyze complex projects and administrative problems and suggest solutions; develop and implement goals, objectives and procedures; use personal computer.

Organize and directs an economic development, and public information program.
Analyze budget and technical reports; interpret and evaluate staff reports; know laws, regulations and codes; observe performance and evaluate staff; problem solve department related issues; remember various rules and procedures and explain and interpret policy.

On a continuous basis, sit at desk and in meetings for long period of times. Intermittently twist to reach equipment surrounding the desk; walk and stand in office and field; perform simple grasping and fine manipulation; use telephone, communicate through written means and carry or lift weight of 10 pounds or less.

Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals.

Analyze technical, financial, real estate and demographic reports.

Manage and coordinate projects involving City staff and community stakeholders.

EMPLOYMENT STANDARDS

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Experience: Five years of increasingly responsible experience in economic development with knowledge of principles and practices of organizations and public administration.

Training: Equivalent to a Bachelor's degree from an accredited college or university with major course work in public administration, business administration, planning, economics or a related field.

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Adopting the Sacramento County General Plan as
Interim General Plan
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Paragraph 8, of LAFCO Resolution No. 1243 provides that the County General Plan will continue in effect within the City boundaries until the City adopts its own General Plan. The Cordova Community Plan and the Sunrise-Douglas Community Plan provide General Plan elements for the area within the boundaries of the City of Rancho Cordova.

The Government Code gives the City a period of up to thirty (30) months, from the date of incorporation, to adopt its own general plan.

The attached resolution adopts the County General Plan, as it applies to area within the boundaries of the City of Rancho Cordova, including the Cordova Community Plan and the Sunrise-Douglas Community Plan.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 04-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ADOPTING THE SACRAMENTO COUNTY GENERAL PLAN
AS INTERIM GENERAL PLAN**

WHEREAS, the City of Rancho Cordova incorporated July 1, 2003; and

WHEREAS, paragraph 8 of LAFCO Resolution No. 1243 provides that the Sacramento County General Plan shall continue in effect within the boundaries of the City of Rancho Cordova until the City adopts a general plan pursuant to Government Code § 65360; and

WHEREAS, the Cordova Community Plan and the Sunrise-Douglas Community Plan specifically provide General Plan elements for the area within the boundaries of the City of Rancho Cordova;

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City of Rancho Cordova adopts the Sacramento County General Plan, adopted by the Board of Supervisors of the County of Sacramento on December 15, 1993, Resolution No. 93-1577, including specific provisions regarding the Cordova Community Plan and the Sunrise-Douglas Community Plan to remain in effect from July 1, 2003 until the City Council adopts a general plan for the City pursuant to Government Code § 65360.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Adopting the Mather Field Specific Plan
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Under Government Code § 65450 *et seq.* a city may adopt a specific plan. The Mather Field Specific Plan (also known as the Mather Specific Plan) was adopted by Sacramento County in 1995. The Mather Specific Plan applies to the area that formerly comprised the Mather Air Force Base, located in the eastern portion of Sacramento County along the Highway 50 corridor, within the Cordova Community Plan area. The Plan area encompasses over 5,700 acres. The area is generally south of Highway 50, west of Sunrise Boulevard, north of the extension of Kiefer Boulevard and east of Bradshaw Road.

Among the critical goals of the Mather Field Specific Plan are the:

1. Creation of an airport business complex oriented to aviation-related activities, such as parcel shipment and other "just-in-time" businesses that rely on convenient airport access;
2. Revitalization of the main base to include a variety of uses, including airport-related businesses, offices, retail uses, large institutional uses, and transitional uses, while maintaining the pedestrian scale and village quality of the area;
3. Creation of a major regional park;
4. Rehabilitation of existing residential units to provide a new neighborhood of affordable, owner-occupied housing;
5. Preservation of environmental resources and construction of landscaping that complements the existing natural beauty of the area;
6. Creation of a new commercial recreational attraction, such as a theme park;
7. Continued use of existing infrastructure within the plan area.

To achieve these and other goals, the Mather Field Specific Plan provides a series of policies and implementing measures regarding land use, circulation, parking, public infrastructure, community identity and urban design.

Agenda Item 3.6

The draft resolution will adopt the Mather Field Specific Plan for the maximum period of time authorized by Government Code § 65450. That section gives a newly-incorporated city 30 months to adopt a general plan. During this time the City can review the specific plan to determine whether it wishes to make any modifications to it.

627966

CITY OF RANCHO CORDOVA

RESOLUTION NO. 05-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ADOPTING THE MATHER FIELD SPECIFIC PLAN**

WHEREAS, the City of Rancho Cordova incorporated July 1, 2003; and

WHEREAS, the City of Rancho Cordova desires to adopt the Mather Field Specific Plan (also known as the Mather Specific Plan) adopted by Sacramento County on April 19, 1995 as Resolution No. 95-0440 for the maximum period of time authorized by Government Code § 65360; and

WHEREAS, pursuant to Government Code § 65450 a newly incorporated city may adopt a specific plan.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City of Rancho Cordova adopts the Mather Field Specific Plan to remain in effect from July 1, 2003 for the maximum time period authorized by Government Code § 65360.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Adopting the SunRidge Specific Plan
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Under Government Code § 65450 *et seq.* a city may adopt a specific plan. The SunRidge Specific Plan was adopted by Sacramento County in 2002. The SunRidge Specific Plan applies to 2,632 acres both within the boundaries of the City of Rancho Cordova and the Sunrise-Douglas Community Plan area. The Sunrise-Douglas Community Plan area is comprised of approximately 6,042 acres. The Sunrise-Douglas Community Plan area is bounded on the north by Douglas Road, with a northerly panhandle along the eastern boundary, Grant Line Road on the east, Kiefer Boulevard and Jackson Highway to the south, and Sunrise Boulevard to the west.

Among the critical goals of the SunRidge Specific Plan are the:

1. Development of the area within the Plan in an orderly manner to keep pace with existing and new infrastructure;
2. Creation of housing for the Sacramento region;
3. Establishment of Rancho Cordova as a focus of economic and community activity;
and
4. Preservation of environmental resources and construction of landscaping that complements the existing natural beauty of the area.

To achieve these and other goals, the SunRidge Specific Plan provides a series of policies and implementing measures regarding land use, circulation, parking, public infrastructure, community identity and urban design.

The draft resolution will adopt the SunRidge Specific Plan for the maximum period of time authorized by Government Code § 65450. That section gives a newly-incorporated city 30 months to adopt a general plan. During this time the City can review the specific plan to determine whether it wishes to make any modifications to it.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 06-2003

A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ADOPTING THE SUNRIDGE SPECIFIC PLAN

WHEREAS, the City of Rancho Cordova incorporated July 1, 2003; and

WHEREAS, the City of Rancho Cordova desires to adopt the SunRidge Specific Plan adopted by Sacramento County on July 17, 2002 as Resolution No. 2002-0901 for the maximum period of time authorized by Government Code § 65360; and

WHEREAS, pursuant to Government Code § 65450 a newly incorporated city may adopt a specific plan.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City of Rancho Cordova adopts the SunRidge Specific Plan to remain in effect from July 1, 2003 for the maximum time period authorized by Government Code § 65360.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Adopting County Zoning Map
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Sacramento County maintains the Zoning Map showing the zoning for all property within the jurisdiction of the County. The City Council will adopt all County Ordinances, including the Zoning Ordinance as its first action. The Zoning Ordinance establishes the zoning districts, different types of land use permits and establishes the procedures for rezoning property. The Zoning Map shows the applicable zoning district for the different parcels in the County.

The draft resolution will adopt the Sacramento County Zoning Map, as in effect on July 1, 2003, as the zoning map for the City of Rancho Cordova. The City will then be responsible for maintaining the zoning map as properties are rezoned until the City adopts its own permanent zoning map.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 07-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ADOPTING THE COUNTY ZONING MAP ON AN INTERIM BASIS**

WHEREAS, the City of Rancho Cordova incorporated July 1, 2003; and

WHEREAS, the City Council, by Ordinance No. 01-2003, has adopted various Sacramento County ordinances on an interim basis, including the Sacramento County Zoning Ordinance; and

WHEREAS, the City Council has adopted the Sacramento County General Plan as its general plan, including the Cordova Community Plan and the Sunrise-Douglas Community Plan; and

WHEREAS, the City Council has adopted the Mather Field Specific Plan; and

WHEREAS, the City Council has adopted the SunRidge Specific Plan; and

WHEREAS, pursuant to Government Code § 65360, the City will be preparing its own general plan.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City of Rancho Cordova adopts the Sacramento County Zoning Map, as it exists on July 1, 2003, as its zoning map on an interim basis until the City adopts its own zoning map.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

627896

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Sales and Use Tax Ordinance; Resolution Approving Agreement for State Administration of Local Sales and Use Taxes; and Resolution Authorizing Examination of Sales and Use Tax Records
(Prepared by City Attorney)

ATTACHMENTS:

1. Draft Ordinance to Impose Sales and Use Tax;
2. Draft Resolution Approving Agreement for State Administration of Sales and Use Tax; and
3. Draft Resolution Authorizing Examination of Sales and Use Tax Records.

RECOMMENDATION:

1. Waive Reading and Introduce Ordinance Imposing a Sales and Use Tax to be Administered by the State Board of Equalization and Providing Penalties for Violations;
2. Adopt Resolution Approving Agreement for State Administration of Local Sales and Use Taxes;
3. Adopt Resolution Authorizing Examination of Sales and Use Tax Records; and
4. Continue ordinance (Attachment 1) to July 7, 2003 meeting for adoption.

DESCRIPTION:

Pursuant to paragraph 9(o)(i) of LAFCO Resolution No. 1243, the Council will take three actions related to sales and use taxes. The first is to waive the reading and introduce an ordinance to adopt a sales and use tax within the City of Rancho Cordova in accordance with the Bradley-Burns Act. The ordinance will be continued to the July 7, 2003 Council meeting for second reading and adoption.

The second action is to approve an agreement with the State Board of Equalization (SBE) for collection of the tax.

The third action is to adopt a resolution authorizing the SBE to examine records.

These actions will not increase the amount of the current sales and use tax paid by consumers; the result of these actions is that the City will receive 1.0% of the existing sales and use tax beginning October 1, 2003. However, pursuant to Paragraph 9(h) of LAFCO Resolution No. 1243, any sales and use taxes received by the County during the period July 1 through September 30, 2003 will be used to offset charges to the City for County services after incorporation.

ORDINANCE NO.: 03-2003

**AN ORDINANCE IMPOSING A SALES AND USE TAX TO BE
ADMINISTERED BY THE STATE BOARD OF EQUALIZATION
AND PROVIDING PENALTIES FOR VIOLATIONS**

The City (Town) Council of the City (Town) of Rancho Cordova does ordain as follows:

Section 1. SHORT TITLE. This ordinance shall be known as the Uniform Local Sales and Use Tax Ordinance.

Section 2. RATE. The rate of sales tax and use tax imposed by this ordinance shall be one percent.

Section 3. OPERATIVE DATE. This ordinance shall be operative on October 1, 2003.

Section 4. PURPOSE. The City Council hereby declares that this ordinance is adopted to achieve the following, among other, purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

(a) To adopt a sales and use tax ordinance which complies with the requirements and limitations contained in Part 1.5 of Division 2 of the Revenue and Taxation Code;

(b) To adopt a sales and use tax ordinance which incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.5 of Division 2 of the Revenue and Taxation Code;

(c) To adopt a sales and use tax ordinance which imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes;

(d) To adopt a sales and use tax ordinance which can be administered in a manner that will, to the degree possible consistent with the provisions of Part 1.5 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting city sales and use taxes and at the same time minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Section 5. CONTRACT WITH STATE. Prior to the operative date this city shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this sales and use tax ordinance; provided, that if this city shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract rather than the first date of the first calendar quarter following the adoption of this ordinance.

Section 6. SALES TAX. For the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers in the city at the rate stated in Section 2 of the gross receipts of the retailer from the sale of all tangible personal property sold at retail in this city on and after the operative date.

Section 7. PLACE OF SALE. For the purposes of this ordinance, the place of sale shall be as set forth in Section 7205 et. seq. of Part 1.5, Division 2 of the Revenue and Taxation Code and regulations promulgated thereunder, all as now in effect or as later amended.

Section 8. USE TAX. An excise tax is hereby imposed on the storage, use or other consumption in this city of tangible personal property purchased from any retailer on and after the operative date for storage, use or other consumption in this city at the rate stated in Section 2 of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

Section 9. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.5 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 10. LIMITATIONS ON ADOPTION OF STATE LAW. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, wherever the Constitution of the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. The substitution, however, shall not be made when the word "State" is used as part of the title of the State Controller, the State Treasurer, the State Board of Control, the State Board of Equalization, the State Treasury, or the constitution of the State of California; the substitution shall not be made when the result of that substitution would require action to be taken by or against the City, or any agency thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance; the substitution shall not be made in those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or to impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provisions of that Code; the substitution shall not be made in Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code; and the substitution shall not be made for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 or in the definition of that phrase in Section 6203.

Section 11. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional seller's permit shall not be required by this ordinance.

Section 12. EXCLUSIONS AND EXEMPTIONS.

(a) The amount subject to tax shall not include any sales or use tax imposed by the State of California upon a retailer or consumer.

(b) The storage, use, or other consumption of tangible personal property, the gross receipts from the sale of which have been subject to tax under a sales and use tax ordinance enacted in accordance with Part 1.5 of Division 2 of the Revenue and Taxation Code by any city and county, county, or city in this State shall be exempt from the tax due under this ordinance.

(c) There are exempted from the computation of the amount of the sales tax the gross receipts from the sale of tangible personal property to operators of aircraft to be used or consumed principally outside the city in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this state, the United States, or any foreign government.

(d) In addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code the storage, use, or other consumption of tangible personal property purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this state, the United States, or any foreign government is exempted from the use tax.

Section 13. AMENDMENTS. All subsequent amendments of Part 1 of Division 2 of the Revenue and Taxation Code that are not inconsistent with Part 1.5 of Division 2 of the Revenue and Taxation Code shall automatically become part of this ordinance. This ordinance also shall be deemed to adopt by reference the provisions of Sections 7202 to 7203, inclusive, of the Revenue and Taxation Code, as now in effect or as later amended, which are required to be included in this ordinance.

Section 14. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or this City, or against any officer of the State or this City, to prevent or enjoin the collection under this ordinance, or Part 1.5 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 15. PENALTIES. Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than \$500.00 or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

Section 16. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 17. EFFECTIVE DATE. This ordinance relates to taxes for the usual and current expenses of the City and shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on this
1 day of July, 2003 by the following vote:

AYES Council Members: _____

NOES: Council Members: _____

ABSENT: Council Members: _____

ABSTAIN: Council Members: _____

Signed (Mayor)

ATTEST:

Signed (City Clerk)

CITY OF RANCHO CORDOVA

RESOLUTION NO. 08-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO APPROVE AN AGREEMENT
WITH THE STATE BOARD OF EQUALIZATION
FOR THE ADMINISTRATION OF SALES AND USE TAX**

WHEREAS, pursuant to Ordinance No. 03-2003, the City of Rancho Cordova both imposed a Sales and Use Tax to be administered by the California Board of Equalization and provided for penalties for violations; and

WHEREAS, the Sales and Use Tax law of the State of California permits the imposition of a sales tax upon all retailers within the boundaries of the City for the privilege of selling tangible personal property; and

WHEREAS, the Sales and Use Tax law of the State of California permits the imposition of an excise tax on the storage, use or other consumption of tangible personal property purchased from any retailer for storage, use or other consumption within the boundaries of the City; and

WHEREAS, Sales and Use Taxes provide valuable revenue to the City for providing necessary services; and

WHEREAS, the Board of Equalization will provide orderly administration of the collection and distribution of Sales and Use Taxes.

NOW THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Manager shall approve an agreement, attached as Exhibit 1, with the California Board of Equalization for the Administration of Sales and Use Tax.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

628417

CITY OF RANCHO CORDOVA

RESOLUTION NO. 09-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
AUTHORIZING EXAMINATION OF SALES AND USE TAX RECORDS**

WHEREAS, pursuant to Ordinance No. 03-2003, the City of Rancho Cordova both imposed a Sales and Use Tax to be administered by the State Board of Equalization (hereafter "Board") and providing for penalties for violations; and

WHEREAS, pursuant to Resolution No. 08-2003, the City of Rancho Cordova entered into a contract with the Board to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the City Council of the City of Rancho Cordova deems it desirable and necessary for authorized representatives of the City to examine confidential sales and use tax records of the Board pertaining to sales and use taxes collected by the Board for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales and use tax records of the Board.

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

Section 1. That the City Manager, Finance Director, or other officer or employee of the City, designated in writing by the City Manager to the State Board of Equalization, are hereby appointed to represent the City with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to that contract.

Section 2. That the City Manager is hereby authorized to designate in writing to the Board person(s) or entity(ies) to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with the City to examine those sales and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information;

- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and use tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to the contract between the City and the Board.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

628401

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Urgency Ordinance to Continue the Existing Transient Occupancy Tax
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Ordinance.

RECOMMENDATION: 1. Waive reading and adopt ordinance as an emergency ordinance (4/5th vote required).

DESCRIPTION:

Cities and counties may tax persons staying thirty (30) days or fewer in hotels, motels and similar lodgings, including mobile homes. (Revenue and Tax Code §§ 2780 *et seq.*) Such persons are considered "transients" under state law. The attached draft urgency ordinance would adopt the Sacramento County Transient Occupancy Tax. The County tax rate is 12% of the rent charged by the operator. The owner of the lodging collects the tax.

The attached ordinance would authorize the City of Rancho Cordova to continue imposing the existing Sacramento County transient occupancy tax on businesses within the City of Rancho Cordova. It would not impose this tax on any additional parties. It would not increase or alter the existing rate at which transients are already taxed.

Article XIIC of the California Constitution ("Proposition 218" adopted on the November 1996 state-wide ballot) and Government Code §§ 53720 *et sequiter* ("Proposition 62" adopted on the November 1986 state-wide ballot) generally require voter approval and impose certain other requirements for all new or increased local taxes.

In approving the incorporation of the City of Rancho Cordova, the voters specifically authorized the continued levying of general taxes, including the transient occupancy tax, levied by the County of Sacramento as of November 1, 2002. (See Paragraph 9(o)(iv) of LAFCO Resolution No. 1243.) Thus, Proposition 218 and Proposition 62 do not require further voter approval of this ordinance.

Moreover, when a city, during its incorporation, adopts an ordinance, such as the attached ordinance, that merely continues an existing county tax at the existing county tax rate, voter approval is not required, because the tax is not increased and there is no change in the persons subject to the tax. See *City of Cathedral City v. County of Riverside*, 210 Cal. Rptr. 60, 62 (1985).

Furthermore, Government Code § 53750(h)(1) states that, for purposes of Article XIIC and Article XIID of the California Constitution, "increased," when applied to a tax means a decision by an agency that either (i) increases any applicable rate used to calculate the tax, or (ii) revises the methodology by which the tax is calculated if that revision results in an increased amount being levied on any person or parcel. Under this definition, the attached ordinance would not increase the existing transient occupancy tax, since it neither increases the applicable rate nor changes the methodology for calculating the tax in any way.

Approval of this urgency ordinance does not require voter approval because it merely transfers an existing tax to the City without increasing the tax rate or imposing it on any additional parties or transactions.

The ordinance will track the Sacramento County ordinance with the addition of administrative remedy provisions.

It is necessary that the ordinance take effect immediately so that the City begins receiving tax revenues on July 1, 2003. The Comprehensive Fiscal Analysis for incorporation assumed that the City would receive these revenues beginning July 1 and the City needs the revenues to provide services to the community.

Adoption of this ordinance will satisfy paragraph 9(o)(iv) of LAFCO Resolution No. 1243 approving incorporation.

627102

CITY OF RANCHO CORDOVA

ORDINANCE NO. 04-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
TO CONTINUE THE EXISTING TRANSIENT OCCUPANCY TAX**

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

A. Article XIII C of the California Constitution ("Proposition 218" adopted on the November 1996 state-wide ballot) and Government Code §§ 53720 *et seq.* ("Proposition 62" adopted on the November 1986 state-wide ballot) generally require voter approval, and impose certain other requirements, for all new or increased local taxes.

B. This ordinance would authorize the City of Rancho Cordova to continue imposing the existing Sacramento County transient occupancy tax (Sacramento County Code, title 3, chapter 3.08, approved by voters Nov. 5, 2002) within the City. It would not impose this tax on any additional parties. It would not increase or alter the existing rate at which transients are already taxed.

C. The ordinance includes an administrative procedure for settling disputes under the ordinance. The procedure does not increase or alter the existing rate at which transients are already taxed nor does it tax any additional parties.

D. In approving the incorporation of the City of Rancho Cordova, the voters specifically authorized the continued levying of general taxes levied by the County of Sacramento as of November 1, 2002. Thus, Proposition 218 and Proposition 62 do not require further voter approval of this ordinance.

D. Moreover, when, a city during its incorporation, adopts an ordinance, such as this City of Rancho Cordova ordinance, that merely continues an existing County tax at the existing County tax rate, voter approval is not required, because the tax is not increased. See *City of Cathedral City v. County of Riverside*, 210 Cal. Rptr. 60, 62 (1985).

E. Further, Senate Bill 919 the "Proposition 218 Omnibus Implementation Act" adopted in 1997, added Government Code § 53750. Section 53750(h)(1) states that, for purposes of Article XIII C and Article XIII D of the California Constitution, "increased," when applied to a tax means a decision by an agency that either (i) increases any applicable rate used to calculate the tax, or (ii) revises the methodology by which the tax is calculated if that revision results in an increased amount being levied on any person or parcel. Under this definition, this ordinance does not increase the existing transient occupancy tax because it neither increases the applicable rate nor changes the methodology for calculating the tax in any way.

F. Adoption of this ordinance is required by Paragraph 9(o) of LAFCO Resolution No. 1243.

- G. Section 16, regarding Refunds, only applies if the dispute procedure contained in Sections 12 through 15 do not apply.

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

Section 1. **SHORT TITLE.** This Ordinance shall be known as the "Transient Occupancy Tax Ordinance of the City of Rancho Cordova."

Section 2. **DEFINITIONS.** Except where the context otherwise requires, the definitions given in this section govern the construction of this Ordinance:

(a) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

(b) "Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by Transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.

(c) "Occupancy" means the use or possession, or the right to the use or possession of any room or rooms or portion thereof, in any Hotel for dwelling, lodging or sleeping purposes.

(d) "Transient" means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a Hotel shall be deemed to be a Transient until the period of thirty days has expired unless there is an agreement in writing between the Operator and the occupant providing for a longer period of occupancy. In determining whether a person is a Transient, uninterrupted periods of time extending both prior and subsequent to the effective date of the ordinance may be considered.

(e) "Rent" means the consideration charged, whether or not received, for the occupancy of space in a Hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction there from whatsoever.

(f) "Operator" means the person who is proprietor of the Hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee or any other capacity. Where the Operator performs functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an Operator for the purpose of this Ordinance and shall have the same duties and liabilities as his or her principal. Compliance with the provisions of this Ordinance by either the principal or the managing agent shall, however, be considered to be compliance by both.

(g) "Tax Collector" means the City Finance Director or his or her designee.

(h) "City" means the City of Rancho Cordova.

Section 3. **IMPOSED.** (a) For the privilege of occupancy in any Hotel, each Transient is subject to and shall pay a tax in the amount of twelve percent (12%) of the rent charged by the Operator.

(b) The tax constitutes a debt owed by the Transient to the City, which is extinguished only by payment to the Operator or to the City. The Transient shall pay the tax to the Operator of the Hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the Transient's ceasing to occupy space in the Hotel. If for any reason the tax due is not paid to the Operator of the Hotel, the Tax Collector may require that such tax shall be paid directly to the Tax Collector.

(c) Any dispute of the imposition of tax shall be made pursuant to the protest provisions in Section 12 of this Chapter.

Section 4. **EXEMPTIONS.** (a) No tax shall be imposed upon any person as to whom, or any occupancy as to which, it is beyond the power of the City to impose the tax herein provided.

(b) Charges incurred by a person in the performance of official duties as an employee of City, County, State and Federal governmental entities shall be exempt from the tax herein provided if an exemption certificate is submitted and payment is made either 1) directly to the Hotel for rentals by the governmental entity; or 2) by government-sponsored corporate charge card.

(c) No exemption shall be granted except upon a claim therefore made at the time rent is collected and under penalty of perjury upon a form prescribed by the Tax Collector.

Section 5. **OPERATOR'S DUTIES.** Each Operator shall collect the tax imposed by this Ordinance to the same extent and at the same time as the rent is collected from every Transient. The amount of tax shall be separately stated from the amount of the rent charged, and each Transient shall receive a receipt for payment from the Operator. No Operator of a Hotel shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the Operator, or that it will not be added to the rent, or that, if added, any part will be refunded, except in the manner hereinafter provided.

Section 6. **REGISTRATION.** Prior to commencing operation of a Hotel or other facility that rents occupancy to Transients, the Operator of said Hotel shall file for and obtain a General Business License from the Tax Collector. In addition to the license application form each Operator shall file a Transient Occupancy Tax Registration form, provided by the Tax Collector, and maintain the information contained therein. The registration form will include such information as the number and rental rate of the rooms in the Hotel, the name and contact information for the Hotel management, and any other information deemed appropriate to the collection of the tax.

Section 7. **RECORDS.** It shall be the duty of every Operator liable for the collection and payment to the City of any tax imposed by this Ordinance to keep and preserve, for a period of three years, all records necessary to determine the amount of the tax, for which the Operator may have been liable for the collection of and payment to the City. Records include, but are not limited to, all business records and bank statements, including electronic records. The Tax Collector shall have the right to inspect records at

all reasonable times, including pursuant to the audit provisions of Section 9.

Section 8. **REPORTING AND REMITTING.** (a) Each Operator shall make a return to the Tax Collector of the total rents charged and received and the amount of tax collected for transient occupancies. The Tax Collector shall provide the forms. At the time the return is filed, the full amount of the tax collected shall be remitted to the Tax Collector. Returns and taxes are due on or before the 15th day after the close of the month for which the tax was collected. Returns and taxes that are not remitted on or before the 30th day after the close of the month for which the tax was collected shall be considered delinquent. The Tax Collector may establish shorter reporting periods for any certificate holder if deemed necessary to insure collection of the tax. The Tax Collector may require further information in the return. Returns and payments are due immediately upon cessation of business for any reason.

(b) Returns filed or taxes remitted by United States mail shall be deemed timely filed only if the envelope or similar container enclosing the returns and taxes is addressed to the Tax Collector, has sufficient postage, and bears a United States postmark or postage meter imprint to midnight on the last day for reporting or remitting without penalty. If such an envelope or container bears a postage meter imprint as well as a United States post office cancellation mark, the latter shall govern in determining whether the filing or remittance is timely.

(c) All taxes collected by Operators pursuant to this Ordinance shall be held in trust for the account of the City until payment thereof is made to the Tax Collector.

(d) If the Transient or Operator disputes the amount of tax owed, he or she may protest the tax pursuant to the procedure in Section 13. However, the Transient or Operator must first remit the tax to the Tax Collector.

Section 9. **AUDIT.** (a) The Tax Collector may call for an audit of the records, the tax collection and remittance procedures, or the tax collection and remittance amounts of any Operator. The Operator shall make available all records and documents, including electronic records and documents, that the Tax Collector believes shall reasonably indicate that the Operator is in compliance with the provisions of this Chapter.

(b) The City shall bear the cost of the audit. However, if after conducting the audit, the Tax Collector determines that the Operator has underpaid by more than 5% of the amount actually due or that the Operator has unreasonably failed to comply with the provisions of this chapter regarding collection, the Operator shall bear the cost of the audit.

(c) Any dispute regarding the audit may be appealed pursuant to the provisions in Section 14 of this Chapter.

Section 10. **UNCOLLECTIBLE ACCOUNTS.** Any Operator is relieved from liability for the remission to the City of the tax imposed under this Ordinance insofar as the measure of the tax is represented by accounts which have been found to be worthless and charged off for income tax purposes. If the Operator has previously remitted the tax, he or she may, pursuant to procedures prescribed by the Tax Collector, take as a deduction the amount of tax previously remitted for the worthless and charged off account. If any such accounts are thereafter in whole or in part collected by the Operator, the amount so collected shall be included in the first return filed after such collection and the tax on such amount paid with

the return.

Section 11. **PENALTIES-INTEREST.** (a) Original Delinquency. When a tax becomes delinquent, any Operator who fails to remit any tax imposed by this Ordinance within the time required shall pay a penalty of ten percent of the amount of the tax in addition to the amount of the tax.

(b) Continued Delinquency. Any Operator who fails to remit any delinquent remittance on or before a period of thirty days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent of the amount of the tax in addition to the amount of the tax and the ten percent penalty first imposed.

(c) Fraud. If the Tax Collector determines that the nonpayment of any remittance due under this Ordinance is due to fraud, a penalty of twenty-five percent of the amount of the tax shall be added thereto in addition to the penalties stated in subsections (a) and (b).

(d) Interest. In addition to the penalties imposed, any Operator who fails to remit any tax imposed by this Ordinance shall pay interest at the rate of one and one-half percent per month or fraction thereof, non-compounded, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

(e) Penalties Merged with Tax. Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the tax herein required to be paid.

Section 12. **FAILURE TO COLLECT AND REPORT.** (a) If any Operator makes any report and remittance of tax that the Tax Collector finds insufficient in any manner, the Tax Collector may require the Operator to revise the report and remit the proper amount of tax. The notification of insufficiency shall occur pursuant to Section 17 of this Chapter. Fifteen days after the notification of insufficiency, if the Operator has failed to revise the report and remit the proper amount of tax, the tax shall become delinquent.

(b) If any tax becomes delinquent or any Operator shall fail or refuse to collect the tax and to make, within the time provided in this Ordinance, any report and remittance of said tax or any portion thereof required by this Ordinance, the Tax Collector shall proceed in such manner as deemed best to obtain facts and information on which to base an estimate of the tax due. The Tax Collector may conduct investigations or base an estimate on any information in his or her possession, including but not limited to prior tax records for said Hotel or activity at similar hotels in the area. As soon as the Tax Collector shall procure such facts and information upon which to base the estimate of tax due, the Tax Collector shall proceed to determine and assess against such Operator the tax, interest and penalties provided for by this Ordinance. In case such determination is made, the Tax Collector shall give written notice of the amount so assessed pursuant to Section 17. Within ten days after the provision of such determination, the Operator may make application in writing to the Tax Collector for a hearing on the amount assessed pursuant to the dispute procedure in Section 13.

Section 13. **DISPUTE PROCEDURE.** (a) Any Transient or Operator who disputes the determination of tax or the amount of tax imposed under any provision of this Chapter may request an evidentiary hearing before the Tax Collector pursuant to the provisions of Section 13(b). If such application is properly made, the Tax Collector shall give not less than five days' notice pursuant to Section 17 to the Transient or Operator to show cause at a time and place fixed in said notice why the determination should

be changed. At such hearing, the Transient or Operator may appear and offer evidence why such determination should be changed.

(b) The request for an evidentiary hearing must be made in writing. The request for an evidentiary hearing must be made within ten days after the notice of determination is provided. No request for a hearing shall be granted unless the tax, interest, and penalties (if any) imposed are remitted to the Tax Collector pending the outcome of the hearing. Failure to remit tax, interest, and penalties shall result in delinquency on the later of the dates determining delinquency under this Chapter.

(c) The Tax Collector's determination of tax, interest and penalties (if any) shall become final and conclusive and immediately due and payable for failure to comply with any provision of Section 13(b).

(d) Within five days after the evidentiary hearing, the Tax Collector shall decide the proper tax, interest and penalties and shall thereafter give notice pursuant to Section 17 of such determination. The decision shall indicate whether a refund is owed to a Transient or Operator from the amount remitted pursuant to Section 13(b) or whether the Transient or Operator is responsible for an additional amount of tax, interest and penalties. Any additional amount to be due shall be payable by the Transient or Operator to the Tax Collector after ten days unless an appeal is taken as provided in Section 14. Any refund to be due shall be payable by the City after ten days.

Section 14. **APPEAL.** (a) Any Transient or Operator aggrieved by any decision of the Tax Collector with respect to the outcome of an evidentiary hearing under Section 13 or an audit under Section 9 may appeal to the City Manager or his or her designee by filing a notice of appeal with the City Manager pursuant to Section 14(b). If such notice of appeal is properly made, the City Manager shall give not less than five days' notice pursuant to Section 17 to the Transient or Operator to show cause at a time and place fixed in said notice why the Tax Collector's determination should be overturned. At such appeal hearing, the Transient or Operator may appear and offer evidence why the Tax Collector's decision should be changed.

(b) The filing of a notice of appeal must be made in writing. The filing of a notice of appeal must be made within ten days of the Tax Collector's decision under Section 13. No filing of appeal shall be granted unless any outstanding tax, interest, and penalties (if any) imposed or determined under this Chapter have been remitted to the Tax Collector pending the outcome of the appeal. The filing of an appeal shall not toll the date on which a tax becomes delinquent under this Chapter.

(c) The Tax Collector's decision shall become final and conclusive for failure to comply with any provision of Section 14(b).

(d) After the appeal hearing, the City Manager shall render a decision. The decision shall be final and conclusive and shall be provided to the Transient or Operator pursuant to Section 17. The decision shall indicate whether the Tax Collector's original determination stands; a refund is owed to a Transient or Operator; or whether the Transient or Operator is responsible for an additional amount of tax, interest and penalties. Any additional amount to be due shall be payable by the Transient or Operator to the Tax Collector after ten days. Any refund to be due shall be payable by the City after ten days.

(e) Any Transient or Operator may seek judicial review of the City Manager's decision by filing a petition for a writ of mandate pursuant to California Code of Civil Procedure (CCP) section 1094.5.

Section 15. **REFUNDS.** (a) Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the City under this Ordinance it may be refunded as provided in subsection (b) and (c) of this section provided a claim pursuant to the City's claims ordinance is submitted.

(b) An Operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid, paid more than once or erroneously or illegally collected or received when it is established in a manner prescribed by the Tax Collector that the person from whom the tax has been collected was not a Transient; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax so collected has either been refunded to the Transient or credited to rent subsequently payable by the Transient to the Operator.

(c) A Transient may obtain a refund of taxes overpaid or paid more than once or erroneously or illegally collected or received by the City by filing a claim in the manner provided in subsection (a), but only when the tax was paid by the Transient directly to the Tax Collector, or when the Transient, having paid the tax to the Operator, establishes to the satisfaction of the Tax Collector that the Transient has been unable to obtain a refund from the Operator who collected the tax.

(d) No refund shall be paid under provisions of this section unless the claimant establishes the right thereto by written records showing entitlement thereto.

(e) The refund procedure of this Section shall only apply to claims not subject to the procedure in Sections 12 through 14. Failure to follow the procedures in Sections 12 through 14 where applicable shall render any request for refund under this Section void.

Section 16. **ACTIONS TO COLLECT.** Any tax required to be paid by any Transient under the provisions of this Ordinance shall be deemed a debt owed by the Transient to the City. Any such tax collected by an Operator which has not been paid to the City shall be deemed a debt owed by the Operator to the City. Any person owing money to the City under the provisions of this Ordinance shall be liable to an action brought in the name of the City for the recovery of such amount.

Section 17. **PROVISION OF NOTICE.** Any action requiring the City to provide notice to an Operator under this Chapter shall be made to the Operator at the address of the Hotel subject to this Chapter by United States Mail. Any action requiring the City to provide notice to a Transient under this Chapter shall be made at the Transient's last known address by United States Mail. Any action requiring a Transient or Operator to provide notice to the City under this Chapter shall be made to the City Clerk or his or her designee.

Section 18. **PENALTY FOR VIOLATIONS.** (a) Any person violating any of the provisions of this Ordinance shall be guilty of a misdemeanor and shall be punishable therefore by a fine of not more than five hundred dollars, or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

(b) Any Operator or other person who fails or refuses to register as required herein or to furnish any return required to be made or who fails or refuses to furnish a supplemental return or other data required by the Tax Collector, or who renders a false or fraudulent return or claim, is guilty of a misdemeanor, and is punishable as aforesaid. Any person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claim with intent to defeat or evade the

determination of any amount due required by this Ordinance to be made, is guilty of a misdemeanor and is punishable as aforesaid.

Section 19. **EFFECTIVE IMMEDIATELY.** This ordinance is adopted as an urgency ordinance pursuant to Government Code § 36937(b), to take effect immediately. Rancho Cordova has incorporated on this date and the Comprehensive Financial Analysis prepared for incorporation anticipates receipt of this tax revenue from and after July 1, 2003. It is thus necessary for this ordinance to take effect immediately to assure adequate revenues are available to provide municipal services.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

627099

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Urgency Ordinance of the City of Rancho Cordova Imposing a Documentary Transfer Tax on Transfers of Real Property Located Within the City of Rancho Cordova
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Ordinance.

RECOMMENDATION: 1. Waive reading and adopt ordinance (4/5th vote required).

DESCRIPTION:

State law allows counties to impose a tax on the transfer or sale of documents such as deeds on property, in an amount not to exceed \$1.10 for each \$1,000. Sacramento County currently taxes transfers at the maximum rate allowed by state law. At this rate, a lot sold for \$100,000 would be subject to a \$1,100 documentary transfer tax. State law allows newly incorporated cities to impose one-half (1/2) of the documentary transfer tax imposed by counties. The City of Rancho Cordova is therefore authorized to impose a documentary transfer tax at a rate of \$0.55 per \$1,000.

The attached ordinance would authorize the City of Rancho Cordova to impose one-half of the existing County documentary transfer tax on transactions within the City of Rancho Cordova. If the City adopts the ordinance, the County documentary transfer tax would be correspondingly decreased from \$1.10 per \$1,000 to \$0.55 per \$1,000. Adoption of the ordinance would not impose this tax on any additional transactions. It would not increase or alter the existing rate at which transactions are already taxed.

Article XIIC of the California Constitution ("Proposition 218" adopted on the November 1996 state-wide ballot) and Government Code §§ 53720 *et seq.* ("Proposition 62" adopted on the November 1986 state-wide ballot) generally require voter approval and impose certain other requirements for all new or increased local taxes.

In approving the incorporation of the City of Rancho Cordova, the voters specifically authorized the continued levying of general taxes, including the transient occupancy tax, levied by the County of Sacramento as of November 1, 2002. (See Paragraph 9(o)(iv) of LAFCO Resolution No. 1243.) Thus, Proposition 218 and Proposition 62 do not require further voter approval of this ordinance.

Moreover, when a city, during its incorporation, adopts an ordinance, such as the attached ordinance, that merely continues an existing county tax at the existing county tax rate, voter approval is not required, because the tax is not increased and there is no change in the persons subject to the tax. (See *City of Cathedral City v. County of Riverside*, 210 Cal. Rptr. 60, 62 (1985).)

Furthermore, Government Code § 53750(h)(1) states that, for purposes of Article XIIC and Article XIID of the California Constitution, "increased," when applied to a tax means a decision by an agency that either (i) increases any applicable rate used to calculate the tax, or (ii) revises the methodology by which

the tax is calculated if that revision results in an increased amount being levied on any person or parcel. Under this definition, the attached ordinance does not increase the existing documentary transfer tax because it neither increases the total existing tax rate nor changes the methodology for calculating the total tax in any way.

Adoption of this ordinance is authorized by Paragraph 9(o)(ii) of LAFCO Resolution No. 1243. It is necessary that the ordinance take effect immediately so that the City begins receiving tax revenues on July 1, 2003 for use in providing necessary services to the community.

627453

CITY OF RANCHO CORDOVA

ORDINANCE NO. 05-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
TO CONTINUE THE EXISTING DOCUMENTARY TRANSFER TAX**

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

A. Article XIIC of the California Constitution ("Proposition 218" adopted on the November 1996 state-wide ballot) and Government Code §§ 53720 *et seq.* ("Proposition 62" adopted on the November 1986 state-wide ballot) generally require voter approval, and impose certain other requirements, for all new or increased local taxes.

B. This ordinance would authorize the City of Rancho Cordova to continue imposing one-half of the existing Sacramento County documentary transfer tax on transactions within the City of Rancho Cordova. If the City adopts the ordinance, the County documentary transfer tax would be correspondingly decreased from \$1.10 per \$1,000 to \$0.55 per \$1,000. This ordinance would not impose this tax on any additional transactions. It would not increase or alter the existing total rate at which transactions are already taxed.

C. When, a city during its incorporation, adopts an ordinance, such as this City of Rancho Cordova ordinance, that adopts a documentary transfer tax at the statutorily authorized rate, voter approval is not required, because the total tax is not increased. *City of Cathedral City v. County of Riverside*, 210 Cal. Rptr. 60, 62 (1985).

D. Further, Senate Bill 919 the "Proposition 218 Omnibus Implementation Act" adopted in 1997, added Government Code § 53750. Section 53750(h)(1) states that, for purposes of Article XIIC and Article XIID of the California Constitution, "increased," when applied to a tax means a decision by an agency that either (i) increases any applicable rate used to calculate the tax, or (ii) revises the methodology by which the tax is calculated if that revision results in an increased amount being levied on any person or parcel. Under this definition, this ordinance does not increase the existing documentary transfer tax because it neither increases the total tax rate nor changes the methodology for calculating the tax in any way.

E. Adoption of this ordinance is required by LAFCO Resolution No. 1243, ¶19(o)(ii).

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

SECTION 1. Short Title. This ordinance shall be known as, and for all purposes may be referred to as, the "Documentary Transfer Tax Ordinance of the City of Rancho Cordova."

SECTION 2. Authority. This chapter is enacted pursuant to Part 6.7 of Division 2 (§§ 11901 *et seq.*) of the California Revenue and Taxation Code.

SECTION 3. Imposition.

a. Imposition - Subject documents. A tax is imposed on each deed, instrument or writing by which any lands, tenements, or other realty sold within this City is granted, assigned, transferred, or otherwise conveyed to or vested in purchaser(s) or any other person(s) by his or their direction, when the consideration or value of the interest or property conveyed (exclusive of the value of any lien or encumbrances remaining thereon at the time of sale) exceeds one hundred dollars.

b. Imposition - Rate. The rate of this tax is fifty-five cents (\$.55) for each one thousand dollars (\$1,000), or fractional part thereof, of the consideration or value.

c. Imposition - Payment liability. Any person who makes, signs, or issues any document or instrument subject to the tax, or for whose use or benefit the same is made, signed or issued, shall pay this tax.

SECTION 4. Exemptions. The following exemptions are provided pursuant to Revenue and Taxation Code section 11921 *et seq.*

a. Exemptions - Debt security. This tax does not apply to any written instrument to secure a debt.

b. Exemptions - Governmental bodies. Any deed, instrument or writing to the United States or any agency or any agency or instrumentality thereof, or any state or territory or political subdivision thereof (exempt agencies), is a party and acquiring title thereby shall be exempt from this tax.

c. Exemptions - Bankruptcies.

(i) This tax does not apply to the making, delivering or filing of conveyances to make effective any plan of reorganization or adjustment:

(a) Confirmed under the Federal Bankruptcy as amended;

(b) Approved in an equity receivership in a court involving a railroad as defined in subdivision (m) of Section 205 of Title 11 of the United States Code, as amended;

(c) Approved in an equity receivership in a court involving a corporation, as in subdivision (3) of Section 506 of 11 of the United States Code, as amended;

(d) Whereby a mere change in identity, form or place or organization is effected.

(ii) Subdivisions (a) to (d), inclusive, of (i) shall apply only if the making, or filing of instruments of transfer or conveyances occurs within five years from the date of such confirmation, approval or change.

d. Exemptions - Securities and Exchange Commission. This tax does not apply to the making or delivery of conveyances to make effective any order of the Securities and Exchange Commission, as defined in subdivision

(i) of Section 1083 of the Internal Revenue Code of 1954; but only if:

(a) The order recites that such conveyance is necessary or appropriate to effectuate the provisions of Section 79k of Title 15 of the United States Code, relating to the Public Utility Holding Company Act of 1935;

(b) The order specifies the property to be conveyed; and

(c) Such conveyance is made in obedience to the order.

e. Exemptions - Partnerships.

(i) This tax does not apply to transfers of interest in realty owned by a continuing partnership within the meaning of Section 708 of the Internal Revenue Code of 1954 if the partnership continues to hold the realty concerned.

(ii) If there is a termination of any such partnership, it shall be treated as having executed an instrument whereby there was conveyed, for fair market value (exclusive of the value of any lien or encumbrance remaining thereon), all realty held by it at the time of such termination.

(iii) Not more than one such tax shall be imposed by reason of such a termination and any transfer pursuant thereto, with respect to the realty held by such partnership at the time of such termination.

SECTION 5. Administration.

a. Administration Recorder responsibility. The county recorder shall administer this ordinance.

b. Administration - Refunds. Claims for refunds of these taxes shall be governed by the provisions of Revenue and Taxation Code commencing with Section 5096 thereof. No refund under this ordinance shall be made, except on a claim verified by the person who paid the tax, his or her guardian, executor or administrator. Only the person who paid the tax, his or her guardian, conservator, executor or administrator may bring an action against the City to recover any tax, penalty or interest paid pursuant to this ordinance which the City has refused to refund. No other person may bring such an action for such a refund; but if another should do so, judgment shall not be rendered for the plaintiff.

SECTION 6. Enforcement.

a. Enforcement - Violations. Any person who makes, signs, issues or accepts or causes to be made, signed, issued or accepted, or who submits or causes to be submitted for recordation, any deed, instrument or writing to this tax, and makes any material misrepresentation of fact for the purpose of avoiding all or any part of this tax shall be guilty of a misdemeanor.

b. Enforcement - Unintentional errors. No person shall be liable, either civilly or criminally for any unintentional error made in the location of the lands, tenements or other realty described in a document subject to this tax.

SECTION 7. Effective Immediately. This ordinance is adopted as an urgency ordinance pursuant to Government Code § 36937(b), to take effect immediately. Rancho Cordova has incorporated on this date; thus, to assure adequate revenues are available to provide necessary municipal services, this ordinance must take effect immediately.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627454

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Approving Agreement with Charles Cate for City Manager Services and Appointing Charles Cate as City Manager (Prepared by City Attorney)

ATTACHMENTS:

1. Agreement with Charles Cate for City Manager Services (Exhibit A to resolution); and
2. Draft resolution.

RECOMMENDATION:

1. Adopt resolution.

DESCRIPTION:

The Council-elect entered into an agreement with Charles Cate on March 3, 2003 for Interim City Manager services (Exhibit A to Attachment 1). Pursuant to that agreement, Mr. Cate was retained to provide services described in that agreement.

Rancho Cordova becomes a city on July 1, 2003. It is appropriate for the City and Mr. Cate to "ratify" the March 3, 2003 agreement.

The draft resolution will approve the draft agreement and authorize the Mayor to sign it.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 10-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
APPOINTING CHARLES CATE AS INTERIM CITY MANAGER AND
APPROVING AGREEMENT WITH CHARLES CATE
FOR CITY MANAGER SERVICES**

WHEREAS, the City Council desires to appoint an Interim City Manager to act as the City's Manager pursuant to the City's Council/Manager Ordinance (Ord. No. 02-2003);

WHEREAS, the City Council has reviewed the terms and provisions of the "Agreement with Charles Cate for Interim City Manager Services," a copy of which is attached hereto as Exhibit A;

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council of the City of Rancho Cordova appoints Charles Cate as Interim City Manager to serve at the pleasure of the City Council; and

BE IT FURTHER RESOLVED that the City Council of the City of Rancho Cordova hereby approves said agreement and authorizes and directs the Mayor to sign it.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Agreement for Consulting Services Interim City Manager

This Agreement is made and entered into as of the 3rd day of march, 2003, by and between the City of Rancho Cordova acting by and through its City Council-Elect ("City"), and Charles Cate ("Consultant").

Recitals

1. The voters approved the incorporation of the City of Rancho Cordova in November 2002, to be effective July 1, 2003. The voters also elected the first City Council of the new City of Rancho Cordova in November 2002. The newly-elected Councilmembers-elect consist of Dave Roberts, Linda Budge, Ken Cooley, Robert McGarvey and David Sander. The Councilmembers-elect have agreed that Dave Roberts shall act as the Mayor-elect until the City becomes effective on July 1, 2003. This agreement is entered in by the City through its Councilmembers-elect in their capacities as such and not in their capacities as individuals.
2. City desires to retain Charles Cate to perform specific consulting services as interim city manager of the City.
3. The Consultant is specially trained, experienced and competent to perform the special services of interim City Manager which will be required by this Agreement.
4. The Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

Agreement

1. Scope of Services. Consultant shall do all work, attend all meetings, and carry out all activities necessary to perform the services described in Exhibit A to this Agreement which Exhibit is incorporated into this Agreement by reference ("Services"). Consultant shall provide said services at the time, place and in the manner specified in Exhibit A, subject to direction of the City through its City

Council-Elect that is may provide from time to time. Exhibit A includes services to be performed through and including September 1, 2003.

2. Term. The services of the Consultant shall commence on March 4, 2003 and shall continue until the City Council hires the permanent City Manager, or until September 1, 2003, whichever occurs first, or unless terminated by either the City or Consultant pursuant to Paragraph 6 of this Agreement. Both City and Interim City Manager anticipate that the City may, at its option, request that this Agreement be extended for an additional term, to be mutually agreed upon past September 1, 2003.
3. Compensation/Terms of Employment. City agrees to pay Consultant (Interim City Manager) on an hourly basis at the rate of \$72.00 per hour for a maximum of 173.33 hours per month. The Consultant will work five days a week, attend all meetings of the City Council and other such meetings not held during normal working hours as required. If the duties of the position require service greater than 173.33 hours per month, Consultant waives any claim to compensation above the stated maximum limit. The Consultant will perform all the duties outlined in Exhibit A. Compensation shall not include travel to the workplace, telephone calls and miscellaneous activities. Consultant will be reimbursed for actual costs associated with approved activities including printing, publishing and miscellaneous costs associated with production of the work product.
4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month.
5. Housing Expense. City shall provide a housing allowance for the Consultant to live within the City limits of Rancho Cordova during his tenure as Interim City Manager. Cost of said housing allowance will be the actual cost of a furnished, one bedroom apartment in the City, not to exceed \$1,000.00 per month for the duration of the services provided.
6. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon thirty days' written notice of termination.
7. Ownership of Documents. All plans, studies, documents and other writings prepared by and for the Consultant, including working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant.
8. Consultant's Books and Records. Consultant shall maintain as City property, any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3)

years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours.

9. Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. As an independent contractor the status of the Contractor is at-will.

10. Compliance with Political Reform Act. Consultant will be subject to the City's Conflict of Interest Code adopted pursuant to Government Code Section 8100 et seq. Consultant shall comply with all rules, regulations, and statutory disclosures required by the Conflict of Interest Code of the City of Rancho Cordova as adopted.

11. Interest of Consultant

- a. Consultant covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of consultants services hereunder.
- b. Consultant covenants that he has no interest, nor shall he acquire any interest, direct or indirect, in the subject of the Agreement, nor any other interest which would conflict in any manner or degree with the performance of his services hereunder.

12. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services described in this Agreement as a material inducement to enter into this Agreement. All work performed by the Consultant under this Agreement shall be in accordance with the applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in the Consultant's field of expertise.

12. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.

13. Indemnification. Consultant, acting in his capacity as Interim City Manager shall be held harmless by the City for the performance of his duties while acting in the course and scope of his duties, and shall be entitled to the immunities provided to government employees under the California Government Code. The City shall provide for the defense of Consultant in any action or proceeding alleging an act

or omission within the scope of services to be provided subject to this Agreement, except criminal misconduct, in conformance with State Law.

14. Insurance.

- a. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and not-hired vehicles, in an amount of no less than five hundred thousand (\$500,000) combined single limit for each occurrence. The cost of automobile liability coverage shall be paid by Consultant.
- b. Workers Compensation Coverage. Consultant understands and agrees that City is not providing workers' compensation insurance (or any other type or kind of insurance) for or on behalf of Consultant.

15. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section:

To City: City of Rancho Cordova
 3328 Mather Field Road
 Rancho Cordova, CA 95670

To Consultant: Charles Cate
 75 Laurel Drive
 Fairfax, CA 94930

16. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

17. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City.

18. Subcontracting. None of the services covered by this Agreement shall be subcontracted without the prior written consent of the City, which will not be unreasonably withheld.

19. Assignability. Consultant shall not assign or transfer any interest in this Agreement whether by assignment or novation, without the prior written consent

of the City which will not be unreasonably withheld. Provided, however, that claims for money due or to become due Consultant from City under this Agreement may be assigned to a financial institution, or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the City.

20. Litigation Expenses and Attorneys' Fees. If either party to this Agreement commences any legal action against the other party arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

22. Equal Opportunity Employment. Consultant shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation.

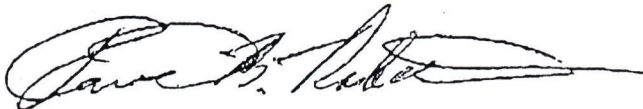
23. Recitals. The Recitals are incorporated herein and are made a part of this agreement.

24. Binding Effect of Agreement. This agreement shall not be a liability of the Councilmembers-elect in their individual capacities but shall be binding on the City of Rancho Cordova effective July 1, 2003 upon ratification by the City Council on or after July 1, 2003.

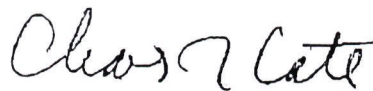
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above:

CITY OF RANCHO CORDOVA

INTERIM CITY MANAGER



Dave Roberts
CHAIR-COUNCIL-ELECT



Charles Cate

ATTEST:

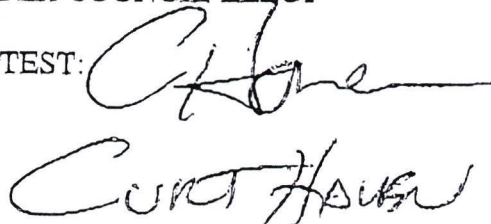


EXHIBIT A
SCOPE OF SERVICES

SCOPE OF SERVICES

Consultant, acting in his capacity as Interim City Manager for the City of Rancho Cordova shall perform such legally permissible and proper duties and functions as the city Council may assign, but shall undertake at a minimum, the following general scope of duties:

1. Assist the City Council in the recruitment and selection of a permanent City Manager, and other key personnel as determined by the City Council;
2. Assist the City Council in the development and adoption of a Strategic Plan and goals and objectives for the first six months of operation;
3. Prepare a Municipal Services Transition Plan which may include in-house staff and contract services for City Council review and approval;
4. Provide reports and recommendations to the City Council for action on the following:
 - a. A short and long range plan for City facilities
 - b. An interim financing plan and initial operating budget for the City;
5. Selection of consultants for specific tasks as defined by the City Council;
6. Recruitment of key City staff;
7. Meeting and conferring with County staff regarding service provision contracts;
8. Selection and installation of an automated finance and accounting system;
9. Preparation of the City's first Comprehensive Plan;
10. Creation of the City logo and newsletter;
11. Preparation for initial Cityhood activities.

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Approving Agreement for Legal Services with Meyers, Nave, Riback, Silver & Wilson and Designating Steven R. Meyers as City Attorney and Adam U. Lindgren as Assistant City Attorney (Prepared by City Attorney)

ATTACHMENTS:

1. "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson dated February 24, 2003;"
2. "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson dated July 1, 2003;"
3. Memorandum by Mike Oliver entitled "Agreement with Meyers Nave for City Attorney Services;" and
4. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

The City Council appoints the City Attorney and may provide such compensation as deemed appropriate. (Government Code §§ 36505 and 41800 *et seq.*) Previously, the City Council-Elect voted to authorize and direct the Chair-elect of the City of Rancho Cordova to sign the "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson dated February 24, 2003." (Attached to the Resolution as Exhibit A.) That agreement appointed Steven R. Meyers as City Attorney and Adam U. Lindgren as Assistant City Attorney and established the terms of compensation for the City Attorney's services.

The attached resolution authorizes and directs the newly appointed Mayor to sign the attached Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson dated July 1, 2003." (Attached to the Resolution as Exhibit B.) The material terms of the February 24 and July 1 agreements are identical. A new agreement is required to ratify and re-approve the terms of the earlier agreement by the City after incorporation has officially taken place. The ratification of the February 24 agreement is required pursuant to the paragraph entitled "Appointment of City Attorney."

Both agreements provide for:

- 1) General City Attorney services at the rate of \$175 per hour for Attorneys and \$85 an hour for Paralegals.
- 2) Special counsel services (including Redevelopment, Telecommunications, and Labor and Employment) at the rate of \$205 per hour for Attorneys and \$90 an hour for Paralegals.
- 3) Litigation and legal work chargeable to third party applicants of the City at the hourly rate of \$250 for Senior Principals, \$225 for Junior Principals, \$200 for Senior Associates, \$175 for Junior Associates, and \$90 for Paralegals.

The agreement also provides for recovery of costs.

Travel time will not be compensated for regular City Council or regular City Staff meetings. Travel costs are billed at half the applicable hourly rate.

Invoices for all legal services prior to July 1, 2003 shall be paid in six equal installments without interest on the outstanding balance commencing July 1, 2003 through December 1, 2003. Invoices for legal services incurred after July 1, 2003 shall be paid within thirty days of receipt.

The agreement is terminable by the City at any time upon 30 days' written notice.

627460

CITY OF RANCHO CORDOVA

RESOLUTION NO. 11-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
APPROVING AN AGREEMENT FOR LEGAL SERVICES WITH
MEYERS, NAVE, RIBACK, SILVER & WILSON
AND DESIGNATING STEVEN R. MEYERS AS CITY ATTORNEY
AND ADAM U. LINDGREN AS ASSISTANT CITY ATTORNEY**

WHEREAS, the City Council desires to enter into an Agreement for Legal Services to assist in establishing and operating the City of Rancho Cordova; and

WHEREAS, the City Council desires to appoint a City Attorney and an Assistant City Attorney to act as legal advisor to the City of Rancho Cordova; and

WHEREAS, the City Council-Elect of the City of Rancho Cordova approved the "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson, dated February 24, 2003," a copy of which is attached hereto as Exhibit A; and

WHEREAS, pursuant to the "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson, dated February 24, 2003," the City Council desires to ratify and re-approve the terms of the previous agreement as obligations of the newly incorporated City of Rancho Cordova; and

WHEREAS, the City Council has reviewed the terms and provisions of the "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson, dated July 1, 2003," a copy of which is attached hereto as Exhibit B.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council of the City of Rancho Cordova appoints Steven R. Meyers as City Attorney of the City of Rancho Cordova and Adam U. Lindgren as Assistant City Attorney of the City of Rancho Cordova to serve at the pleasure of the City Council;

BE IT FURTHER RESOLVED that the City Council of the City of Rancho Cordova hereby ratifies and re-approves the "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson, dated February 24, 2003;"

BE IT FURTHER RESOLVED that the City Council of the City of Rancho Cordova hereby approves the "Agreement for Legal Services Between the City of Rancho Cordova and Meyers, Nave, Riback, Silver & Wilson, dated July 1, 2003," and authorizes and directs the Mayor to sign it.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627464

AGREEMENT FOR LEGAL SERVICES

This Agreement for Legal Services ("Agreement"), made and entered into as of February 24, 2003, by and between the CITY OF RANCHO CORDOVA, a Municipal Corporation in the State of California, acting by and through its City Council-elect, hereinafter referred to as "CITY" and MEYERS, NAVE, RIBACK, SILVER & WILSON, a professional corporation, hereinafter referred to as "MEYERS NAVE."

RECITALS

1. The City of Rancho Cordova shall by virtue of Local Agency Formation Commission Resolution No. 1243 and official and regular actions pursuant thereto become an incorporated general law city and municipal corporation on July 1, 2003. The City Council-elect of CITY desires the engagement of legal services and desires the appointment of City Attorney designate prior to such effective date.
2. Having requested competitive proposals and having evaluated the qualifications of the proposers, the Council-elect has selected MEYERS NAVE to provide such legal services as described herein and further has appointed Steven R. Meyers, a principal of MEYERS NAVE, as the City Attorney designate effective February 3, 2003.
3. It is the desire of the parties hereto to enter this agreement and establish the terms and conditions for rendition of legal services to the City of Rancho Cordova and the compensation therefore;
4. The Council-elect of the CITY have agreed that Dave Roberts shall act as Chair-elect and shall execute on behalf of the Council-elect all legal documents. This agreement is executed and entered into by the Council-elect in their capacities as such and not as individuals.

NOW, THEREFORE, IT IS MUTUALLY AGREED as follows:

1. Appointment of City Attorney.

CITY hereby appoints and retains Steven R. Meyers, a principal in the firm of Meyers Nave and hereinafter referred to as "ATTORNEY", as City Attorney for the City of Rancho Cordova and MEYERS NAVE agrees to faithfully represent the legal interests of CITY during the term of this Agreement. CITY hereby appoints and retains Adam U. Lindgren, a principal in the firm of Meyers Nave, as Assistant City Attorney. CITY shall ratify and re-approve this Agreement and its appointments on or about July 1, 2003.

2. Attorney's Services.

MEYERS NAVE shall provide, through the services of Steven R. Meyers, Adam U. Lindgren and those of such other attorneys of MEYERS NAVE, as ATTORNEY shall determine and direct, all legal services usually and normally provided by City Attorneys, and specifically those duties and services described in Government Code Sections 41801, 41802, and 41803.5. Such services shall include, but not be limited to:

- a. Attendance at City Council meetings, unless excused by the Mayor;
- b. Preparation of ordinances, resolutions, leases, contracts or other legal documents;
- c. Preparation of all findings, decisions or other documents pertaining to legislative or quasi-judicial actions or decisions made by the City Council, boards, commissions or officers;

- d. Rendering legal advice (both oral and written) to members of the City Council, commissions, boards, and to the City Manager, department heads and employees with respect to City matters;
- e. Negotiating and/or rendering advice with respect to negotiations pertaining to City's contracts, leases and memoranda of understanding;
- f. Representing City in litigation and/or arbitration or other judicial, administrative or quasi-judicial proceedings;
- g. Furnishing legal services for assessment district or bond proceedings as issuer's counsel;
- h. Furnishing legal services for the Redevelopment Agency, Parking Authority or other agencies or entities which are not operated as an integral part of City, but which are or may be created by City as independent agencies; and
- i. All other legal services customarily associated with a general counsel or special counsel.

ATTORNEY shall work with the City Manager as appropriate to insure that legal assignments are necessary, accomplished in a cost-effective manner, and completed in a reasonable and timely manner.

All Attorney work product shall be made available to the City in the proper electronic format and with compatible word processing software.

3. Independent Contractor.

MEYERS NAVE shall provide legal services to CITY as an independent contractor, with control over its offices, hours, support staff and other matters except as provided herein.

4. Compensation.

CITY shall compensate MEYERS NAVE on an hourly basis in accordance with the terms and conditions of this Agreement in the following amounts:

- a. For general City Attorney services at a rate of \$175 per hour. Paralegal services at a rate of \$85 per hour.
- b. For all special counsel services at a rate of \$205 per hour for attorneys and \$90 per hour for paralegals. Special counsel services include redevelopment, labor and employment and telecommunications.
- c. For litigation and all legal work chargeable to third party applicants of the City, \$250 per hour for Senior Principal, \$225 for Junior Principal, \$200 for Senior Associate, \$175 for Junior Associate and \$90 for paralegal.

The foregoing hourly rates shall be billed in tenths of an hour and shall include all necessary administrative support services such as secretarial, clerical and word processing costs. Other costs customarily advanced by an attorney on behalf of a client such as duplication, facsimile charges, postage, delivery charges, telephone charges shall not be separately billed but shall be billed as a surcharge of 3% of each invoice. Costs such as expert fees, filing fees, deposition fees, court reporter fees, electronic research and similar costs shall be billed at cost without mark up or administrative charges. There shall be no charge for

travel to regular City Council or regular City Staff meetings. Any travel costs charged shall be billed at one-half the applicable hourly rate.

MEYERS NAVE shall establish separate accounts and billing numbers for specific subject matters, municipal departments, distinct services and litigation in order to permit accurate accounting of legal costs associated with such separate matters. Billing narrative shall adequately describe the nature of the work performed, the billing attorney and the amount of time expended.

CITY shall establish by appropriate fee schedule, permit and processing fees adequate to reimburse City for legal costs incurred but reimbursable by third parties seeking entitlements, permits or licenses.

Notwithstanding the foregoing, and without amendment hereto, the maximum compensation paid under the terms hereof shall not exceed the amount budgeted for legal services in the first fiscal year of incorporation and each fiscal year thereafter, excepting compensation for services chargeable to third parties and reimbursable to CITY.*

5. Deferral of Billings.

Invoices for all legal services prior to July 1, 2003 shall be paid in six equal installments without interest on the outstanding balance commencing July 1, 2003 through December 1, 2003. Invoices for legal services incurred after July 1, 2003 shall be paid within thirty days of receipt.

6. No Assignment.

This Agreement is entered into by CITY and MEYERS NAVE and, except as set forth herein, the rights and obligations of ATTORNEY may not be assigned or delegated to any other attorney of MEYERS NAVE without express written consent of the City Council. This Agreement is not assignable.

7. Termination of Services.

CITY may terminate services of MEYERS NAVE at any time upon 30 days' written notice. After receiving such notice and within the thirty-day period, MEYERS NAVE will cease providing services in a manner which protects the City's interest to the greatest degree possible. MEYERS NAVE will cooperate with CITY in the orderly transfer of all related files and records to CITY's new counsel.

MEYERS NAVE may terminate services at any time with CITY's consent or for good cause. Good cause exists if (a) any statement is not paid within 60 days of its date; (b) CITY fails to meet any other obligation under this Agreement and continues in that failure for 15 days after MEYERS NAVE sends written notice to CITY; (c) CITY has misrepresented or failed to disclose material facts to MEYERS NAVE, refused to cooperate with MEYERS NAVE, refused to follow advice of MEYERS NAVE on a material matter, or otherwise made representation by MEYERS NAVE unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations

* See Report of LAFCO Executive Officer dated April 18, 2002.

where a conflict of interest arises. If MEYERS NAVE terminates its services, CITY agrees to execute a substitution of attorneys promptly and otherwise cooperates in effecting that termination.*

Termination of MEYERS NAVE services, whether by CITY or by MEYERS NAVE, will not relieve the obligation to pay for services rendered and costs incurred before MEYERS NAVE services formally ceased.

8. Insurance.

During the term of this engagement, MEYERS NAVE shall take out and maintain general liability and property damage insurance in the amount of \$1,000,000; professional errors and omissions insurance, in an amount of \$1,000,000 per occurrence; and \$2,000,000 aggregate, which insurance may not be canceled or reduced in required limits of liability unless at least ten days advance written notice be given to CITY or unless commercially unavailable.

9. No Guarantee of Outcome.

Any comments made by MEYERS NAVE about the potential outcome of this matter are expressions of opinion only and are not guarantees or promises about any outcome or results. MEYERS NAVE shall exercise the standard of care commensurate with its profession and shall comply with all applicable federal, state and local laws, codes and regulations.

10. Entire Agreement; Full Understanding; Modifications in Writing.

This Agreement contains the entire agreement about MEYERS NAVE representation. Any modifications or additions to this Agreement must be made in writing.

11. Joint Representation.

MEYERS NAVE maintains *of counsel* agreements with certain legal specialists. Because these individuals are deemed independent contractors under the applicable provisions of the tax laws and not employees of the firm, it is necessary that CITY consent to dual representation by MEYERS NAVE and the specialist in the event the matter which CITY has engaged MEYERS NAVE to handle requires the use of that specialist. This arrangement has no effect whatsoever on the cost of CITY's legal services, rather it is an ethical requirement that MEYERS NAVE disclose this fact and that CITY consent. CITY is consenting by signing this Agreement.

12. Effective Date.

This Agreement shall be effective as of the date of appointment of ATTORNEY as City Attorney designate. Annually on or about the anniversary date hereof the City may review the terms of this Agreement and the performance of services by ATTORNEY.

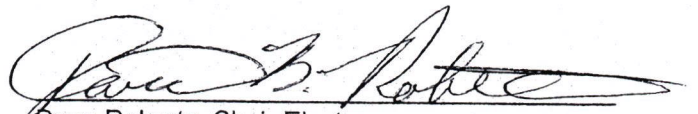
13. Personal Liability.

No personal liability whatsoever shall attach to the party executing this agreement on behalf of the City. The obligations of this Agreement shall be assumed and ratified by the City upon the effective date of incorporation. Should this Agreement not be so assumed and ratified no member of the City Council-elect shall be personally responsible for any monetary obligation under the terms of this Agreement.

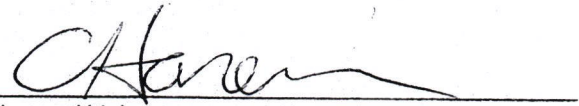
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year set forth below.

CITY OF RANCHO CORDOVA

Dated: 3/3/03

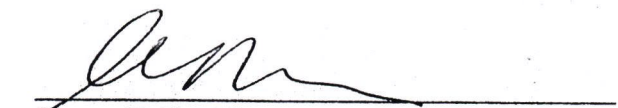

Dave Roberts, Chair-Elect

ATTEST:


(name/title)

MEYERS, NAVE, RIBACK, SILVER & WILSON

Dated: 3/3/03


Steven R. Meyers
Managing Principal

AGREEMENT FOR LEGAL SERVICES

This Agreement for Legal Services ("Agreement"), made and entered into as of July 1, 2003, by and between the CITY OF RANCHO CORDOVA, a Municipal Corporation in the State of California, acting by and through its City Council, hereinafter referred to as "CITY" and MEYERS, NAVE, RIBACK, SILVER & WILSON, a professional corporation, hereinafter referred to as "MEYERS NAVE."

RECITALS

1. The City of Rancho Cordova by virtue of Local Agency Formation Commission Resolution No. 1243 and official and regular actions pursuant thereto became an incorporated general law city and municipal corporation on July 1, 2003.
2. The City Council has selected MEYERS NAVE to provide such legal services as described herein and further has appointed Steven R. Meyers, a principal of MEYERS NAVE, as the City Attorney...
3. It is the desire of the parties hereto to enter this agreement and establish the terms and conditions for rendition of legal services to the City of Rancho Cordova and the compensation therefore.
4. The City Council has agreed that the Mayor shall execute on behalf of the Council all legal documents. This agreement is executed and entered into by the Council in their capacities as such and not as individuals.

NOW, THEREFORE, IT IS MUTUALLY AGREED as follows:

1. Appointment of City Attorney.

CITY hereby appoints and retains Steven R. Meyers, a principal in the firm of Meyers Nave and hereinafter referred to as "ATTORNEY", as City Attorney for the City of Rancho Cordova and MEYERS NAVE agrees to faithfully represent the legal interests of CITY during the term of this Agreement. CITY hereby appoints and retains Adam U. Lindgren, a principal in the firm of Meyers Nave, as Assistant City Attorney.

2. Attorney's Services.

MEYERS NAVE shall provide, through the services of Steven R. Meyers, Adam U. Lindgren and those of such other attorneys of MEYERS NAVE, as ATTORNEY shall determine and direct, all legal services usually and normally provided by City Attorneys, and specifically those duties and services described in Government Code Sections 41801, 41802, and 41803.5. Such services shall include, but not be limited to:

- a. Attendance at City Council meetings, unless excused by the Mayor;
- b. Preparation of ordinances, resolutions, leases, contracts or other legal documents;
- c. Preparation of all findings, decisions or other documents pertaining to legislative or quasi-judicial actions or decisions made by the City Council, boards, commissions or officers;
- d. Rendering legal advice (both oral and written) to members of the City Council, commissions, boards, and to the City Manager, department heads and employees with respect to City matters;

- e. Negotiating and/or rendering advice with respect to negotiations pertaining to City's contracts, leases and memoranda of understanding;
- f. Representing City in litigation and/or arbitration or other judicial, administrative or quasi-judicial proceedings;
- g. Furnishing legal services for assessment district or bond proceedings as issuer's counsel;
- h. Furnishing legal services for the Redevelopment Agency, Parking Authority or other agencies or entities which are not operated as an integral part of City, but which are or may be created by City as independent agencies; and
- i. All other legal services customarily associated with a general counsel or special counsel.

ATTORNEY shall work with the City Manager as appropriate to insure that legal assignments are necessary, accomplished in a cost-effective manner, and completed in a reasonable and timely manner.

All Attorney work product shall be made available to the City in the proper electronic format and with compatible word processing software.

3. Independent Contractor.

MEYERS NAVE shall provide legal services to CITY as an independent contractor, with control over its offices, hours, support staff and other matters except as provided herein.

4. Compensation.

CITY shall compensate MEYERS NAVE on an hourly basis in accordance with the terms and conditions of this Agreement in the following amounts:

- a. For general City Attorney services at a rate of \$175 per hour. Paralegal services at a rate of \$85 per hour.
- b. For all special counsel services at a rate of \$205 per hour for attorneys and \$90 per hour for paralegals. Special counsel services include redevelopment, labor and employment and telecommunications.
- c. For litigation and all legal work chargeable to third party applicants of the City, \$250 per hour for Senior Principal, \$225 for Junior Principal, \$200 for Senior Associate, \$175 for Junior Associate and \$90 for paralegal.

The foregoing hourly rates shall be billed in tenths of an hour and shall include all necessary administrative support services such as secretarial, clerical and word processing costs. Other costs customarily advanced by an attorney on behalf of a client such as duplication, facsimile charges, postage, delivery charges, telephone charges shall not be separately billed but shall be billed as a surcharge of 3% of each invoice. Costs such as expert fees, filing fees, deposition fees, court reporter fees, electronic research and similar costs shall be billed at cost without mark up or administrative charges. There shall be no charge for travel to regular City Council or regular City Staff meetings. Any travel costs charged shall be billed at one-half the applicable hourly rate.

MEYERS NAVE shall establish separate accounts and billing numbers for specific subject matters, municipal departments, distinct services and litigation in order to permit accurate accounting of legal costs

associated with such separate matters. Billing narrative shall adequately describe the nature of the work performed, the billing attorney and the amount of time expended.

CITY shall establish by appropriate fee schedule, permit and processing fees adequate to reimburse City for legal costs incurred but reimbursable by third parties seeking entitlements, permits or licenses.

Notwithstanding the foregoing, and without amendment hereto, the maximum compensation paid under the terms hereof shall not exceed the amount budgeted for legal services in the first fiscal year of incorporation and each fiscal year thereafter, excepting compensation for services chargeable to third parties and reimbursable to CITY. (See Report of LAFCO Executive Officer dated April 18, 2002.)

5. Deferral of Billings.

Invoices for all legal services prior to July 1, 2003 shall be paid in six equal installments without interest on the outstanding balance commencing July 1, 2003 through December 1, 2003. Invoices for legal services incurred after July 1, 2003 shall be paid within thirty days of receipt.

6. No Assignment.

This Agreement is entered into by CITY and MEYERS NAVE and, except as set forth herein, the rights and obligations of ATTORNEY may not be assigned or delegated to any other attorney of MEYERS NAVE without express written consent of the City Council. This Agreement is not assignable.

7. Termination of Services.

CITY may terminate services of MEYERS NAVE at any time upon 30 days' written notice. After receiving such notice and within the thirty-day period, MEYERS NAVE will cease providing services in a manner which protects the City's interest to the greatest degree possible. MEYERS NAVE will cooperate with CITY in the orderly transfer of all related files and records to CITY's new counsel.

MEYERS NAVE may terminate services at any time with CITY's consent or for good cause. Good cause exists if (a) any statement is not paid within 60 days of its date; (b) CITY fails to meet any other obligation under this Agreement and continues in that failure for 15 days after MEYERS NAVE sends written notice to CITY; (c) CITY has misrepresented or failed to disclose material facts to MEYERS NAVE, refused to cooperate with MEYERS NAVE, refused to follow advice of MEYERS NAVE on a material matter, or otherwise made representation by MEYERS NAVE unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises. If MEYERS NAVE terminates its services, CITY agrees to execute a substitution of attorneys promptly and otherwise cooperates in effecting that termination.

Termination of MEYERS NAVE services, whether by CITY or by MEYERS NAVE, will not relieve the obligation to pay for services rendered and costs incurred before MEYERS NAVE services formally ceased.

8. Insurance.

During the term of this engagement, MEYERS NAVE shall take out and maintain general liability and property damage insurance in the amount of \$1,000,000; professional errors and omissions insurance, in an amount of \$1,000,000 per occurrence; and \$2,000,000 aggregate, which insurance may not be canceled or reduced in required limits of liability unless at least ten days advance written notice be given to CITY or unless commercially unavailable.

9. No Guarantee of Outcome.

Any comments made by MEYERS NAVE about the potential outcome of this matter are expressions of opinion only and are not guarantees or promises about any outcome or results. MEYERS NAVE shall exercise the standard of care commensurate with its profession and shall comply with all applicable federal, state and local laws, codes and regulations.

10. Entire Agreement; Full Understanding; Modifications in Writing.

This Agreement contains the entire agreement about MEYERS NAVE representation. Any modifications or additions to this Agreement must be made in writing.

11. Joint Representation.

MEYERS NAVE maintains *of counsel* agreements with certain legal specialists. Because these individuals are deemed independent contractors under the applicable provisions of the tax laws and not employees of the firm, it is necessary that CITY consent to dual representation by MEYERS NAVE and the specialist in the event the matter which CITY has engaged MEYERS NAVE to handle requires the use of that specialist. This arrangement has no effect whatsoever on the cost of CITY's legal services, rather it is an ethical requirement that MEYERS NAVE disclose this fact and that CITY consent. CITY is consenting by signing this Agreement.

12. Effective Date.

This Agreement shall be effective as of July 1, 2003. Annually on or about the anniversary date hereof the City may review the terms of this Agreement and the performance of services by ATTORNEY.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year set forth below.

CITY OF RANCHO CORDOVA

Dated: _____

Mayor

ATTEST:

(name/title)

MEYERS, NAVE, RIBACK, SILVER & WILSON

Dated: _____

Steven R. Meyers
Managing Principal

City of Rancho Cordova

Memorandum

Date: February 28, 2003
To: City Council-Elect
From: Mike Oliver
Subject: Agreement with Meyers Nave for City Attorney Services

Summary and Recommendation

The City Council-elect solicited proposals for City Attorney Services shortly after the November election. The Council met in January and interviewed qualified firms and concluded that it would contract with the firm of Meyers, Nave, Riback, Silver & Wilson to provide contract City Attorney Services for the City prior to and following incorporation. The City Council directed Mike Oliver to negotiate an Agreement for Legal Services with Steve Meyers, Managing Partner of the Firm. I have met with Steve Meyers several times, reviewed the proposed scope of services, compensation request and service parameters. Mr. Meyers has incorporated a number of key elements which will assist the City managing the cost and quality of the services.

I believe the attached agreement encompasses the direction and interests of the City Council-elect and recommend the Council review the material and approve the attached Resolution at its March 3rd Meeting.

Background and Discussion

Most newly incorporated cities contract for legal services prior to incorporation to insure the interests of the City are represented both before and after incorporation. The Agreement with Meyers Nave provides for full-service City, Redevelopment, Litigation and processing (planning) legal services. The agreement also provides for a number of cost control, performance and management elements as part of the basic service configuration. These items will assist the City in assuring the costs incurred are appropriate and within generally accepted parameters.

The attached Agreement for Legal Services constitutes the agreement between the City and the Meyers Nave firm. I have summarized the agreement below:

Attorney's Services

Meyers Nave will provide two key attorneys, Steven R. Meyers, the City Attorney and Adam U. Lindgren, Assistant City Attorney. The Firm will also provide other attorneys the Firm determines appropriate and will direct all legal services usually and normally provided by City

Attorneys, and specifically those duties and services described in Government Code Sections 41801, 41802, and 41803.5. The services provided include, but are not be limited to:

- a. Attendance at City Council meetings, unless excused by the Mayor;
- b. Preparation of ordinances, resolutions, leases, contracts or other legal documents;
- c. Preparation of all findings, decisions or other documents pertaining to legislative or quasi-judicial actions or decisions made by the City Council, boards, commissions or officers;
- d. Rendering legal advice (both oral and written) to members of the City Council, commissions, boards, and to the City Manager, department heads and employees with respect to City matters;
- e. Negotiating and/or rendering advice with respect to negotiations pertaining to City's contracts, leases and memoranda of understanding;
- f. Representing City in litigation and/or arbitration or other judicial, administrative or quasi-judicial proceedings;
- g. Furnishing legal services for assessment district or bond proceedings as issuer's counsel;
- h. Furnishing legal services for the Redevelopment Agency, Parking Authority or other agencies or entities which are not operated as an integral part of City, but which are or may be created by City as independent agencies; and
- i. All other legal services customarily associated with a general counsel or special counsel.

Term of the Agreement

The Agreement takes effect upon City Council-elect approval, with an effective date of February 24, 2003. The Agreement continues in force until terminated by either party. The Agreement provides 30 days' notice on the City's part.

Compensation

The Agreement provides for compensation on a variable hourly rate, with basic on-going City Attorney services charged at the lowest rate. Specialized services, which generally occur much less frequently, are charged at a higher rate and reimbursable charges are at a higher rate. This approach is designed to keep the City's ongoing legal costs for 'normal' services at the lowest possible cost range, while recovering costs from third parties and for specialized services.

The Agreement requires the Services to be provided within the Budget allocation for the first year legal services contained in the Comprehensive Fiscal Analysis, which is \$550,000 per year. In addition, the Agreement provides that billing for the first six months of service will be deferred, without interest, and paid in six equal installments between July and December 2003.

I believe these rates, combined with the Management Tools included in the Agreement will provide adequate and cost-effective services. The projected costs are in line with the costs experienced in the cities of Citrus Heights and Rancho Cordova.

The Agreement provides hourly compensation at the following rates:

1. For general City Attorney services at a rate of \$175 per hour. Paralegal services at a rate of \$85 per hour.
2. For all special counsel services at a rate of \$205 per hour for attorneys and \$90 per hour for paralegals. Special counsel services include redevelopment, labor and employment and telecommunications.
3. For litigation and all legal work chargeable to third party applicants of the City, \$250 per hour for Senior Principal, \$225 for Junior Principal, \$200 for Senior Associate, \$175 for Junior Associate and \$90 for paralegal.

The hourly rates will be billed in tenths of an hour and include all necessary administrative support services such as secretarial, clerical and word processing costs. Other costs customarily advanced by an attorney on behalf of a client such as duplication, facsimile charges, postage, delivery charges, telephone charges will be billed as a surcharge of 3% of each invoice. Costs such as expert fees, filing fees, deposition fees, court reporter fees, electronic research and similar costs shall be billed at cost without mark up or administrative charges.

There are no charges for travel to regular City Council or regular City Staff meetings. Any travel costs charged shall be billed at one-half the applicable hourly rate.

City Management, Activity Reporting Tools

The Agreement contains a number of significant cost control, accounting, reporting, review and management tools for the City. These include:

1. *City Attorney-City Manager cooperation* to insure that legal assignments are necessary, accomplished in a cost-effective manner, and completed in a reasonable and timely manner. This requirement establishes the relationship between the City Attorney and City Manager to insure careful review of work product and its cost-effectiveness, the estimated costs of work prior to initiation of projects, the timely completion of work and the review of cost-effectiveness.
2. *Agreed Upon Accounting Procedures and separate billing accounts* will assure all work undertaken on behalf of the City will be appropriately accounted for, can be easily summarized for review and charged to third parties accurately. Critically important to the City as it undertakes review of planning and other discretionary matters is insuring the costs incurred in processing projects and applications are appropriately charged to the applicants. These charges for staff time, consultants and the City Attorney can easily run into the hundreds of thousands of dollars per year and become a City cost if not properly accounted for and charged.

3. *Annual review of Performance and Terms of the Agreement* will provide a mechanism for the City Council to review performance—using available performance review mechanisms, discuss costs, charges and methods of billing and discuss the terms of the Agreement between the City and the City Attorney. This mechanism is the single-most important protection for both the City and the City Attorney because it provides an annual mechanism for review by both parties of the relationship, and allows for modifications in the relationship.

Conclusion

The City Council-elect interviewed qualified law firms for the provision of City Attorney services and selected the firm of Meyers Nave to provide those services for the City of Rancho Cordova. The attached agreement provides clear expectations for performance, compensation and performance review to assure the City's interests will be protected. I recommend the City Council-elect approve the attached agreement.

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Authorizing County Employees to Enforce Laws in City
During Transition Year (Fiscal Year 2003-2004)
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

This resolution will authorize all County employees who are performing services within the City of Rancho Cordova to enforce any laws within the City while the County is providing such services. It will also designate the appropriate County official as the official authorized to so enforce the laws. The services to be provided include law enforcement, planning and zoning, engineering, building inspection, public works, parks and recreation, and animal control. For example, County Animal Control Officers will be authorized to enforce all laws in Rancho Cordova which are necessary to carry out their duties.

Paragraph 9(h) of LAFCO Resolution No. 1243 requires Sacramento County to continue to provide all services in the City of Rancho Cordova which it provided prior to incorporation through June 30, 2004. The City may also discontinue services before June 30, 2004.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 12-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
AUTHORIZING SACRAMENTO COUNTY OFFICERS AND EMPLOYEES TO
ENFORCE LAWS WITHIN RANCHO CORDOVA FOR FISCAL YEAR 2003-2004**

WHEREAS, pursuant to Paragraph 9(h) of LAFCO Resolution No. 1243, Sacramento County is required to continue to provide all services in the City of Rancho Cordova that it provided prior to incorporation through June 30, 2004; and

WHEREAS, in order to carry out their duties in providing such services, the City must authorize employees and officers of Sacramento County to enforce all applicable laws within the jurisdictional limits of the City of Rancho Cordova.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the Sacramento County officers and employees who are performing services within the City of Rancho Cordova during Fiscal Year 2003-2004 pursuant to Government Code section 57384 are authorized to enforce any laws, whether local, state or federal, within the City during the time that Sacramento County is providing such services.

BE IT FURTHER RESOLVED, that the employees or officers designated by Sacramento County to enforce local, state and federal laws in the unincorporated areas of the County are designated by the City Council of the City of Rancho Cordova to enforce such laws in the incorporated limits of the City of Rancho Cordova during Fiscal Year 2003-2004 when such employees or officers are performing services required to be performed by Government Code section 57384.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

628104

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Regarding Official Bonds and Setting the Amount
Thereof
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Government Code § 36518 requires the City Clerk and the City Treasurer of every City to execute a bond in favor of the City in connection with the duties that they perform on behalf of the City. The bond shall be in a "reasonable amount recommended by the city attorney and fixed by the city council." The City Clerk's bond is filed with the Mayor and the Treasurer's bond is filed with the City Clerk.

The Council may require bonds of other officers or employees. (Government Code § 36519.) The Ordinance Creating and Establishing a City Manager Form of Government requires a bond of the City Manager.

Most cities have a "blanket bond" to cover all employees. These bonds are sometimes referred to as a "Faithful Performance/Employee Dishonesty Bond." The cities of Citrus Heights and Elk Grove have "blanket bonds" in the amount of \$1,000,000.

The draft resolution approves bonds for the City Manager, City Clerk and City Treasurer and directs the City Manager to obtain a "blanket bond" in the amount of \$1,000,000 to cover all employees. The cost of the bond will vary depending on the number of employees and the amount of the bond. The cost is paid by the City.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 13-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
REGARDING OFFICIAL BONDS AND
SETTING THE AMOUNT THEREOF**

WHEREAS, Government Code § 36518 of the State of California requires the City Clerk and City Treasurer to execute a bond in favor of the City of Rancho Cordova in connection with duties performed on behalf of the City of Rancho Cordova; and

WHEREAS, Government Code § 36518 provides the penal sum of the bond shall be a reasonable amount recommended by the City Attorney and fixed by the City Council by resolution and may be changed during the term of office; and

WHEREAS, Government Code § 36519 authorizes the Council to require an official bond from any other City employee; and

WHEREAS, City of Rancho Cordova Ordinance No. 02-2003 requires an official bond from the City Manager; and

WHEREAS, the City Attorney recommends and the City Council fixes the amount of the bond at \$1,000,000 as a "blanket bond" (also known as a "Faithful Performance/Employee Dishonesty Bond") to cover all City employees and officers.

NOW THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Manager, City Clerk and City Treasurer each execute a bond in favor of the City of Rancho Cordova for \$1,000,000 effective July 1, 2003 and that the City Manager be directed to obtain a "blanket bond" to cover all other City officers and employees in the amount of \$1,000,000.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

628544

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Adopting the Appropriations Limit for Fiscal Year 2003-2004

ATTACHMENTS: 1. Draft Resolution

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

California voters approved Proposition 4, the Gann Initiative, on November 6, 1979, adding Article XIII B to the California Constitution. While Proposition 13, adding Article XIII A to the Constitution, controls both ad valorem property taxes and the imposition of new special taxes, Article XIII B limits the authorization of public agencies to expend the proceeds of taxes. Ultimately, the Gann Initiative intended to limit the growth in appropriations of both state and local government to changes in the cost of living and population in order to control spending levels. Thus, Article XIII B restricts annual appropriations to an amount created by a mechanical formula involving a base year amount modified by inflationary and population increase adjustments. (Cal. Const. Art. XIII B, § 1.)

The authorization to expend the "proceeds of taxes" during a fiscal year cannot exceed the "appropriations limit." (Cal. Const. art. XIII B, § 8(b).) Proceeds of taxes include, but are not restricted to, "all tax revenues and the proceeds to an entity of government, from (1) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues." (Cal. Const. Art. XIII B, § 8(c).)

Article XIII B was implemented by the legislature in California Government Code sections 7900 through 7914. Government Code § 7910 requires each local agency to adopt an "appropriations limit" annually by resolution, pursuant to the formula in Article XIII B.

An adjustment in each agency's appropriations limit is required when the financial responsibility for providing such services is transferred from one public agency to another, including upon incorporation of a new city. (Cal. Const. art. XIII B, § 3(b).) Such an adjustment is made by increasing the appropriations limit of the transferee entity and decreasing the appropriations limit of the transferor entity "by such reasonable amount as the said entities shall mutually agree." (Cal. Const. Art. XIII B, § 3(a).) This adjustment is made only in the year in which the transfer becomes effective.

The LAFCO determines the provisional appropriations limit of a new city pursuant to a formula set-out in Government Code § 56812(a). Pursuant to Government Code § 56812(c), the voters of the newly incorporated city establish the permanent appropriations limit at the first municipal election after the city's first full year of fiscal operation. Government Code § 56812(c) sets-out a formula for proposing a permanent appropriations limit.

Paragraph 9(m) of LAFCO Resolution No. 1243 establishes the initial appropriations limit for the City as \$34,250,000. The resolution before the Council will adopt this amount for Fiscal Year 2003-2004. Adoption of this resolution will also satisfy Paragraph 9(m) of LAFCO Resolution 1243 approving incorporation.

The permanent appropriations limit will be set by the voters of the City at the first municipal election held following the first full-year of operation.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 14-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA ADOPTING
THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2003-2004**

WHEREAS, the voters of the State of California in November, 1979, approved the addition of Article XIII B to the California Constitution popularly known as Proposition 4; and

WHEREAS, Article XIII B of the California Constitution places certain restrictions on the appropriations made by cities in California beginning July 1, 1980; and

WHEREAS, as a part of the City's incorporation election, a provisional appropriations limit of \$34,250,000 was established for the City of Rancho Cordova, effective July 1, 2003; and

WHEREAS, Fiscal Year 2003-2004 will be the City's first full year of operation.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council of the City of Rancho Cordova does hereby establish the City's provisional appropriations limit for Fiscal Year 2003-2004 as \$34,250,000.

BE IT FURTHER RESOLVED, that the City Council shall determine the permanent appropriations limit, to be submitted to the electorate, in accordance with Government Code § 56812.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627152

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Designating U.S. Bank as the City's Bank and Authorizing
Signatures on Warrants and Checks
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Cities generally select a banking institution to act as the city's bank. The attached resolution would select the Rancho Cordova branch of the U.S. Bank as the City's bank.

State law provides that the Mayor and City Clerk shall sign all warrants unless otherwise provided by the Council. (Government Code § 37203.) In approving the ordinance establishing a City Manager form of government, the Council provided the City Manager with sole authority to sign all warrants within budgeted amounts.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 15-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
DESIGNATING U.S. BANK AS THE CITY'S BANK
AND PROVIDING FOR AUTHORIZED SIGNATURES**

WHEREAS, the City of Rancho Cordova desires to select a banking institution to use for its banking needs.

NOW THEREFORE, the City Council of the City of Rancho Cordova resolves that U.S. Bank, Rancho Cordova branch, shall be appointed as the bank for the City of Rancho Cordova; and

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

CITY OF RANCHO CORDOVA

RESOLUTION NO. 16-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
AUTHORIZING INVESTMENT OF CITY MONIES
IN LOCAL AGENCY INVESTMENT FUND**

WHEREAS, pursuant to Government Code § 16429.1 there is a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provision of Government Code § 16429.1 for the purposes of investment as stated therein is in the best interests of the City of Rancho Cordova.

NOW THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council hereby authorizes the deposit and withdrawal of City monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code § 16429.1 for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED that the City Manager or the Finance Director or their successors shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES: Council Members: McGarvey, Budge, Sander, Cooley, Roberts

NOES: None

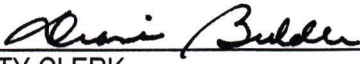
ABSENT: None

ABSTAIN: None

APPROVED:


MAYOR

ATTEST:


CITY CLERK

627491

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Authorizing Investment of City Monies in Local Agency Investment Fund
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

State law includes a list of permissible investments for city surplus funds. (Government Code § 53601.) Gov. Code § 53646 requires the "treasurer or chief fiscal officer" to "annually render" to the City Council "a statement of investment policy." Thus, cities adopt investment policies which designate some or all of the permissible investments listed in § 53601 as appropriate for the city. The Council should adopt an investment policy in the near future.

State law also permits a city to deposit monies in the State's "Local Agency Investment Fund." (Government Code § 16429.1.) The Local Agency Investment Fund (LAIF), codified at Government Code § 16429.1-§ 16429.4, was created in 1977 as an investment alternative for California's public agencies. Managed by California's State Treasurer, LAIF daily invests hundreds of millions of dollars, using the investment expertise of the Treasurer's Office investment staff at no additional cost to taxpayers. The City earns interest on its deposit on a quarterly basis at the LAIF rate.

Many cities deposit monies in LAIF. In fact, the LAIF has grown from 293 participants and \$468 million in 1977 to 3,039 participants and \$21.8 billion in 2003. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market, and market valuation is conducted monthly.

The Local Investment Advisory Board (LIAB), comprised of five-members, provides oversight of LAIF. The State Treasurer, or a designated representative, acts as Chairman of LIAB. The State Treasurer appoints two members qualified by training and experience in the field of investment or finance and two members who are treasurers, finance or fiscal officers or business managers employed by a local public agency. The LAIF is part of the Pooled Money Investment Account (PMIA), created in 1953. The Pooled Money Investment Board (PMIB) and an in-house investment committee oversee the PMIA. The State Treasurer, Director of Finance, and State Controller comprise the PMIB board.

The PMIB develops Policies, Goals, and Objectives to insure that LAIF's mandates of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. Formulated by Investment staff, both the PMIB and the LIAB review the policies on an annual basis.

The State Controller's Office audits all investment and LAIF claims on a daily basis. Additionally, the Bureau of State Audits audits the State Treasurer's Office on an annual basis, with a continuing audit process throughout the year.

Recent discussions about the State's budget deficit have generated questions from public agencies about the safety and accessibility of moneys invested with LAIF. The State of California cannot borrow or withhold LAIF moneys. Government Code §16429.3 prohibits moneys deposited in the LAIF from (a) transfer or loan pursuant to Sections 16310, 16312, or 16313 or (b) impoundment or seizure by any state official or state agency. Moreover, Government Code §16429.4, added to the LAIF's enabling legislation in 2002, permits a public agency to withdraw its deposited money from the LAIF upon demand even where the States fails to adopt a State Budget by July 1 of a fiscal year.

Additional information can be found regarding LAIF on the State Treasurer's website at <http://www.treasurer.ca.gov/laif/laif.htm>.

The attached resolution would authorize the City to deposit monies in the Local Agency Investment Fund. LAIF recommends that the Council designate two (2) city officials as authorized to order the deposit or withdrawal of monies. The resolution would designate the City Manager and Finance Director. Any monies withdrawn from the fund could only be spent in accordance with the City's approved budget.

Adoption of this resolution by the Council on July 1 will provide the City with a fund in which to deposit any monies not needed for its current expenses.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 16-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
AUTHORIZING INVESTMENT OF CITY MONIES
IN LOCAL AGENCY INVESTMENT FUND**

WHEREAS, pursuant to Government Code § 16429.1 there is a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provision of Government Code § 16429.1 for the purposes of investment as stated therein is in the best interests of the City of Rancho Cordova.

NOW THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council hereby authorizes the deposit and withdrawal of City monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code § 16429.1 for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED that the City Manager or the Finance Director or their successors shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627491

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Establishing a Petty Cash Fund
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Cities adopt a budget to insure that anticipated revenues match or exceed planned expenditures. A budget appropriates all monies of the city into different funds for subsequent expenditures. The city may establish separate funds for different purposes, so long as it does not do so contrary to state statute or local ordinance. An appropriation is an authorization to expend funds. An expenditure is the actual payment of the funds for the authorized purpose. If an expenditure is required which differs from the budget, an amended appropriation is required.

Municipal funds are either general or special. When a city establishes special funds for the payment of a particular class of claims, or for a particular class of expenditures or for a particular purpose, the general rule is they cannot be used for any other purpose. Long Beach v. Morse, 3 Cal. 2d 254 (1947).

This resolution establishes a Petty Cash Fund to allow for a source of ready cash for the minor expenses of the daily operations of the City of Rancho Cordova. These expenses are the type of expenses that do not require policy review and approval of the City Council. The City Manager is given custody and control of the Fund; disbursements may only be made with his approval. The resolution provides for a continuous appropriation from the General Fund in the amount of \$250 to maintain the Petty Cash Fund. A continuous appropriation means that the City Council need not appropriate funds to the Petty Cash Fund each time that the Fund is depleted.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 17-2003

A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ESTABLISHING A PETTY CASH FUND

WHEREAS, it is in the interest of efficiency to establish a Petty Cash Fund,

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

1. Petty Cash Fund Established. There is hereby established within the General Fund of the City of Rancho Cordova a special fund to be designated the "Petty Cash Fund".
2. Continuous Appropriation. There shall be appropriated to the Petty Cash Fund by continuous appropriation from the General Fund, the sum of \$250.
3. Use and Purpose of Fund. The purpose of the Petty Cash Fund shall be to provide a source of cash for minor expenses to allow the daily operation of the City of Rancho Cordova and not otherwise requiring the discretionary review and policy approval of the City Council.
4. Operation of Fund. The City Manager shall have custody and control of the Petty Cash Fund. All disbursements from the Petty Cash Fund shall require the approval of the City Manager.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Consent to Cancellation of Uncollected City Taxes, Penalties and Costs Based on the Consent of the County Legal Adviser
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

The California Revenue and Taxation Code requires the County Auditor to cancel any portion of any tax, penalty or costs, if they are levied or charged: (1) more than once a year; (2) erroneously or illegally; (3) on property that did not exist on the lien date; and (4) for certain other reasons. However, before the Auditor may cancel any tax, penalty, or costs that were levied or charged erroneously or illegally, it must first obtain the written consent of the City Attorney or another officer designated by the City Council.

By adopting the attached draft resolution, the City Council would authorize the County Counsel for the County of Sacramento to cancel any uncollected taxes, penalties or costs. The County Counsel is generally so designated.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 18-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
CONSENTING TO CANCELLATION OF UNCOLLECTED CITY
TAXES, PENALTIES AND COSTS BASED ON THE
CONSENT OF THE COUNTY COUNSEL**

WHEREAS, Revenue and Taxation Code § 4986 of the State of California provides that all or any portion of any uncollected taxes, penalties or costs shall be canceled by the Board of Supervisors on the grounds enumerated therein with the written consent of the County Counsel; and

WHEREAS, Revenue and Taxation Code § 4986.2 provides that any uncollected city taxes, penalties or costs shall be canceled on the grounds enumerated in § 4986 except that the consent of the City Attorney in lieu of the consent of the County Counsel is required.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the consent of the County Counsel for the County of Sacramento to cancel any uncollected taxes, penalties or costs under the provisions of Revenue and Taxation Code § 4986 shall also be deemed the consent of the City Attorney to the cancellation of any uncollected taxes, penalties or costs as provided in Revenue and Taxation Code § 4986.2; and

BE IT FURTHER RESOLVED that a certified copy of this resolution shall be filed with the Board of Supervisors of the County of Sacramento; and shall remain effective until rescinded by this City Council.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627520

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: An Urgency Ordinance Establishing the Special Gas Tax Street Improvement Fund and Declaring the Urgency Thereof
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Urgency Ordinance Establishing the Special Gas Tax Street Improvement Fund

RECOMMENDATION: 1. Waive reading and adopt ordinance (4/5 vote required).

DESCRIPTION:

The Highway Users Tax Fund (see California Streets & Highways Code §§2100-2128.1) is a special fund within the Transportation Tax Fund of the State of California. All moneys in the Highway Users Tax Fund are used exclusively for research, planning, construction, improvement, maintenance, and operation of public streets and highways; research and planning for public mass transit; construction and improvement of public mass transit; and the acquisition of property necessary to achieve these purposes. (Streets & Highways Code § 2101). The State Controller is required to apportion these monies monthly to counties and to cities in accordance with Streets & Highways Code §2104 through §2122. The following monies are distributed to cities:

- A sum equal to the net revenue from a tax of 11.5 percent of any per gallon tax in excess of nine cents per gallon pursuant to a variety of sections of the Revenue and Taxation Code (Streets & Highways Code §2105);
- \$400 per month (Streets & Highways Code §2106(a));
- A sum computed based upon the pro rata share of assessed valuation within the city (Streets & Highways Code §2106(c));
- A sum equal to the net revenues derived from a per gallon tax of 1.315 cents under the Motor Vehicle Fuel License Tax Law, 2.59 cents under the Use Fuel Tax Law, and 1.80 cents under the Diesel Fuel Tax Law (Streets & Highways Code § 2107);
- A sum distributed based upon population during the month of July exclusively for engineering costs and administrative expenses for city streets (Streets & Highways Code §2107.5).

The draft ordinance establishes the City of Rancho Cordova Special Gas Tax Street Improvement Fund to allow the City of Rancho Cordova to receive these apportionments from the State Controller. The ordinance must take effect immediately for the City to receive these funds upon incorporation.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 06-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
ESTABLISHING THE CITY OF RANCHO CORDOVA
SPECIAL GAS TAX STREET IMPROVEMENT FUND**

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

SECTION 1. Special Gas Tax Street Improvement Fund Created. In accordance with the provisions of §2113 of the California Streets and Highways Code, there is hereby created a special fund to be known as the "City of Rancho Cordova Special Gas Tax Street Improvement Fund" ("Fund").

SECTION 2. Purpose of the Fund. The purpose of the fund is to receive apportionments from the State of California pursuant to California Streets Highways Code §§ 2105 through 2107.5 (the Highway Users Tax Fund), as they may be amended, for the acquisition of real property, or an interest therein; for engineering; or for the construction, maintenance or improvement of streets or highways within the City of Rancho Cordova.

SECTION 3. Expenditures From Fund. All revenue in the Fund, and the interest earned thereon, shall be appropriated and expended exclusively for the purposes authorized by, and subject to the provisions of, Chapter 3 of Division 3 (§§2100 et seq.) of the California Streets and Highways Code.

SECTION 4. Effective Immediately. The City of Rancho Cordova has become incorporated on this date. No apportionment of money from the State of California Highway Users Tax Fund may be made to the City of Rancho Cordova unless and until the City of Rancho Cordova has established a special gas tax street improvement fund by ordinance (Streets & Highways Code §2113). In order for the City of Rancho Cordova to receive these funds in the most expeditious and efficient way possible, it is necessary for the City to adopt this ordinance as an urgency ordinance to take effect immediately. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code §39637(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with §36933 of the Government Code.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

628292

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Urgency Ordinance Adopting a Purchasing System
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Ordinance.

RECOMMENDATION: 1. Waive the reading and adopt the ordinance (4/5 vote required).

DESCRIPTION:

Pursuant to Government Code §57376, the City will adopt all ordinances of the County of Sacramento for 120 days in its first action, including the County purchasing ordinance (found at Chapter 2.56 of the Sacramento County Code). At any time, the City may adopt ordinances to supersede County ordinances.

Cities must adopt by ordinance policies and procedures governing purchases of supplies and equipment, including bidding regulations. (See Government Code §§54202-54203.) While meeting this requirement, the County purchasing ordinance includes a purchasing system inconsistent with the needs of a new city and a city the size of Rancho Cordova.

Therefore, the attached ordinance is modeled on the purchasing ordinances adopted by other cities of similar size to Rancho Cordova. The ordinance establishes the City Manager as the city's purchasing agent, providing the duties of the purchasing agent and permitting delegation of purchasing authority to other City staff.

The ordinance requires competitive bidding for purchases over \$20,000. The ordinance establishes a series of factors for awarding competitive bids. The Council would award contracts over \$20,000.

The Purchasing Agent would award contracts for less than \$20,000 after informal price checking or competitive bidding, at the Purchasing Agent's option.

The ordinance exempts a number of items from competitive bidding including:

- Where the amount is less than \$1,000.
- When an emergency exists.
- For the acquisition of professional or specialized services (architects, attorneys, engineers).
- Maintenance and janitorial services.
- When the City or another public agency has administered a competitive bid process for the same or similar item(s) within the past 2 years.

Agenda Item 3.22

Non-competitive bidding requires the purchasing agent to negotiate the price.

The ordinance also creates general administrative procedures governing purchasing by the City.

The ordinance must take effect immediately to supersede the County purchasing ordinance.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 07-2003

AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
ADOPTING A PURCHASING SYSTEM

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

SECTION 1. Adoption of a purchasing system.

A purchasing system is adopted in order to:

- a. Establish efficient procedures for the purchase of supplies, services and equipment;
- b. Secure supplies, services and equipment at the lowest possible cost commensurate with the level of quality required;
- c. Exercise financial control over purchases; and
- d. Clearly define authority for the purchasing function.

SECTION 2. Purchasing Agent designated.

The City Manager is designated as Purchasing Agent. The City Manager may delegate all or a portion of the purchasing duties to any City staff member. The Purchasing Agent shall have the authority to:

- a. Purchase or contract for supplies, services and equipment required by the City, in accordance with purchasing procedures outlined in this chapter;
- b. Negotiate and recommend execution of contracts for the purchase of supplies, services and equipment;
- c. Act to procure for the City the necessary quality in supplies, services, and equipment at the lowest cost to the City;
- d. Prepare and recommend to the City Council revisions and amendments to the purchasing rules;
- e. Establish and maintain such forms as reasonably necessary to the operation of purchasing guidelines;
- f. Supervise the inspection of all supplies, services, and equipment purchased to insure conformance with specifications;
- g. Recommend the sale or disposal of all supplies and equipment which cannot be used by the City, or which have become unsuitable for City use; and
- h. Maintain a bidder's list and other records necessary for the efficient acquisition of goods and services.

SECTION 3. Purchases by City Council—Competitive bidding.

When the amount or value involved is at least twenty thousand dollars (\$20,000), the purchase or disposal shall be made by the City Council through competitive bid as outlined below. Bids should be obtained from one or more vendors located within the City of Rancho Cordova whenever possible.

- a. Notice inviting bids shall include a general description of the services and/or articles to be purchased or sold, where bid blanks and specifications may be obtained, the time and place for bid openings, and whether bid deposit or bond and faithful performance bond will be required.
- b. Notice inviting bids shall be posted in at least three (3) public places in the City that have been designated by ordinance as the place for posting public notices, at least ten (10) days before the date of opening the bids.
- c. The Purchasing Agent shall also solicit sealed bids from all responsible prospective suppliers whose names are on the bidder's list and may advertise the notice inviting bids in applicable publications and websites readily accessible to the public.
- d. When deemed necessary by the Purchasing Agent or City Council, any bidder may be required to submit a bid deposit or bond in an amount determined by the Purchasing Agent or City Council. Successful bidders (and their sureties, if a bond is furnished) shall be liable for any damages upon the failure to enter into a contract with the City or upon the failure to perform in accordance with the tenor of the bid.
- e. When deemed necessary by the Purchasing Agent or City Council, any person or entity entering into a contract with the City may be required to furnish a faithful performance deposit or bond in an amount determined by the Purchasing Agent or Council.
- f. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.
- g. At its discretion, the City Council may reject all bids presented and readvertise for bids.
- h. Contracts shall be awarded by the City Council to the lowest responsible bidder, except as otherwise provided herein.
- i. If two or more bids received from responsible bidders are for the same total amount or unit price, quality and service being equal, preference shall be given to the local vendor, or the City Council may accept the lowest bid made by negotiation with the tie bidders and the Purchasing Agent at the time of the bid opening.

SECTION 4. Purchasing award—Factors to be considered.

Purchases shall be awarded after consideration of the following factors:

- a. The amount of bid price;
- b. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
- c. The ability of the bidder to perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- d. The reputation and experience of the bidder;
- e. The previous experience of the City with the bidder;
- f. The previous and existing compliance by the bidder with the laws and ordinances;
- g. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- h. The quality, availability, and adaptability of the supplies or contractual services to the particular use required;
- i. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- j. The number and scope of conditions attached to the bid;

- k. The purchase of products, whenever feasible, containing the highest amount of postconsumer and recovered materials practicable. In all cases, these products must meet reasonable performance standards, and be readily available at a competitive price. In addition, all equipment bought, leased or rented shall, wherever feasible, be compatible with the use of recycled products purchased by the City.

SECTION 5. Exceptions to competitive bidding requirements.

- a. The provisions of this chapter requiring competitive bidding shall not apply to the following:
 - 1. Contracts involving the acquisition of professional or specialized services, such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized consultants;
 - 2. Where the City's requirements can be met solely by a single patented article or process;
 - 3. To situations where no bids have been received following bid announcements under other provisions of this chapter;
 - 4. When the amount involved is less than one thousand dollars (\$1,000);
 - 5. When an emergency requires that an order be placed with the nearest source of supply;
 - 6. When a purchase involves goods of a technical nature, where it would be difficult for a vendor to bid on a standard set of specifications, the Purchasing Agent shall undertake a thorough review of known products and a comparison of features which would most closely meet the City's needs at the least cost;
 - 7. For janitorial services for City buildings and facilities;
 - 8. For maintenance and repair of buildings and facilities;
 - 9. For maintenance and repair of public streets, including street sweeping;
 - 10. When another public agency has administered a competitive bidding process within the past two years for the same or substantially similar supplies, services or equipment;
 - 11. When the City Council specifically waives the competitive bid process and authorizes staff to negotiate the purchase of vehicles by a four-fifths vote.
- b. When the procurement falls into any of the categories listed above, the Purchasing Agent may authorize contracts made by negotiation; provided, that the amount does not exceed twenty thousand dollars (\$20,000). When the amount exceeds twenty thousand dollars (\$20,000), the action must be authorized by the City Council.
- c. Any request for an exception under this section shall include the nature of the contract, amount of the contract, and the reasons why competitive bidding is not feasible.

SECTION 6. Purchases of less than twenty thousand dollars (\$20,000)—Procedure.

Where the amount or value involved is more than one thousand dollars (\$1,000), but less than twenty thousand dollars (\$20,000), the purchase or disposal may be made by the Purchasing Agent, without written bid, and by informal price checking through telephone or mail inquiry, comparison of prices on file or otherwise. Every attempt shall be made to receive at least three (3) price quotations. At the discretion of the Purchasing Agent, the acquisition of goods and services where the value is at least one thousand dollars (\$1,000) but less than twenty thousand dollars (\$20,000), the formal competitive bid process may be used.

SECTION 7. Purchase orders.

All purchases shall be documented by a purchase order prepared by the Purchasing Agent. The original copy shall be directed to the vendor and one (1) copy shall be retained for the purchase order file. The final copy shall be directed to the department for whose benefit the purchase is being made to be used as a receiving report.

SECTION 8. Availability of sufficient funds.

No purchase order shall be issued until it has been ascertained that there is to the credit of the department of the City for whose benefit such purchase is to be made, a sufficient unappropriated balance in excess of all unpaid obligations to defray the amount of such order.

SECTION 9. Inspection and review.

The Purchasing Agent shall require the inspection of supplies and equipment delivered, and contractual services performed, to determine their conformance with the specifications and requirements set forth in the order or contract.

SECTION 10. Surplus supplies and equipment.

At such times as determined by the Purchasing Agent, reports shall be prepared showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The Purchasing Agent shall have the authority to sell, trade or exchange all said supplies and equipment. Such sales will be made pursuant to Section 3 or Section 6 of this chapter, whichever is applicable.

SECTION 11. Splitting orders prohibited.

It is unlawful to split or separate into smaller orders the purchase of supplies, materials, equipment or services for the purpose of evading the competitive bidding provisions of this chapter.

SECTION 12. Exceptions—Public projects.

This chapter is expressly made inapplicable to bids for public projects as defined by Public Contracts Code §20161 and where the expenditure required for the public project exceeds the limit set by Public Contracts Code §20162. The provisions contained in Public Contracts Code §§20161 et seq., establish contract procedures the City shall follow regarding public projects.

SECTION 13. Exceptions—Contracting for emergency cleanup of hazardous materials.

When, in the discretion of the Public Works Director/City Engineer or his or her designee, it is determined that a hazardous spill has occurred and that immediate cleanup is required to prevent the spill from entering the City storm drain system or any watercourse, the City Manager, or his or her designee, may contract for the clean up of the spill. Any such contract in the amount of twenty thousand dollars (\$20,000) or under may be entered into on behalf of the City by the City Manager, or

his or her designee, without prior City Council approval; however, no such contract exceeding twenty thousand dollars (\$20,000) in amount shall be executed without prior approval of the City Council.

SECTION 14. Effective Immediately.

The City of Rancho Cordova has become incorporated on this date. Ordinance 01-2003 adopted all County of Sacramento Ordinances. The Purchasing Ordinance of Sacramento County, while providing an orderly procedure for the purchases of that public agency, would not provide an efficient, prudent and cost-effective administrative procedure for the City. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code §36937(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with Government Code §36933 of the State of California.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

630391

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Adopting Cost Reimbursement Procedures for Land Use Applications
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Cost reimbursement is one of the most successful tools used by many cities in California to manage the costs of City Attorney and Planning Department services related to development projects. Under cost reimbursement programs, cities require applicants for various land use projects to compensate cities for the time City staff spends working on applicants' projects. For example, if a planner works with an applicant for two hours to refine a project application so that it complies with the requirements of the municipal code, the City would be reimbursed by the applicant for the cost of those two hours of staff time.

Cost reimbursement programs are justifiable for two reasons. First, applicants for certain development approvals are receiving services that are not provided to the general public. That is to say, that services that city attorneys or city planners provide to applicants for development projects are not services that members of the general public commonly use. Further, applicants apply for development approvals voluntarily, because they want to develop their properties in such a way as to make them more valuable. It is reasonable to ask applicants to compensate cities and their general funds for these specialized services.

The attached draft resolution would establish the City policy that applicants for land use, zoning and building approvals will compensate the City for all the City's costs relating to processing and reviewing their projects. Further, the draft resolution would authorize staff to require applicants to enter into an agreement to pay such costs.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 19-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ESTABLISHING THE POLICY THAT APPLICANTS FOR
LAND USE, ZONING AND BUILDING APPROVALS SHALL
COMPENSATE THE CITY FOR CITY PROCESSING COSTS
AND APPROVING THE USE OF A LAND USE
PROCESSING AGREEMENT FORM**

WHEREAS, the City Council of the City of Rancho Cordova shall provide high quality professional services to parties seeking land use (including subdivision), zoning and building approvals; and

WHEREAS, significant staff time from planners, attorneys, engineers and other professionals retained or employed by the City can be expended in processing such matters; and

WHEREAS, the City's costs may include legal fees and costs incurred in defending a land use, zoning or building approval or such fees and costs awarded against the City and required to be paid by the City; and

WHEREAS, the City Council concludes it is in the best interests of the taxpayers of the City of Rancho Cordova that the cost of processing applications for land use, zoning and building approvals not be borne by the taxpayers but, rather, be borne by the applicants for such approvals.

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

1. It is the policy of the City of Rancho Cordova that all applicants for land use, zoning and building approvals shall compensate the City for all of the City's costs relating to the review and processing of the subject project, including all related personnel, legal, direct, indirect and overhead costs as well as costs of consultants retained by the City to assist in processing applications. The City shall require applicants to pay such costs even if the application is withdrawn, rejected, approved subject to conditions or modified upon approval; and
2. Staff is authorized to, and shall, require applicants for land use, zoning and building approvals to enter into an agreement to pay the costs described in paragraph 1 above. The City Manager or the City Manager's designee may execute such agreements.

BE IT FURTHER RESOLVED that the provisions of this resolution shall supersede any contrary Sacramento County fee policies adopted by the City Council of the City of Rancho Cordova pursuant to Ordinance No. 12-2003, which continues all current Sacramento County fees, charges and rates in effect.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627526

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Urgency Ordinance Providing Reimbursement to Councilmembers
for Expenses
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Ordinance.

RECOMMENDATION: 1. Waive the reading and adopt the ordinance (4/5 vote
required).

DESCRIPTION:

City Councilmembers may be reimbursed for actual and necessary expenses incurred in the performance of official duties. (Government Code §36514.5.) Language is included in the draft ordinance to authorize such reimbursement, provided the reimbursement is actual, necessary and does not exceed the amount budgeted each year for such reimbursement for each Councilmember. In addition, the ordinance authorizes the Council to approve reimbursement over the budgeted amount for good cause. To verify expenses, Councilmembers must submit proper documentation, such as receipts, credit card statements, phone bills, flight coupons, etc. Such reimbursement is typical for Councilmembers for such expenses as mileage, meals and attendance at conferences which are incurred in the performance of duties.

The ordinance must take effect immediately to insure that any expenses paid out-of-pocket by Councilmembers in furtherance of or incidental to official duties are compensated by public funds.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 08-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
PROVIDING COUNCIL REIMBURSEMENT FOR EXPENSES**

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

SECTION 1. Reimbursement for Expenses. Pursuant to Government Code §36514.5, which provides that City Councilmembers may be reimbursed for actual and necessary expenses incurred in the performance of official duties, the members of the City Council of the City of Rancho Cordova shall be reimbursed for actual and necessary expenses incurred in the performance of official duties, subject to the following restrictions:

- a. The expense was incurred by the member of the City Council;
- b. The expense was incurred in the performance of the Councilmember's official duties;
- c. The expense is a necessary expense;
- d. The reimbursement, together with any prior reimbursements in the fiscal year, shall not exceed the amount included in the City's approved annual budget for reimbursement of the Councilmember's expenses for the fiscal year in which the expense was incurred; and
- e. The Councilmember provides adequate documentation to verify expenses, including, but not limited to, receipts, credit card statements, phone bills, flight coupons, etc.

SECTION 2. Reimbursement Exceeding Budgeted Amount. Notwithstanding the limit placed on reimbursement in Section 1(d), upon request by an individual Councilmember and good cause shown, the Council may approve reimbursement in any fiscal year in excess of the amount budgeted for an individual Councilmember, provided the request for reimbursement satisfies the requirements of Section 1(a), (b) and (c) above.

SECTION 3. Effective Immediately. The City of Rancho Cordova has become incorporated on this date. Councilmembers have now commenced their official duties, which often require expenditures incidental to those duties. Without a reimbursement ordinance immediately in effect, councilmembers would be required to pay for such expenses out-of-pocket and without compensation. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code §36937(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with Government Code §36933 of the State of California.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

628094

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Urgency Ordinance Providing Salaries for City Councilmembers
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Ordinance.

RECOMMENDATION: 1. Waive the reading and adopt the ordinance (4/5 vote required).

DESCRIPTION:

The Council may enact an ordinance providing that each member of the Council shall receive a salary for services rendered as a member of the Council. (Government Code §36516(a).) The Government Code provides a schedule for the maximum amount of salary. For territory within the boundaries of the City of Rancho Cordova, the 2000 federal census indicates a population of 53,613. For a city with a population between 50,000 and 75,000, the salary can be up to \$500 per month.

If the Council establishes \$500 a month in salary, the Council may increase the monthly compensation beyond \$500 by an amount up to 5% for each calendar year from the operative date of the last salary adjustment. The ordinance cannot provide for an automatic increase in the salary. (Government Code §36516(c).)

The ordinance must take effect immediately since Councilmembers have now commenced their official duties on behalf of the City. Without a salary ordinance immediately in effect, Councilmembers would be required to perform official duties without compensation until the ordinance became effective.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 09-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
PROVIDING SALARIES FOR
MEMBERS OF THE CITY COUNCIL**

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

SECTION 1. Council Salaries. Pursuant to Government Code §36516, which provides that a City Council may enact an ordinance providing that each member of the City Council shall receive a salary which shall be determined by a schedule of population for cities, the members of the City Council of the City of Rancho Cordova shall receive a salary of \$500 per month.

SECTION 2. Effective Immediately. The City of Rancho Cordova has become incorporated on this date. Councilmembers have now commenced their official duties on behalf of the City. Without a salary ordinance immediately in effect, councilmembers would be required to perform official duties without compensation. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code §36937(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with Government Code §36933 of the State of California.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Review of Urgency Ordinance to Require That Certain Claims Against the City Be Presented to the City Council Before a Law Suit May Be Filed in Court and Permitting the City Manager to Settle Certain Claims
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Urgency Ordinance to Require that Claims Against the City be Presented to the City Council Before a Law Suit may be Filed in Court and Permitting the City Manager to Settle Certain Claims

RECOMMENDATION: 1. Waive the reading and adopt ordinance as an urgency ordinance (4/5 vote required).

DESCRIPTION:

The Tort Claims Act (Government Code §900 *et seq*) generally prohibits parties from filing law suits against a city for money or damages unless they have first “presented” a claim to the city. Presenting a claim requires a party to file a written explanation of their complaint with the city and give the city the opportunity to investigate, respond and possibly settle the claim before a law suit can be filed. This claims presentation requirement is an important protection for cities against litigation and litigation expenses.

Under The Tort Claims Act, however, certain types of claims do not have to be presented to a city before a lawsuit can be filed. For example, claims prescribing procedures for the refund, rebate or adjustment of taxes, assessments, fees or charges; claims by public employees for fees, salaries, wages, expenses or allowances; claims for money or benefits under any public retirement system; claims for principal or interest on bonds or notes; claims by one public agency against another; and certain claims relating to special assessments do not need to be presented before a lawsuit may be filed. (Government Code §905, §935).

A city can, however, by ordinance require that a claim be filed for these types of claims. (*City of Ontario v. Superior Court* (4th Dist. 1993) 12 Cal. App. 4th 894.) The attached ordinance would require presentation of any claims which are excluded under §910 and which are not expressly governed by any other statutes.

Benefits of Adopting the Claims Ordinance:

The benefits of adopting the claims ordinances include the following: an additional jurisdictional barrier; shortening the period of time for which the City may be liable; and protection from potential class actions for tax or fee refunds.

1. Jurisdictional barriers. The procedures a city adopts in a claims ordinance may include the requirement that "a claim be presented and acted upon as a prerequisite to suit thereon." When this provision is adopted, failure to file a claim is fatal to the claimant's cause of action.
2. Potentially shorter period of time for which City may be liable. The deadline for presenting claims in section 1 of the proposed ordinance would force aggrieved parties to bring claims against the City within one year. For example, a claim for overtime pay would have to be brought within one year of the day the time was worked. If the claim is rejected and notice of rejection is given, a lawsuit would then have to be filed within six months of the notice. If the City did not have such a claims ordinance, the plaintiff would be able to file suit for all overtime during a 3-year period prior to filing suit, whereas under the claims ordinance, the plaintiff would be limited to a 1-year period prior to filing the claim.
3. Prohibit class claim for back taxes or assessment. Language in the ordinance, requesting all persons making claims to file a verified claim, protects the City from class actions for refunds of local taxes and fees which could lead to significant liability even if the tax or fee is relatively small.

Authority to Settle Claims:

Section 2 of the draft ordinance would authorize the City Manager to settle claims against the city if the amount to be paid is less than \$2,500. This provision is consistent with the authority many cities grant to their City Manager. Thus, the City Manager can efficiently and equitably settle valid small value claims against the City without the expenditure of staff time on investigation and without requiring a claimant to undergo a delay in receiving compensation. The City Manager would be required to obtain approval of the City Council to settle any claims if the amount to be paid is more than \$2,500.

Urgency Ordinance:

The ordinance must take effect immediately to insure both that claims affected by the ordinance comport with the claims procedure and that the City Manager has settlement authority for small value claims.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 10-2003

**AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
TO REQUIRE THAT CLAIMS AGAINST THE CITY
BE PRESENTED TO THE CITY BEFORE A
LAW SUIT MAY BE FILED IN COURT AND AUTHORIZING THE
CITY MANAGER TO REJECT OR SETTLE CERTAIN CLAIMS**

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

SECTION 1. Claims for Money or Damages; Procedure. Any claim against the City for money, damages, or a refund that is excepted by section 905 of the Government Code from the claims presentation requirements of the Tort Claims Act, and which is not governed by other statutes or ordinances expressly relating thereto, shall be governed by this chapter. Any person pursuing such a claim must file a claim with the City Clerk, and the claim must conform to the following requirements:

- (a) It shall be in writing.
- (b) It shall contain the name and post office address of the claimant.
- (c) It shall be verified by the person who claims to be entitled to be paid the money or damages or who has paid the money sought to be refunded, except that it can be verified by the claimant's guardian, conservator, or the executor or administrator of his or her will or estate.
- (d) It shall state the date, place, and circumstance of the occurrence or transaction giving rise to the claim and a general description of the indebtedness, obligation, or injury so far as it may be known. If the claim is seeking a refund of a tax, fee, or assessment, the claim shall state whether the payment or payments of the tax, fee, or assessment were made to the City directly or to another entity collecting the tax, fee, or assessment on behalf of the City.
- (e) It shall state the total amount of the claim, together with the basis for computation of the amount claimed.
- (f) It shall be filed with the City Clerk not later than one year after the accrual of the cause of action of the underlying claim.

SECTION 2. Rejection and Settlement of Claims by City Manager. Pursuant to section 935.4 of the Government Code, the City Manager is authorized to perform those functions of the City Council under Chapter 2 of Part 3 of Division 3.6 of Title 1 of the Government Code, commencing with section 910 of the Government Code, relating to presentation and consideration of claims. The City Manager is further authorized to allow, compromise or settle a claim against the City if the amount to be paid is less than \$2,500.

SECTION 3. Action by City Council or City Manager. The City Council shall take action upon a claim submitted pursuant to section 1 of this ordinance within 45 days of its filing with the City Clerk. If the City Council fails to do so, the demand or claim shall be deemed to have been rejected on the last day of the period within which the City Council or City Manager was required to act. Action by the City Council or City Manager shall otherwise be subject to the provisions of section 912.4 of the Government Code.

SECTION 4. Filing of Claim as a Prerequisite to Lawsuit. No lawsuit may be brought against the City on any cause of action for which a claim must be filed under Section 1 of this Ordinance until the claim has been filed with the City Clerk as required by this ordinance and has been acted upon by the City Council, the City Manager or has been deemed to have been rejected. Any action brought against the City on such a claim shall be subject to the provisions of sections 945.6 and 946 of the Government Code. Only the person who filed the claim may bring such a lawsuit, and if another person should do so judgment shall not be rendered for the plaintiff.

SECTION 5. Written Agreements. Pursuant to Chapter 5 of Part 3 of Division 3.6 of Title 1 of the Government Code, commencing with section 930 of the Government Code, written agreements entered into by or in behalf of the City of Rancho Cordova may provide that all claims arising out of or related to the agreement must be presented not later than six months after the accrual of the cause of action, and that such claims shall be governed by the provisions of this section.

SECTION 6. Severability. If any section, subsection, phrase or clause of this ordinance is for any reasons held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, phrase, or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unconstitutional.

SECTION 7. Effective Immediately. The City of Rancho Cordova has become incorporated on this date. The Tort Claims Act (California Government Code section 900 et seq.) balances the historical sovereign immunity granted to public agencies against the legal rights of private parties. The Tort Claims Act requires that a private party first request redress of a legal dispute with a public agency by filing a claim directly with that agency before filing litigation. This procedure promotes the cost-effective, prompt, and fair resolution of legal disputes. While the Tort Claims Act requires this claim procedure for most legal actions, certain legal actions have been exempted. This ordinance shall require the filing of claims listed in Section 905 of the Government Code, insuring a cost-effective, prompt, and fair resolution. This ordinance shall also require that all members of a class action against the City have first filed a claim. Finally, this ordinance shall allow the City Manager to promptly and equitably resolve valid small value claims against the City. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code section 36937(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with Government Code section 36933 of the State of California.

PASSED, APPROVED AND ADOPTED this ____ day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

627945

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Authorizing the Mayor to Execute a Tax Sharing Agreement with the County of Sacramento
(Prepared by City Attorney)

ATTACHMENTS:

1. Draft Resolution; and
2. Tax-Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova

RECOMMENDATION:

1. Adopt resolution.

DESCRIPTION:

Paragraph 9(s) of LAFCO Resolution No. 1243 requires the City of Rancho Cordova and the County of Sacramento to enter into an agreement for sharing of tax revenue. Before the incorporation ballot measure was submitted to the electorate, LAFCO undertook an analysis of relevant fiscal impacts that would be created by the City's incorporation. After completing its analysis, LAFCO determined that the revenue currently received by the County that would accrue to the City is not substantially equal to the expenditures currently made by the County for the services to be assumed by the City. Thus, LAFCO concluded that the City's sharing of tax revenue would be necessary to insure that the County has funding available after the City's incorporation to maintain County-wide services at current levels without adversely affecting municipal services in the remaining portion of the unincorporated area.

A "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova," attached as Exhibit A, was submitted to the electorate for approval as part of the incorporation ballot measure.

Nevertheless, it is the finding and the determination of the City Council that the calculations which were used by LAFCO as the basis for its determination of the amount of the City's property tax revenue subject to the Tax Sharing Agreement between the County of Sacramento and the City of Rancho Cordova may have been based on inadequate, incomplete or inaccurate data or information and/or may have been erroneously calculated. Accordingly, the City Council reserves the right to undertake any actions that may be necessary to preserve the City's legal rights to the property tax revenue affected by the agreement.

The Tax Sharing Agreement is attached to LAFCO Resolution No. 1243. The County of Sacramento is preparing a final version of the Agreement to include the applicable provision regarding the amount of tax to be shared. (See Page 4, 2 a) i) and Option 1 of Exhibit A.)

This resolution approves the "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova" and authorizes and directs the Mayor to sign it. The resolution also reserves the right to undertake any actions that may be necessary to preserve the City's legal rights to the revenue affected by the agreement. The agreement specifies the manner in which tax sharing will occur between the City and the County.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 19-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE MAYOR TO EXECUTE A TAX SHARING AGREEMENT
BETWEEN THE COUNTY OF SACRAMENTO
AND THE CITY OF RANCHO CORDOVA**

WHEREAS, LAFCO determined that the revenue currently received by the County that would accrue to the City is not substantially equal to the expenditures currently made by the County for the services to be assumed by the City; and

WHEREAS, LAFCO determined that the City's sharing of tax revenue is necessary to insure that the County has funding available after the City's incorporation to maintain County-wide services at current levels without adversely affecting municipal services in the remaining portion of the unincorporated area; and

WHEREAS, Paragraph 9(s) of LAFCO Resolution No. 1243 requires that the County of Sacramento and the City of Rancho Cordova enter into a "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova;"

WHEREAS, the "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova," attached as Exhibit A, was submitted to the electorate for approval as part of the incorporation ballot measure; and

WHEREAS, it is the finding and the determination of the City Council that the calculations which were used by LAFCO as the basis for determination of the amount of the City's property tax revenue subject to the "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova" may have been inadequate, incomplete, or inaccurate data or information and/or may have been erroneously calculated.

NOW, THEREFORE, the City Council of the City of Rancho Cordova approves the "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova" and authorizes and directs the Mayor to sign it; and

BE IT FURTHER RESOLVED, that the City Council adopts this resolution under protest and reserves the right to undertake any actions that may be necessary to preserve the City's legal rights to the property tax revenue affected by the "Tax Sharing Agreement Between the County of Sacramento and the City of Rancho Cordova."

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

628611

**TAX SHARING AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO AND THE
CITY OF RANCHO CORDOVA**

This Tax Sharing Agreement ("Agreement") is made and entered into between the County of Sacramento ("County"), a political subdivision of the State of California, acting through its Board of Supervisors, and the City of Rancho Cordova ("City"), a municipal corporation, acting through its electorate.

RECITALS

A. A Petition for the proposed incorporation of the City has been submitted and approved by the Sacramento Local Agency Formation Commission ("LAFCO") pursuant to the Cortese-Knox Local Reorganization Act of 1985. Government Code §56845 prohibits LAFCO from approving a proposed incorporation unless it finds that the revenue currently received by the County which, but for the operation of Government Code §56845, would accrue to the City is substantially equal to the expenditures currently made by the County for the services that will be assumed by the City. Notwithstanding this prohibition, Government Code §56845 authorizes LAFCO to approve a proposed incorporation if it determines that the negative fiscal impacts of the proposed incorporation on the County have been mitigated by tax sharing agreements, lump-sums payments, payments over a fixed period of time, or any other terms and conditions pursuant to Government Code §56844.

B. The County is currently responsible for providing both municipal and County-wide services within the area proposed for incorporation. These County-wide services include, but are not limited to, the operation of County jail facilities, the funding of court facilities and a portion of court operations, probation services, health and welfare services, the District Attorney's office and indigent criminal defense services. The tax revenue

currently received by the County from within the area proposed for incorporation is used to fund both County-wide services and those municipal services furnished by the County within that area. While the incorporation of the City will relieve the County of the responsibility for providing municipal services to City residents, the County will continue to be responsible for County-wide services within the boundaries of the City.

C. LAFCO has determined after analyzing the relevant fiscal information that the revenue currently received by the County which, but for the operation of Government Code §56845, would accrue to the City is not substantially equal to the expenditures currently made by the County for the services that will be assumed by the City. As a means of mitigating the negative financial impact of the proposed incorporation on the County's general fund, LAFCO has conditioned the proposed incorporation on the sharing of City property tax revenue for the periods set forth in Exhibit "A" which is attached hereto and incorporated herein.

D. The City's sharing of its tax revenue as prescribed herein is necessary to insure that the County has the funding available after the effective date of the City's incorporation to maintain County-wide services at current levels without adversely affecting municipal services in the remaining portion of the unincorporated area. In the absence of such tax sharing, the City would receive a revenue windfall by having the benefit of all current County revenue without any concomitant responsibility for the funding of County-wide services. The resulting revenue windfall would allow the City to provide a higher level of municipal services to its residents, while the County would be forced to reduce either County-wide services or municipal services within the remaining unincorporated area, or a combination thereof. In either event, the enhanced services enjoyed by City residents

would occur at the expense of County-wide service recipients or unincorporated area residents who would suffer a reduction in such services.

F. The County has not opposed LAFCO's approval of the proposed incorporation subject to LAFCO's imposition of appropriate conditions to mitigate the adverse fiscal impact that the incorporation would otherwise have on the County. LAFCO has done so in the form of the previously referenced tax sharing condition. In order to provide the County with additional legal assurance that the City will comply with its obligation to share its tax revenue as required by the terms and conditions of the City's incorporation, this requirement has also been separately memorialized in the form of this Agreement which is specifically authorized by Government Code §56845. While the County has negotiated the terms and conditions of this Agreement with the incorporation proponents, the incorporation proponents have no authority to bind the City. In recognition of this absence of authority on the part of the incorporation proponents, this Agreement is being submitted to the electorate for approval as a part of the incorporation ballot measure.

G. This Agreement is entered into by the parties in recognition of the various uncertainties relating to the application of Government Code §56845 in the context of individual incorporation proposals. The proponents of the City's incorporation have objected generally to any revenue neutrality payments, and specifically to any concept of sharing a fixed percentage of the City's revenue or having the any payment obligation extend beyond a period of twenty-five (25) years. The County, on the other hand, has taken the position that the annual revenue payment obligation should continue indefinitely and should reflect the percentage of revenue currently collected from within the boundaries of the proposed City that is used to provide municipal services within the City. This

Agreement represents a compromise between those competing positions and is intended to resolve all issues between the City and the County with respect to the application of the requirements of Government Code §56845 to the incorporation of the City. In specific reliance on this Agreement, the County has elected not to challenge LAFCO's approval of the incorporation proposal, or the sufficiency of the environmental documentation certified by LAFCO in connection with such approval, or to seek to fully mitigate the fiscal impact of the City's incorporation in the form of a larger share of the City's tax revenue for an indefinite period of time.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the City and the County agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference.
2. **Sharing of Property Tax Revenue.**
 - a) The City and the County shall share the City's portion of all secured and unsecured ad valorem property taxes levied and collected pursuant to state law within the City's corporate limits ("City property tax revenue") as follows:
 - i) If a majority of the electorate votes in the November 5, 2002, general election to continue in effect the County's 2.5% utility user tax and the increase in the County's transient occupancy tax from 10% to 12%, the City and the County shall share, beginning fiscal year 2003-04 and continuing through fiscal year 2033-2034, the City property tax revenue according to the percentages set forth in Option 1 of Exhibit A.

- ii) If a majority of the electorate votes in the November 5, 2002, general election to continue in effect the increase in the County's transient occupancy tax from 10% to 12% and fails to vote to continue in effect the County's 2.5% utility user tax, the City and the County shall share, beginning fiscal year 2003-04 and continuing through fiscal year 2027-28, the City property tax revenue according to the percentages set forth in Option 2 of Exhibit A.
- iii) If a majority of the electorate votes in the November 5, 2002, general election to continue in effect the County's 2.5% utility user tax and fails to vote to continue in effect the increase in the County's transient occupancy tax from 10% to 12%, the City and the County shall share, beginning fiscal year 2003-04 and continuing through fiscal year 2032-33, the City property tax revenue according to the percentages set forth in Option 3 of Exhibit A.
- iv) If a majority of the electorate in the November 5, 2002, general election fails to vote to continue in effect the County's 2.5% utility user tax and the increase in the County's transient occupancy tax from 10% to 12%, the City and the County shall share, beginning fiscal year 2003-04 and continuing through fiscal year 2027-28, the City property tax revenue according to the percentages set forth in Option 4 of Exhibit A.
- b) All costs and expenses associated with the collection, administration and interest-earning capabilities of the City property tax revenue shall be shared by the City and the County in accordance with the same percentages as the underlying property taxes. The County's share of the City property tax revenue shall be allocated by the County's Director of Finance directly to the County.

3. **Redevelopment Projects.** The City's property tax revenue shall not include any proportion of the percentage share of tax increment revenue from the project area which the City may be entitled to receive pursuant to Health and Safety Code Section 33607.5(a)(2) or any amount the City may receive pursuant to Health and Safety Code Section 33670(a).

4. **Modification of Tax Sharing Provisions.** The tax sharing provisions set forth in this Agreement are premised on the existing statewide structure that governs local government finances and the obligation of newly incorporated cities to mitigate the negative fiscal impacts of their incorporation on counties. The tax sharing obligations set forth in this Agreement shall be subject to modification upon any of the following occurrences:

- a) A statewide structural change in the services that are required by the State to be provided by the County or the City;
- b) A statewide structural change in the manner in which the above mandated services are funded;
- c) The occurrence of any other event that significantly modifies how cities and/or counties generally receive, or the County specifically receives, funding;
- d) Any significant modification by the State of the manner in which newly incorporated cities are funded; or
- e) If the revenue neutrality structure in the Cortese-Knox Local Government Reorganization Act of 1985 (Health & Safety Code §§56000, *et seq.*) as it existed on May 1, 2002, is modified.

5. **Procedure For Modifying Tax Sharing Provisions.**

a) If either party believes that one of the triggering factors set forth in Section 4 above has occurred, it may serve a written Notice of Reopener on the other party requesting that the City's tax sharing obligation be modified. A copy of this written request shall be provided to LAFCO, but LAFCO shall not have any role with respect to the request. The Notice of Reopener shall specify the precise manner in which the requesting party is proposing that the City's tax sharing obligation be modified and must be submitted within one (1) year of the effective date of the relevant triggering factor. If the Notice of Reopener is not served within this one (1) year period, the parties waive any right to request a modification of the City's tax sharing obligation based on that particular triggering factor.

b) The parties shall have sixty (60) days after service of the Notice of Reopener as a Negotiation Period in which to attempt to reach mutual agreement on an appropriate modification to the City's tax sharing obligation. If the parties are unable to reach such a mutual agreement within this sixty (60) day Negotiation Period, the City and County shall comply with the dispute resolution procedures set forth below. In doing so, the parties shall conform to the timeline prescribed therein measured from the date of service of the Notice of Reopener.

c) If, upon the completion of the Negotiation Period, no modification to the City's tax sharing obligation is agreed upon by the City and the County, the City and the County shall mutually select a mediator, funded in equal portions by each party, to perform mediation for a period of not to exceed thirty (30) days. If the City and the County cannot

mutually select a mediator, each shall select a mediator of its choosing. Those two mediators shall then select a neutral mediator, who shall be the mediator.

d) If, upon the completion of the Mediation Period, no mutually acceptable agreement has been reached by the City and the County, the parties shall mutually commence an action in the California Superior Court for the exclusive purpose of implementing the process of resolution of the dispute by general reference under Code of Civil Procedure §638. This agreement by the parties shall constitute and be construed to be an agreement to reference under Code of Civil Procedure §638. The parties shall select a referee under Code of Civil Procedure §§638 and 640, funded in equal portions by the parties, to conduct a judicial reference with the City and the County for a period of not to exceed 30 days. If the City and the County cannot mutually select a referee, each shall select a mediator of its choosing. Those two mediators shall then select a referee, who shall be the referee.

e) The provisions of Code of Civil Procedure Section 1283.05 are made expressly inapplicable to the Negotiation and Mediation Periods and/or the reference proceedings conducted pursuant to this section. However, discovery shall be permitted for the reference proceeding only, but, pursuant to Code of Civil Procedure §2021, discovery during the reference proceeding shall be subject to the following limitations:

- i) Discovery shall be limited in time to the 45 days before the date of the commencement of the reference hearing;
- ii) Discovery shall be limited in scope to disclosure of information to be presented at the reference hearing; and

iii) Discovery shall be accomplished by the disclosure duties as contemplated by Federal Rule of Civil Procedure, Rule 26, which initial disclosure shall occur on the 45th day before the date of commencement of the reference hearing, or on some other date mutually agreed upon by the parties.

f) On the day that the reference proceeding hearing commences and as a part of each parties' case in chief, the City and the County shall each present to the referee its last and best offer with respect to the City's tax sharing obligation. The referee must make his or her decision within the confines of the two offers presented by the parties. The reference proceeding contemplated herein shall be conducted pursuant to CCP §§638 *et seq.* and the decision by the referee must be reported as set forth in CCP §643 and it must stand as the decision of the court as set forth in CCP §644. The only review of the referee's decision shall be to determine if the referee's decision is within the confines of the two offers presented by the parties. The referee is free to fashion his or her decision within the confines of the two offers presented by the parties. However, if the referee's decision does not stay within the confines of the two offers presented by the parties, the referee's decision shall be null and void and subject to judicial review. The parties expressly agree to preserve their appellate rights pursuant to CCP §645, as limited herein.

g) Proceedings under these dispute resolution procedures shall be concluded no more than 150 days after the service of the Notice of Reopener, unless one or more of the periods specified herein is extended by the mutual written agreement of the City and the County, but in no event may the proceedings under these dispute resolution procedures be extended for a cumulative period of more than one (1) year after the service of the Notice of Reopener.

6. **Annexations.** Any taxes generated by land or other property added to the City, by virtue of any annexation or other change of organization governed by the procedures set forth in Government Code Section 56000 *et seq.*, or any successor statute, shall not be subject to this Agreement.

7. **Invalidity of Agreement.** The City's tax sharing obligation is set forth both in this Agreement and in the terms and conditions of the City's incorporation adopted by LAFCO. If this Agreement is invalidated or otherwise rendered unenforceable in whole or in part, such invalidity or unenforceability shall not in any manner affect the validity or enforceability of the terms and conditions imposed by LAFCO in connection with its approval of the City's incorporation proposal. The City shall continue to be subject to the tax sharing requirements imposed by LAFCO as part of the terms and conditions of the City's incorporation; however, under no circumstances shall this Tax Sharing Agreement be construed to be a different or separate obligation from that set forth in the LAFCO conditions found in Sacramento LAFCO Resolution ____.

8. **Term.** Subject to the approval of the Board of Supervisors and the approval of electorate of the City as part of the incorporation proposal, this Agreement shall become effective upon the effective date of the City's incorporation and shall remain in effect until all obligations hereunder have been satisfied. This Agreement shall be executed on behalf of the City by its Mayor immediately upon the City's incorporation becoming effective.

9. **Amendments.** This Agreement may be modified or amended, or any of its provisions waived, only by a subsequent written agreement executed by each of the parties hereto. The Board of Supervisors shall have the authority to approve amendments

to this Agreement on behalf of County. The City Council shall have the authority to approve amendments on behalf of the City.

10. **Entire Agreement.** This Agreement together with the revenue neutrality conditions found in Sacramento LAFCO Resolution _____, constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms and conditions of this Agreement among the parties hereto concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, oral or written, that may be related to the subject matter of this Agreement.

11. **Notices.** Any notice, demand, request, consent, or approval that either party hereto may, or is required to, give the other shall be in writing and shall be deemed to have been received three (3) days after being deposited in the United States mail, first class postage prepaid and addressed to the County Executive, if directed at the County, or to the City Manager, if directed to the City. Either party hereto shall have the right to serve any notice by personal delivery, and change the address at which it will receive such communications by giving fifteen (15) days advance notice to the other party.

Dated: _____

COUNTY OF SACRAMENTO, a political
subdivision of the State of California

By _____
Chairperson, Board of Supervisors

CITY OF RANCHO CORDOVA,
a municipal corporation

Dated: _____

By _____
Mayor, City of Rancho Cordova

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Figure 1
Rancho Cordova Incorporation Comprehensive Fiscal Analysis
Fiscal Mitigation Agreement Summary

May 1
LAFCo Approved
Boundary

Number of Years	Fiscal Year Ending	Property Tax Allocation Percentages							
		OPTION 1		OPTION 2		OPTION 3		OPTION 4	
		Retained by County	Retained by City	Retained by County	Retained by City	Retained by County	Retained by City	Retained by County	Retained by City
1	2004	97.50%	2.50%	97.50%	2.50%	97.50%	2.50%	97.50%	2.50%
2	2005	95.00%	5.00%	95.00%	5.00%	95.00%	5.00%	95.00%	5.00%
3	2006	95.00%	5.00%	95.00%	5.00%	95.00%	5.00%	95.00%	5.00%
4	2007	92.50%	7.50%	92.50%	7.50%	92.50%	7.50%	92.50%	7.50%
5	2008	90.00%	10.00%	90.00%	10.00%	90.00%	10.00%	90.00%	10.00%
6	2009	87.50%	12.50%	87.50%	12.50%	87.50%	12.50%	87.50%	12.50%
7	2010	85.00%	15.00%	85.00%	15.00%	85.00%	15.00%	85.00%	15.00%
8	2011	82.50%	17.50%	82.50%	17.50%	82.50%	17.50%	82.50%	17.50%
9	2012	80.00%	20.00%	80.00%	20.00%	80.00%	20.00%	80.00%	20.00%
10	2013	77.50%	22.50%	77.50%	22.50%	77.50%	22.50%	77.50%	22.50%
11	2014	75.00%	25.00%	75.00%	25.00%	75.00%	25.00%	75.00%	25.00%
12	2015	72.50%	27.50%	72.50%	27.50%	72.50%	27.50%	72.50%	27.50%
13	2016	70.00%	30.00%	70.00%	30.00%	70.00%	30.00%	70.00%	30.00%
14	2017	67.50%	32.50%	67.50%	32.50%	67.50%	32.50%	67.50%	32.50%
15	2018	65.00%	35.00%	65.00%	35.00%	65.00%	35.00%	65.00%	35.00%
16	2019	62.50%	37.50%	62.50%	37.50%	62.50%	37.50%	62.50%	37.50%
17	2020	60.00%	40.00%	60.00%	40.00%	60.00%	40.00%	60.00%	40.00%
18	2021	57.50%	42.50%	57.50%	42.50%	57.50%	42.50%	57.50%	42.50%
19	2022	55.00%	45.00%	55.00%	45.00%	55.00%	45.00%	55.00%	45.00%
20	2023	52.50%	47.50%	52.50%	47.50%	52.50%	47.50%	52.50%	47.50%
21	2024	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
22	2025	47.50%	52.50%	47.50%	52.50%	47.50%	52.50%	47.50%	52.50%
23	2026	45.00%	55.00%	45.00%	55.00%	45.00%	55.00%	45.00%	55.00%
24	2027	42.50%	57.50%	42.50%	57.50%	42.50%	57.50%	42.50%	57.50%
25	2028	40.00%	60.00%	40.00%	60.00%	40.00%	60.00%	40.00%	60.00%
26	2029	37.50%	62.50%	37.50%	62.50%	37.50%	62.50%	37.50%	62.50%
27	2030	35.00%	65.00%	35.00%	65.00%	35.00%	65.00%	35.00%	65.00%
28	2031	32.50%	67.50%	32.50%	67.50%	32.50%	67.50%	32.50%	67.50%
29	2032	30.00%	70.00%	30.00%	70.00%	30.00%	70.00%	30.00%	70.00%
30	2033	27.50%	72.50%	27.50%	72.50%	27.50%	72.50%	27.50%	72.50%
31	2034	25.00%	75.00%	25.00%	75.00%	25.00%	75.00%	25.00%	75.00%
32	2035	22.50%	77.50%	22.50%	77.50%	22.50%	77.50%	22.50%	77.50%
33	2036	20.00%	80.00%	20.00%	80.00%	20.00%	80.00%	20.00%	80.00%
34	2037	17.50%	82.50%	17.50%	82.50%	17.50%	82.50%	17.50%	82.50%
35	2038	15.00%	85.00%	15.00%	85.00%	15.00%	85.00%	15.00%	85.00%
36	2039	12.50%	87.50%	12.50%	87.50%	12.50%	87.50%	12.50%	87.50%
37	2040	10.00%	90.00%	10.00%	90.00%	10.00%	90.00%	10.00%	90.00%

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Source: EPS
Prepared by EPS

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Regarding Posting of Ordinances
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Government Code §36933 of the State of California generally requires the City Clerk to publish each ordinance in a newspaper of general circulation published and circulated in the City of Rancho Cordova. If there is no such newspaper, the Clerk shall post the ordinance in at least three (3) public places in the City or publish the ordinance in a newspaper of general circulation printed and published in the County and circulated in the City.

A "newspaper of general circulation" is defined in Government Code §6008 as one that is both printed and published in the City and has been adjudicated by the Superior Court as a newspaper of general circulation for the City of Rancho Cordova. (See Government Code §6040 which requires publication of ordinances only in a newspaper of general circulation.) It is our understanding that there is no "newspaper of general circulation" as that term is defined in Government Code §6008 that has been adjudicated to be a "newspaper of general circulation" for the City of Rancho Cordova. (The *Grapevine Independent*, published and printed within what is now the city's boundaries, was adjudicated as a "newspaper of general circulation" for the County of Sacramento in 1969; that paper, or any other paper printed and published within the city's boundaries, will need to seek adjudication after July 1, 2003, when the city officially incorporates to be a "newspaper of general circulation" for the City of Rancho Cordova.) Accordingly, the Council may either direct that all ordinances be posted in three public places or may direct that ordinances be published in a newspaper of general circulation printed and published in the County and circulated in the City (for example, the *Grapevine Independent*.)

Newspaper publication of ordinances can be expensive. Additionally, posting is authorized for a newly incorporated city for the first year by Government Code §36933. Until a court adjudicates a newspaper of general circulation for the City of Rancho Cordova, the posting of ordinances will result in significant cost savings.

The attached resolution directs the City Clerk to publish ordinances in three public places, rather than publishing ordinances in a newspaper of general circulation. The resolution identifies three (3) public places in the City of Rancho Cordova for posting: Sheriff's Dept – East Division Station (10361 Rockingham Drive), City Hall (3121 Gold Canal Drive), and The Grapevine Independent (3338 Mather Field Road).

CITY OF RANCHO CORDOVA

RESOLUTION NO. 20-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
REGARDING THE POSTING OF ORDINANCES**

WHEREAS, Government Code §36933 of the State of California requires the City Clerk to publish each ordinance in a newspaper of general circulation published and circulated in the City of Rancho Cordova or, if there is none, the Clerk shall post the ordinance in at least three (3) public places in the City or publish the ordinance in a newspaper of general circulation printed and published in the County and circulated in the City, and

WHEREAS, there is no newspaper of general circulation as that term is defined in Government Code §6008 which is both printed and published in the City of Rancho Cordova and has been adjudicated to be a "newspaper of general circulation" for the City of Rancho Cordova.

NOW THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Clerk shall post all ordinances in full showing the names of those Councilmembers voting for and against the ordinance in the following three (3) public places in the City of Rancho Cordova: Sheriff's Dept – East Division Station (10361 Rockingham Drive), City Hall (3121 Gold Canal Drive), and The Grapevine Independent (3338 Mather Field Road).

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Adopting CEQA Guidelines
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Under the State California Environmental Quality Act Guidelines, each public agency must adopt its own procedures for implementing CEQA. The procedures may be adopted by ordinance, resolution, rule, or regulation. To avoid having to draft lengthy new rules at this time, the City may adopt the State's CEQA Guidelines by reference. In the future, the City should tailor the guidelines for the City of Rancho Cordova. Once adopted, failure to comply with these guidelines may render an action of the City invalid.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 21-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ADOPTING CEQA GUIDELINES**

WHEREAS, California Public Resources Code §21082 and State California Environmental Quality Act ("CEQA") Guidelines §15022 adopted pursuant to the California Environmental Quality Act, requires cities to adopt guidelines consistent with CEQA and the State guidelines; and

WHEREAS, the State CEQA Guidelines contained in Title 14, Chapter 3 of the California Code of Regulations beginning at §15000 ("State CEQA Guidelines") contain all of the provisions required under Guideline §15022.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that pursuant to §15022(d) of the State CEQA Guidelines, the City of Rancho Cordova adopts by reference the State CEQA Guidelines, as currently in effect and as may be amended in the future, as the City's CEQA Guidelines.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Consenting to the Enforcement of all Health Laws within the City of Rancho Cordova by the County Health Officer
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

The State Health & Safety Code requires every city in California to appoint a health officer. The health officer must enforce and observe both state and local, ordinances, regulations and rules relating to public health. (Health & Safety Code §101460). A city need not appoint its own health officer if it makes arrangements with a county to exercise the same powers and duties within the city as are conferred upon county health officers by law. (Health & Safety Code §101460). One such "arrangement" allows the city to consent to the county's health officer enforcing the health laws within the incorporated boundaries of the city. (Health & Safety Code §101375).

Many state statutes regulating public health authorize the County to charge fees for these services. In addition, Health & Safety Code §101325 provides that if the county determines that the expenses of the local health officer are not met by these statutory fees, the county may adopt an ordinance or resolution prescribing fees to pay the reasonable expenses of the health officer incurred in the enforcement of the public health laws. These fees may be assessed against the real property when the real property is owned by the operator of a business and the property is the subject of the enforcement.

By adoption of this resolution, the City Council consents to the Health Officer of Sacramento County enforcing and observing all orders and quarantine regulations as well as all statutes, ordinances, rules, and regulations relating to public health.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 22-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
CONSENTING TO THE ENFORCEMENT OF
ALL HEALTH LAWS WITHIN THE CITY OF RANCHO CORDOVA
BY THE SACRAMENTO COUNTY HEALTH OFFICER**

WHEREAS, California Health & Safety Code §101460 requires a city to appoint a health officer except when the City Council has made arrangements for the county to exercise the same powers and duties within the city as are conferred upon city health officers by law; and

WHEREAS, California Health & Safety Code §101375 authorizes the county health officer to enforce all health laws within an incorporated city with the consent of the city council.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City of Rancho Cordova hereby consents to allow the Health Officer of Sacramento County to enforce and observe: (a) orders and quarantine regulations prescribed by the Sacramento County Department of Health and other regulations issued under the California Health & Safety Code; and (b) all statutes, ordinances, regulations, and rules relating to public health, all as provided for in California Health & Safety Code §101375.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution of the Intent of the City of Rancho Cordova to Adopt a Conflict of Interest Code and Inviting Public Comments on the Proposed Code
(Prepared by City Attorney)

ATTACHMENTS:

1. Draft Resolution.
2. Regulation of the Fair Political Practices Commission, 2 CCR §18730.

RECOMMENDATION:

1. Adopt resolution.

DESCRIPTION:

The Political Reform Act Government Code §§81000 *et seq.* and in particular, Government Code §87300 requires all state and local government agencies to adopt and to promulgate conflict of interest codes. The Fair Political Practices Commission has adopted 2 California Code of Regulations §18730 which contains the terms of a model conflict of interest code which can be adopted by local government agencies. This resolution will propose the adoption of that Regulation and will allow a sixty (60) day period for the submission of written public comments. No public hearing is required.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 24-2003

**A RESOLUTION OF THE INTENT OF THE CITY OF RANCHO CORDOVA
TO ADOPT CONFLICT OF INTEREST CODE AND
INVITING PUBLIC COMMENTS ON THE PROPOSED CODE**

WHEREAS, the Political Reform Act, Government Code §§81000 *et seq.*, requires state and local government agencies to adopt and to promulgate conflict of interest codes; and

WHEREAS, the City of Rancho Cordova is an agency subject to the Political Reform Act's code-filing requirement; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations §18730, which contains the terms of a model conflict of interest code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings; and

WHEREAS, Government Code §87303 requires state and local governments to make proposed conflict of interest codes available for public review and comment prior to adoption.

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

Section 1. The City Council of the City of Rancho Cordova (hereinafter "City") hereby declares its intention to adopt the terms of 2 California Code of Regulations §18730 and amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendices A and B in which officials, employees, and consultants are designated and disclosure categories are set forth, as the Conflict of Interest Code of the City.

Section 2. Following adoption of such Code, the designated officials, employees, and consultants shall file statements of economic interest and shall disqualify themselves from participation in decisions in which they may have a conflict of interest, in accordance with such Code.

Section 3. A sixty (60) day written comment period is hereby established, commencing on July 1, 2003 and terminating on August 30, 2003. Any interested person may present written comments concerning the proposed code to the City Clerk no later than August 30, 2003 by delivering or mailing same to the City Clerk, City of Rancho Cordova, 3121 Gold Canal Drive, Rancho Cordova, CA 95670. No public hearing will be held on this matter unless such a hearing is requested by an interested person, or his or her representative, no later than 15 days prior to the close of the written comment period.

Section 4. The City Clerk is authorized and directed to provide, upon request, copies of this resolution and 2 California Code of Regulations §18730 to the officers, employees, and consultants designated in Appendix A during the written comment period. The City Clerk is further authorized and directed to make copies of such documents available to interested parties.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

CONFLICT OF INTEREST STATEMENTS
Designated Positions

APPENDIX A

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>POSITION</u>
	1	Mayor
	1	City Councilmember
	1	City Manager
	1	City Clerk
	2	Assistant to the City Manager/Economic Development
City Attorney		
	1	City Attorney
	1	Assistant City Attorney
Finance		
	2	Finance Director/City Treasurer
Planning & Building		
	1	Planning Commissioner
	1	Planning Director
	2	City Planner
	4	Building Official
Police Department		
	2	Police Chief
Public Works		
	2	Public Works Director
City Engineer		
	2	City Engineer

CONSULTANTS shall be designated on a case-by-case basis, depending upon the nature of their services.

**CONFLICT OF INTEREST
Disclosure Categories**

APPENDIX B

Category 1:

All designated employees in this category shall disclose all sources of income, and all investments and business positions in business entities.

Category 2:

All designated employees in this category shall disclose investments, business positions and sources of income from business entities which provide services, supplies, materials, machinery or equipment of the type utilized by the City of Rancho Cordova.

Category 3:

All designated employees in this category shall disclose investments, business positions and sources of income from business entities, and interests in real property, which are subject to the regulatory, permit or licensing authority of the City of Rancho Cordova, or which may receive grants from the City of Rancho Cordova.

Category 4:

All designated employees in this category shall disclose all investments, business positions and sources of income from business entities which engage in land development, construction or the acquisition or sale of real property and all interests in real property.

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Ordinance To Consolidate Municipal Election with Statewide General Election and Requesting the Board of Supervisors of the County of Sacramento to Order Consolidation with the Statewide General Election
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Ordinance.

RECOMMENDATION: 1. Waive reading and Introduce Ordinance; and
2. Continue ordinance to July 7, 2003 meeting for adoption.

DESCRIPTION:

California Elections Code §1301 permits a city to hold a municipal election on:

- The second Tuesday in April of even-numbered years;
- The first Tuesday after the first Monday in March of odd-numbered years;
- The same day as the statewide direct primary election;
- The same day as the statewide general election; or
- The day of a school district election.

To reduce the expense of the election and to increase voter turn-out, the Council has determined that the municipal election shall be consolidated with the day of the statewide general election. The attached Ordinance consolidates the general municipal election with the statewide general election to be held on November 2, 2004, as authorized under §1301(b) and §10403.5 of the Elections Code.

The Ordinance requests approval of consolidation from the Sacramento County Board of Supervisors. The Ordinance also requests the Board of Supervisors to permit the County Elections Official to prepare the City's election materials and to bill the City for the costs of conducting the election.

Under the Ordinance, subsequent municipal elections shall be held at the same time and manner as the statewide general election, unless the City Council repeals or amends the Ordinance. The Elections Code provides that the statewide general election is on the first Tuesday following the first Monday in November in even-numbered years. Pursuant to §1301 of the Election Code, any subsequent repeal or amendment of this ordinance to change the date of the municipal election will not take effect until the first election after November 2, 2004.

In June of 2004, Staff will return to Council to pass a resolution placing specific items on the November 2, 2004, ballot, including a measure for the approval of permanent appropriations limit.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 11-2003

**AN ORDINANCE OF THE CITY OF RANCHO CORDOVA
TO CONSOLIDATE ITS GENERAL MUNICIPAL ELECTION WITH THE
STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 2, 2004;
AND REQUESTING THE BOARD OF SUPERVISORS OF SACRAMENTO COUNTY
TO ORDER CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTION**

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

SECTION 1. Findings.

- A. The City of Rancho Cordova incorporated on July 1, 2003;
- B. The City Council of the City of Rancho Cordova may, through Ordinance and upon approval from the Board of Supervisors of Sacramento County, consolidate its General Municipal Election with the Statewide General Election to be held on November 2, 2004, pursuant to Election Code §1301; and
- C. The City Council finds that consolidation of its General Municipal Election with the Statewide General Election will be cost-effective and beneficial to the residents of the City of Rancho Cordova.

SECTION 2. Election Consolidation

- A. The General Municipal Election for the City of Rancho Cordova shall be consolidated with the Statewide General Election to be held on November 2, 2004.
- B. The Board of Supervisors of the County of Sacramento, State of California, is hereby requested to order consolidation of the City of Rancho Cordova's General Municipal Election with the Statewide General Election to be held on November 2, 2004.
- C. The Board of Supervisors of the County of Sacramento, State of California, is hereby requested to direct the Sacramento County Registrar to conduct all necessary services related to the election and to bill the City of Rancho Cordova for the cost of conducting the election.
- D. The Board of Supervisors of the County of Sacramento, State of California, is hereby requested to permit the County Elections Official to prepare the City's election materials, and the City shall,

if the Board of Supervisors agrees to provide such services, supply the County Elections Official with a list of its precincts, or consolidated precincts, as applicable, no later than 61 days before the election.

E. That notice of the time and place for holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

F. All subsequent General Municipal Elections shall be held in the time and manner as prescribed in this Ordinance unless the City Council repeals or amends this Ordinance.

SECTION 3. Effective Date. This ordinance shall take effect and be in force 30 days following its adoption. The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with §36933 of the Government Code of the State of California.

PASSED, APPROVED AND ADOPTED this ____ day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

633710

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

- SUBJECT:** Ordinance Providing for Sacramento County Fees, Charges and Rates to Remain in Effect After Incorporation
- ATTACHMENTS:**
1. Draft Ordinance Providing for Sacramento County Fees, Charges and Rates to Remain in Effect After Incorporation and Declaring the Urgency Thereof
- RECOMMENDATION:**
1. Waive reading and adopt ordinance as an urgency ordinance (4/5 vote required).

Sacramento County is required to continue providing services to the territory that will be included within the City of Rancho Cordova effective July 1, 2003 for the 2003–2004 year in accordance with the provisions of Government Code §57384 and paragraph 9(d) of LAFCO Resolution No. 1243 approving incorporation.

Pursuant to Paragraph 9(o) of LAFCO Resolution No. 1243, the City of Rancho Cordova needs to have in place the fees, charges, and rates adopted by the County and charged for those services prior to incorporation so that the County (and City) can continue to charge and collect all such fees, charges and rates.

The draft ordinance provides that all fees, charges, and rates previously adopted or imposed by Sacramento County shall remain in effect after incorporation through June 30, 2004, unless earlier superseded, modified, amended, or repealed by subsequent ordinance of the City Council of the City of Rancho Cordova. This ordinance will provide for an efficient transition from County-provided to City-provided services.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 12-2003

AN URGENCY ORDINANCE OF THE CITY OF RANCHO CORDOVA
PROVIDING FOR SACRAMENTO COUNTY
FEES, CHARGES, AND RATES
TO REMAIN IN EFFECT AFTER INCORPORATION
AND DECLARING THE URGENCY THEREOF

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

SECTION 1. Purpose. Except as provided in Section 2 of this Ordinance, the purpose of this ordinance is to continue in effect the applicability and enforceability of all Sacramento County fees, rates, and charges ("County Fees") applicable to the territory now comprising the City of Rancho Cordova, whether such County Fees were adopted or established by ordinance, resolution, or otherwise.

SECTION 2. Duration of County Fees. The County Fees shall remain in full force and effect as City of Rancho Cordova fees, rates, and charges from and including July 1, 2003 through and until June 30, 2004 unless earlier modified or repealed by the Council. Ordinances or resolutions adopted by the City of Rancho Cordova to modify any County Fees shall be deemed to supersede any or all County fees, rates, or charges.

SECTION 3. Payment. The City of Rancho Cordova shall have the sole power and authority to enforce and receive payment of County Fees in the incorporated area of the City of Rancho Cordova, except insofar as services are provided by Sacramento County as part of its obligation to continue providing services for the 2003-2004 fiscal year in accordance with Government Code § 53784.

SECTION 4. Interpretation. In applying, interpreting and enforcing Sacramento County ordinances adopting County Fees ("County Ordinances"), the following general rules of construction and interpretation shall apply:

- a. The use of the words "County", "District", or their equivalents shall be understood to mean "City of Rancho Cordova". The use of the words "Board of Supervisors", "Board of Directors", "Board of Commissioners", or "Board", or their equivalents shall be understood to mean City Council.
- b. In the event there are seemingly conflicting or inconsistent provisions in the County Ordinances, the inconsistent provisions shall be reconciled to avoid the declaration of an irreconcilable conflict and to carry out the fundamental legislative purpose of the County Ordinances.

SECTION 5. Effective Immediately. The effective date of the incorporation of the City of Rancho Cordova is July 1, 2003. Commencing July 1, 2003, the City of Rancho Cordova will be required to provide services to its citizens. In order to provide these services, some of which are supported in whole or in part with fees, the City must ensure that it begin receiving revenue from all sources to which it is entitled. This ordinance is therefore necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately pursuant to Government Code § 39637(b). The City Clerk of the City of Rancho Cordova shall cause this Ordinance to be posted in at least three (3) public places in the City of Rancho Cordova in accordance with §36933 of the Government Code.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2003, by vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR

ATTEST:

CITY CLERK

627111

CITY OF RANCHO CORDOVA

RESOLUTION NO. 25-2003

**A RESOLUTION AUTHORIZING SACRAMENTO COUNTY TO CONTINUE
COLLECTION OF FEES, CHARGES AND RATES**

WHEREAS, Ordinance No. 07-2003 provides for fees, charges and rates applicable to the territory now comprising the City of Rancho Cordova and previously imposed by Sacramento County to remain in effect.

NOW THEREFORE, the City Council of the City of Rancho Cordova has hereby authorized the County of Sacramento to continue the collection of fees, charges and rates within the territory of the City for the year commencing July 1, 2003 and ending June 30, 2004.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Authorizing the County to Continue Collecting Special Taxes, Fees, Charges and Assessments on County tax rolls for Fiscal Year 2003-2004
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Prior to the City's incorporation, the County of Sacramento has imposed special taxes, fees, charges and assessments on property (hereafter "property taxes") within the boundaries of the City of Rancho Cordova. The County has collected these property taxes on the County tax rolls. Subsequent to incorporation, all or a portion of these property taxes will now accrue to the City of Rancho Cordova. Additionally, the City of Rancho Cordova has imposed and will in the future impose other property taxes. For a reasonable charge, the County will continue to collect on the County tax rolls property taxes that accrue to the City.

The attached resolution authorizes the County to continue collecting property taxes on behalf of the City for fiscal year 2003-2004.

629952

CITY OF RANCHO CORDOVA

RESOLUTION NO. 26-2003

**A RESOLUTION AUTHORIZING SACRAMENTO COUNTY
TO CONTINUE COLLECTION OF SPECIAL TAXES, FEES, CHARGES
AND ASSESSMENTS ON THE COUNTY TAX ROLLS**

WHEREAS, the County of Sacramento ("County") has imposed special taxes, fees, charges and assessments on property within the boundaries of the City of Rancho Cordova prior to the City's incorporation; and

WHEREAS, all or a portion of these special taxes, fees, charges and assessments now accrue to the City of Rancho Cordova; and

WHEREAS, the City of Rancho Cordova has imposed and will in the future impose special taxes, fees, charges and assessments; and

WHEREAS, the County will collect on the County tax rolls the special taxes, fees, charges and assessments imposed by the City and the County; and

WHEREAS, the County will charge a reasonable amount to administer the collection of these special taxes, fees, charges and assessments.

NOW THEREFORE, the City Council of the City of Rancho Cordova has hereby authorized the County of Sacramento to continue the collection of special taxes, fees, charges and assessments on property within the boundaries of the City for the year commencing July 1, 2003 and ending June 30, 2004.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL-ELECT MEETING DATE JULY 1, 2003**

SUBJECT: Adoption of Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982; A Resolution of Intention to Establish the City of Rancho Cordova Sunridge Anatolia Community Facilities District No. 2003-1; and A Resolution of the City Council Declaring its Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities and the Payment of Certain Fees in and for the City of Rancho Sunridge Anatolia Community Facilities District No. 1
(Prepared by City Attorney)

ATTACHMENTS:

1. A Resolution of the City Council of the City of Rancho Cordova Adopting Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982
2. A Resolution of the City Council of the City of Rancho Cordova Declaring Its Intention to Establish the City of Rancho Cordova Sunridge Anatolia Community Facilities District No. 2003-1 and to Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Facilities and the Payment of Certain Fees in and for Such Community Facilities District
3. A Resolution of the City Council of the City of Rancho Cordova Declaring its Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities and the Payment of Certain Fees in and for the City of Rancho Cordova Sunridge Anatolia Community Facilities District No. 2003-1

RECOMMENDATION: 1. Adopt the three above-referenced resolutions.

DESCRIPTION:

At the meetings of the City Council-Elect on May 19, 2003, and June 9, 2003 all the above resolutions and attachments were reviewed by the City Council-Elect. The resolutions incorporate certain minor revisions that the City Council requested of the City staff, investment banker and bond counsel. Following the June 9 meeting, further revisions were made to the Public Capital Facilities List and the Rate and Method (Attachments 2 and 3 to Exhibit 2). A complete set of redlined copies showing the exact changes that have been made to all of these documents since the May 19, 2003 meeting is on file with the Interim City Manager and available for review by the City Council and public upon request.

As explained at the May 19 meeting, the property owner (AKT) has asked the City of Rancho Cordova to form a Community Facilities District for the first phase of the Sunrise Douglas Development

Project. This CFD encompasses approximately 2,800 planned residential units as well as a limited amount of multi-family and commercial property. CFDs are commonly used throughout California to finance infrastructure in new developments and have been widely used throughout the Sacramento area. The CFD is proposed to have a special tax that will be levied on property within the development until 2039 to 2040. The special tax will range from approximately \$1,055 per home to approximately \$1,255 per home and increase at a rate of 2% per year for the life of the tax. The special tax will fund approximately \$51,000,000 of infrastructure that is necessary for the development. The City Council-Elect has retained the firm of Jones Hall as bond counsel and the firm of Piper Jaffray as underwriter and investment banker. The Resolution of Intention sets August 2, 2003, as the date for a hearing on the actual formation of the District the levy of the special tax and the sale of bonds.

631783

ATTACHMENT 1

RESOLUTION NO. 27-2003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADOPTING LOCAL GOALS AND POLICIES CONCERNING THE USE OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

WHEREAS, the City Council (the "City Council") of the City of Rancho Cordova (the "City") has duly considered the advisability and necessity of establishing community facilities districts in the City from time to time under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, §53312.7 and §53345.8 of the California Government Code requires that the City of Rancho Cordova (the "City") consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act"), prior to the initiation of proceedings to establish a new community facilities district ("CFD") under the Act; and

WHEREAS, the City Council has determined to establish goals and policies concerning the use of the Act; and

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

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

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

Section 2. It is the intention of the City Council to from time to time approve the establishment of community facilities districts in the City under the provisions of the Act.

Section 3. Section 53312.7 and 53345.8 of the California Government Code requires that the City of Rancho Cordova (the "City") consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act"), prior to the initiation of proceedings to establish a new community facilities district ("CFD") under the Act.

Section 4. The City hereby adopts the "Goals and Policies Concerning the Use of Mello-Roos Community Facilities Act of 1982" attached as Exhibit A hereto as the goals and policies of the City referred to in §53312.7 of the Act.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 1st day of July, 2003, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Mayor of the City of Rancho Cordova

ATTEST:

City Clerk of the City of Rancho Cordova

EXHIBIT A

CITY OF RANCHO CORDOVA

GOALS AND POLICIES (Adopted July 1, 2003)

CONCERNING USE OF MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

Section 53312.7 and 53345.8 of the California Government Code requires that the City of Rancho Cordova (the "City") consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act"), prior to the initiation of proceedings to establish a new community facilities district ("CFD") under the Act.

The purpose of these Policies and Procedures (the "Policies") is to satisfy the minimum requirements of the Act and to provide guidance and conditions for the conduct by the City of CFD proceedings and the issuance of bonds therefor. The Policies are intended to be general in nature and the specific details will depend on the nature of each particular financing.

The City Council (the "Council") of the City hereby adopts the following CFD policies and procedures. These Policies may be amended or supplemented by the City Council at any time.

General Policy Respecting Use of the Act

As a matter of general policy, the City will utilize the Act for purposes of (1) acquiring and constructing and providing financing for all or a prescribed portion of the cost and expense of public capital improvement facilities to be owned by the City or other public agencies or regulated public utility companies and which serve a public purpose for the City and its inhabitants and (2) financing all or a prescribed portion of the estimated costs and expense of maintaining and operating such facilities and/or providing services as permitted by the Act.

Priorities for Use of Act

Reserving the right to make exceptions when circumstances warrant, the City establishes the following priority for use of the Act for the acquisition of public facilities:

1. Facilities which provide a community-wide benefit to all inhabitants of the City;

2. Facilities needed to serve a community plan or specific plan area that is currently deficient in off-site infrastructure or on-site improvements needed to develop the area as planned, i.e. "backbone" infrastructure to support already approved community plan or specific plan areas on on-site infrastructure to support planned or existing backbone infrastructure;
3. Other facilities for which there is a clearly demonstrated public benefit but which benefit is likely to be greater to specific sub-areas of the City rather than community-wide;
4. Other facilities permitted by the Act;

The funding of public facilities to be owned and operated by public agencies other than the City shall be considered on a case-by-case basis and allowed in accordance with §53316.2 of the Act when appropriate. If the proposed financing is consistent with a public facilities financing plan approved by the City, or the proposed facilities are otherwise deemed to be appropriate for financing by a CFD and are consistent with approved land use plans for the property, the City shall consider entering into a joint community facilities agreement or joint powers authority with the public agency that will own and operate any such facilities, in order to finance the facilities. Such agreement must be entered into in accordance with §53316.2, §53316.4 and §53316.6 prior to the adoption of the resolution of formation relating to the formation of any CFD, unless otherwise permitted under the Act.

The City will consider on a case-by-case basis CFDs established for the provision of paying all or a portion of the cost and expense of maintaining and operating any of the foregoing facilities or other facilities eligible to be funded under the Act. Eligible services are as specified in the Act. CFDs may be established solely for such purpose of such purpose may be served as a component of a CFD established for any other purpose under the Act.

The City will consider on a case-by-case basis CFDs established for the provision of services eligible to be funded under the Act. Eligible services are as specified in the Act. CFDs may be established solely for such purpose of such purpose may be served as a component of a CFD established for any other purpose under the Act.

Required Credit Quality

The Council adopts the requirements of §53345.8 of the Act as sufficient minimum standards for the credit quality of any bonds issued pursuant to the Act. CFD bond issues should have at least a three to one value of property in the District as a whole to public lien ratio after calculating the value of the financed public improvements to be installed. Property value may be based on either an appraisal or on assessed values as indicated on the County Assessor's tax roll.

Disclosure to Property Purchasers

The Council finds that the statutory requirements of disclosure to property purchasers contained in the Act, most notably, but not limited to, §53328.3, §53328.5 (including the referenced sections of the California Streets and Highways Code), §53340.2 and §53341.5 adequately address this need, and no additional procedures need be imposed by the City. The Council reserves the right to require additional disclosure procedures in any particular case.

Requirements for Special Tax Formulas

The City shall retain a special tax consultant to prepare a report which recommends a special tax for the proposed CFD and evaluates the special tax proposed to determine its ability to adequately fund identified public facilities, City administrative costs, services (if applicable) and other related expenditures. Such analysis shall also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes and assessments on the properties within the CFD. The maximum special tax shall include the annual administrative costs of the City to administer the district and shall establish tax rates corresponding to the adopted land use designations on each parcel.

The proposed amount and apportionment of the special tax for each CFD shall comply with the following criteria:

1. The special tax formula shall be structured to produce sufficient annual special tax revenue to pay:
 - a) annual debt service on special tax bonds which have been or are expected to be issued, if any;
 - b) amounts needed to replenish any reserve funds for such bonds;
 - c) reasonable annual administrative expenses of the City in the administration of the special taxes and the bonds, if any, of the CFD, including without limitation fees and expenses of trustees, fiscal agents, special tax consultants, arbitrage rebate compliance consultants, arbitrage rebate payments, and any incidental expenses related thereto; and
 - d) the cost of any maintenance, services and "pay as you go" programs funded by the CFD special tax.
2. The rate and method of apportionment may provide for an annual increase in the maximum special tax for residential properties not to exceed two percent (2%) annually and shall provide for prepayment and discharge of that portion of the special tax obligation on any residential properties pertaining to debt service on special tax bonds, if any, as distinguished from that portion of the special tax obligation on such residential properties pertaining to maintenance, services, or other pay-as-you-go programs.
3. The total projected annual special tax revenues, less estimated annual administrative expenses, maintenance, services, and pay-as-you-go program costs, shall be at least equal to the projected annual gross debt service on outstanding special tax bonds, if any.
4. All property within the CFD not otherwise statutorily exempted or owned (or to be owned) by a public entity and to be benefited shall bear its appropriate share of the special tax liability, as determined in the rate and method of apportionment of special taxes for the CFD.

Appraisal Standards

The definitions, standards and assumptions to be used for appraisals shall be determined by City staff on a case-by-case basis, with input from City consultants and CFD proponents, and may include relevant definitions, standards and assumptions promulgated by the State of California. All appraisal valuation determinations shall be in accord with the requirements of §53345.8 of the Act. The appraisal shall be coordinated by and under the direction of the City. The City may retain a consultant to prepare a report to verify market absorption assumptions and projected sales prices of the properties which may be subject to the maximum special tax in the CFD. The appraiser shall be selected by the City. The appraisal should be dated within six months of the date the bonds are issued and contain a bulk sale analysis and value determination when appropriate, as determined by the City and the City's consultants. The public lien amount shall include the bond issue currently being sold plus any public indebtedness (including assessments and special taxes) secured by a recorded lien on real property currently existing against the properties to be taxed.

Acquisitions

The City and the applicant or property owner shall mutually agree upon facilities to be acquired and the method of determining reasonable acquisition costs pursuant to an acquisition agreement prior to the closing of the sale of bonds. The acquisition agreement shall provide an itemized list of the improvements proposed for acquisition which gives a line item description of the individual items and the total estimated cost for each item. The acquisition agreement or some other form of agreement shall provide for payment by the property owner or developer of any shortfall of the cost of the improvements to be acquired over the amount available from bond proceeds or pay-as-you-go collections of the special tax for payment.

To the extent required by law, specifications and contracts must require payment of "prevailing wages" as set forth in §§1720-1861 of the Labor Code of the State of California, where improvements are to be acquired and reimbursement made therefor. City staff will provide the necessary documents which must be included in the contract to comply with the Labor Code.

Use of Consultants

The City shall select all consultants necessary for the formation of the CFD and the issuance of bonds, including the underwriter(s), bond counsel, financial advisor(s), appraiser(s), market absorption study consultant and the special tax consultant. While the City will consult with the proponent of a CFD as to the consulting and financing team to be selected for the CFD, prior consent of any such proponent or any land owner within a CFD shall not be required in the determination by the City of the consulting and financing team, nor shall any proponent or land owner have the right to select any consultant.

Costs Related to CFD Formation and Use

All City and consultant costs incurred in the evaluation of a proposed CFD will be paid by the proponents of the CFD. City staff shall use all reasonable efforts not to incur any expense for processing a CFD which is not eligible to be reimbursed from CFD special tax or CFD bond proceeds. Expenses incurred by the City that are not chargeable to the CFD shall be borne by the proponents of the CFD to the greatest extent appropriate.

Use and Waiver of Guidelines

The City may find in limited and exceptional instances that a waiver to any of the above stated policies is warranted given identified special City benefits to be derived from such waiver. Such waivers are granted only by action of the City Council and based upon stated policies as warranted given identified special City benefits to be derived from such specific public purpose, economic and/or health and safety findings.

ATTACHMENT 2

RESOLUTION NO. 28-2003

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DECLARING ITS INTENTION TO ESTABLISH THE CITY OF RANCHO CORDOVA SUNRIDGE ANATOLIA COMMUNITY FACILITIES DISTRICT NO. 2003-1 AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES AND THE PAYMENT OF CERTAIN FEES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT

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

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

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

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

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

Section 2. It is the intention of the City Council to and the City Council hereby proposes to establish a community facilities district under and pursuant to the terms and provisions of the Act, to be known and designated as the "City of Rancho Cordova Sunridge Anatolia Community Facilities District No. 2003-1" (the "Community Facilities District"), with the boundaries of the territory proposed for inclusion in the Community Facilities District being more particularly described and shown on that certain map entitled "Proposed Boundaries of the City of Rancho Cordova Sunridge Anatolia Community Facilities District No. 2003-1," marked Exhibit A, attached hereto and incorporated herein and made a part hereof; and the City Clerk of the City is hereby authorized and directed to record a copy of such map with the County Recorder of Sacramento County in accordance with the provisions of §3111 of the Streets and Highways Code of the State of California.

Section 3. It is the intention of the City Council to finance the acquisition and construction of certain public facilities and the payment of certain fees relating to public facilities (collectively the "Facilities") listed in Exhibit B, attached hereto and incorporated herein and made a part hereof, which are generally described as roadway, water, sewer, parks and related improvements, under and pursuant to the Act in and for the Community Facilities District (which are public facilities or fees that the City is authorized by law to construct, own, operate or pay and that are necessary to meet increased demands placed upon the City as a result of development occurring and anticipated to occur in the Community Facilities District).

The cost of financing the acquisition and construction of and the payment of the fees for the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance and administration of the Community Facilities District and of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the Facilities, which include but are not limited to the incidental expenses included in Exhibit B.

Section 4. It is the intention of the City Council that, except where funds are otherwise available, a special tax in the Community Facilities District sufficient to finance the acquisition and construction of and the payment of the fees for the Facilities, including the payment of interest on and principal of bonds to be issued to finance such acquisition and construction and payment and including the repayment of funds advanced by the City for the Community Facilities District and including the repayment under any agreement (which shall not constitute a debt or liability of the City) of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, which special tax shall be secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied by the City Council within the boundaries of the Community Facilities District, and for particulars as to the rate, method of apportionment and manner of collection of such special tax reference is made to Exhibit C, attached hereto and incorporated herein and made a part hereof, which sets forth the rate, method of apportionment and manner of collection of such special tax in sufficient detail to allow each landowner or resident within the Community Facilities District to estimate the maximum amount that such person will have to pay to finance the acquisition and construction of and the payment of the fees for the Facilities, and which specifies the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied as provided therein.

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

Section 6. It is the intention of the City Council, pursuant to §53317.5 of the Government Code of the State of California, to treat the obligation to pay the special tax levied against property that is acquired by a public entity through eminent domain proceedings as if it were a special annual assessment.

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

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

Section 9. Notice is given that August 4, 2003, at the hour of 6:30 o'clock P.M., at the regular meeting place of the City Council, City Council Chambers, Rancho Cordova City Hall, 3121 Gold Canal Drive, Rancho Cordova, California 95670, has been fixed by the City Council as the time and place

for a public hearing to be held by the City Council to consider the establishment of the Community Facilities District, the proposed rate, method of apportionment and manner of collection of such special tax and all other matters as set forth in this resolution. At such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District and the levy of such special tax, or the extent of the Community Facilities District, or the acquisition or construction of or the payment of the fees for any of the Facilities proposed therefor, or the establishment of an appropriations limit therefor, or on any other matters set forth herein, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the City Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. At the conclusion of such public hearing, the City Council may abandon the proposed establishment of the Community Facilities District or may, after passing upon all protests, determine to proceed with establishing the Community Facilities District; provided, that if the owners of one-half (1/2) or more of the area of the land in the territory proposed to be included in the Community Facilities District that are not exempt from the special tax file written protests against the establishment of the Community Facilities District, and such protests are not withdrawn so as to reduce the value of the protests to less than such a majority, no further proceedings to establish the Community Facilities District or to levy such special tax shall be taken for a period of one (1) year from the date of such decision, except that if the majority protests of the landowners are only against the acquisition and construction of or the payment for a specified type or types of any of the Facilities proposed for the Community Facilities District, those Facilities shall be eliminated from the resolution of formation of the Community Facilities District. Such public hearing may be continued from time to time, but shall be completed within thirty (30) days, except that if the City Council finds that the complexity of the Community Facilities District or the need for public participation requires additional time, such public hearing may be continued from time to time for a period not to exceed six (6) months. The City Council may at such public hearing modify this resolution by eliminating any of such Facilities, or by changing the method and apportionment of such special tax so as to reduce the maximum special tax for all or a portion of the owners of property within the Community Facilities District or by removing any territory from the Community Facilities District, except that if the City Council proposes to modify this resolution in a way that will increase the probable special tax to be paid by the owner of any lot or parcel of land in the Community Facilities District, the City Council shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of lots or parcels of land in the Community Facilities District, and the City Council shall receive and consider such report before approving any such modifications or any resolution forming the Community Facilities District which includes such modifications. If the City Council determines at the conclusion of such public hearing to proceed with the establishment of the Community Facilities District, the proposed voting procedure shall be by landowners voting in accordance with the Act, as there are less than twelve (12) registered electors residing within the Community Facilities District.

Section 10. The Finance Director of the City is hereby directed and ordered to study the Community Facilities District and, at or before the time of such public hearing, to cause to be prepared and filed with the City Council a report which shall contain a brief description of the Facilities by type which in his opinion will be required to adequately meet the needs of the Community Facilities District, together with

an estimate of the cost for financing the acquisition and construction of and the payment for the Facilities and an estimate of the incidental expenses related thereto, and which such report shall further contain any other material that is related to the Facilities or the Community Facilities District. Such report shall, upon its presentation, be submitted to the City Council for review, and shall be made a part of the record of the public hearing on this resolution of intention to establish the Community Facilities District.

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

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

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

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

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 1st day of July, 2003, by the following vote:

AYES:

NOES:

ABSENT:

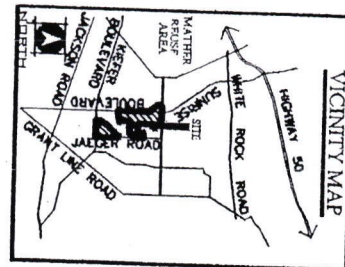
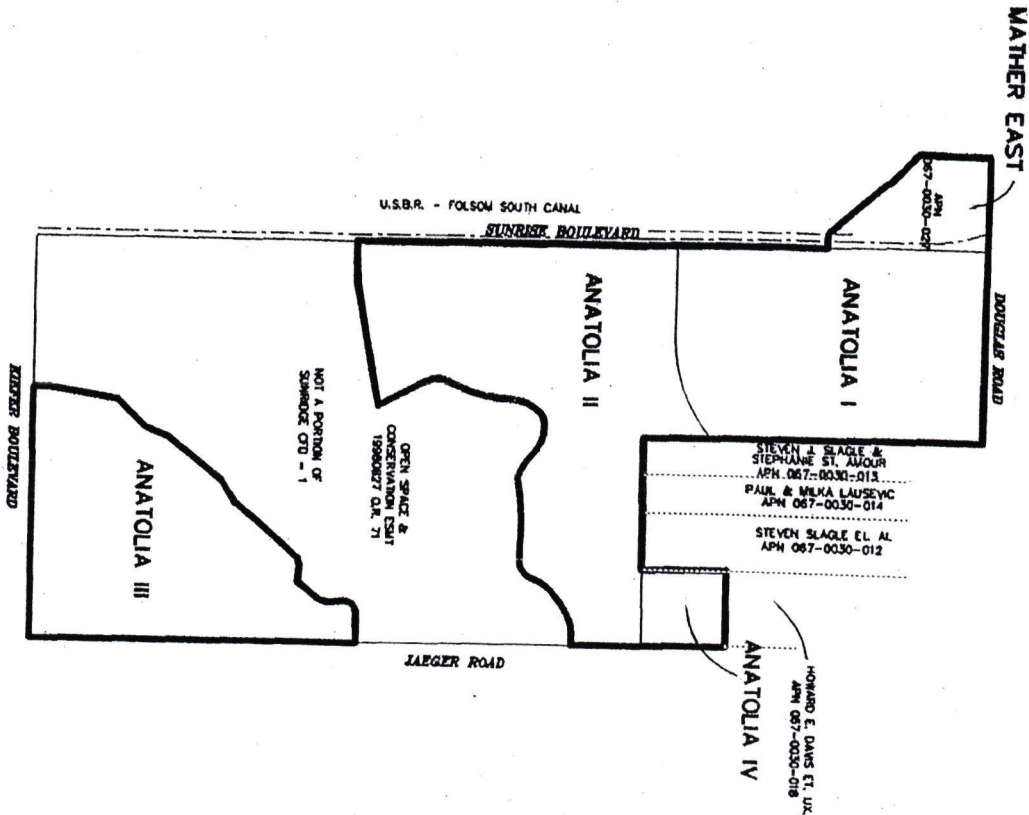
APPROVED:

Mayor of the City of Rancho Cordova

ATTEST:

City Clerk of the City of Rancho Cordova

EXHIBIT A



CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK IN THE CITY OF RANCHO
CORDOVA, STATE OF CALIFORNIA, THIS ____ DAY OF ____ 2003.

CITY CLERK,
CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA

CLERK'S MAP STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF
CITY OF RANCHO CORDOVA, SUNRIDGE-ANATOLIA COMMUNITY FACILITIES DISTRICT NO. 1,
WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF RANCHO
CORDOVA VIA REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF ____
2003, BY ITS RESOLUTION NO. ____

CITY CLERK,
CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA

NOTE

THE TOTAL AREA FOR THIS BOUNDARY IS 8096 ACRES, GROSS.

RECORDERS STATEMENT

FILED THIS ____ DAY OF ____ 2003, AT THE HOUR OF ____ M. IN
THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA.

FEE \$ ____

BY: _____ COUNTY RECORDER
COUNTY OF SACRAMENTO

BY: _____ DEPUTY RECORDER

PROPOSED BOUNDARIES OF
CITY OF RANCHO CORDOVA
SUNRIDGE-ANATOLIA COMMUNITY
FACILITIES DISTRICT NO. 1

CITY OF RANCHO CORDOVA
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

MAY 2003

WOOD RODGERS
ENGINEERING - PLANNING - SURVEYING
3301 C ST., SUITE 100-B TEL 916.341.7760
SACRAMENTO, CA 95816 FAX 916.341.7767

Sheet 1 of 1
11/1/07

PUBLIC CAPITAL FACILITIES

TRANSPORTATION FACILITIES, ROADWAY & TRANSIT

- R-1 **Douglas Road from Sunrise Boulevard to Jaeger Road: Widening 2 Center Lanes to 4 Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of Douglas Road from the existing 2 lanes to 4 center lanes from Sunrise Boulevard to Jaeger Road (excluding the first 450' from each intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-2 **Douglas Road from Jaeger Road to Americanos Boulevard: Widening 2 Center Lanes to 4 Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of Douglas Road from the existing 2 lanes to 4 center lanes from Jaeger Road to Americanos Boulevard (excluding the first 450' from each intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-3 **Douglas Road at Sunrise Boulevard: 6x6 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Douglas Road/Sunrise Boulevard (including the first 450' of roadway from the intersection) to provide for a 6X6 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-4 **Douglas Road at Jaeger Road: 6X4 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Douglas Road/Jaeger Road (including the first 450' of roadway from the intersection) to provide for a 6X4 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-5 **Zinfandel at Douglas Road: Add Through Lanes to North and Southbound Approaches** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Zinfandel/Douglas Road to add through lanes to north and southbound approaches, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-6 **Sunrise Boulevard from Douglas Road to Pyramid Boulevard: Widening 2 Center Lanes to 4 Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of Sunrise

Boulevard from the existing 2 lanes to 4 center lanes from Douglas Road to Pyramid Boulevard (excluding the first 450' from each intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.

- R-7 **Sunrise Boulevard from Pyramid Boulevard to Kiefer Boulevard: Widening 2 Center Lanes to 4 Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of Sunrise Boulevard from the existing 2 lanes to 4 center lanes from Pyramid Boulevard to Kiefer Boulevard (excluding the first 450' from each intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-8 **Sunrise Boulevard from Kiefer Boulevard to State Route 16: Widening 2 Center Lanes to 4 Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of Sunrise Boulevard from the existing 2 lanes to 4 center lanes from Kiefer Boulevard to State Route 16 (excluding the first 450' from each intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-9 **Sunrise Boulevard at Pyramid Boulevard: 6X4 Lane 3-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Sunrise Boulevard/Pyramid Boulevard (including the first 450' of roadway from the intersection) to provide for a 6X4 lane, 3-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, soundwall, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-10 **Sunrise Boulevard at Kiefer Boulevard: 6X4 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Sunrise Boulevard/Kiefer Boulevard (including the first 450' of roadway from the intersection) to provide for a 6X4 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-11 **Sunrise Boulevard at State Route 16 (Jackson Highway): 6X6 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Sunrise Boulevard/S.R. 16 (including the first 450' of roadway from the intersection) to provide for a 6X6 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.

- R-13 **Grant Line Road at State Route 16 (Jackson Highway): 6X4 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Grant Line Road/State Route 16 (Jackson Highway) to provide for a 6X4 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-15 **Pyramid Boulevard from Sunrise Boulevard to Jaeger Road: 2 Center Lanes Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering Pyramid Boulevard to provide 2 center lanes and a median from Sunrise Boulevard to Jaeger Road (excluding the first 450' from the intersections), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-16 **Pyramid Boulevard at Jaeger Road: 4X4 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection at Pyramid Boulevard/Jaeger Road (including the first 450' of roadway from the intersection) to provide for a 4X4 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, landscaping, soundwall, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-17 **Jaeger Road from Pyramid Road to Douglas Road: 2 Center Lanes Plus Median Curb** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the center 2 lanes of Jaeger Road and median curb from Pyramid Road to Douglas Road (excluding the first 450' from each intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-18 **Sunrise Boulevard from White Rock Road to Douglas Road: Widening from 4 Lanes to 6 Lanes** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of Sunrise Boulevard from the existing 4 lanes to 6 lanes from White Rock Road to Douglas Road (excluding the first 450' from the Douglas Road intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-19 **Folsom South Canal Trail Access at Douglas Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the trail access at Douglas Boulevard, or such other alternative facilities that serve substantially the same purpose.
- R-20 **Bradshaw Road at State Route 16 (Jackson Highway): 4X4 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Bradshaw Road/S.R. 16 to provide for a 4X4 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain,

manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.

- R-21 **Eagles Nest Road at State Route 16 (Jackson Highway): 4X4 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection modifications at Eagles Nest Road/S.R. 16 to provide for a 4X4 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, sawcut & pavement removal, landscaping, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-23 **Sunrise Boulevard Collector Signalization: Douglas Road to Kiefer Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering intersection signalizations for the two collector streets between Douglas Road and Kiefer Boulevard that intersect with Sunrise Boulevard, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, landscaping, and traffic signals, or such other alternative facilities that serve substantially the same purpose.
- R-24 **State Route 16 (Jackson Highway) from Sunrise Boulevard to Grant Line Road: Widening 2 Center Lanes to 4 Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of State Route 16 (Jackson Highway) from the existing 2 lanes to 4 center lanes from Sunrise Boulevard to Grant Line Road, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-25 **Alta Sunrise Reliever: Douglas Road to US 50** – All costs associated with providing initial planning and environmental work for the future Alta Sunrise reliever from Douglas Road to US 50, or such other alternative facilities that serve substantially the same purpose.
- R-27 **Kiefer Boulevard from Sunrise Boulevard to Jaeger Road: 1 Center Lane Plus Median Curb** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the northernmost center lane of Kiefer Boulevard and a median curb from Sunrise Boulevard to Jaeger Road (excluding the first 450' from each intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-28 **Kiefer Boulevard at Jaeger Road: 4X4 Lane 4-Way Intersection Widening & Signalization** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the intersection at Kiefer Boulevard/Jaeger Road (including the first 450' of roadway from the intersection) to provide for a 4X4 lane, 4-way signalized intersection, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, traffic control, landscaping, soundwall, storm drain, manholes, drainage inlets, streetlights, and traffic signal modification, or such other alternative facilities that serve substantially the same purpose.
- R-29 **Jaeger Road from Pyramid Road to Southern Boundary of Anatolia II: 1 Center Lane Plus Median Curb** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westernmost center lane of Jaeger Road and a median curb from Pyramid Road to the southern boundary of Anatolia II (excluding the first 450' from the Pyramid intersection), including but not limited to clearing,

grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.

- R-30 **Jaeger Road from Southern Boundary of Anatolia II to Northern Boundary of Anatolia III (Adjacent to Preserve): 1 Center Lane Plus Median Curb** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westernmost center lane of Jaeger Road and a median curb from the southern boundary of Anatolia II to the northern boundary of Anatolia III (adjacent to preserve), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-31 **Jaeger Road from Northern Boundary of Anatolia III to Kiefer Boulevard: 1 Center Lane Plus Median Curb** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westernmost center lane of Jaeger Road and a median curb from the northern boundary of Anatolia III to Kiefer Boulevard (excluding the first 450' from the Kiefer intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-32 **Douglas Road from Mather East Westerly Boundary to Sunrise Boulevard: Southerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the southerly frontage improvements on Douglas Road from the westerly Mather East boundary to Sunrise Boulevard (excluding the first 450' from the Sunrise intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-33 **Douglas Road from Sunrise Boulevard to Easterly Anatolia I Boundary: Southerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the southerly frontage improvements on Douglas Road from Sunrise Boulevard to the easterly Anatolia I boundary (excluding the first 450' from the Sunrise intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-34 **Sunrise Boulevard from Douglas Road to Southerly Mather East Boundary: Westerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westerly frontage improvements on Sunrise Boulevard from Douglas Road to southerly Mather East boundary (excluding the first 450' from the Douglas intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-35 **Sunrise Boulevard from Douglas Road to Pyramid Boulevard: Easterly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the easterly frontage improvements on Sunrise Boulevard from Douglas Road to Pyramid Boulevard (excluding the first 450' from the Douglas and Pyramid intersections), including but not limited to clearing, grubbing,

mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.

- R-36 **Sunrise Boulevard from Pyramid Boulevard to Southerly Anatolia II Boundary: Easterly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the easterly frontage improvements on Sunrise Boulevard from Pyramid Boulevard to the southerly Anatolia II boundary (excluding the first 450' from the Pyramid intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-39 **Sunrise Boulevard from Southerly Anatolia II Boundary to Kiefer Boulevard: Easterly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the easterly frontage improvements on Sunrise Boulevard from the southerly Anatolia II boundary to Kiefer Boulevard (excluding the first 450' from the Kiefer intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-41 **Pyramid Boulevard from Sunrise Boulevard to Easterly Anatolia I Boundary: Northerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the northerly frontage improvements on Pyramid Boulevard from Sunrise Boulevard to the easterly Anatolia I boundary (excluding the first 450' from the Sunrise intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-42 **Pyramid Boulevard from Sunrise Boulevard to Easterly Anatolia I Boundary: Southerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the southerly frontage improvements on Pyramid Boulevard from Sunrise Boulevard to the easterly Anatolia I boundary (excluding the first 450' from the Sunrise intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-43 **Kiefer Boulevard from Sunrise Boulevard to Westerly Anatolia III Boundary (Adjacent to Preserve): Northerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the northerly frontage improvements on Kiefer Boulevard from Sunrise Boulevard to the westerly Anatolia III boundary (excluding the first 450' from the Sunrise intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-44 **Kiefer Boulevard: Anatolia III Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the northerly frontage improvements on Kiefer Boulevard adjacent to Anatolia III (excluding the first 450' from the Jaeger intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut &

pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.

- R-45 **Jaeger Road: Anatolia IV Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westerly frontage improvements on Jaeger Road adjacent to Anatolia IV, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-46 **Jaeger Road from Northerly Anatolia II Boundary to Southerly Anatolia II Boundary: Westerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westerly frontage improvements on Jaeger Road from the northerly Anatolia II boundary to the southerly Anatolia II boundary, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-47 **Jaeger Road from Southerly Anatolia II Boundary to Northerly Anatolia III Boundary (Adjacent to Preserve): Westerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westerly frontage improvements on Jaeger Road from the southerly Anatolia II boundary to the northerly Anatolia III boundary (adjacent to preserve), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-48 **Jaeger Road from Northerly Anatolia III Boundary to Kiefer Boulevard: Westerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the westerly frontage improvements on Jaeger Road from the northerly Anatolia III boundary to Kiefer Boulevard (excluding the first 450' from the Jaeger intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-49 **Douglas Road from Sunrise Boulevard to 1,500 Feet West of Sunrise Boulevard: Widening 2 Center Lanes to 4 Plus Median** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the widening of Douglas Road from the existing 2 lanes to 4 center lanes from Sunrise Boulevard to 1,500' west of Sunrise Boulevard (excluding the first 450' from the intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, striping, signage, sawcut & pavement removal, landscaping, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-50 **Anatolia I Interior Collector Roadway Segments: Non-Single Family Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering either a half or full roadway section where single family lots do not front on the half or full roadway section within Anatolia I, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain,

manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.

- R-51 **Anatolia II Interior Collector Roadway Segments: Non-Single Family Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering either a half or full roadway section where single family lots do not front on the half or full roadway section within Anatolia II, including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.
- R-52 **Pyramid Boulevard from Westerly Anatolia IV Boundary to Jaeger Road: Southerly Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering the southerly frontage improvements on Pyramid Boulevard from westerly Anatolia IV boundary to Jaeger Road (excluding the first 450' from the Jaeger intersection), including but not limited to clearing, grubbing, mobilization, excavation, pavement, curb, gutter, sidewalk, striping, signage, sawcut & pavement removal, landscaping, soundwalls, storm drain, manholes, and drainage inlets, or such other alternative facilities that serve substantially the same purpose.

JOINT TRENCH UTILITIES

- JT-3 **Douglas Road at Sunrise Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 1,452 feet in length through the Douglas/Sunrise intersection (including the first 450' of roadway from the intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-4 **Douglas Road at Jaeger Road** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 358 feet in length through the Douglas/Jaeger intersection (including the first 450' of roadway from the intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-9 **Sunrise Boulevard at Pyramid Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 2,354 feet in length through the Sunrise/Pyramid intersection (including the first 450' of roadway from the intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-10 **Sunrise Boulevard at Kiefer Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 1,096 feet in length through the Sunrise/Kiefer intersection (including the first 450' of roadway from the intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-16 **Pyramid Boulevard at Jaeger Road** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 368 feet in length through the Pyramid/Jaeger intersection (including the first 450' of roadway from the intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-28 **Kiefer Boulevard at Jaeger Road** – All facilities and costs associated with designing, engineering, staking, inspection, testing, construction management, fees, constructing and delivering a joint trench conduit, approximately 736 feet in length through the Kiefer/Jaeger intersection (including

the first 450' of roadway from the intersection), or such other alternative facilities that serve substantially the same purpose.

- JT-32 **Douglas Road from Mather East Westerly Boundary to Sunrise Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 600 feet in length from the Mather East westerly boundary to Sunrise Boulevard (excluding the first 450' of roadway from the Sunrise intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-33 **Douglas Road from Sunrise Boulevard to Easterly Anatolia I Boundary** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 2,150 feet in length from Sunrise Boulevard to the easterly Anatolia I boundary (excluding the first 450' of roadway from the Sunrise intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-34 **Sunrise Boulevard from Douglas Road to Southerly Mather East Boundary** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 1,550 feet in length from Douglas Road to the southerly Mather East boundary (excluding the first 450' of roadway from the Sunrise intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-35 **Sunrise Boulevard from Douglas Road to Pyramid Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 3,000 feet in length from Douglas Road to Pyramid Boulevard (excluding the first 450' of roadway from the Sunrise and Pyramid intersections), or such other alternative facilities that serve substantially the same purpose.
- JT-36 **Sunrise Boulevard from Pyramid Boulevard to Southerly Anatolia II Boundary** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 1,500 feet in length from Pyramid Boulevard to southerly Anatolia II boundary (excluding the first 450' of roadway from the Pyramid intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-39 **Sunrise Boulevard from Southerly Anatolia II Boundary to Kiefer Boulevard** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 3,600 feet in length from the southerly Anatolia II boundary to Kiefer Boulevard (excluding the first 450' of roadway from the Kiefer intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-41 **Pyramid Boulevard from Sunrise Boulevard to Easterly Anatolia I Boundary** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 2,150 feet in length from Sunrise Boulevard to the easterly Anatolia I boundary (excluding the first 450' of roadway from the Sunrise intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-42 **Pyramid Boulevard from Sunrise Boulevard to Easterly Anatolia I Boundary** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 2,150 feet in length from Sunrise Boulevard to the easterly Anatolia I boundary (excluding the first 450' of

roadway from the Sunrise intersection), or such other alternative facilities that serve substantially the same purpose.

- JT-43 **Kiefer Boulevard from Sunrise Boulevard to Westerly Anatolia III Boundary** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 1,550 feet in length from Sunrise Boulevard to the westerly Anatolia III boundary (excluding the first 450' of roadway from the Sunrise intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-44 **Kiefer Boulevard from Westerly Anatolia III Boundary to Jaeger Road** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 2,800 feet in length from westerly Anatolia III boundary to Jaeger Road (excluding the first 450' of roadway from the Jaeger intersection), or such other alternative facilities that serve substantially the same purpose.
- JT-45 **Jaeger Road: Anatolia IV Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 600 feet in length adjacent to Anatolia IV, or such other alternative facilities that serve substantially the same purpose.
- JT-46 **Jaeger Road: Anatolia II Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 950 feet in length adjacent to Anatolia II, or such other alternative facilities that serve substantially the same purpose.
- JT-47 **Jaeger Road from Southerly Anatolia II Boundary to Northerly Anatolia III Boundary** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 2,800 feet in length from the southerly Anatolia II boundary to the northerly Anatolia III boundary, or such other alternative facilities that serve substantially the same purpose.
- JT-48 **Jaeger Road: Anatolia III Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 3,650 feet in length adjacent to Anatolia III, or such other alternative facilities that serve substantially the same purpose.
- JT-50 **Anatolia I Interior Collector Roadway Segments: Non-Single Family Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 3,400 feet in length adjacent to the Anatolia I Interior Collector Roadway Segments, or such other alternative facilities that serve substantially the same purpose.
- JT-51 **Anatolia II Interior Collector Roadway Segments: Non-Single Family Frontage Improvements** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 8,375 feet in length adjacent to the Anatolia II Interior Collector Roadway Segments, or such other alternative facilities that serve substantially the same purpose.
- JT-52 **Pyramid Boulevard from Westerly Anatolia IV Boundary to Jaeger Road** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a joint trench conduit, approximately 1,000 feet in length adjacent to Anatolia IV, or such other alternative facilities that serve substantially the same purpose.

SANITARY SEWER FACILITIES

- S-1 **8" Sewer Force Main: Kiefer Boulevard Lift Station to Pyramid Boulevard Outfall** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering approximately 11,200 lineal feet of sewer force main from the Kiefer Boulevard Lift Station (Facility S-2), north to Pyramid Boulevard Outfall near Jaeger Road, or such other alternative facilities that serve substantially the same purpose.
- S-2 **Kiefer Boulevard Lift Station** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a sewer lift station facility in Anatolia III to serve Anatolia III, or such other alternative facilities that serve substantially the same purpose.
- S-3 **18" Sewer Force Main: Pyramid Boulevard Lift Station to Mayhew Drive Outfall** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering approximately 43,000 lineal feet of sewer force main from the Pyramid Boulevard Lift Station (Facility S-4), south and west to Mayhew Drive Outfall, or such other alternative facilities that serve substantially the same purpose.
- S-4 **Pyramid Boulevard Lift Station** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a sewer lift station facility near the intersection of Pyramid Boulevard and Sunrise Boulevard in Anatolia II to serve Anatolia I, II, III & IV, or such other alternative facilities that serve substantially the same purpose.
- S-5 **6" Sewer Force Main: Douglas Boulevard Lift Station to Pyramid Boulevard Outfall** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering approximately 5,100 lineal feet of sewer force main from the Douglas Boulevard Lift Station (Facility S-6), south to Pyramid Boulevard Outfall near Sunrise Boulevard, or such other alternative facilities that serve substantially the same purpose.
- S-6 **Douglas Boulevard Lift Station** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a sewer lift station facility in Mather East to serve Mather East and the northwestern most portion of Anatolia I, or such other alternative facilities that serve substantially the same purpose.

WATER FACILITIES

- W-1 **Vineyard Well Field** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a well field and related monitoring wells at the Vineyard Well Field to provide water for the SunRidge Specific Plan Area, or such other alternative facilities that serve substantially the same purpose.
- W-2 **30" Water Supply Line from Well Field to Kiefer Boulevard Groundwater Treatment Facility** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering approximately 21,500 lineal feet of water supply line from the Vineyard well field near Excelsior Road and Florin Road, north along Excelsior Road, and east along Kiefer Boulevard to the ground water treatment facility on Kiefer Boulevard, or such other alternative facilities that serve substantially the same purpose.
- W-3 **Kiefer Groundwater Treatment Plant** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering a groundwater treatment plant at the Kiefer Groundwater Treatment Plant to provide

treatment of water for the SunRidge Specific Plan Area, or such other alternative facilities that serve substantially the same purpose.

PARK FACILITIES

- P-1 **Park A – 21.6 Acres** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering park facilities for the approximately 21.6 acre Park A, located within Anatolia II, or such other alternative facilities that serve substantially the same purpose.
- P-2 **Park B – 5.7 Acres** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering park facilities for the approximately 5.7 acre Park B, located within Anatolia II, or such other alternative facilities that serve substantially the same purpose.
- P-3 **Park C – 4.5 Acres** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering park facilities for the approximately 4.5 acre Park C, located within Anatolia II, or such other alternative facilities that serve substantially the same purpose.
- P-4 **Park E – 6.7 Acres** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering park facilities for the approximately 6.7 acre Park E, located within Anatolia I, or such other alternative facilities that serve substantially the same purpose.
- P-5 **Park K – 5.8 Acres** – All facilities and costs associated with designing, engineering, inspection, testing, staking, construction management, fees, constructing and delivering park facilities for the approximately 5.8 acre Park K, located within Anatolia III, or such other alternative facilities that serve substantially the same purpose.
- P-6 **Bike Trail Connector** – All facilities and costs associated with designing, engineering, staking, construction management, fees, constructing and delivering a bike trail connector and associated facilities between Anatolia II and Anatolia III, or such other alternative facilities that serve substantially the same purpose.

SUNRIDGE SPECIFIC PLAN FEES

- F-1 SunRidge Specific Plan Water Fees for Anatolia I, II, III, IV & Mather East (Zones 1 thru 5).
- F-2 SunRidge Specific Plan Sewer Fees for Anatolia I, II, III, IV & Mather East (Zones 1 thru 5).
- F-3 SunRidge Specific Plan Road Fees for Anatolia I, II, III, IV & Mather East (Zones 1 thru 5).

ENGINEERING STUDIES, PERMITTING, PUBLIC FACILITIES REPORT, FINANCING PLAN

- E-1 **Engineering Studies, Permitting, Public Facilities Report & Financing Plan** – Consultant fees, application fees, processing fees, and document production costs associated with the SunRidge-Anatolia CFD No. 1 preparation and processing of Public Facilities Reports, Engineering Studies, Financing Plans, Environmental Permitting, and Environmental Studies, as well as other costs associated with the District Formation and Bond Sale process.

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OTHER FACILITIES

1. O-1 Any other facilities permitted under the Mello-Roos Community Facilities Act of 1982, including the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing District facilities that are primarily for the benefit of the District; or 2) repair or rehabilitate existing District facilities.

Incidental Expenses and Bond Issuance Costs

SUNRIDGE ANATOLIA COMMUNITY FACILITIES DISTRICT NO. 2003-1
CITY OF RANCHO CORDOVA, SACRAMENTO COUNTY, CALIFORNIA

Incidental expenses may be incurred in connection with the Community Facilities District and repaid from Special Tax levies, including the following:

- Engineering services
- Special tax consultant services
- City review and administration
- Bond counsel services
- Bond counsel out of pocket expenses
- Independent financial advisor services
- Appraiser services
- Initial bond transfer agent, fiscal agent, registrar and paying agent fees
- Rebate calculation service set up charge
- Bond printing
- Offering memorandum printing and mailing costs
 - Publishing, mailing and posting of notices
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Bond syndication costs
- Governmental notification and filing costs
- Credit enhancement costs
- Real estate acquisition costs
- Special disclosure counsel
- Rating agency fees

In addition to annual allocations of the above costs, certain annual costs related to administration of the District and bonds issued for the District may be included in each annual special tax levy. These include:

- Annual bond transfer agent, fiscal agent, registrar and paying agent fees
- Annual rebate calculation costs
- Special tax consultant costs
- Other necessary consultant costs
- Costs of posting and collecting the special taxes
- Personnel costs of the City
- Arbitrage rebate
- Rating agency fees

EXHIBIT C

CITY OF RANCHO CORDOVA SUNRIDGE-ANATOLIA COMMUNITY FACILITIES DISTRICT NO. 1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Rancho Cordova SunRidge-Anatolia Community Facilities District No. 1 (herein "CFD No. 1") shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to the establishment or administration of CFD No. 1.

"Administrator" shall mean the person or firm designated by the City to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel Number.

“Base Maximum Tax Rates” means, for Fiscal Year 2003-04, the following Maximum Special Tax rates for single family residential lots in the CFD:

Level 1:	\$1,055
Level 2:	\$1,155
Level 3:	\$1,255

On July 1, 2004 and each July 1 thereafter, the Base Maximum Tax Rates shown above shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that will serve property included within CFD No. 1.

“Buildable Lot” means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

“Capitalized Interest” means funds in any capitalized interest account available to pay debt service on Bonds.

“CFD Buffer” means an amount of Maximum Special Tax revenues that will be available to absorb the reduction in Expected Maximum Special Tax Revenues that may occur in future years if there is a loss of residential lots within Villages. The amount of the CFD Buffer as of CFD Formation is shown in Attachment 2. The CFD Buffer may be increased or decreased pursuant to Sections C below; after the CFD Buffer is adjusted, the Administrator shall send written notice to the City Manager or other designated City official(s) notifying him/her of the adjustment to, and the current amount of, the CFD Buffer.

The amount in the CFD Buffer shall not be considered part of the total Maximum Special Tax revenues when sizing Bond issues for the CFD.

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

“City” means the City of Rancho Cordova.

“City Council” means the City Council of the City of Rancho Cordova.

“County” means the County of Sacramento.

“Developed Property” means, in any Fiscal Year, the following:

- In Zone 1, Zone 2 and Zone 5, all Parcels of Taxable Property
- In Zone 3 and Zone 4, all Parcels included within a Final Map that was recorded prior to June 1 of the prior Fiscal Year, and all Parcels of Undeveloped Property for which a Redesignation Request was submitted to the City before June 1 of the prior Fiscal Year.

“Expected Land Uses” means the total number of single family residential units, Acreage of Multi-Family Property and Acreage of Non-Residential Property expected within the CFD at the time of CFD Formation. The Expected Land Uses are identified in Attachment 1 and summarized in Attachment 2 of this Rate and Method of Apportionment of Special Tax.

“Expected Maximum Special Tax Revenues” means the amount of annual revenue that would be available within a Village if the Maximum Special Tax was levied on the Expected Land Uses. The Expected Maximum Special Tax Revenues are shown in Attachment 2 of this Rate and Method of Apportionment of Special Tax and may be reduced due to prepayments in future Fiscal Years.

“Final Bond Sale” means the last series of Bonds issued by the CFD, which issuance shall generally use up the remaining capacity available from the Maximum Special Tax revenues that can be generated within the CFD, which revenues shall not include the CFD Buffer.

“Final Map” means a final map, or portion thereof, approved by the City or County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable Lots. The term “Final Map” shall not include any Large-Lot Subdivision Map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Large-Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides the property in CFD No. 1 into large Parcels, most of which will be subject to future subdivision.

“Lettered Lot” means a specific geographic area identified in Attachments 1 and 2 as a “Lot” with an assigned alphabetic character.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Taxable Property which are zoned for a maximum density of not less than twenty (20) units per acre.

“Non-Residential Property” means all Taxable Property in CFD No. 1 that has been assigned a land use designation other than single family property or Multi-Family Property in Attachment 2.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of CFD No. 1 that is owned by the City, federal government, State of California or other public agency.

“Redesignation Request” means a written notice submitted to the City by the current record owner of an Assessor’s Parcel of Undeveloped Property within Zone 3 or Zone 4 requesting that the City designate the Parcel as Developed Property in the next Fiscal Year and all future Fiscal Years for the purpose of allocating the Maximum Special Tax pursuant to Section D below.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in any prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected (iv) to pay Administrative Expenses, and (v) to pay the costs of authorized facilities that will be paid directly from Special Tax proceeds in the Fiscal Year in which the Special Taxes will be collected. The Special Tax Requirement may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Bond indenture, Bond resolution, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section F below.

“Tentative Map” means a map that is made for the purpose of showing the design of a proposed subdivision and the conditions pertaining thereto and is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property as defined herein.

“Village” means a specific geographic area within a Zone (one or more Assessor’s Parcels) that (i) will be created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) is assigned a Maximum Special Tax burden that will ultimately be allocated to the Buildable Lots within the Village as Final Maps are recorded. The Villages that are part of the Expected Land Uses within CFD No. 1 are shown in Attachment 1 and

the Expected Maximum Special Tax Revenues for each Village are shown in Attachment 2. When a Large-Lot Subdivision Map is recorded within CFD No. 1, the actual boundary of each Village may change slightly from that shown in Attachment 1. Such change shall have no impact on the Expected Maximum Special Tax Revenues for each Village unless the total number of Buildable Lots, Acres of Multi-Family Property, or Acres of Non-Residential Property within a Village are changed. If such a change occurs, the Administrator shall follow the procedures set forth in Section C below to recalculate the Expected Maximum Special Tax Revenues within each Village.

“Zone” means one of the five mutually exclusive geographic areas defined below and identified in Attachment 1, and any subsequent Zones created to contain property annexed into CFD No. 1 in future Fiscal Years. When a Large-Lot Subdivision Map is recorded within CFD No. 1, the actual boundary of each Zone may change slightly from that shown in Attachment 1. Such change shall have no impact on the Expected Maximum Special Tax Revenues for each Zone unless the total number of Buildable Lots, Acres of Multi-Family Property, or Acres of Non-Residential Property are changed. If such a change occurs, the Administrator shall follow the procedures set forth in Section C below to recalculate the Expected Maximum Special Tax Revenues within each Zone.

“Zone 1” means the geographic area that: (i) at CFD Formation, was generally known as “Anatolia I” in the Tentative Map approved for property within the CFD, and (ii) is specifically identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Zone 1.

“Zone 2” means the geographic area that: (i) at CFD Formation, was generally known as “Anatolia II” in the Tentative Map approved for property within the CFD, and (ii) is specifically identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Zone 2.

“Zone 3” means the geographic area that: (i) at CFD Formation, was generally known as “Anatolia III” in the Tentative Map approved for property within the CFD, and (ii) is specifically identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Zone 3.

“Zone 4” means the geographic area that: (i) at CFD Formation, was generally known as “Anatolia IV” in the Tentative Map approved for property within the CFD, and (ii) is specifically identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Zone 4.

“Zone 5” means the geographic area that: (i) at CFD Formation, was generally known as “Mather East” in the Tentative Map approved for property within the CFD, and (ii) is specifically identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Zone 5.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

Each time a Final Map is recorded within CFD No. 1, the Administrator shall compare the land uses shown in the Final Map with the Expected Land Uses for the geographic area affected by the Final Map and use the applicable subsection in Section C.3 below to determine the Maximum Special Tax for each Parcel created within the Final Map. In addition to this ongoing administration, on or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for

Taxable Property within the CFD. The Administrator shall also (i) determine whether each Parcel is Developed Property or Undeveloped Property and (ii) calculate the Special Tax Requirement for the Fiscal Year.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax assigned to each Village and Lettered Lot as of CFD Formation is identified in Attachment 2 of this Rate and Method of Apportionment of Special Tax. If, upon recordation of the Large-Lot Subdivision Map for property within the CFD, it is determined that the actual boundaries of the Zones or Villages are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Zone and Village shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Zone has changed, the distribution of the Expected Maximum Special Tax Revenues between Villages and Lettered Lots within that Zone can be changed in Attachment 2 as long as the total Expected Maximum Special Tax Revenues within that Zone stay the same. If the City determines that such an adjustment is needed, the adjustment shall occur immediately after recordation of the Large-Lot Subdivision Map, after which time the Expected Maximum Special Tax Revenues assigned to a particular Village or Lettered Lot shall be fixed for all future Fiscal Years, except for the escalator set forth in Attachment 2. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments.

Once the Villages and Lettered Lots have been created by recordation of a Large-Lot Subdivision Map, the sum of the Maximum Special Taxes allocated to individual Parcels within a Village or Lettered Lot should at all times be equal to the Maximum Special Tax identified for that Village or Lettered Lot in Attachment 2 unless the CFD Buffer has been reduced to make up for a reduction in the Expected Maximum Special Tax Revenues for a particular Village as provided in Section C.3 below. The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. Fiscal Year 2003-04 and Future Fiscal Years If a Large-Lot Subdivision Map Has Not Been Recorded

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Assessor's Parcels within the CFD shall be as follows:

Fiscal Year 2003-04 Assessor's Parcel Number	Fiscal Year 2003-04 Maximum Special Tax *
067-0030-006	\$915,785
067-0030-009	\$1,353,175
067-0090-011	\$33,495
067-0090-014	\$86,195
067-0090-017	\$858,355
067-0090-022	\$2,510
067-0090-023	\$3,765
067-0090-024	\$133,030
067-0090-016	\$47,690
067-0030-019	\$146,720
067-0090-027	\$160,500
* On July 1, 2004 and each July 1 thereafter, these Maximum Special Taxes shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

2. After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map

After a Large-Lot Subdivision Map is recorded and there is no overlap of Assessor's Parcels between Villages and Lettered Lots, the Maximum Special Tax for property within a Village or Lettered Lot shall be the amount identified in Attachment 2 of this Rate and Method of Apportionment of Special Tax. If there are multiple Assessor's Parcels within a Village or Lettered Lot, the Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property within that Village or Lettered Lot until a Final Map is recorded within the Village or Lettered Lot. If a Final Map records creating Buildable Lots within a portion of a Village or Lettered Lot, the Administrator shall apply Section C.3 to determine the Maximum Special Tax that is assigned to the geographic area within the Final Map and the remaining property within the Village or Lettered Lot that has not yet had a Final Map recorded on it. The Maximum Special Tax assigned to the remaining property pursuant to Sections 3a or 3b below will be spread on a per-Acre basis to the Assessor's Parcels within the Village or Lettered Lot that were not included in the Final Map.

3. After Recordation of a Final Map, Prior to the Final Bond Sale

When a Final Map records for property in CFD No. 1, the Administrator shall compare the Final Map to the Expected Land Uses shown in Attachments 1 and 2 and determine whether the land uses in the Final Map produce more or less than the Expected Maximum Special Tax Revenues for the area included in the Final Map. Based on this comparison and prior to the Final Bond Sale, the Administrator shall apply the applicable subsection below:

3a. Final Map Produces More Than the Expected Maximum Special Tax Revenues, and Additional Final Maps Will Be Recorded Within the Village or Lettered Lot

If the Administrator determines that land uses in a recorded Final Map (the "Subject Map") will produce more than the Expected Maximum Special Tax Revenues for the area included in the Subject Map, **and there is still property within that Village or Lettered Lot that has not had a Final Map recorded on it**, the Administrator shall determine the Maximum Special Tax for each Parcel within the Subject Map as follows:

If property in the Subject Map is part of a Lettered Lot, the Administrator shall multiply the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot by the acreage of each Parcel of Taxable Property included in the Subject Map to determine the Maximum Special Tax for each Parcel.

If property in the Subject Map is part of a Village, the Administrator shall assign, as the Maximum Special Tax for each single family lot within the Subject Map and the remaining unmapped portions of the Village, the lowest Base Maximum Tax Rate that, when applied to each single family lot in the Subject Map and the remaining unmapped portions of the Village, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue for the Village less the total Maximum Special Tax Revenues that can be collected from Final Maps that have already been recorded within the Village.

3b. Final Map Produces More Than the Expected Maximum Special Tax Revenues, and No Additional Final Maps Will Be Recorded Within the Village or Lettered Lot

If the Administrator determines that land uses in the Subject Map will produce more than the Expected Maximum Special Tax Revenues for the area included in the Subject Map, **and all of the other property within that Village or Lettered Lot has had a Final Map recorded on it**, the Administrator shall determine the Maximum Special Tax for each Parcel within the Subject Map as follows:

If property in the Subject Map is part of a Lettered Lot, the Administrator shall multiply the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot by the acreage of each Parcel of Taxable Property included in the Subject Map to determine the Maximum Special Tax for each Parcel. After the Maximum Special Tax has been determined for each Parcel, the Administrator shall calculate the total Maximum Special Tax Revenue that can be collected from the Lettered Lot, subtract the Expected Maximum Special Tax Revenue for the Lettered Lot, and add the difference to the CFD Buffer.

If property in the Subject Map is part of a Village, the Administrator shall assign, as the Maximum Special Tax for each single family lot, the lowest Base Maximum Tax Rate

that, when applied to each single family lot, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue from the area within the Subject Map. After the Maximum Special Tax has been determined for each Parcel, the Administrator shall calculate the total Maximum Special Tax Revenue that can be collected from the Village, subtract the Expected Maximum Special Tax Revenue for the Village, and add the difference to the CFD Buffer.

3c. Final Map Produces Less Than the Expected Maximum Special Tax Revenues, and Additional Final Maps Will Be Recorded Within the Village or Lettered Lot

If property in the Subject Map is part of a Lettered Lot, the Administrator shall increase the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot up to the amount that, when multiplied by the acreage of Taxable Property within the Subject Map and the remainder of the Lettered Lot, will produce the Expected Maximum Special Tax Revenues for that Lettered Lot less the amount of Maximum Special Tax that can be collected from other Final Maps that have already recorded within the Lettered Lot. The Administrator shall then apply the increased per-acre Maximum Special Tax to the acreage of Parcels within the Subject Map and the remaining unmapped portions of the Lettered Lot to determine the Maximum Special Tax for each Parcel.

If property in the Subject Map is part of a Village, the Administrator shall, in coordination with the appropriate City departments, determine whether the reason for the loss of Special Tax capacity was (i) due to remapping of the area by the subdivider to yield generally larger lots or lots of a different configuration than was originally expected, or (ii) the result of the originally expected lots not fitting into bounds of the legal parcel due to technical fit issues caused by public requirements such as larger setbacks, additional or widened easements, or due to the legal parcel being of an actual size that is insufficient to accommodate such lots.

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to remapping by the subdivider, the Administrator shall assign, as the Maximum Special Tax for each single family lot in the Subject Map and each single family lot expected in the portions of the Village for which a Final Map has not already been recorded, the lowest Base Maximum Tax Rate that, when applied to each single family lot in the Subject Map and the remaining unmapped areas in the Village, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue for the Village. If, after applying the Level 3 Base Maximum Tax Rate, there are still insufficient revenues to match the Expected Maximum Special Tax Revenues for the Village, the Administrator shall assign the Level 3 Base Maximum Tax Rate to each Parcel in the Subject Map and remaining unmapped areas in the Village, and revise Attachment 2 to reflect lower Expected Maximum Special Tax Revenues for the Village in which the Subject Map is being recorded and for the CFD as a whole. The reduced Expected Maximum Special Tax Revenues, net of the CFD Buffer, shall be the amount used to size future series of Bonds issued on behalf of the CFD.

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to an event other than remapping by the subdivider, the Administrator shall assign, as the Maximum Special Tax for each Parcel in the Subject Map, the Base Maximum Tax Rate that

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to an event other than remapping by the subdivider, the Administrator shall assign, as the Maximum Special Tax for each Parcel in the Subject Map, the Base Maximum Tax Rate that was assigned to the Village in Attachment 2. The Administrator shall then calculate the reduced Expected Maximum Special Tax Revenues for the Village and revise Attachment 2 to reflect the lower number for the Village in which the Subject Map is being recorded and for the CFD as a whole. The reduced Expected Maximum Special Tax Revenues, net of the CFD Buffer, shall be the amount used to size future series of Bonds issued on behalf of the CFD.

Notwithstanding the foregoing, the reduction in Expected Maximum Special Tax Revenues shall not at any time be in an amount that reduces the debt service coverage below the amount which was committed to in Bond documents for outstanding Bonds issued on behalf of the CFD.

4. *After Recordation of a Final Map, After the Final Bond Sale*

When a Final Map records for property in CFD No. 1, the Administrator shall compare the Final Map to the Expected Land Uses shown in Attachments 1 and 2 and determine whether the land uses in the Final Map produce more or less than the Expected Maximum Special Tax Revenues for the area included in the Final Map. Based on this comparison and after the Final Bond Sale, the Administrator shall apply the applicable subsection below:

4a. **Final Map Produces More Than the Expected Maximum Special Tax Revenues, and Additional Final Maps Will Be Recorded Within the Village or Lettered Lot**

If the Administrator determines that land uses in a recorded Final Map (the "Subject Map") will produce more than the Expected Maximum Special Tax Revenues for the area included in the Subject Map, **and there is still property within that Village or Lettered Lot that has not had a Final Map recorded on it**, the Administrator shall determine the Maximum Special Tax for each Parcel within the Subject Map as follows:

If property in the Subject Map is part of a Lettered Lot, the Administrator shall multiply the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot by the acreage of each Parcel of Taxable Property included in the Subject Map to determine the Maximum Special Tax for each Parcel.

If property in the Subject Map is part of a Village, the Administrator shall assign, as the Maximum Special Tax for each single family lot within the Subject Map and the remaining unmapped portions of the Village, the lowest Base Maximum Tax Rate that, when applied to each single family lot in the Subject Map and the remaining unmapped portions of the Village, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue for the Village less the total Maximum Special Tax

Revenues that can be collected from Final Maps that have already been recorded within the Village.

4b. Final Map Produces More Than the Expected Maximum Special Tax Revenues, and No Additional Final Maps Will Be Recorded Within the Village or Lettered Lot

If the Administrator determines that land uses in the Subject Map will produce more than the Expected Maximum Special Tax Revenues for the area included in the Subject Map, **and all of the other property within that Village or Lettered Lot has had a Final Map recorded on it**, the Administrator shall determine the Maximum Special Tax for each Parcel within the Subject Map as follows:

If property in the Subject Map is part of a Lettered Lot, the Administrator shall multiply the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot by the acreage of each Parcel of Taxable Property included in the Subject Map to determine the Maximum Special Tax for each Parcel. After the Maximum Special Tax has been determined for each Parcel, the Administrator shall calculate the total Maximum Special Tax Revenue that can be collected from the Lettered Lot, subtract the Expected Maximum Special Tax Revenue for the Lettered Lot, and add the difference to the CFD Buffer.

If property in the Subject Map is part of a Village, the Administrator shall assign, as the Maximum Special Tax for each single family lot within the Subject Map, the lowest Base Maximum Tax Rate that, when applied to each single family lot in the Subject Map, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue from the area within the Subject Map. After the Maximum Special Tax has been determined for each Parcel, the Administrator shall calculate the total Maximum Special Tax Revenue that can be collected from the Village, subtract the Expected Maximum Special Tax Revenue for the Village, and add the difference to the CFD Buffer.

4c. Final Map Produces Less Than the Expected Maximum Special Tax Revenues, and Additional Final Maps Will Be Recorded Within the Village or Lettered Lot

If the Administrator determines that land uses in a Final Map that is submitted for approval (the "Subject Map") will produce less than the Expected Maximum Special Tax Revenues for the area included in the Subject Map, **and there is still property within that Village or Lettered Lot that has not had a Final Map recorded on it**, the Administrator shall determine the Maximum Special Tax for each Parcel within the Subject Map as follows:

If property in the Subject Map is part of a Lettered Lot, the Administrator shall increase the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot up to the amount that, when multiplied by the acreage of Taxable Property within the Subject Map and the remainder of the Lettered Lot, will produce the Expected

was assigned to the Village in Attachment 2. The Administrator shall then calculate the reduced Expected Maximum Special Tax Revenues for the Village and revise Attachment 2 to reflect the lower number for the Village in which the Subject Map is being recorded and for the CFD as a whole. The reduced Expected Maximum Special Tax Revenues, net of the CFD Buffer, shall be the amount used to size future series of Bonds issued on behalf of the CFD.

Notwithstanding the foregoing, the reduction in Expected Maximum Special Tax Revenues shall not at any time be in an amount that reduces the debt service coverage below the amount which was committed to in Bond documents for outstanding Bonds issued on behalf of the CFD.

3d. Final Map Produces Less Than the Expected Maximum Special Tax Revenues, and No Additional Final Maps Will Be Recorded Within the Village or Lettered Lot

If property in the Subject Map is part of a Lettered Lot, the Administrator shall increase the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot up to the amount that, when multiplied by the acreage of Taxable Property within the Subject Map, will produce the Expected Maximum Special Tax Revenues for that Lettered Lot less the amount of Maximum Special Tax that can be collected from other Final Maps that have already recorded within the Lettered Lot. The Administrator shall then apply the increased per-acre Maximum Special Tax to the acreage of Parcels within the Subject Map to determine the Maximum Special Tax for each Parcel.

If property in the Subject Map is part of a Village, the Administrator shall, in coordination with the appropriate City departments, determine whether the reason for the loss of Special Tax capacity was (i) due to remapping of the area by the subdivider to yield generally larger lots or lots of a different configuration than was originally expected, or (ii) the result of the originally expected lots not fitting into bounds of the legal parcel due to technical fit issues caused by public requirements such as larger setbacks, additional or widened easements, or due to the legal parcel being of an actual size that is insufficient to accommodate such lots.

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to remapping by the subdivider, the Administrator shall assign, as the Maximum Special Tax for each single family lot in the Subject Map, the lowest Base Maximum Tax Rate that, when applied to each single family lot in the Subject Map, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue for the Village less the total Maximum Special Tax revenues that can be collected from Final Maps that have already been recorded within the Village. If, after applying the Level 3 Base Maximum Tax Rate, there are still insufficient revenues to match the Expected Maximum Special Tax Revenues for the Village, the Administrator shall assign the Level 3 Base Maximum Tax Rate to each Parcel in the Subject Map and revise Attachment 2 to reflect lower Expected Maximum Special Tax Revenues for the Village in which the Subject Map is being recorded and for the CFD as a whole. The reduced Expected Maximum Special Tax Revenues, net of the CFD Buffer, shall be the amount used to size future series of Bonds issued on behalf of the CFD.

Maximum Special Tax Revenues for that Lettered Lot less the amount of Maximum Special Tax that can be collected from other Final Maps that have already recorded within the Lettered Lot. The Administrator shall then apply the increased per-acre Maximum Special Tax to the acreage of Parcels within the Subject Map and within the remaining unmapped portions of the Lettered Lot to determine the Maximum Special Tax for each Parcel.

If property in the Subject Map is part of a Village, the Administrator shall, in coordination with the appropriate City departments, determine whether the reason for the loss of Special Tax capacity was (i) due to remapping of the area by the subdivider to yield generally larger lots or lots of a different configuration than was originally expected, or (ii) the result of the originally expected lots not fitting into bounds of the legal parcel due to technical fit issues caused by public requirements such as larger setbacks, additional or widened easements, or due to the legal parcel being of an actual size that is insufficient to accommodate such lots.

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to remapping by the subdivider, the Administrator shall assign the lowest Base Maximum Tax Rate that, when applied to each single family lot in the Subject Map and the remaining unmapped areas in the Village, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue for the Village less the total Maximum Special Tax revenues that can be collected from Final Maps that have already been recorded within the Village. If, after applying the Level 3 Base Maximum Tax Rate, there are still insufficient revenues to match the Expected Maximum Special Tax Revenues for the Village, the landowner may prepay the Special Tax obligation that corresponds to the reduced Maximum Special Tax revenues that will be generated within the Subject Map area to avoid an increase in the per-unit and/or per-acre Maximum Special Taxes within that Village that will occur pursuant to the steps outlined below. If a landowner chooses to make such a prepayment, the Administrator shall use Section G below to calculate the amount to be prepaid, and the full amount of the prepayment must be on deposit with the City prior to recordation of the Final Map.

If no prepayment is received prior to recordation of the Subject Map, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel within the Subject Map and remaining unmapped portions of the Village:

Step 1. Sum the following:

- (i) the Maximum Special Tax revenues that can be collected from property within the Village that has already had a Final Map recorded (not including the Subject Map);
- (ii) the amount that would result if the Level 3 Base Maximum Tax Rate is applied to each Parcel within the Subject Map;

- (iii) the amount that would result if the Level 3 Base Maximum Tax Rate is applied to all single family lots expected on the remaining unmapped property within the Village.

Step 2. By reference to Attachment 2, identify the total Expected Maximum Special Tax Revenues for the Village within which the Subject Map is being recorded;

Step 3. Subtract the total revenues determined in Step 1 from the Expected Maximum Special Tax Revenues identified in Step 2.

Step 4. If the amount calculated in Step 3 is less than or equal to zero, use the Level 3 Base Maximum Tax Rate as the Maximum Special Tax for each Parcel within the Subject Map and for each single family lot expected in the remaining unmapped property within the Village.

If the amount calculated in Step 3 is greater than zero, apply the following steps to determine the Maximum Special Tax for each Parcel within the Subject Map and each single family lot expected in the remaining unmapped property within the Village:

Step 4a. Using the amounts calculated in Step 1, determine, for each Parcel in the Subject Map and for each remaining unmapped Parcel in the Village, the Parcel's percentage share of the total Maximum Special Tax that would be collected if the Level 3 Base Maximum Tax Rate were applied to each Parcel within the Subject Map and each single family lot expected in the remaining unmapped property within the Village.

Step 4b. Multiply the percentages determined in Step 4a by the difference calculated in Step 3 above to determine the share of the shortfall in Expected Maximum Special Tax Revenues that will be assigned to each Parcel.

Step 4c. For Parcels within the Subject Map, add the share of the shortfall assigned to each Parcel in Step 4b to the Level 3 Base Maximum Tax Rate to calculate the Maximum Special Tax that will apply to each Parcel within the Subject Map. For each remaining unmapped Parcel in the Village, add the share of the shortfall assigned to each Parcel in Step 4b to the amount calculated for each Parcel when the Level 3 Base Maximum Tax Rate is multiplied by the expected number of single family lots on each Parcel. The sum of these numbers shall be the Maximum Special Tax assigned to the Parcel until it is subdivided.

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to an event other than remapping by the subdivider, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel in the Subject Map and the unmapped portions of the Village:

Step 1. Sum the following:

- (i) the Maximum Special Tax revenues that can be collected from property within the Village that has already had a Final Map recorded (not including the Subject Map);
- (ii) the amount that would result if the Base Maximum Tax Rate assigned to the Village in Attachment 2 is multiplied by the number of single family lots within the Subject Map;
- (iii) the amount that would result if the Base Maximum Tax Rate assigned to the Village in Attachment 2 is applied to all single family lots expected on the remaining unmapped property within the Village.

Step 2. By reference to Attachment 2, identify the total Expected Maximum Special Tax Revenues for the Village within which the Subject Map is being recorded.

Step 3. Subtract the total revenues determined in Step 1 from the Expected Maximum Special Tax Revenues identified in Step 2.

Step 4. If the amount calculated in Step 3 is less than or equal to zero, use the Base Maximum Tax Rate assigned to the Village in Attachment 2 as the Maximum Special Tax for each Parcel within the Subject Map. Multiply this same Base Maximum Special Tax by the number of single family lots expected on each Parcel of remaining unmapped property within the Village to determine the Maximum Special Tax to be assigned to each Parcel.

If the amount calculated in Step 3 is greater than zero, the Administrator shall first determine if the amount in the CFD Buffer is sufficient to cover this shortfall. If so, the Administrator shall reduce the amount of the CFD Buffer by the amount of the shortfall and shall use the Base Maximum Tax Rate assigned to the Village in Attachment 2 as the Maximum Special Tax for each Parcel within the Subject Map. The Administrator shall determine the Maximum Special Tax for remaining unmapped property within the Village by multiplying this Base Maximum Tax Rate by the number of single family lots expected on each Parcel of unmapped property.

If the Administrator determines that the amount in the CFD Buffer is insufficient to cover the shortfall, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel within the Subject Map and each single family lot expected in the remaining unmapped property within the Village:

Step 4a. Using the amounts calculated in Step 1, determine, for each Parcel in the Subject Map and for each remaining unmapped Parcel in the Village, the Parcel's percentage share of the total Maximum Special Tax that would be collected if the Base Maximum Tax Rate assigned to the Village in Attachment 2 is applied to each Parcel within the Subject Map and each single family lot expected in the remaining unmapped property within the Village.

Step 4b. Multiply the percentages determined in Step 4a by amount of the shortfall calculated in Step 3 above to determine the share of the shortfall that will be assigned to each Parcel.

Step 4c. For Parcels within the Subject Map, add the share of the shortfall assigned to each Parcel in Step 4b to the Base Maximum Tax Rate assigned to the Village in Attachment 2 to calculate the Maximum Special Tax that will apply to each Parcel within the Subject Map. For each remaining unmapped Parcel in the Village, add the share of the shortfall assigned to each Parcel in Step 4b to the amount calculated for each Parcel when the Base Maximum Tax Rate assigned to the Village in Attachment 2 is multiplied by the expected number of single family lots on each Parcel. The sum of these numbers shall be the Maximum Special Tax assigned to the Parcel until it is subdivided.

4d. Final Map Produces Less Than the Expected Maximum Special Tax Revenues, and No Additional Final Maps Will Be Recorded Within the Village or Lettered Lot

If the Administrator determines that land uses in a Final Map that is submitted for approval (the "Subject Map") will produce less than the Expected Maximum Special Tax Revenues for the area included in the Subject Map, **and there are no additional Final Maps to be recorded within Village or Lettered Lot**, the Administrator shall determine the Maximum Special Tax for each Parcel within the Subject Map as follows:

If property in the Subject Map is part of a Lettered Lot, the Administrator shall increase the per-acre Maximum Special Tax that is shown in Column (D) of Attachment 2 for that Lettered Lot up to the amount that, when multiplied by the acreage of Taxable Property within the Subject Map, will produce the Expected Maximum Special Tax Revenues for that Lettered Lot less the amount of Maximum Special Tax that can be collected from other Final

Maps that have already recorded within the Lettered Lot. The Administrator shall then apply the increased per-acre Maximum Special Tax to the acreage of Parcels within the Subject Map to determine the Maximum Special Tax for each Parcel.

If property in the Subject Map is part of a Village, the Administrator shall, in coordination with the appropriate City departments, determine whether the reason for the loss of Special Tax capacity was (i) due to remapping of the area by the subdivider to yield generally larger lots or lots of a different configuration than was originally expected, or (ii) the result of the originally expected lots not fitting into bounds of the legal parcel due to technical fit issues caused by public requirements such as larger setbacks, additional or widened easements, or due to the legal parcel being of an actual size that is insufficient to accommodate such lots.

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to remapping by the subdivider, the Administrator shall assign the lowest Base Maximum Tax Rate that, when applied to each single family lot in the Subject Map, will produce an amount greater than or equal to the Expected Maximum Special Tax Revenue for the Village less the total Maximum Special Tax revenues that can be collected from Final Maps that have already been recorded within the Village. If, after applying the Level 3 Base Maximum Tax Rate, there are still insufficient revenues to match the Expected Maximum Special Tax Revenues for the Village, the landowner may prepay the Special Tax obligation that corresponds to the reduced Maximum Special Tax revenues that will be generated within the Subject Map area to avoid an increase in the per-unit and/or per-acre Maximum Special Taxes within that Village that will occur pursuant to the steps outlined below. If a landowner chooses to make such a prepayment, the Administrator shall use Section G below to calculate the amount to be prepaid, and the full amount of the prepayment must be on deposit with the City prior to recordation of the Final Map.

If no prepayment is received prior to recordation of the Subject Map, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel within the Subject Map:

Step 1. Sum the following:

- (i) the Maximum Special Tax revenues that can be collected from property within the Village that has already had a Final Map recorded (not including the Subject Map);
- (ii) the amount that would result if the Level 3 Base Maximum Tax Rate is applied to each Parcel within the Subject Map.

Step 2. By reference to Attachment 2, identify the total Expected Maximum Special Tax Revenues for the Village within which the Subject Map is being recorded.

Step 3. Subtract the total revenues determined in Step 1 from the Expected Maximum Special Tax Revenues identified in Step 2.

Step 4. If the amount calculated in Step 3 is less than or equal to zero, use the Level 3 Base Maximum Tax Rate as the Maximum Special Tax for each Parcel within the Subject Map.

If the amount calculated in Step 3 is greater than zero, apply the following steps to determine the Maximum Special Tax for each Parcel within the Subject Map:

Step 4a. Using the amounts calculated in Step 1, determine, for each Parcel in the Subject Map, the Parcel's percentage share of the total Maximum Special Tax that would be collected if the Level 3 Base Maximum Tax Rate were applied to each Parcel within the Subject Map.

Step 4b. Multiply the percentages determined in Step 4a by the difference calculated in Step 3 above to determine the share of the shortfall in Expected Maximum Special Tax Revenues that will be assigned to each Parcel.

Step 4c. Add the share of the shortfall assigned to each Parcel in Step 4b to the Level 3 Base Maximum Tax Rate to calculate the Maximum Special Tax that will apply to each Parcel within the Subject Map.

If, in the sole discretion of the City, the loss of Special Tax capacity is determined to be due to an event other than remapping by the subdivider, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel in the Subject Map:

Step 1. Sum the following:

- (i) the Maximum Special Tax revenues that can be collected from property within the Village that has already had a Final Map recorded (not including the Subject Map);
- (ii) the amount that would result if the Base Maximum Tax Rate assigned to the Village in Attachment 2 is multiplied by the number of single family lots within the Subject Map.

Step 2. By reference to Attachment 2, identify the total Expected Maximum Special Tax Revenues for the Village within which the Subject Map is being recorded.

Step 3. Subtract the total revenues determined in Step 1 from the Expected Maximum Special Tax Revenues identified in Step 2.

Step 4. If the amount calculated in Step 3 is less than or equal to zero, use the Base Maximum Tax Rate assigned to the Village in Attachment 2 as the Maximum Special Tax for each Parcel within the Subject Map.

If the amount calculated in Step 3 is greater than zero, the Administrator shall first determine if the amount in the CFD Buffer is sufficient to cover this shortfall. If so, the Administrator shall reduce the amount of the CFD Buffer by the amount of the shortfall and use the Base Maximum Tax Rate assigned to the Village in Attachment 2 as the Maximum Special Tax for each Parcel within the Subject Map.

If the Administrator determines that the amount in the CFD Buffer is insufficient to cover the shortfall, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel within the Subject Map:

Step 4a. Using the amounts calculated in Step 1, determine, for each Parcel in the Subject Map, the Parcel's percentage share of the total Maximum Special Tax that would be collected if the Base Maximum Tax Rate assigned to the Village in Attachment 2 is applied to each Parcel within the Subject Map.

Step 4b. Multiply the percentages determined in Step 4a by amount of the shortfall calculated in Step 3 above to determine the share of the shortfall that will be assigned to each Parcel.

Step 4c. Add the share of the shortfall assigned to each Parcel in Step 4b to the Base Maximum Tax Rate assigned to the Village in Attachment 2 to calculate the Maximum Special Tax that will apply to each Parcel within the Subject Map.

The Maximum Special Tax calculated for a Parcel pursuant to Section C above shall be increased each Fiscal Year after the Fiscal Year in which the Maximum Special Tax is assigned to the Parcel by two percent (2%) of the amount in effect in the previous Fiscal Year.

Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Village or Large Lot. Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels in the CFD and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

D. METHOD OF LEVY OF THE SPECIAL TAX

1. Fiscal Year 2003-04 and Future Fiscal Years If a Large-Lot Subdivision Map Has Not Been Recorded

In Fiscal Year 2003-04 and in future Fiscal Years prior to recordation of a Large-Lot Subdivision Map for property within CFD No. 1, the Administrator shall determine the Special Tax to be levied on Taxable Property by application of the following steps:

Step 1. The Maximum Special Tax determined pursuant to Section C.1 above shall be levied on the following Assessor's Parcels:

067-0030-006	067-0090-014
067-0030-009	067-0090-022
067-0090-011	067-0090-027

Step 2. If, after Step 1 and after applying Capitalized Interest, additional revenue is needed to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on the following Assessor's Parcel up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year, as determined pursuant to Section C.1 above:

067-0090-016	067-0090-023
067-0090-017	067-0090-024
067-0030-019	

2. After Recordation of a Large-Lot Subdivision Map

After a Large-Lot Subdivision Map has been recorded, the Administrator shall determine the Special Tax to be levied on Taxable Property in CFD No. 1 by application of the following steps:

Step 1. If, in any Fiscal Year, there are facilities authorized to be funded by CFD No. 1 that have not yet been funded, the Maximum Special Tax determined pursuant to Section C above shall be levied on each Parcel of Developed Property in the CFD. If all authorized CFD facilities have been funded, the Special Tax shall be levied Proportionately on each Parcel of Developed Property in the CFD up to 100% of the Maximum Special Tax for each Parcel until the amount levied is equal to the Special Tax Requirement for the Fiscal Year.

Step 2. If additional revenue is needed after Step 1, and after applying Capitalized Interest to the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in the

CFD, up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year, as determined pursuant to Section C.

E. MANNER OF COLLECTION OF SPECIAL TAX

The Special Taxes for CFD No. 1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section G below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Taxes proceeds have been completed. However, in no event shall Special Taxes be levied after Fiscal Year 2039-2040.

F. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied in any Fiscal Year on the following:

- (1) Public Property, unless property that was expected to be Taxable Property (as shown in Attachment 1) becomes Public Property after CFD Formation and the loss of such Taxable Property reduces the Expected Maximum Special Tax Revenues within a Village or Lettered Lot. A public agency shall not accept dedication of or acquire the property without a mandatory prepayment of the special tax obligation assigned to the property, which shall be calculated using the prepayment formula set forth in Section G below, otherwise the Parcel shall be subject to a Special Tax levy as authorized by Sections 53317.3 and 53317.5 of the Act.

Notwithstanding the foregoing, if a Parcel that was expected to be Taxable Property becomes Public Property at the same time a Parcel that was expected to be Public Property becomes Taxable Property, the Maximum Special Tax that had been assigned to the Parcel that was previously Taxable Property can be shifted to the Parcel that had been Public Property and, to the extent such shift maintains the Expected Maximum Special Tax Revenues for that Village or Lettered Lot, the Parcel that is now Public Property shall not be subject to a prepayment or the levy of Special Taxes in future Fiscal Years.

- (2) Assessor's Parcels designated for, or developed as, Multi-Family Property within Zone 2, all of which were expected, at CFD Formation, to occur in the area identified in Attachment 1 as "Lot B". Notwithstanding the foregoing, all Multi-Family Property within Zone 2 shall remain exempt unless property that was expected to be Taxable Property (as shown in Attachment 1) becomes Multi-Family Property after CFD Formation and the loss of such Taxable Property reduces the Expected

Maximum Special Tax Revenues within a Village or Lettered Lot in Zone 2. If a reduction in Expected Maximum Special Tax Revenues would result from the expansion of Multi-Family Property in Zone 2, a prepayment of the corresponding special tax obligation will be required before the Final Map designating the expanded multi-family area is recorded. Such prepayment will be calculated using the prepayment formula set forth in Section G below. If a prepayment is not received to offset the reduction in Expected Maximum Special Tax Revenues, the Maximum Special Tax shall be increased proportionately on all Parcels within the multi-family area until the total Maximum Special Tax that can be collected within the Village or Lettered Lot equals the Expected Maximum Special Tax Revenues shown in Attachment 2 for that Village or Lettered Lot.

- (3) Assessor's Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section G below.

G. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section G:

"Remaining Facilities Costs" means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, developer equity and/or any other source of funding.

"Outstanding Bonds" means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

"Previously Issued Bonds" means all Bonds that have been issued prior to the date of prepayment.

"Public Facilities Requirements" means either \$50,317,000 in 2003 dollars, which shall increase on January 1, 2004, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such lower number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by CFD No. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 1 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City. If this Section G is being applied to calculate a prepayment pursuant to Section C or Section F above, use, for purposes of this Step 1, the amount by which the Expected Maximum Special Tax Revenues have been reduced due to the change in land use that necessitated the prepayment.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the total Expected Maximum Special Tax Revenues for all property in the CFD, as shown in Attachment 2 of this Rate and Method of Apportionment of Special Tax.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).

- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).
- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (*the “Administrative Fees and Expenses”*).
- Step 11.** If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (*the “Reserve Fund Credit”*).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (*the “Prepayment Amount”*).

H. INTERPRETATION OF SPECIAL TAX FORMULA

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

I. LEVY AND COLLECTION OF MAXIMUM SPECIAL TAX FOR CITY FACILITIES AND SERVICES

Notwithstanding the definition of Special Tax Requirement and levy of Special Tax to pay the Special Tax Requirement contained herein, if the City determines that for any fiscal year ending on or after June 30, 2013, that the Special Tax Requirement for such fiscal year is less than the amount of the Maximum Special Tax that could be levied for such fiscal year, the City may increase the Special Tax to be levied for such fiscal year to equal the Maximum Special Tax. In such instances, the amount of Special Taxes collected in excess of the Special Tax Requirement for such fiscal year shall be utilized, at the sole discretion of the City, for any of the following purposes:

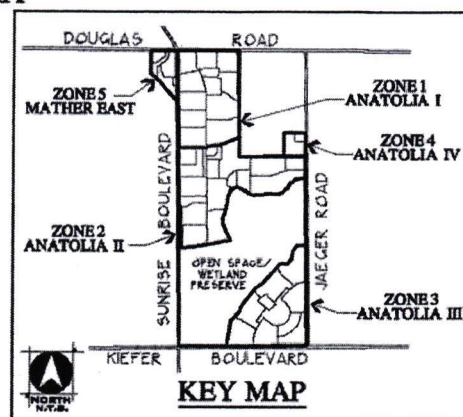
1. Any purpose related to facilities, as permitted under the Mello-Roos Community Facilities Act of 1982, including but not limited to the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing District facilities that are primarily for the benefit of the District; or 2) repair or rehabilitate existing District facilities..
2. Prepayment of principal and/or interest on outstanding bonds of CFD No. 1 or any bonds, lease obligations, certificates of participation or other obligations financing facilities described in Item 1 above.

In the event the City determines that such excess is not needed for any purpose described in Items 1 or 2 above, the City shall utilize such excess to acquire improvements in accordance with any agreement entered into with respect to CFD No. 1 providing for acquisition of authorized improvements from the developer of such improvements, provided there remain facilities to be acquired under such agreement at that time.

CITY OF RANCHO CORDOVA SUNRIDGE-ANATOLIA COMMUNITY FACILITIES DISTRICT NO. 1 IDENTIFICATION OF TAX ZONE AND ANTICIPATED LOTS

RANCHO CORDOVA, CALIFORNIA

MAY 13, 2003



LAND USE SUMMARY TABLE

ANATOLIA I - ZONE 1

VILLAGE NO.	GENERAL PLAN/ SPECIFIC PLAN/ ZONING DESIG.	TOTAL LOTS (TYPICAL LOT SIZE)	TAXABLE ACRES
1	LDR/RD-7/RD-7	111 LOTS (45'x105')	18.3
2	LDR/RD-5/RD-5	106 LOTS (52'x105')	17.9
3	LDR/RD-5/RD-5	149 LOTS (60'x110')	31.5
4	LDR/RD-5/RD-5	117 LOTS (65'x115')	31.9
5	LDR/RD-5/RD-5	105 LOTS (55'x105')	21.8
6	LDR/RD-5/RD-5	103 LOTS (55'x105')	20.0
7	LDR/RD-7/RD-7	132 LOTS (45'x105')	20.4
8	LDR/RD-7/RD-7	108 LOTS (55'x85')	19.8
LOT A	LDR/RD-10/RD-10	145 DU.	14.5
SUBTOTAL		1,076 DU.	196.1

ANATOLIA II - ZONE 2

VILLAGE NO.	GENERAL PLAN/ SPECIFIC PLAN/ ZONING DESIG.	TOTAL LOTS (TYPICAL LOT SIZE)	TAXABLE ACRES
1	LDR/RD-5/RD-5	152 LOTS (55'x105')	31.3
2	LDR/RD-5/RD-5	117 LOTS (60'x110')	25.5
3	LDR/RD-5/RD-5	56 LOTS (55'x105')	11.3
4	LDR/RD-4/RD-4	124 LOTS (70'x122')	36.1
5	LDR/RD-4/RD-4	104 LOTS (70'x122')	26.8
6	LDR/RD-4/RD-4	92 LOTS (70'x122')	24.3
7	LDR/RD-5/RD-5	114 LOTS (55'x105')	21.4
8	LDR/RD-7/RD-7	122 LOTS (45'x105')	22.1
LOT A	LDR/RD-10/RD-10	99 DU.	9.9
LOT D	LDR/RD-10/RD-10	37 DU.	3.2
SUBTOTAL		1,017 DU.	211.9

ANATOLIA III - ZONE 3

VILLAGE NO.	GENERAL PLAN/ SPECIFIC PLAN/ ZONING DESIG.	TOTAL LOTS (TYPICAL LOT SIZE)	TAXABLE ACRES
1	LDR/RD-4/RD-4	99 LOTS (65'x110')	25.2
2	LDR/RD-4/RD-4	94 LOTS (70'x122')	23.7
3	LDR/RD-4/RD-4	98 LOTS (70'x122')	24.5
4	LDR/RD-4/RD-4	112 LOTS (65'x110')	28.7
5	LDR/RD-5/RD-5	110 LOTS (55'x105')	22.6
6	LDR/RD-5/RD-5	108 LOTS (55'x105')	22.5
7	LDR/RD-5/RD-5	74 LOTS (60'x105')	14.3
8	LDR/RD-5/RD-5	73 LOTS (60'x105')	19.9
9	LDR/RD-5/RD-5	100 LOTS (55'x105')	21.4
SUBTOTAL		868 DU.	202.8

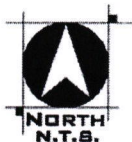
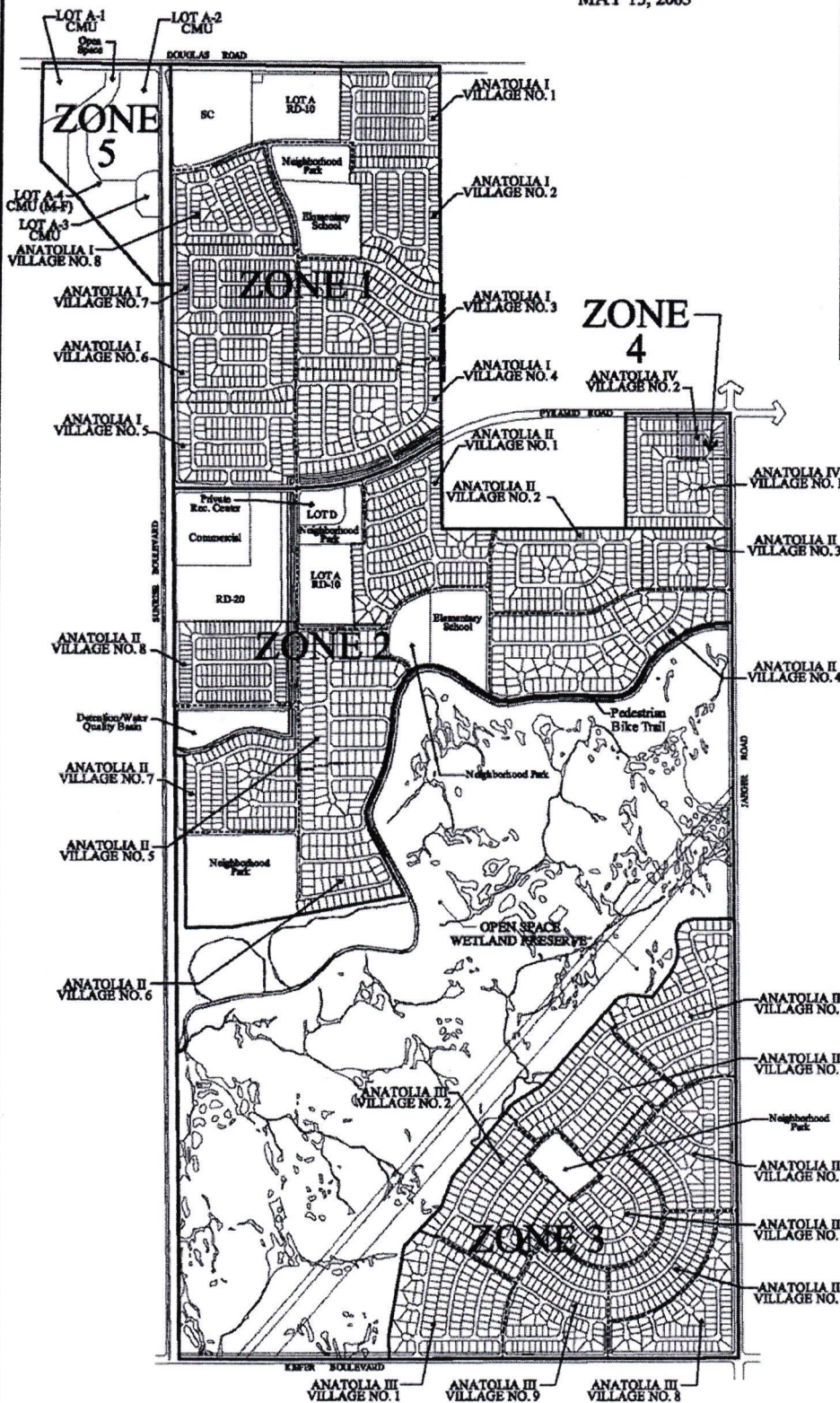
ANATOLIA IV - ZONE 4

VILLAGE NO.	GENERAL PLAN/ SPECIFIC PLAN/ ZONING DESIG.	TOTAL LOTS (TYPICAL LOT SIZE)	TAXABLE ACRES
1	LDR/RD-5/RD-5	104 LOTS (55'x105')	20.1
2	LDR/RD-5/RD-5	30 LOTS (40'x105')	5.0
SUBTOTAL		134 DU.	25.1

MATHER EAST - ZONE 5

LOT NO.	GENERAL PLAN/ SPECIFIC PLAN/ ZONING DESIG.	TOTAL LOTS (TYPICAL LOT SIZE)	TAXABLE ACRES
A-1	COMM/OFFICE/CMULC	-	4.5
A-2	COMM/OFFICE/CMULC	-	13.4
A-3	COMM/OFFICE/CMULC	-	2.3
A-4	COMM/OFFICE/CMULC (M-F)	238 DU.	11.9
SUBTOTAL		238 DU.	32.1
TOTAL		3,333 DU.	668.0

NOTE: TAXABLE ACREAGES EXCLUDE ALL STREETS AND LANDSCAPE/DRAINAGE CORRIDORS.



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ATTACHMENT 2

SunRidge Community Facilities District No. 1 Expected Land Uses and Expected Maximum Special Tax Revenues

<i>Column (A)</i>	<i>Column (B)</i>	<i>Column(C)</i>	<i>Column (D)</i>	<i>Column (E)</i>
Village and Lettered Lot Designations Within Each Zone [1]	Expected Lot Size (Single Family) or Land Use	Expected # of Single Family Units, Multi-Family Acres or Non-Residential Acres	Base Maximum Tax Rate per Unit (Single Family) and Maximum Special Tax per Acre (Multi-Family and Non-Residential) [2]	Expected Maximum Special Tax Revenues [2]
ZONE 1				
Village 1	45' x 105'	111 units	\$1,055	\$117,105
Village 2	50' x 105'	106 units	\$1,055	\$111,830
Village 3	60' x 110'	149 units	\$1,155	\$172,095
Village 4	65' x 115'	117 units	\$1,255	\$146,835
Village 5	55' x 105'	105 units	\$1,155	\$121,275
Village 6	55' x 105'	103 units	\$1,155	\$118,965
Village 7	45' x 105'	132 units	\$1,055	\$139,260
Village 8	55' x 85'	108 units	\$1,155	\$124,740
Lot A	RD-10	12.4 acres	\$7,000	\$86,800
Lot B	Comm (SC)	14.6 acres	\$5,000	\$73,000
Lot C	Park	5.8 acres	\$0	\$0
Lot D	School	10.1 acres	\$0	\$0
Subtotal, Zone 1				\$1,211,905
ZONE 2				
Village 1	55' x 105'	152 units	\$1,155	\$175,560
Village 2	60' x 110'	117 units	\$1,155	\$135,135
Village 3	55' x 105'	56 units	\$1,155	\$64,680
Village 4	70' x 122'	124 units	\$1,255	\$155,620
Village 5	70' x 122'	104 units	\$1,255	\$130,520
Village 6	70' x 122'	92 units	\$1,255	\$115,460
Village 7	55' x 105'	114 units	\$1,155	\$131,670
Village 8	45' x 105'	122 units	\$1,055	\$128,710
Lot A	RD-10	9.0 acres	\$7,000	\$63,000
Lot B	RD-20	16.9 acres	\$0	\$0
Lot C	Comm	11.3 acres	\$5,000	\$56,500
Lot D	Rec Center	3.2 acres	\$7,000	\$22,400
Lot E	School	10.0 acres	\$0	\$0
Lot F	Park	5.0 acres	\$0	\$0
Lot G	Park	4.0 acres	\$0	\$0
Lot H	Park	20.6 acres	\$0	\$0
Subtotal, Zone 2				\$1,179,255

<i>Column (A)</i>	<i>Column (B)</i>	<i>Column(C)</i>	<i>Column (D)</i>	<i>Column (E)</i>
Village and Lettered Lot Designations Within Each Zone[1]	Expected Lot Size (Single Family) or Land Use	Expected # of Single Family Units, Multi-Family Acres or Non-Residential Acres	Base Maximum Tax Rate per Unit (Single Family) or Maximum Special Tax per Acre (Multi-Family and Non- Residential) [2]	Expected Maximum Special Tax Revenues [2]
ZONE 3				
Village 1	65' x 110'	99 units	\$1,255	\$124,245
Village 2	70' x 122'	94 units	\$1,255	\$117,970
Village 3	70' x 122'	98 units	\$1,255	\$122,990
Village 4	65' x 110'	112 units	\$1,255	\$140,560
Village 5	55' x 105'	110 units	\$1,155	\$127,050
Village 6	55' x 105'	108 units	\$1,155	\$124,740
Village 7	60' x 105'	74 units	\$1,155	\$ 85,470
Village 8	60' x 105'	73 units	\$1,155	\$ 84,315
Village 9	55' x 105'	100 units	\$1,155	\$115,500
Lot A	Park	5.0 acres	\$0	\$0
Subtotal, Zone 3				\$1,042,840
ZONE 4				
Village 1	55' x 105'	104 units	\$1,155	\$120,120
Village 2	RD-10	3.8 acres	\$7,000	\$ 26,600
Subtotal, Zone 4				\$146,720
ZONE 5				
Lot A-1	Comm	4.5 acres	\$5,000	\$22,500
Lot A-2	Comm	13.4 acres	\$5,000	\$67,000
Lot A-3	Comm	2.3 acres	\$5,000	\$11,500
Lot A-4	Multi-Family	11.9 acres	\$5,000	\$59,500
Lot A-5	Open Space	5.8 acres	\$0	\$0
Subtotal, Zone 5				\$160,500
Expected Maximum Special Tax Revenues in CFD, Fiscal Year 2003-04				\$3,741,220
CFD Buffer				<u>(\$13,920)</u>
Net Amount of Maximum Special Tax Revenues to Secure Bonds (2003-04)				\$3,727,300

1. See Attachment 1 for the geographic area associated with each Zone, Village and Lettered Lot.
2. On July 1, 2004 and each July 1 thereafter, the Maximum Special Tax and Expected Maximum Special Tax Revenues shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.

Source of Data: Wood Rodgers, Inc., April 2, 2003

ATTACHMENT 3

RESOLUTION NO. 29-2003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DECLARING ITS INTENTION TO INCUR A BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES AND THE PAYMENT OF CERTAIN FEES IN AND FOR THE CITY OF RANCHO CORDOVA SUNRIDGE ANATOLIA COMMUNITY FACILITIES DISTRICT NO. 2003-1

WHEREAS, the City Council (the "City Council") of the City of Rancho Cordova (the "City") has duly adopted Resolution No. ____ (the "Resolution") on July 1, 2003, wherein it declared its intention to establish a community facilities district under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"), to be known and designated as the "City of Rancho Cordova Sunridge Anatolia Community Facilities District No. 2003-1" (the "Community Facilities District"), and to levy a special tax therein to finance the acquisition and construction of certain public facilities and the payment of certain fees relating to public facilities (collectively the "Facilities") listed in Exhibit A to the Resolution and incorporated therein and made a part hereof which are generally described as roadway, water, sewer, parks and related improvements and incidental costs thereto and all costs associated with the Community Facilities District, under and pursuant to the Act in and for the Community Facilities District; and

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

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

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

Section 2. The City Council hereby declares that the public convenience and necessity require that a bonded indebtedness in the principal amount of Seventy Five Million Dollars (\$75,000,000) be incurred to finance the acquisition and construction of and the payment of the fees for the Facilities in and for the Community Facilities District, which amount includes all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which such bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of the Community Facilities District estimated to be due and payable within two (2) years of issuance of the bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

Section 3. Notice is given that August 4, 2003, at the hour of 6:30 o'clock P.M., at the regular meeting place of the City Council, City Council Chambers, Rancho Cordova City Hall, 3121 Gold Canal Drive, Rancho Cordova, California 95670, has been fixed by the City Council as the time and place for a public hearing to be held by the City Council to consider the incurring of such bonded indebtedness to finance the acquisition and construction of and the payment of the fees for the Facilities in and for the Community Facilities District. At such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard on the proposed debt issue or on any other matters set forth herein, and they may present any matters relating to the necessity for incurring such bonded indebtedness to finance the acquisition and construction of the Facilities which will be secured by a special tax to be levied within the Community Facilities District.

Section 4. Notice of the time and place of such public hearing shall be given by the City Clerk of the City in the following manner:

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

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

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 1st day of July, 2003, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Mayor of the City of Rancho Cordova

ATTEST:

City Clerk of the City of Rancho Cordova

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Special Tax for Police Protection
(Prepared by City Attorney)

ATTACHMENTS: 1. Resolution Creating the Rancho Cordova Special Police Tax Area and indicating the intent of the City Council to impose a special tax for police protection services for each new subdivision or other land use permit

RECOMMENDATION: 1. Staff recommends that the City Council adopt the attached resolution.

Fiscal Impact

The proposed special tax for police services will raise revenues to provide police protection services. The amount of revenue to be raised will depend on the number of new homes or businesses constructed within the City within each fiscal year and the rate of the tax.

Background and Analysis

At the May 19, 2003, meeting of the City Council-Elect, Mike Oliver presented a report on the possible enactment of a police services tax on residential development. This report follows and expands upon Mr. Oliver's report by: 1) explaining the City's legal authority to impose a police services special tax; and 2) providing the City Council-Elect with a discussion draft model resolution and ordinance.

In the May 19, 2003, report, Mr. Oliver explained that when combined with the fiscal constraints imposed by the Revenue Neutrality Agreement, initial long-range analysis indicates that the City's budget does not contain adequate funding for law enforcement services unless additional revenues are generated. It appears that the cost of providing City law enforcement services will exceed the revenues generated by each single family residence by approximately \$328.61 per year in the years 2003-2004 and up to \$396.42 in years 2006-2007. In order to substantially reduce this short fall, staff is recommending that the City Council-Elect consider implementing a special tax in the amount of \$250 per single family residential parcel or single family residential parcel equivalent, with a cost of living escalator.

At the May 19, 2003 City Council-Elect meeting, representatives of AKT, the lead developer of the first portion of the Sunrise Douglas development, testified that AKT supports the \$250 tax rate. At the June 9, 2003 City Council-Elect meeting, representatives of AKT requested that the tax be payable following issuance of building permits, rather than following approval of final maps. Staff has written the model condition of approval attached as Exhibit A to the resolution to allow the City the flexibility to require the tax to be paid either following issuance of building permits or following approval of final maps. For the first portion of the Sunrise Douglas project, staff anticipates that it will recommend that the tax be triggered by issuance of building permits.

Government Code §53978, provides the authority for a special tax for police protection services. Government Code §53978 authorizes the Council to establish zones within the City and restrict the levy of the tax to these zones. Thus, the Council may create a zone for each new subdivision and levy a special tax for police protection services for that zone. The special tax must be approved by the voters within each zone by a 2/3 vote. If there are eleven or fewer registered voters, the landowners will be the eligible voters. Staff proposes that throughout the entire city, all new subdivisions and other discretionary land use approvals would include a condition notifying the developer that the Council will adopt an ordinance levying a special tax for police protection services for each residential parcel within that subdivision, subject to voter approval by property owners. A separate ordinance would be approved and a separate election would be conducted for each new development project.

Attachment 1 - Exhibit C is a draft ordinance which would be used as a model ordinance to impose a special tax for police protection services ("Police Tax") for each new subdivision or other land use permits. The ordinance will be tailored for each project. The proceeds of the tax will be used to provide police protection for the City.

The ordinance is based on the California Supreme Court's holding in *Heckendorn v. City of San Marina* (1986) 42 Cal.3d 481, 229 Cal.Rptr. 324, which upheld the City of San Marino's special tax for police protection as valid under Article 13A of the Constitution (Proposition 13). The proposed tax is not an ad valorem tax.

The tax rate will be tied to the Assessor's property use code category. This will enable the County to collect the special tax along with property taxes. The use code categories and related additional implementation detail will be provided to the City Council in the future, when it implements the tax for specific development projects.

The draft ordinance includes an escalator, based on the CPI, so that the amount of the tax will keep current with inflation. Each year in June or July, the City Manager will set the amount of the tax for the succeeding fiscal year, using the CPI for April to adjust the rates.

The special tax will be collected by the County on the property tax rolls. The County will deduct its cost of collection and remit the balance to the City at the same time it remits property tax payments to the City. In addition, there is a small charge for use of the County property tax use code categories.

As noted above, staff will include a condition of approval for minor subdivisions, major subdivisions and for other discretionary land use approvals. The condition, Attachment 1 - Exhibit A, will read substantially as follows:

"The Owner of the property shall participate in the provision of funding to maintain police services by voting to approve a special tax for the parcels created by this subdivision approval. The tax shall be the per parcel annual amount (with appropriate future CPI adjustment) as established at the time of voting by the City Council. The election to provide for the tax shall be completed prior to [filing the final map] [approval of other final discretionary land use approvals]. The property owner shall be responsible for paying the cost of holding the election, payable at the time the election is requested by the owner. The tax shall be due at the time specified in the ordinance imposing the tax."

When the owner requests the election to approve the creation of a zone and the levying of the special tax, the City Council will adopt a resolution to create the zone and adopt an ordinance establishing the special tax, using the model ordinance attached. The Council will direct the City Clerk to conduct the election. As provided in the model resolution, Attachment 1 - Exhibit B, the election would be conducted by mailed ballot. Those persons owning the property will be the eligible voters if there are eleven or fewer registered voters. Once the election has been conducted, the Council will confirm the results of the election. The tax will be effective beginning with July 1st of the fiscal year following the Council's confirmation of the votes of the election.

Finally, the tax will be imposed on single family residential parcels as well as other residential and non-residential uses. The model documents attached to this report express the tax on all uses other than single family residential uses as "single family residential parcel equivalents." The model resolution and ordinance do not define "single family residential parcel equivalents." That term is important because it will determine what portion of the \$250 tax on single family residential parcels will be imposed on all categories of land uses other than single family homes. The definition will determine the amount of tax that the City will impose on uses such as multi-family, hotels, commercial and office. After consulting further with the County Auditor, City staff will return to the City Council at a future meeting with a recommended definition of single family residence equivalent which will facilitate the County's collection of the tax.

631786

CITY OF RANCHO CORDOVA

RESOLUTION NO. 30-2003

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
CREATING THE RANCHO CORDOVA SPECIAL POLICE TAX AREA
AND INDICATING ITS INTENT TO IMPOSE THE TAX ON NEW DEVELOPMENT**

RECITALS

WHEREAS, it is of critical importance to the City Council of the City of Rancho Cordova that residents of the City be provided with high quality police services; and

WHEREAS, in carefully reviewing the City's preincorporation Comprehensive Fiscal Analysis (CFA) with the Sheriff's Department, it has become clear to City staff that the City budget does not contain adequate funding to assure the continued delivery of adequate high quality law enforcement services unless additional revenues are obtained; and

WHEREAS, the City intends to generate additional funds to pay for police services by authorizing the levy of a tax on improved parcels of improved real property within each new residential subdivision and parcel that receives discretionary land use approvals; and

WHEREAS, the special tax shall be implemented by means of conditions of approval, resolutions and ordinances substantially in the form of Exhibits A, B and C hereto; and

WHEREAS, the tax shall initially be set at \$250.00 per year per single family residential parcel or single family residential parcel equivalent subject to adjustments as provided in the Exhibits.

NOW, THEREFORE, be it resolved as follows:

1. All of the City of Rancho Cordova shall be considered as the Rancho Cordova Special Police Tax Area.
2. The City shall impose a condition of approval for minor subdivisions, major subdivisions and other discretionary land use approvals substantially in the form of Exhibit A.
3. The city shall implement the conditions of approval by means of adopting resolutions creating a special tax zone substantially in the form of Exhibit B, and by adopting ordinances establishing a special tax for police protection in the form of Exhibit C subject to voter approval.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSTENTIONS: COUNCILMEMBERS

APPROVED:

ATTEST:

CITY CLERK

634772

Exhibit A

Form Condition of Approval

"The Owner of the property shall participate in the provision of funding to maintain police services by voting to approve a special tax for the parcels created by this subdivision approval. The tax shall be the per parcel annual amount (with appropriate future CPI adjustment) as established at the time of voting by the City Council. The election to provide for the tax shall be completed prior to [filing the final map] [approval of other final discretionary land use approvals]. The property owner shall be responsible for paying the cost of holding the election, payable at the time the election is requested by the owner. The tax shall be due at the time specified in the ordinance imposing the tax.

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Establishing Rules for the Conduct of Meetings of the
City Council of the City of Rancho Cordova
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

The Government Code authorizes the City Council to establish rules for the conduct of its meetings. The proposed resolution would adopt a series of rules similar to those used by other cities for conducting business at meetings of the City Council. In the event no specific rule has been established, Robert's Rules of Order will apply.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 31-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
ESTABLISHING RULES FOR THE CONDUCT OF MEETINGS
OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA**

WHEREAS, Government Code § 36813, authorizes a City Council to establish rules for the conduct of its meetings.

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

1. REGULAR MEETINGS

- a. Time. Regular meetings of the City Council shall be held on the first and third Monday of each month at the hour of 6:30 p.m., except that Closed Session Items shall be held at 6:00 p.m. Whenever the day fixed for any regular meeting of the Council falls upon a day designated as a holiday, such meeting will be held at the same hour on the next succeeding day not a holiday.
- b. Place. All regular meetings of the Council shall be held at the City Council Chambers, as designated by Ordinance.
- c. Public. All meetings of the Council shall be open to the public; provided, however, the City Council may hold closed sessions as provided by the laws of the State of California.

2. SPECIAL MEETINGS

A special meeting may be ordered at any time by the Mayor whenever in his/her opinion the public business may require it or upon the written request of any three members of the Council. Whenever a special meeting shall be called, written notice of such meeting shall be delivered personally or by any other means by the City Clerk to each member of the Council and to each local newspaper of general circulation and radio/television station requesting notice in writing. Such notice must be delivered at least twenty-four (24) hours before the time of such meeting as specified in the notice. The notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at such meetings by the Council.

The agenda for special meetings shall contain the information set forth in Section 3(a)-(d). below. At least twenty-four (24) hours before each special meeting, the City Clerk shall post a copy of the agenda, including the call and notice of the special meeting, at the same location identified in Section 3 below.

3. AGENDA

In order to facilitate the orderly conduct of the business of the Council, the City Clerk shall be notified no later than 11:00 a.m., on the Monday one week preceding a regular Council meeting of all reports, communications, ordinances, resolutions, contract documents or other matters to be submitted to the Council at such meeting. Immediately thereafter, the City Clerk shall arrange an agenda of such matters according to the order of business and furnish each member of the Council, the City Manager, City Attorney, City Department Heads and Staff with a copy of the agenda packet prior to the Council meeting and as far in advance of the meeting as time for preparation will permit.

The agenda prepared by the City Clerk shall, at a minimum, include:

- a. The date of the meeting;
- b. The time of the meeting;
- c. The location of the meeting;
- d. A brief general description of each item of business to be transacted or discussed at the meeting;
- e. Specified period of time for members of the public to address the Council on items of interest to the public that are within the jurisdiction of the Council, including a provision that no person may speak longer than five (5) minutes, and including language that the Council can only briefly respond with questions, refer to Staff, or place on a future agenda; and
- f. A specified section under which Councilmembers and Staff may present informational only reports.

At least seventy-two (72) hours before each regular meeting, the City Clerk shall post a copy of the agenda at City Hall (3121 Gold Canal Drive).

The City Clerk shall execute a declaration of posting which shall be filed in the Office of the City Clerk.

The City Clerk shall so mark or denote "Consent Calendar" items on the agenda to identify those items on the agenda which can reasonably be expected to generate no discussion by members of the City Council, City Staff or interested persons in the audience. The Council shall consider all of the items on the Consent Calendar portion of the agenda at one time by a vote after a motion has been duly made and seconded. If any member of the City Council, City Staff or interested person in the audience requests that a consent item be removed from the list, such item shall be taken up for consideration and disposition in the order listed on the agenda.

4. PRESIDING OFFICER

The Mayor shall preside at all City Council meetings and perform such other duties consistent with his/her office as may be imposed by the Council. The Mayor shall be entitled to vote, but shall possess no veto power. The Mayor shall be recognized as the official head of the City for all ceremonial purposes, by the courts for the purpose of serving civil process and by the Governor for military purposes. In the time of public danger or emergency, the Mayor, with the consent of the Council, shall cause order to be maintained and enforce laws.

The Mayor shall preserve strict order and decorum at all regular and special meetings of the Council. The Mayor shall state every question coming before the Council, call for the vote, announce the decision of the Council on all subjects and decide all questions of order, subject however, to an appeal of the Council, in which event a majority vote of the Council shall govern and conclusively determine such question of order. The Mayor shall sign all Ordinances adopted by the Council during his/her presence. In the event of the absence of the Mayor, the Mayor Pro Tempore shall sign Ordinances as then adopted.

5. CALL TO ORDER

The Mayor, or in his/her absence, the Mayor Pro Tempore, shall take the chair precisely at the hour appointed for the meeting, and shall immediately call the Council to order. In the absence of the Mayor or Mayor Pro Tempore, the City Clerk shall call the Council to order, whereupon a temporary chair shall be elected by the members of the Council present. Upon the arrival of the Mayor or Mayor Pro Tempore, the temporary chair shall immediately relinquish the chair upon the conclusion of the business immediately before the Council.

6. ATTENDANCE

Before proceeding with the business of the Council, the City Clerk shall enter into the minutes the names of the members present or absent. No formal roll call need be taken.

7. QUORUM

A majority of the members of the Council shall constitute a quorum for the transaction of business, but a lesser number than a quorum may adjourn from time to time. The Council may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. If all members are absent from any regular or adjourned regular meeting, the City Clerk may declare the meeting adjourned to a stated time and place. If he/she does, he/she shall cause written notice of the adjournment to be given in the same manner as provided for special meetings. A copy of the order or notice of adjournment shall be posted in the same location identified in Section 3 above and other places designated by the Council within twenty-four (24) hours after the time of adjournment. Whenever a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjournment meeting shall be held, it shall be held at the hour specified for regular meetings.

8. ORDER OF BUSINESS

Promptly at the hour set on the day of each regular meeting, the members of the Council, City Clerk (or Designee) and City Manager (or Designee) shall take their regular stations in the Council Chambers, and the business of the Council shall be taken up for consideration and disposition in the following order, except, with the unanimous consent of the Council, matters may be taken up out of order:

- Call to Order (Closed Session)
- Call to Order & Pledge of Allegiance to the Flag

- Report on Closed Session Action
- Oral Communications
- Consent Calendar
- Written Communications
- Public Hearings
- Unfinished Business
- New Business
- Other Business (Council/Staff Informational Only Reports/Matters Too Late for the Agenda)
- Adjournment

9. MATTERS TOO LATE FOR THE AGENDA

- a. No action or discussion shall take place on any item not appearing on the agenda for a regular meeting as posted, unless
 - (1) The City Council determines by majority vote that an emergency situation exists, as defined in Government Code §54956.5;
 - (2) The City Council determines by vote of four (4) out of five (5) members (or by a unanimous vote of the members of the Council if only 4 or only 3 members are present) that there is a need to take immediate action and that the need for action came to the Council's attention after the agenda was posted;
 - (3) The item was included in a posted agenda for a prior meeting held not more than five (5) calendar days prior to the meeting at which the item is acted upon.
- b. When an item not on an agenda is raised by a member of the public, the City Council may briefly respond, may ask questions for clarification, provide a reference to Staff or other resources, or request Staff to report back at a subsequent meeting. Furthermore, a member of the City Council may take action to place a matter of business on a future agenda.

10. READING OF MINUTES

Unless the reading of the minutes of a Council meeting is requested by a member of the Council, such minutes may be approved without reading if the City Clerk has previously furnished each member with a copy thereof.

11. RULES OF DEBATE

- a. Presiding Officer may debate. The Mayor or such other member of the Council as may be presiding may move, second and debate from the chair, subject only to such limitations of debate as are by these rules imposed upon all members. He/she shall not be deprived of any of the rights and privileges of a Councilmember by reason of his/her acting as the Presiding Officer.
- b. Getting the floor. Every member desiring to speak shall address the Mayor, and upon recognition by the Mayor, shall confine himself/herself to the question under

debate.

- c. Interruptions. A member once recognized, shall not be interrupted when speaking unless it be to call him/her to order, or as herein otherwise provided. If a member, while speaking, be called to order, he/she shall cease speaking until the question of order be determined, and if in order, he/she shall be permitted to proceed.
- d. Privilege of closing debate. The Councilmember moving the adoption of an Ordinance or Resolution shall have the privilege of closing the debate.
- e. Motion to reconsider. A motion to reconsider any action taken by the Council may be made at any time. Such a motion must be made by one of the prevailing side, but may be seconded by any member, and may be made at any time and have precedence over all other motions or while a member has the floor; it shall be debatable. Nothing herein shall be construed to prevent any member of the Council from making or remaking the same or other motion at a subsequent meeting of the Council.
- f. Remarks of Councilmember. A Councilmember may request through the Mayor, the privilege of having an abstract of his/her statement on any subject under consideration by the Council entered in the minutes. If the Council consents thereto, such statement shall be entered in the minutes.
- g. Synopsis of Debate. The City Clerk may be directed by the Mayor with the consent of the Council, to enter in the minutes a synopsis of the discussion of any question coming regularly before the Council.
- h. Rules of Order. Except as otherwise provided in this Resolution, the current edition of "Roberts Rules of Order" shall govern the conduct of the meetings of the City Council.

12. ADDRESSING THE COUNCIL

Any person desiring to address the Council at a meeting shall first secure the permission of the Mayor to do so; provided, however, that under the following headings of business, any qualified and interested person shall have the right to address the Council upon obtaining recognition by the Mayor.

- a. Written Communications. Interested persons or their authorized representative may address the Council by written communication on any matters concerning the City's business, or any matters over which the Council has control. Such written communication shall be delivered to the City Clerk no later than 11:00 a.m., of the Monday immediately preceding the regular Council meeting for which such written communication is intended.
- b. Oral Communications. Interested persons in the audience or their authorized representatives may address the Council by oral communications on any matters over which the Council has control; provided, however, that preference shall be given to those persons who have notified the City Clerk in advance of their desire to speak in order that the same may appear on the agenda of the Council.

13. ADDRESSING THE COUNCIL AFTER MOTION IS MADE

After a motion is made by the Council, no person shall address the Council without first securing the permission of the Mayor to do so.

14. MANNER OF ADDRESSING COUNCIL

Each person addressing the Council shall stand at the podium and give his/her name and address in an audible tone of voice for the record. A Speaker Slip shall be completed in order to facilitate preparation of the minutes. All remarks shall be addressed to the Council as a body and not to any member thereof. No person, other than the Council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Council, without the permission of the Mayor. No question shall be asked of a Councilmember except through the Mayor.

15. VOTING

- a. Members of the Council shall vote by a "voice vote" on all Ordinances, Resolutions and other matters, unless a roll call vote is required by law or is requested by a Councilmember. Silence shall be recorded as an affirmative vote. The Mayor shall announce the result of the vote. The City Clerk shall show on Ordinances and Resolutions the names of Councilmembers voting "Aye" and "No."
- b. The vote on any matter being considered by the Council may be delayed by the Mayor until all members of the Council present for a meeting, and not excused as herein provided, are actually present at the Council dais.
- c. A member of the Council who has a conflict of interest regarding any matter being considered by the Council shall declare the conflict and excuse himself/herself from participating in the Council's deliberations and decisions regarding that matter.

16. ORDER AND DECORUM

- a. By Councilmembers. While the Council is in session, the members must preserve order and decorum. A member shall not, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Council or disturb any member while speaking or refuse to obey the orders of the Council or Mayor, except as otherwise herein provided.
- b. By Persons. Any person making personal, impertinent, or slanderous remarks or who shall become boisterous while addressing the Council or who shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Council or disturb any member while speaking or refuse to obey the orders of the Council or the Mayor shall be forthwith, by the Mayor, barred from further audience before the council, unless permission to continue is granted by a majority vote of the Council.
- c. Enforcement of Order and Decorum. A law enforcement officer shall be designated as Sergeant-at-Arms of the Council meetings when requested by the Mayor. He/she shall carry out all orders and instructions given at the Council meeting. Upon instruction of the Mayor, it shall be the duty of the Sergeant-at-Arms, as to any person who violates the order and decorum of the meeting, to remove and bar such person from the Council meeting. Violations of the order

- and decorum of a Council meeting is a misdemeanor.
- d. Smoking. Smoking is prohibited at all times in all City-owned facilities.

17. SPECIAL COMMITTEES/TASK FORCES

All special committees/task forces shall be appointed by the Mayor, subject to approval of the City Council.

18. COUNCILMEMBER VACANCIES

When a vacancy occurs on the City Council, in the office of Councilmember or Mayor, and the Council determines to consider filling the vacancy by appointment, the Council will make such appointment only at a meeting at which all remaining Councilmembers (including the Mayor) are present. This rule shall not preclude the Council from calling a special election to fill the vacancy or from adopting an ordinance to fill the vacancy pursuant to Government Code §36512 at a meeting at which one of the remaining Councilmembers (including the Mayor) is absent.

19. PROTESTS

Any Councilmember shall have the right to have the reasons for his/her dissent from, or protest against, any action of the council entered in the minutes.

20. ADJOURNMENT

A motion to adjourn shall always be in order and decided without debate.

21. RULES AVAILABLE FOR PUBLIC REVIEW

A copy of this Resolution shall be available at all meetings of the Council for review by the public.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

627537

**CITY OF RANCHO CORDOVA
STAFF REPORT
CITY COUNCIL MEETING DATE JULY 1, 2003**

SUBJECT: Resolution Ratifying Previous Actions and Agreements
Approved or Entered into by The Council-Elect
and Interim City Manager Prior to Incorporation
(Prepared by City Attorney)

ATTACHMENTS: 1. Draft Resolution.

RECOMMENDATION: 1. Adopt resolution.

DESCRIPTION:

Prior to incorporation, the Council-Elect has taken action on behalf of the City of Rancho Cordova. The Council-Elect has also approved certain agreements, contracts, and leases on behalf of the City of Rancho Cordova. The Council-Elect has authorized the Chair-Elect and the Interim City Manager to sign and approve agreements, contracts, and leases on behalf of the City.

Because these actions were undertaken and these agreements, contracts and leases were entered into prior to incorporation, the City Council must now ratify and re-approve them. Ratification and re-approval are required to assure that the actions and agreements, contracts and leases have the full-effect of legislative and contractual approval by the City. The Council will also approve separate resolutions ratifying an agreement for legal services with the City Attorney and ratifying an agreement for services with the City Manager.

The attached resolution ratifies actions and agreements, contracts, and leases previously approved by the Council-Elect.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 32-2003

**A RESOLUTION OF THE CITY OF RANCHO CORDOVA
RATIFYING PREVIOUS ACTIONS AND AGREEMENTS
APPROVED OR ENTERED INTO BY THE COUNCIL-ELECT
AND INTERIM CITY MANAGER PRIOR TO INCORPORATION**

WHEREAS, the Council-Elect of the City of Rancho Cordova has approved certain actions and certain agreements, contracts and leases prior to the incorporation of the City; and

WHEREAS, on behalf of the Council-Elect of the City of Rancho Cordova, the Chair-Elect has signed certain agreements, contracts, and leases approved by the Council-Elect of the City of Rancho Cordova; and

WHEREAS, the Council-Elect of the City of Rancho Cordova has approved that the Interim City Manager enter into and sign certain agreements, contracts, and leases on behalf of the City prior to the incorporation of the City.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council of the City of Rancho Cordova ratifies all actions and agreements, contracts, and leases, included but not limited to those actions set forth in "Exhibit A" hereof, approved or entered into by the Council-Elect, Chair-Elect or Interim City Manager prior to incorporation.

ADOPTED, THIS 1st day of July, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

MAYOR

ATTEST:

CITY CLERK

EXHIBIT A

SNIDER AND ASSOCIATES

City Council/Staff Retreat

ASSOCIATED SOUND

Council Chamber sound system, including speakers, microphones, recorder, control panel, etc.

SACRAMENTAL THEATRICAL LIGHTING

TV lights

SACRAMENTO FILE AND FURNITURE SYSTEMS

Office furniture for City Hall

SISLER & SISLER CONSTRUCTION

Re model of City Hall

NMI INDUSTRIAL CONTRACTORS

Electrical work related to preparing council chambers for cable TV broadcasts and lighting installation

GORDON H. CHONG & PARTNERS

Space planning and interior design services

VMI

Camera and lens for cable TV broadcast

SBC PACIFIC BELL

Phone sets, switch, internet equipment

DELL COM PUTERS

PCs and server for city hall

Inaugural Celebration Schedule

- 6:30 p.m. Cordova High School Band plays 2 songs
- 6:40 p.m. Choir sings two songs
- 6:50 p.m. Cordova High School Band plays 2 songs
- 7:00 p.m. Train in route with City Council members
Cordova High School Band plays *Stars & Stripes Forever* as train pulls in
- 7:03 p.m. City Council departs train through red-white-and-blue balloon arch
Council make way to stage (west porch of Mills Station Building)
- 7:05 p.m. Rancho Cordova Boy Scouts present colors & lead Pledge of Allegiance
- 7:07 p.m. Invocation by Reverend Mike Mitchum, Cordova Neighborhood Church
- 7:09 p.m. National Anthem sung by Erin McGarvey
- 7:12 p.m. Welcoming Remarks by Emcee Curt Haven, Assistant to the City
Manager/Economic Development
Haven introduces Congressman Doug Ose
- 7:14 p.m. Congressman Doug Ose conducts ceremonial swearing in for Council
- 7:17 p.m. City Council Remarks (2 minutes each)
- 7:27 p.m. Haven introduced other elected officials & dignitaries for brief remarks
- 7:32 p.m. Emcee invites community groups to stage for congratulatory remarks
- 7:40 p.m. Cordova High School Band and community choir perform God Bless
America
- 7:45 p.m. Haven closes program with invitation to enjoy the festivities
- 9:00 p.m. Fireworks ground display ends the evening