



CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO
THE CRA/RCFC

Monday, April 16, 2012

5:30 PM – Regular Meeting

AGENDA

David Sander, Mayor

Linda Budge, Vice Mayor

Ken Cooley, Council Member

Robert J. McGarvey, Council Member

Dan Skoglund, Council Member



Regular City Council meeting dates are scheduled on the 1st and 3rd Monday's of each month, unless when Monday is a holiday.
If Monday is a holiday, the meeting will be scheduled for the following Tuesday. Dates are subject to change.

City Council Regular Mtg

~~CANCELLED MTG~~

City Council Special Mtg

~~CANCELLED MTG~~

CITY HALL CLOSED

2012

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CITY HALL CLOSURE DATES

Mon, Jan 2 - Day After New Year's Day
Mon, Jan 16 - Martin Luther King Jr. Day
Fri, Feb 17 - Furlough Day
Mon, Feb 20 - President's Day
Fri, Apr 6 - Furlough Day
Mon, May 28 - Memorial Day
Wed, Jul 4 - Independence Day
Mon, Sep 3 - Labor Day
Mon, Nov 12 - Veterans Day
Thu, Nov 22 - Thanksgiving Day
Fri, Nov 23 - Day After Thanksgiving Day
Mon, Dec 24 - Christmas Eve
Tue, Dec 25 - Christmas Day
Mon, Dec 31 - New Year's Eve

2013 - Proposed

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CITY HALL CLOSURE DATES

Tue, Jan 1 - New Year's Day
Mon, Jan 21 - Martin Luther King Jr. Day
Mon, Feb 18 - President's Day
Mon, May 27 - Memorial Day
Thu, Jul 4 - Independence Day
Mon, Sep 2 - Labor Day
Mon, Nov 11 - Veterans Day
Thu, Nov 28 - Thanksgiving Day
Fri, Nov 29 - Day After Thanksgiving Day
Mon, Dec 24 - Christmas Eve
Wed, Dec 25 - Christmas Day
Tue, Dec 31 - New Year's Eve

*Dates Pending Approval

2014 - Proposed

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

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

Monday, April 16, 2012

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

AGENDA

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

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

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

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

3. PLEDGE OF ALLEGIANCE

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

4. INVOCATION

Jacob Hanson, St. John Vianney Student will give the invocation.

5. PRESENTATIONS

- 5.1 Presentation of Proclamation to Folsom Lake College President, Dr. Thelma Scott-Skillman in Recognition of Los Rios Community College as Organization of the Year.
- 5.2 Presentation of Proclamation to Cordova High School Lancer Alliance ACE Team in Recognition of Cordova High School as the 2012 Winner of Best Overall Project Design for the ACE Mentor Program of Greater Sacramento.

- 5.3 Presentation of Proclamation to California Teachers Association, Legislative Advocate, Jennifer Baker in Recognition of Rio Strada Racing in Support of the Golden State Race Series Weekend, May 5-6, 2012.
- 5.4 Presentation Regarding VA Medical Center by Chief of Public Affairs, Robin Jackson.

6. PUBLIC COMMENT

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

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

7. COUNCIL REPORTS

8. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

- 8.1 **Subject:** April 2, 2012 Regular Meeting Minutes
Recommendation: Adopt Minutes.
- 8.2 **Subject:** Resolutions Approving a Third Amended Enforceable Obligation Payment Schedule and a Recognized Obligation Payment Schedule as Required Under ABx1 26
Recommendation: That Council:
a) Adopt Resolution No. SA 1-2012 Amending the Enforceable Obligation Payment Schedule (EOPS) required under the terms of ABx1 26 (AB26) concerning the dissolution of redevelopment agencies; and
b) Adopt Resolution No. SA 2-2012 Adopting a Recognized Obligation Payment Schedule (ROPS).
Result of Recommended Action: Approval of these resolutions will maximize the Successor Agency's ability to repay the City's General Fund for the amount of indebtedness incurred through January 31, 2012, as well as our ability to recover costs associated with the winding down the affairs of the Agency in conformance with the provisions of ABx1 26.

This will be the third amendment to the EOPS and the adoption of the first ROPS. The original EOPS was adopted in August 2011, and amended on December 29, 2011 and January 30, 2012. Upon adoption, staff will forward the information to the required parties and will post the amended schedule on the City's website as required under the legislation.

Staff Report: Donna Silva, Finance Department

Advances Goal: 6

COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE CRA

- 8.3 **Subject:** An Ordinance Amending Chapter 4.22, "Cardrooms," of the Rancho Cordova Municipal Code, and Chapter 16.17, "Maintenance of Foreclosed Property," of the Rancho Cordova Municipal Code

Recommendation: Waive the second reading and adopt Ordinance No. 6-2012.

Result of Recommended Action: Adoption of Ordinance No. 6-2012 will amend Chapter 4.22, "Cardrooms," of the Rancho Cordova Municipal Code to reinstate Sections 4.22.005, 4.22.105, 4.22.110, 4.22.115, 4.22.125 and 4.22.145 pertaining to the licensing and regulation of cardrooms, repeal Section 4.22.165 of Chapter 4.22, and repeal Section 16.17.060 of Chapter 16.17, "Maintenance of Foreclosed Residential Property," pertaining to the automatic sunset of certain provisions of these chapters in the Rancho Cordova Municipal Code.

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

Advances Goals: 1, 2, 3, and 5

GROWING STRONG NEIGHBORHOODS

- 8.4 **Subject:** Ordinance Approving a Zone Change for that Portion of Villages 4 and 5 of the Montelena Project and Second Amendment to the Development Agreement for the Montelena Project

Recommendation: Waive second reading and adopt Ordinance No. 7-2012.

Result of Recommended Action: Adoption of this ordinance will allow the owner to increase the commercial opportunity within the original Montelena project and provide Metro Fire with a permanent site for a new station. This modification will provide a better balance with land uses in the area, and capitalize on a significant corner of Douglas Road and Rancho Cordova Parkway that was not anticipated in the County's adoption of the Sunridge Specific Plan.

Staff Report: William Campbell, Planning Department

Advances Goals: 1 and 2

GROWING STRONG NEIGHBORHOODS

9. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

- 9.1 **Subject:** Resolutions Initiating Proceedings for Formation of the Rancho Cordova Lighting District No. 2012-1

Recommendation: That Council conduct a public hearing and:

- a) Adopt Resolution No. 28-2012 Initiating Proceedings for the Formation of the Rancho Cordova Lighting District 2012-1;
- b) Adopt Resolution No. 29-2012 Accepting and Preliminarily Approving the Engineer's Report Regarding the Formation of the Rancho Cordova Lighting District No. 2012-1; and
- c) Adopt Resolution No. 30-2012 Declaring Its Intention to Form the Rancho Cordova Lighting District No. 2012-1 and Levy and Collect Assessments Therein.

Result of Recommended Action: Adopting of these resolutions will initiate the actions required for the Formation of the Rancho Cordova Lighting District No. 2012-1 for the purpose of creating a successor district to continue the existing assessments currently authorized by the County of Sacramento Service Area No. 1 for streetlights and safety lights.

Staff Report: Cyrus Abhar, Public Works Department

Advances Goal: 5



10. PUBLIC HEARING ITEMS

- 10.1 **Subject:** Resolutions Approving the City of Rancho Cordova's Participation in the California PACE Program – **CONTINUED FROM MARCH 19**

Recommendation: That Council:

- a) Adopt Resolution No. 22-2012 Approving Associate Membership by the City of Rancho Cordova in the California Enterprise Development Authority and authorizing and directing the execution of an Associate Membership Agreement; and
- b) Adopt Resolution No. 24-2012 Authorizing the City of Rancho Cordova to join the California Property Assessed Clean Energy (PACE) Program; authorizing the California Enterprise Development Authority (CEDA) to conduct contractual assessment proceedings and levy contractual assessments within city boundaries; and authorizing related actions.

Result of Recommended Action: Adoption of these resolutions will allow the City to participate in the California Property Assessed Clean Energy ("California PACE") Program, a program developed by CEDA under Assembly Bills 811 ("AB 811") and 474 ("AB 474") which provides a financing mechanism for commercial and residential properties (on a limited basis) in Rancho Cordova, at the request of a property owner, to finance the purchase and installation of energy efficient, distributed renewable energy and water conservation improvements on their properties. Under the California PACE program, a property owner may voluntarily commit to the recording of an assessment lien on his/her property which shall be repaid over time on the annual County property tax bill as an assessment line item.

Staff Report: Donna Silva, Finance Director

Advances Goals: 5 and 6

11. REGULAR CALENDAR ITEMS

- 11.1 Appointment of Real Property Negotiators
Negotiations: (Government Code Section 54956.8)
Negotiators: Ted Gaebler, Joe Chinn, Micah Runner, and Donna Silva
Address: Parcel Numbers: 072-026-0036 thru 072-026-0040
Negotiating Parties: D & S Development and Diede Construction

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

13. CITY MANAGER'S REPORT

14. ADJOURNMENT

Mayor Sander will adjourn the meeting to closed session in the Community Board Room.

15. CLOSED SESSION - CALL TO ORDER/ROLL CALL

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

16. CLOSED SESSION

Council may adjourn to Closed Session to discuss the following item(s):

Conference with legal counsel, existing litigation (Government Code Section 54956.9 (a)) City of Rancho Cordova v. Simon Building, LLC et al., Sacramento Superior Court Case No. 34-2009-00032782.

Conference with legal counsel, anticipated litigation (Government Code Section 54959.9 (b)) one (1) potential case.

Conference with legal counsel, Property Negotiations, Government Code Section 54956.8 Kilgore Entertainment Complex: Parcel Numbers 072-026-0036 thru 072-026-0040

Under negotiations: Price and terms

17. OPEN SESSION - REPORT FROM CLOSED SESSION

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

18. ADJOURNMENT

ADDITIONAL INFORMATION

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11:00 PM WILL BE CONTINUED TO THE NEXT DAY AT 5:30 PM OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

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

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

CITYWIDE GOALS - (Adopted March 27, 2012)	
1.	Promote the Positive Image of Rancho Cordova
2.	Ensure a Safe, Inviting and Livable Community
3.	Empower Responsible Citizenship
4.	Establish Logical City Boundaries that Provide Regional Leadership and Address Financial Challenges
5.	Ensure the Availability of the Best Public Services in the Region while Practicing Sound Fiscal Management
6.	Drive Diverse Economic Opportunities

UPCOMING MEETINGS	
<i>Monday, May 7, 2012</i>	<i>4:00 p.m. Special Meeting/Work Session – TBD 5:30 p.m. Regular Meeting</i>
<i>Tuesday, May 15, 2012</i>	<i>5:30 p.m. Special Meeting/Work Session – Sidewalk Maintenance and Way Finding Signage</i>
<i>Monday, May 21, 2012</i>	<i>12:00 p.m. Special Meeting/Work Session – Budget Workshop 5:30 p.m. Regular Meeting</i>
<i>Monday, May 28, 2012</i>	<i>MEMORIAL DAY HOLIDAY – CITY HALL CLOSED</i>
<i>Tuesday, May 29, 2012</i>	<i>5:30 p.m. Special Meeting/Work Session – TBD</i>
<i>Monday, June 4, 2012</i>	<i>12:00 p.m. Special Meeting/Work Session – Budget Workshop if Needed 5:30 p.m. Regular Meeting</i>
<i>Tuesday, June 12, 2012</i>	<i>5:30 p.m. Special Meeting/Work Session – TBD</i>
<i>Monday, June 18, 2012</i>	<i>5:30 p.m. Regular Meeting</i>
<i>Tuesday, June 26, 2012</i>	<i>5:30 p.m. Special Meeting/Work Session – TBD</i>
<i>Monday, July 2, 2012</i>	<i>4:00 p.m. Special Meeting/Work Session – TBD 5:30 p.m. Regular Meeting</i>
<i>Wednesday, July 4, 2012</i>	<i>INDEPENDENCE DAY – CITY HALL CLOSED</i>
<i>Tuesday, July 10, 2012</i>	<i>5:30 p.m. Special Meeting/Work Session – TBD</i>
<i>Monday, July 16, 2012</i>	<i>5:30 p.m. Regular Meeting</i>
<i>Tuesday, July 24, 2012</i>	<i>5:30 p.m. Special Meeting/Work Session - TBD</i>
<i>Monday, August 6, 2012</i>	<i>Regular Meeting – CANCELLED – Council Dark Day</i>

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

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building and Safety Division	(916) 851-8760
City Attorney's Office	(916) 556-1531
City Clerk's Department	(916) 851-8720
City Manager's Office	(916) 851-8800
Communications Department	(916) 851-8791
Economic Development Department	(916) 851-8780
Finance Department	(916) 851-8730
Housing Department	(916) 851-8784
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Park District)	(916) 362-1841
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9600
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 859-4300

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

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

CERTIFICATION OF POSTING OF AGENDA

I, Aimee Kellerman, Administrative Secretary for the City of Rancho Cordova, declare that the foregoing agenda for the Monday, April 16, 2012 Regular Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on April 12, 2012 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranhocordova.org.

Signed April 12, 2012 at Rancho Cordova, California.

Aimee Kellerman
Aimee Kellerman, Administrative Secretary



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

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, April 02, 2012

**4:00 PM – Special Meeting/Closed Session
Community Board Room**

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

DRAFT MINUTES

1. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Mayor Sander called the Closed Session to order in the Community Board Room at 4:21 PM.

Council Members Present: Cooley, McGarvey, Skoglund (in at 5:24 PM), Budge, Sander

Council Members Absent: None

Staff Members Present: Gaebler, Lindgren

2. CLOSED SESSION

City Attorney Annual Review

3. ADJOURNMENT

Mayor Sander adjourned the Closed Session to the regular meeting in the David B. Roberts Council Chambers at 5:32 PM.

4. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Mayor Sander called the regular meeting to order in the David B. Roberts Council Chambers at 5:37 PM.

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

Council Members Absent: None

Staff Members Present: Gaebler, Lindgren, Cuppy, Kellerman, Junker, Campbell, Hadley, Holt, Haven, Blair, Ulm, Richeal

5. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recording and playback schedules.

6. PLEDGE OF ALLEGIANCE

Assembly Member Alyson Huber led the pledge.

7. INVOCATION

Pastor Jack McNary, River Valley Church gave the invocation.

8. OPEN SESSION - REPORT FROM CLOSED SESSION

Mayor Sander reported that Council conducted and completed a successful evaluation of the City Attorney's Office.

9. PRESENTATIONS

At this point, Mayor Sander added the following presentation to the agenda.

- 9.6 Assembly Member Alyson Huber recognized Council Member Robert J. McGarvey as Veteran of the Year in the 10th Assembly District.

At this point, Mayor Sander announced that agenda items 9.1 and 9.3 will not be presented tonight and will be moved to a later date.

- 9.1 Presentation of Proclamation in Honor of the 70th Anniversary of Aerojet Corporation.
- 9.2 Vice Mayor Budge presented a proclamation to Director of Corporate Services, Steve Hibbs in recognition of VSP as Business of the Year, LEED Platinum Certified.
- 9.3 Presentation of Proclamation in Recognition of Los Rios Community College as Organization of the Year.
- 9.4 Mayor Sander presented a proclamation to Shawn Harrison, Founder and Co-Director of Soil Born Farms.
- 9.5 Executive Director and Air Pollution Control Officer, Larry Greene gave a presentation



update on the Sacramento Metropolitan Air Quality Management District.

10. PUBLIC COMMENT

Mayor Sander opened the public comment period. The following individuals addressed the Council:

- Alcides Gonzales regarding rezone on Folsom Boulevard

Mayor Sander Closed the public comment period.

11. COUNCIL REPORTS

Council reported on events since the last meeting.

12. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

ACTION: Motion to approve by Budge second by Cooley; Council approved the Consent Calendar with one modification in Ordinance No 6-2012 to read “This Ordinance shall take effect and be enforced thirty (30) days after its adoption”.
Carried by a 5:0 roll call vote.

12.1 **Subject:** Meeting Minutes of:

- a) March 19, 2012 Regular Meeting; and
- b) March 27, 2012 Special Meeting.

Recommendation: Adopt minutes.

12.2 **Subject:** Healthy Eating Active Living (HEAL) Cities Campaign Resolution

Recommendation: Adopt Resolution No. 26-2012.

Result of Recommended Action: Adoption of this resolution demonstrates the City's support for the HEAL Cities Campaign and its commitment to creating a community that promotes the health and wellness of people who live and work in Rancho Cordova.

Staff Report: Paul Junker, Planning Department

Advances Goals: 1, 3, and 8

12.3 **Subject:** An Ordinance Amending Chapter 4.22, “Cardrooms,” of the Rancho Cordova Municipal Code, and Chapter 16.17, “Maintenance of Foreclosed Property,” of the Rancho Cordova Municipal Code

Recommendation: Waive the first reading and introduce Ordinance No. 6-2012.

Result of Recommended Action: Adoption of Ordinance No. 6-2012 will amend Chapter 4.22, “Cardrooms,” of the Rancho Cordova Municipal Code to reinstate Sections 4.22.005, 4.22.105, 4.22.110, 4.22.115, 4.22.125 and 4.22.145 pertaining to the licensing and regulation of cardrooms, repeal Section 4.22.165 of Chapter 4.22, and repeal Section 16.17.060 of Chapter 16.17, “Maintenance of Foreclosed Residential Property,” pertaining to the automatic sunset of certain provisions of these chapters in the Rancho Cordova Municipal Code.

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

Advances Goals: 1, 6, 8, 10, and 11

GROWING STRONG NEIGHBORHOODS



13. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

NONE.

14. PUBLIC HEARING ITEMS

14.1 Montelena Douglas General Plan Amendment, Rezone, Tentative Parcel and Subdivision Maps and Development Agreement Amendment - Project No. DD6667 - **CONTINUED FROM MARCH 19, 2012**

Recommendation: That Council:

- a) Adopt Resolution No. 27-2012 General Plan amendment, tentative parcel and subdivision map for that portion of Villages 4 and 5 of the Montelena project, subject to the draft Conditions of Approval; and
- b) Waive first reading and introduce Ordinance No. 7-2012 approving a zone change for that portion of Villages 4 and 5 of the Montelena project and the second amendment to the Development Agreement for the Montelena project.

Result of Recommended Action: Adoption of this resolution and ordinance will allow the owner to increase the commercial opportunity within the original Montelena project and provide Metro Fire with a permanent site for a new station. The modification is confined to Villages 4 and 5 of the original plan that was exclusively residential. This modification will provide a better balance with land uses in the area and capitalize on a significant corner of Douglas Road and Rancho Cordova Parkway that was not anticipated in the County's adoption of the Sunridge Specific Plan.

Staff Report: William Campbell, Planning Department

Advances Goals: 1, 7, and 8

GROWING STRONG NEIGHBORHOODS

Mayor Sander opened the public hearing period. There were no speakers. Mayor Sander closed the public hearing period.

ACTION: Motion to approve by Budge second by McGarvey; Council adopted Resolution No. 27-2012 and waived the first reading and introduced Ordinance No. 7-2012. Carried by a 5:0 roll call vote.

15. REGULAR CALENDAR ITEMS

NONE.

16. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

Council requested the following topics to brought back at a future meeting:

- Soil Born Farms Update
- Larry Canfield Memorial



17. CITY MANAGER'S REPORT

City Manager Ted Gaebler reported on the following:

- Berkeley 3rd Annual Economic Summit
- California Capital Airshow Tickets and Governor's Club Sponsorship Available

Planning Department reported on the following:

- Special Projects and Programs
- Regional Planning Efforts
- South Sacramento Habitat Conservation Plan
- Civic Engagement
- Litigation on Development Entitlements/Permits
- Planning Staff on Matrix Teams
- Supporting City Events
- City of Rancho Cordova Volunteer Program
- Current Planning Project Review
- Westborough
- Rio Del Oro
- Sunridge Specific Plan
- The Ranch
- Suncreek Specific Plan
- The Arboretu - Weagell
- Local Development Trends
- Advance Planning Programs
- Rancho Cordova General Plan
- Zoning Code Amendments
- Special Planning Area / Specific Plan Amendments

18. ADJOURNMENT

Mayor Sander adjourned the regular meeting in Memory of Rex Babin at 7:28 PM.

Mindy Cuppy, CMC, City Clerk

Successor Agency

to the Community Redevelopment Agency (CRA) of the City of Rancho Cordova

MEMORANDUM

DATE: April 16, 2012

TO: Agency Director and Members

FROM: Donna Silva, Finance Director

SUBJECT: RESOLUTIONS APPROVING A THIRD AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE REQUIRED UNDER ABx1 26

RECOMMENDATION

That Council:

- a) Adopt Resolution No. SA 1-2012 Amended Enforceable Obligation Payment Schedule ("EOPS") required under the terms of ABX1 26 ("AB26") concerning the dissolution of redevelopment agencies; and
- b) Adopt Resolution No. SA 2-2012 Recognized Obligation Payment Schedule ("ROPS") required under the terms of ABX1 26 ("AB26") concerning the dissolution of redevelopment agencies.

RESULT OF RECOMMENDED ACTION

Approval of these resolutions will maximize the Successor Agency's ability to repay the City's General Fund for the amount of indebtedness incurred through January 31, 2012, as well as our ability to recover costs associated with the winding down the affairs of the Agency in conformance with the provisions of AB 26.

This will be the third amendment to the EOPS and the adoption of the first ROPS. The original EOPS was adopted in August 2011, and amended on December 29, 2011 and January 30, 2012. Upon adoption, staff will forward the information to the required parties and will post the amended schedule on the City's web site as required under the legislation.

ADVANCES GOAL: 6

BACKGROUND

The Community Redevelopment Agency of the City of Rancho Cordova "The Agency" first adopted an EOPS on August 23, 2011, in conformance with AB26.

On December 29, 2011 the Agency Board approved an amendment to the EOPS in order to capture certain obligations that had previously not been included.

Also on December 29, 2011 the California Supreme court issued their opinion upholding AB 26 and invalidating ABx1 27. This resulted in an additional amendment to the EOPS being approved on January 30, 2012 which expanded the EOPS coverage period and updated the list of agency obligations.

Staff has since meet with the County of Sacramento Auditor Controller's Office to review and discuss the adopted EOPS. Based on this review staff is proposing several changes to the EOPS, as follows:

- City Loan balance for FY 2010-11 has been broken out into administrative and project activity.
- City Loan balance for FY 2011-12 activities through January 31st has been condensed into administrative and project activity and updated to reflect actual expenditures through January 31, 2012 and to reflect our estimate of all interest that will be due between now and when we estimate the loan to be paid in full.
- Lily's potential legal fee reimbursement has been increased to \$1,000,000 based on revised estimates provided to the City.
- On-Call contracts for consulting services have been removed. Any work performed under these contracts would be considered an administrative cost and would be paid from the \$250,000 annual administrative allowance since the contracts are not associated with a specific project.
- The Cooperative Agreement has been removed from the EOPS based on the March 1, 2011 adoption which is after the January 1, 2011 date allowable by the State Controller's Office.
- The Sacramento Metropolitan Fire District agreement for capital projects has been removed. The Auditor Controller's Office has informed staff that they will only make payments on one pass through agreement in accordance with Redevelopment Law. Since Sacramento Metro Fire will receive a greater benefit from AB 1290 pass through payments, the agreement for capital projects has been removed.
- The rental assistance program for the Crossings at New Rancho has been removed since it is now an obligation of the City as the Successor Housing Agency.
- All future statutory pass through payments (AB 1290) to other taxing entities have been removed. In accordance with AB26, these pass through payments become the obligation of the County and will be paid from future property tax before distribution to the successor agency.

- AB26 removed all Low and Moderate Income Housing funding. While we had originally included the total housing set aside obligation as recommended by a letter received from Western Center on Law & Poverty, it has since been determined by the Community Redevelopment Association that this is not an enforceable obligation according to ABx1 26 and should be removed from EOPS.
- The property tax administration fee, the Prop 8 adjustment and the AB26 audit have all been removed from the EOPS since these are obligations of the County of Sacramento not the Successor Agency.

The Successor Agency may only make payments for those obligations identified in the EOPS until a ROPS is prepared. The draft ROPS was prepared and submitted to the appropriate agencies by the Successor Agency by the March 1, 2012 deadline based on the current EOPS. The draft ROPS has been updated to reflect the recommended changes to the EOPS, as described above, and is being presented to the Successor Agency for adoption. Once adopted by the Successor Agency, the ROPS will be presented to the oversight committee for approval. Finally, the ROPS is required to be reviewed and certified by an external auditor that is to be hired by the County Auditor as part of the procedural audit required by Section 34182.

Due to the April 15, 2012 deadline outlined in ABx1 26, the attached ROPS has already been submitted to the State of California Department of Finance, the State Controller and the County Auditor. However, the amended documents will be provided to all entities upon approval by the Successor Agency and the Oversight Board.

ATTACHMENTS

1. Successor Agency Resolution No. 1-2012 including **Exhibit A** – Amended Enforceable Obligation Payment Schedule
2. Successor Agency Resolution No. 2-2012 including **Exhibit A** – Recognized Obligation Payment Schedule

ATTACHMENT 1

**SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF RANCHO CORDOVA**

RESOLUTION NO. SA 1-2012

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF RANCHO CORDOVA ADOPTING AN AMENDED
ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**

WHEREAS, the Community Redevelopment Agency of the City of Rancho Cordova (the "Agency") is a duly constituted redevelopment agency, activated by Ordinance No. 55-2004 on December 6, 2004, under the California Community Redevelopment Law (Health & Safety Code § 33000 *et seq.*) (the "CRL") and thereto is responsible for the administration of redevelopment activities within the City of Rancho Cordova pursuant to action of the City Council of the City of Rancho Cordova ("City Council" or "City," as applicable); and

WHEREAS, pursuant to the CRL, the City Council approved and adopted the Redevelopment Plan for the Rancho Cordova Redevelopment Project Area One on June 19, 2006, by Agency Resolution No. 112-2006, (the "Plan"), and the Agency is vested with the responsibility for implementing and carrying out the Plan; and

WHEREAS, the Agency is currently in the process of carrying out the goals and objectives of the Plan by continuing to: eliminate blight; increase, improve and preserve the supply of affordable housing in the community; stimulate and expand economic growth and employment opportunities by revitalizing properties and businesses within the project areas; and alleviate deficiencies in public infrastructure; and,

WHEREAS, in connection with approval and adoption of the State Budget for Fiscal Year 2011-12, the California Legislature has approved, and the Governor has signed (i) ABx1 26 (Stats. 2011, chap. 5, "ABx1 26"), which immediately, and purportedly retroactively, suspends otherwise legal redevelopment activities and incurrence of indebtedness and dissolves redevelopment agencies effective October 1, 2011, the Agency adopted a payment schedule for agency's enforceable obligations in conformance with Section 34169(g) of the Health and Safety Code on August 23, 2011, with Resolution CRA 11-2011, and submit such schedule to the county auditor-controller, the State Controller and the State Department of Finance; and

WHEREAS, on December 29, 2011, the California Supreme Court upheld Assembly Bill ABx1 26, eliminating redevelopment agencies statewide; and

WHEREAS, in order for the Agency to stay in compliance with Section 34167 (h) of the Health and Safety Code, the Agency amended, in accordance with Section 34169(g)(2) of the Health and Safety Code, the enforceable obligation payment schedule on January 30, 2012 with Resolution CRA 1-2012; and

WHEREAS, the Agency wishes to further amend the enforceable obligation payment schedule and has prepared the Amended Enforceable Obligation Payment Schedule, attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE BOARD MEMBERS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA that:

1. The Agency hereby adopts the Amended Enforceable Obligation Payment Schedule, attached hereto as **Exhibit A**.

2. The Agency Secretary is hereby directed to post the adopted Amended Enforceable Obligation Payment Schedule on the City's website; transmit a copy of the Amended Enforceable Obligation Payment Schedule or notification of its website location to the State Department of Finance, the State Controller, and the Sacramento County Auditor-Controller; and post and provide notification of any subsequent amendments thereto, in accordance with Section 34169(g)(2) of the Health and Safety Code.

PASSED AND ADOPTED by the Board Members of the Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova on the ___ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Agency Chair

ATTEST:

Mindy Cuppy, CMC, Agency Secretary

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-12	Payments by month											
						Aug*	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
1)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2005-06 Loan for Agency overhead, administrative & planning expenses	192,985	6,121											6,121	\$ 6,121
2)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2006-07 Loan for Agency overhead, administrative & planning expenses	1,582,965	50,211											50,211	\$ 50,211
3)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2007-08 Loan for Agency overhead, administrative & planning expenses	1,765,924	56,014											56,014	\$ 56,014
4)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2010-11 Loan for Agency overhead, administrative and planning expenses	3,140,304	99,089											99,089	\$ 99,089
5)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2010-11 Loan for Agency project expenses	4,984,300	158,100											158,100	\$ 158,100
6)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2011/12 Loan for Agency overhead, administrative & planning expenses. *Amounts represent RDA expenditures through 1/31/12	2,093,671	66,410											66,410	\$ 66,410
7)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2011/12 Loan for Agency project expenses. *Amounts represent RDA expenditures through 1/31/12	4,809,012	152,540											152,540	\$ 152,540
8)	Los Rios Project	Meyers Nave	Project legal expenses	351,829	351,829							75,450	75,450	75,450	75,450	50,029	\$ 50,029
9)	Audit	Maze & Associates	Audit Services performed in 11/12 for FY 10/11	275	275									275			\$ 275
10)	Los Rios Project	Lily Property	Eminent Domain - Defendants Legal Fees (est.)	1,000,000	1,000,000											1,000,000	\$ 1,000,000
Totals - This Page				\$ 19,921,265	\$ 1,940,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,450	\$ 75,450	\$ 75,725	\$ 75,450	\$ 1,638,514	\$ 1,940,589
Totals - Other Obligations				\$ 9,330,500	\$ 267,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,600	\$ 31,225	\$ 31,225	\$ 31,225	\$ 35,350	\$ 131,624	\$ 267,249
Grand total - All Pages				\$ 29,251,765	\$ 2,207,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,600	\$ 106,675	\$ 106,675	\$ 106,950	\$ 110,800	\$ 1,770,138	\$ 2,207,838
* Includes payments to be made starting in the month the original EOPS was adopted.																	

AGENDA ITEM 8.2

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-12	Payments by month											
						Aug*	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
1)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2005-06 Loan for Agency overhead, administrative & planning expenses	192,985	6,121											6,121	\$ 6,121
2)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2006-07 Loan for Agency overhead, administrative & planning expenses	1,582,965	50,211											50,211	\$ 50,211
3)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2007-08 Loan for Agency overhead, administrative & planning expenses	1,765,924	56,014											56,014	\$ 56,014
4)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2010-11 Loan for Agency overhead, administrative and planning expenses	3,140,304	99,089											99,089	\$ 99,089
5)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2010-11 Loan for Agency project expenses	4,984,300	158,100											158,100	\$ 158,100
6)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2011/12 Loan for Agency overhead, administrative & planning expenses. *Amounts represent RDA expenditures through 1/31/12	2,093,671	66,410											66,410	\$ 66,410
7)	City Loan entered into on 7/1/05	City of Rancho Cordova	Fiscal Year 2011/12 Loan for Agency project expenses. *Amounts represent RDA expenditures through 1/31/12	4,809,012	152,540											152,540	\$ 152,540
8)	Los Rios Project	Meyers Nave	Project legal expenses	351,829	351,829							75,450	75,450	75,450	75,450	50,029	\$ 50,029
9)	Audit	Maze & Associates	Audit Services performed in 11/12 for FY 10/11	275	275									275			\$ 275
10)	Los Rios Project	Lily Property	Eminent Domain - Defendants Legal Fees (est.)	1,000,000	1,000,000											1,000,000	\$ 1,000,000
Totals - This Page				\$ 19,921,265	\$ 1,940,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,450	\$ 75,450	\$ 75,725	\$ 75,450	\$ 1,638,514	\$ 1,940,589
Totals - Other Obligations				\$ 9,330,500	\$ 267,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,600	\$ 31,225	\$ 31,225	\$ 31,225	\$ 35,350	\$ 131,624	\$ 267,249
Grand total - All Pages				\$ 29,251,765	\$ 2,207,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,600	\$ 106,675	\$ 106,675	\$ 106,950	\$ 110,800	\$ 1,770,138	\$ 2,207,838
* Includes payments to be made starting in the month the original EOPS was adopted.																	

AGENDA ITEM 8.2

ATTACHMENT 2

**SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF RANCHO CORDOVA**

RESOLUTION NO. SA 2-2012

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF RANCHO CORDOVA ADOPTING A RECOGNIZED
OBLIGATION PAYMENT SCHEDULE**

WHEREAS, the Community Redevelopment Agency of the City of Rancho Cordova (the "Agency") is a duly constituted redevelopment agency, activated by Ordinance No. 55-2004 on December 6, 2004, under the California Community Redevelopment Law (Health & Safety Code § 33000 *et seq.*) (the "CRL") and thereto is responsible for the administration of redevelopment activities within the City of Rancho Cordova pursuant to action of the City Council of the City of Rancho Cordova ("City Council" or "City," as applicable); and

WHEREAS, pursuant to the CRL, the City Council approved and adopted the Redevelopment Plan for the Rancho Cordova Redevelopment Project Area One on June 19, 2006, by Agency Resolution No. 112-2006, (the "Plan"), and the Agency is vested with the responsibility for implementing and carrying out the Plan; and

WHEREAS, the Agency is currently in the process of carrying out the goals and objectives of the Plan by continuing to: eliminate blight; increase, improve and preserve the supply of affordable housing in the community; stimulate and expand economic growth and employment opportunities by revitalizing properties and businesses within the project areas; and alleviate deficiencies in public infrastructure; and

WHEREAS, in connection with approval and adoption of the State Budget for Fiscal Year 2011-12, the California Legislature has approved, the Governor has signed, and the California Supreme Court has upheld (i) ABx1 26 (Stats. 2011, chap. 5, "ABx1 26"), which immediately suspends otherwise legal redevelopment activities and incurrence of indebtedness and dissolves redevelopment agencies effective February 1, 2012; and

WHEREAS, pursuant to Section 34169(g) of the Health and Safety Code, the Agency has prepared and adopted a payment schedule for the agency's enforceable obligations on August 23, 2011, with CRA 11-2011 and submit such schedule to the county auditor-controller, the State Controller and the State Department of Finance; and

WHEREAS, in order for the Agency to stay in compliance with Section 34167 (h) of the Health and Safety Code, the Agency amended, in accordance with Section 34169(g)(2) of the Health and Safety Code, the enforceable obligation payment schedule on December 29, 2011, with Resolution CRA 12-2011, January 30, 2012 with Resolution CRA 1-2012, and April 16, 2012 with Resolution SA 1-2012; and

WHEREAS, the Successor Agency may only make payments for those obligations identified in the enforceable obligation payment schedule until a recognized obligation payment schedule is prepared; and

WHEREAS, the Successor Agency has prepared the Recognized Enforceable Obligation Payment Schedule, attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE BOARD MEMBERS OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA that:

1. The Agency hereby adopts the Recognized Obligation Payment Schedule, attached hereto as **Exhibit A**.

2. The Agency Secretary is hereby directed to post the adopted Recognized Obligation Payment Schedule on the City's website; transmit a copy of the Recognized Obligation Payment Schedule or notification of its website location to the State Department of Finance, the State Controller, and the Sacramento County Auditor-Controller.

PASSED AND ADOPTED by the Board Members of the Successor Agency to the Community Redevelopment Agency of the City of Rancho Cordova on the __ day of ____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Agency Chair

ATTEST:

Mindy Cuppy, CMC, Agency Secretary

RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE January 2012 to June 2012 PERIOD

Name of Successor Agency The Community Redevelopment Agency of the City of Rancho Cordova

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 25,583,990.00	\$ 2,303,314.00
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 2,206,214.00	
Available Revenues other than anticipated funding from RPTTF	\$ 22,500.00	
Enforceable Obligations paid with RPTTF	\$ 2,044,439.00	
Administrative Cost paid with RPTTF	\$ 139,275.00	
Pass-through Payments paid with RPTTF	\$ -	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 250,000.00	

Certification of Oversight Board Chairman:
Pursuant to Section 34177(l) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Enforceable Payment Schedule for the above named agency.

_____ Name	_____ Title
_____ Signature	_____ Date

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Contract/Agreement	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						
		Execution Date							Payments by month						
									Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
1)	Reimbursement Agreement	July 1, 2005	City of Rancho Cordova	Fiscal Year 2005-06 Loan for Agency overhead, administrative and planning expenses	Rancho Cordova Redevelopment	192,985	6,121	RPTTF						6,121	6,121
2)	Reimbursement Agreement	July 1, 2005	City of Rancho Cordova	Fiscal Year 2006-07 Loan for Agency overhead, administrative and planning expenses	Rancho Cordova Redevelopment	1,582,965	50,211	RPTTF						50,211	50,211
3)	Reimbursement Agreement	July 1, 2005	City of Rancho Cordova	Fiscal Year 2007-08 Loan for Agency overhead, administrative and planning expenses	Rancho Cordova Redevelopment	1,765,924	56,014	RPTTF						56,014	56,014
4)	Reimbursement Agreement	July 1, 2005	City of Rancho Cordova	Fiscal Year 2010-11 Loan for Agency overhead, administrative and planning expenses	Rancho Cordova Redevelopment	3,140,304	99,089	RPTTF						99,089	99,089
5)	Reimbursement Agreement	July 1, 2005	City of Rancho Cordova	Fiscal Year 2010-11 Loan for Agency project expense - Purchase of property for Mills Station Crossing Project	Rancho Cordova Redevelopment	4,984,300	158,100	RPTTF						158,100	158,100
6)	Reimbursement Agreement	July 1, 2005	City of Rancho Cordova	Fiscal Year 2011-12 Loan for Agency overhead, administrative and planning expenses	Rancho Cordova Redevelopment	2,093,671	66,410	RPTTF						66,410	66,410
7)	Reimbursement Agreement	July 1, 2005	City of Rancho Cordova	Fiscal Year 2011-12 Loan for Agency project expense - Purchase of property for Mills Station Crossing Project	Rancho Cordova Redevelopment	4,809,012	152,540	RPTTF						152,540	152,540
8)	Mills Station Crossing Project	February 24, 2003	Meyers Nave	Project legal expenses for existing litigation against the former Rancho Cordova Redevelopment Agency	Rancho Cordova Redevelopment	351,829	351,829	RPTTF			175,000	59,000	59,000	58,829	351,829
9)	Mills Station Crossing Project	Future Court Action	Lily Property	Estimated defendant legal fees as a result of an eminent domain case started in 2009 (est.)	Rancho Cordova Redevelopment	1,000,000	1,000,000	RPTTF						1,000,000	1,000,000
10)	Mills Station Crossing Project	Statutory requirement	Check Cashing Business	Redevelopment Statory obligation to relocate tenant when acquiring property with tenant in place	Rancho Cordova Redevelopment	100,000	100,000	RPTTF						100,000	100,000
11)	Audit Services	Statutory requirement	Maze & Associates	Audit services required by law to be performed in FY 2011/12 and 2012/13 for the 2011/12 Fiscal year	Rancho Cordova Redevelopment	10,500	10,500	RPTTF					2,050	2,075	4,125
12)															-
13)															\$ -
14)															\$ -
15)															\$ -
17)															\$ -
18)															\$ -
19)															\$ -
20)															\$ -
21)															\$ -
22)															\$ -
23)															\$ -
24)															\$ -
25)															\$ -
26)															\$ -
27)															\$ -
28)															\$ -
29)															\$ -
30)															\$ -
31)															\$ -
32)															\$ -
Totals - This Page (RPTTF Funding)						\$ 20,031,490	\$ 2,050,814	N/A	\$ -	\$ -	\$ 175,000	\$ 59,000	\$ 61,050	\$ 1,749,389	\$ 2,044,439
Totals - Page 2 (Other Funding)						\$ 2,500	\$ 2,500	N/A	\$ 2,500	\$ 2,500	\$ 2,500	\$ 15,000	\$ -	\$ -	\$ 22,500
Totals - Page 3 (Administrative Cost Allowance)						\$ 5,550,000	\$ 250,000	N/A	\$ 16,250	\$ 16,250	\$ 36,250	\$ 21,875	\$ 21,825	\$ 26,825	\$ 139,275
Totals - Page 4 (Pass Thru Payments)						\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages						\$ 25,583,990	\$ 2,303,314		\$ 18,750	\$ 18,750	\$ 213,750	\$ 95,875	\$ 82,875	\$ 1,776,214	\$ 2,206,214

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All totals due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund	Bonds - Bond proceeds	Other - reserves, rents, interest earnings, etc
LMIHF - Low and Moderate Income Housing Fund	Admin - Successor Agency Administrative Allowance	

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Funding Source ***	Payable from Other Revenue Sources						
									Payments by month						
									Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
1)	Mills Station Crossing	AB 26 section 34167(6)	Sacramento County Utilities	Monthly utility charges for properties currently owned by the former RDA	Rancho Cordova Redevelopment	105,000.00	21,000.00	Other	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	\$ 10,500.00
2)	Mills Station Crossing	AB 26 section 34167(6)	Terra Care Associates	Monthly property/landscape maintenance charges for properties currently owned by the former RDA	Rancho Cordova Redevelopment	45,000.00	9,000.00	Other	750.00	750.00	750.00	750.00	750.00	750.00	\$ 4,500.00
3)	Statutory Payment	Replacement Housing and Inclusionary Housing Obligation Requirement	City of Rancho Cordova as the Successor Housing Agency	Low/Moderate Housing Replacement Obligation	Rancho Cordova Redevelopment	3,520,000	0.00	LMIHF							\$ -
4)															\$ -
5)															\$ -
6)															\$ -
7)															\$ -
8)															\$ -
9)															\$ -
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28)															\$ -
29)															\$ -
30)															\$ -
31)															\$ -
32)															\$ -
33)															\$ -
Totals - LMIHF						\$ 3,520,000.00	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Totals - Bond Proceeds															\$0.00
Totals - Other						\$ 150,000.00	\$ 30,000.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$15,000.00
Grand total - This Page						\$ 3,670,000.00	\$ 30,000.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 15,000.00

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund	Bonds - Bond proceeds	Other - reserves, rents, interest earnings, etc
LMIHF - Low and Moderate Income Housing Fund	Admin - Successor Agency Administrative Allowance	

Per AB 26 - Section 34177 (*)

AGENDA ITEM 8.2

**** All total due during fiscal year and payment amounts are projected.**

RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc.

**** - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

OTHER OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

AGENDA ITEM 8.2

CITY OF RANCHO CORDOVA

ORDINANCE NO. 6-2012

AN ORDINANCE OF THE CITY COUNCIL AMENDING CHAPTER 4.22, "CARDROOMS" OF THE RANCHO CORDOVA MUNICIPAL CODE TO ADD SECTIONS 4.22.005, 4.22.105, 4.22.110, 4.22.115, 4.22.125, AND 4.22.145 PERTAINING TO THE LICENSING AND REGULATION OF CARDROOMS WITHIN THE CITY, TO REPEAL SECTION 4.22.165 "SUNSET PROVISION" OF CHAPTER 4.22, AND TO REPEAL SECTION 16.17.060 "SUNSET DATE" OF CHAPTER 16, "MAINTENANCE OF FORECLOSED RESIDENTIAL PROPERTY"

WHEREAS, Sections 4.22.005, 4.22.105, 4.22.110, 4.22.115, 4.22.125 and 4.22.145 of Chapter 4.22, "Cardrooms," of the Rancho Cordova Municipal Code pertaining to the licensing and regulation of cardrooms within the City of Rancho Cordova were automatically repealed on December 31, 2011 due to a sunset provision located in Section 4.22.165 of Chapter 4.22; and

WHEREAS, the City Council of the City of Rancho Cordova now desires to amend Chapter 4.22, "Cardrooms" to reinstate the above-referenced sections of Chapter 4.22; and

WHEREAS, the City Council further desires to repeal Section 4.22.165, "Sunset provision" of Chapter 4.22, "Cardrooms," and Section 16.17.060, "Sunset date" of Chapter 16, "Maintenance of Foreclosed Residential Property" in order to prevent any sections of the Rancho Cordova Municipal Code from being automatically repealed in the future.

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

Section 1. Section 4.22.005, "License Required" of Chapter 4.22, "Cardrooms," of Title 4 of the Rancho Cordova Municipal Code is hereby added to read as follows:

No person shall operate or conduct a cardroom in the City unless under, and by authority of, a valid, unexpired and unrevoked special business license authorizing a cardroom issued pursuant to this Chapter.

Section 2. Section 4.22.105, "Hours of Operation" of Chapter 4.22, "Cardrooms" of Title 4 of the Rancho Cordova Municipal Code is hereby added to read as follows:

- A. Except as otherwise provided hereinafter in subsection (B) of this section, the licensee may operate a cardroom 24 hours a day and seven days a week.
- B. Applicants for a cardroom license to operate a cardroom after the effective date of the ordinance codified in this chapter may be required to secure a use permit as approved by the appropriate authority in accordance with the requirements of the zoning code of the city. Operation of the cardroom shall thereafter be in accordance with the hours set by the use permit.

Section 3. Section 4.22.110, "Games Permitted" of Chapter 4.22, "Cardrooms," of Title 4 of the Rancho Cordova Municipal Code is hereby added to read as follows:

- A. Cardrooms licensed to conduct gaming in the City of Rancho Cordova shall be permitted to conduct all lawful card games allowed under applicable State law and/or State regulations.

- B. Written rules for each card game offered by a cardroom shall be provided to any patron upon request. The licensee shall file, with the Chief of Police, a written copy of the rules to each card game played in the cardroom within 30 days of the effective date of the ordinance codified in this Chapter. The Chief of Police is authorized to require modifications to the rules of such games to ensure compliance with the law.
- C. The licensee shall neither conduct games which are not on file with the Chief of Police, nor change the rules of existing games that are on file with the Chief of Police. Should the licensee desire to either conduct new games or change the rules to existing games, the licensee shall file with the Chief of Police a written copy of the rules for the proposed new games and/or the proposed new rules of an existing game within 90 days. The Chief of Police shall review proposed new card games and/or proposed new rules of an existing game within 90 days. The Chief of Police shall approve the proposed new card game and/or proposed new rules to an existing game, provided such new game or rules conform to State law.
- D. If the game is patented, the licensee shall obtain written permission from the patent owner prior to offering the game to patrons and prior to acquiring the approval of the Chief of Police to conduct the game.
- E. Except as provided in Subsection (A) of this Section, all other gaming (including, but not limited to, gaming played with dice or any device for money) not otherwise prohibited by California law is prohibited. Nothing contained in this chapter shall be construed to permit the licensing of any gambling declared illegal in the state of California.

Section 4. Section 4.22.115, "Equipment—Separation" of Chapter 4.22, "Cardrooms," of Title 4 of the Rancho Cordova Municipal Code is hereby added to read as follows:

- A. No cardroom shall maintain or operate more than 10 card tables at any one time. Tables used during tournaments or free special events shall count toward this maximum table limit. Chairs shall be provided for all card players. No more than 12 players shall be permitted to play at any time at any one table. Authorized games shall not utilize dominoes, tiles, dice, spinning wheels, electronic player-controlled machines or any other device other than the standard decks of playing cards traditionally used for playing such games, poker chips, and the optional dealer shoes, except, to the extent such equipment is allowed by applicable State law and/or State regulations, such equipment shall also be allowed in the City.
- B. Each licensed cardroom shall be maintained separate and apart from any other room or business operated in the building, but may be connected by a door.

Section 5. Section 4.22.125, "Bets limited—Notice" of Chapter 4.22, "Cardrooms," of Title 4 of the Rancho Cordova Municipal Code is hereby added to read as follows:

There are no mandatory limits on the amount wagered in any permitted game. No player shall be able to bet with cash money, markers or anything other than poker chips. The wagering limits for each table shall be clearly displayed at that table so that those who are playing at that table may be aware of the wagering

limit. Notice of all the provisions and restrictions provided in this section shall be posted in a conspicuous place in the cardroom.

Section 6. Section 4.22.145, "Protection of Patrons" of Chapter 4.22, "Cardrooms," of Title 4 of the Rancho Cordova Municipal Code is hereby added to read as follows:

- A. The licensee shall be responsible for maintaining security on both the premises of the cardroom and the parking lot used by the cardroom for its patrons and employees. Each licensee shall maintain and implement a plan for security and safety of patrons and employees of the licensee in and around the gaming establishment. The plan shall set forth provisions necessary to ensure the safety and security of patrons and employees, including measures taken or instituted on the cardroom site to avoid follow-home robbers. Upon renewing a special business license, as set forth in RCMC 4.22.035, the licensee shall submit with the renewal application the security plan for reapproval and shall include a statement of any proposed changes to the security plan and a detailed summary of all known incidents involving or affecting patron or employee security and safety in and around the establishment for the preceding year. Failure to submit or maintain an approved security plan shall be grounds for the denial or revocation of a cardroom license.
- B. The contents of a security plan shall also provide a complete description and layout of all security measures, both physical and operational, for the handling of money, including but not limited to provisions, if applicable, for the following:
 - 1. Purchase of chips and protection against counterfeit chips;
 - 2. Check-cashing or ATM card-cashing procedure;
 - 3. Procedures for bringing money to or removing money from the premises; and/or
 - 4. Procedures for determining and depositing daily gross receipts.
- C. All information provided regarding security measures, internal controls, or provisions relating to the handling of cash, chips, and cards shall be deemed confidential and shall not be available for public inspection unless required by law.
- D. If, at any time, the Chief of Police determines that security measures beyond those contained in an approved security plan are necessary to protect the health and safety of the public, the Chief of Police is authorized to require such additional security measures as are deemed necessary. Such additional security measures may include, but shall not be limited to, placement of or an increase in uniformed security personnel on both the premises and the parking lot used by the cardroom for its patrons and employees, and the installation of security cameras. Such determinations by the Chief of Police shall be based on the:
 - 1. Propensity for peace disturbances or criminal activity in the geographic area in which the cardroom is located;
 - 2. Criminal activity or peace disturbances on cardroom premises or the parking lot used by the cardroom for its patrons and employees;
 - 3. Particular time of day; and/or

4. Any other factors which affect the health and safety of the public and cardroom patrons. The Chief of Police shall notify the licensee in writing of the necessary security plan changes and shall provide the licensee with a reasonable period of time to implement the changes. Upon receiving the written notice of security plan changes, the licensee shall conform to those requirements within the time provided and shall maintain those requirements in full force and effect until such time as the Chief of Police deems they are no longer necessary.
- E. Between the hours of 2:00 a.m. and 6:00 a.m., the licensee shall not knowingly permit the consumption of alcoholic beverages on the premises or in the parking lot which the cardroom uses for its patrons.
- F. The licensee shall not knowingly permit any obviously intoxicated person to participate in any card game.
- G. The licensee shall not knowingly permit any illegal activity to occur on the premises or in the parking lot used by the cardroom for its patrons or employees. Illegal activity includes, but is not limited to, narcotics violations, bookmaking, illegal gambling, loan sharking, receiving stolen property, or prostitution.
- H. The licensee shall permit the Chief of Police, health department, fire department or any other authorized public official to inspect the premises at any time during the hours of operation.

Section 7. Section 4.22.165, entitled "Sunset provision" of Chapter 4.22, "Cardrooms," of Title 4 of the Rancho Cordova Municipal Code is hereby repealed.

Section 8. Section 16.17.060, entitled "Sunset date" of Chapter 16.17, "Maintenance of Foreclosed Residential Property" of Title 16 of the Rancho Cordova Municipal Code is hereby repealed.

Section 9. Severability.

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

Section 10. Effective Date and Publication.

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

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____ 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

1826591.1

ATTACHMENT 2**CITY OF RANCHO CORDOVA****ORDINANCE NO. 7-2012****AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
ADOPTING AN AMENDED DEVELOPMENT AGREEMENT FOR THE MONTELENA
PROJECT AND AMENDING THE RANCHO CORDOVA ZONING CODE****THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:****Section 1. Recitals.**

A. In order to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, *et seq.*, of the Government Code (the "Development Agreement Statute"), authorizing the City, and any person having a legal or equitable interest in the real property, to enter into a development agreement and establish certain development rights in the property, which is the subject of the development project application. Pursuant to Government Code section 65868, Development Agreements may be amended by mutual assent of the parties.

B. On April 3, 2006, the City and CP Sunridge, LLC entered into a Development Agreement for the Montelena Project, consisting of 251.9 acres of low density residential development. (Ordinance Number 10-2006). The Montelena Project is located south of Douglas Road and west of Jaeger Road (hereinafter known as the "Property"). The Montelena Project remains undeveloped.

C. The Montelena Project is within the Sunrise Douglas Community Plan and the SunRidge Specific Plan ("SDCP/SRSP") area. The SDCP/SRSP was approved by the County of Sacramento ("County") in July 2002. The County also prepared and certified an Environmental Impact Report ("EIR") (State Clearinghouse Number 97022055) for the SDCP/SRSP. In July 2003, the City of Rancho Cordova incorporated an area that included the SDCP and SRSP. The City assumed jurisdiction over the Montelena Project at that time. In response to litigation involving the SDCP/SRSP EIR, the City subsequently rescinded approval of the SDCP/SRSP. On November 7, 2012 the City certified a partially Revised EIR for the SDCP/SRSP, however, at that time the City determined to carry out the projects within the SDCP/SRSP area without re-approving the SDCP/SRSP. Thus, there is no Specific Plan applicable to this Project.

D. On February 21, 2006, the City approved an Initial Study and a Mitigated Negative Declaration ("MND") for the Tentative Subdivision Map of the Montelena Project, pursuant to the California Environmental Quality Act ("CEQA"). In the Initial Study and MND, the City concluded that the Project would not have a significant impact on the environment due to the mitigation measures adopted by the City in the SDCP/SRSP EIR and the MND. All environmental impacts were reviewed and addressed at the time the project was approved. All recitals and findings of determination in Ordinance 10-2006, which adopted the Development Agreement, are still accurate and relevant to the Amendment.

E. On November 19, 2007, the City approved an amendment to the Agreement (“First Amendment”) identifying a fifty (50) acre wetland preserve within the Project. (City Ordinance 25-2007.) The 2007 amendment did not result in any direct physical change to the environment, or any reasonably foreseeable indirect physical change in the environment, thus, no additional environmental review was conducted at that time.

F. After the 2006 approval, Montelena-Douglas LLP (“Landowner”) assumed ownership of the property and the economy changed significantly. Furthermore, the City now seeks to encourage more employment based land uses in the Project area. For these reasons, re-examination of the originally contemplated land uses was warranted.

G. The amended Development Agreement and rezone that are the subject of this Ordinance were initiated by the Landowner’s application to amend the Project’s land use designations. The proposed modifications will change the land use designations in Villages 4 and 5 of the Project, encompassing approximately 45.3 acres of the 251.9-acre Project. The result is the removal of 85 single-family homes (reducing the total from 875 to 790), and the addition of 14.2 acres of commercial use, a 1.6 acre park, and a 2.4 acre fire station site.

H. The changes to Montelena Villages 4 & 5 apply to APN 067-0030-064, and portion of 067-0030-065, and is located on the south side of Douglas Road approximately ¾ mile east of Sunrise Boulevard

I. In processing this second amendment to the Agreement, the City performed an Initial Study pursuant to CEQA Guidelines section 15063. The Initial Study reviewed the potential environmental impacts of the proposed changes to the Project and concluded that the changes to the Project will not result in any new significant impacts that were not analyzed in previous environmental documents. As a result of that conclusion, the City prepared a Subsequent Mitigated Negative Declaration (“SMND”). The Initial Study and SMND update the previous environmental analysis to reflect the proposed changes to the Project, revise previous mitigation measures where necessary, and impose new mitigation measures to ensure the changes to the Project will not result in any new significant environmental impacts. The Initial Study and SMND are attached to the staff report for this Ordinance as Attachment 2.

J. On March 19, 2012, the City Council, as the legislative body for purposes of development agreement approval, held a properly noticed public hearing pursuant to Government Code section 65867 and considered all comments received in writing and all testimony received at the public hearing.

Section 2: Findings.

Therefore, on the basis of: (a) the foregoing recitals, which are hereby incorporated herein; (b) the City of Rancho Cordova’s General Plan and General Plan EIR; (c) the SDCP/SRSP EIR; (d) the Montelena MND; and, (e) the SMND prepared for this second amendment to the Development Agreement, the City Council finds and determines that:

A. The amendment to the Development Agreement is consistent with the objectives, policies, general land uses and programs specified and contained in the City’s General Plan in that: (a) the General Plan and Zoning Code have been amended to reflect the Project’s

changed land use designations. The Project remains predominantly low-density residential. The shift to allow commercial uses is consistent with the General Plan, specifically Goal LU.1 – Achieve a Balanced and Integrated Land Use Pattern Throughout the Community; (b) the Project is consistent with the fiscal policies of the General Plan with respect to provisions of infrastructure and public services; and, (c) the Development Agreement includes provisions relating to financing public services, construction and maintenance of public facilities, park development fees and similar provisions to replace those set forth in the SunRidge Specific Plan.

B. The amendment to the Development Agreement is compatible with the uses authorized in, and the regulations prescribed for, the land use area in which the real property is located in that the Project's approval includes the rezoning of the Property as adopted herein.

C. The amendment to the Development Agreement is in conformity with public convenience, general welfare and good land use policies in that the Project will implement land use guidelines set forth in the General Plan.

D. The amendment to the Development Agreement will not be detrimental to the health, safety and general welfare in that the Project will proceed in accordance with the programs and policies of the General Plan. The impacts of the development on existing land uses, public services and the environment have been evaluated and mitigated through the CEQA compliance process.

E. The amendment to the Development Agreement will not adversely affect the orderly development of property, or the preservation of property values, in that the amendment is consistent with the General Plan.

F. The amendment to the Development Agreement is consistent with and includes the substantive elements of Government Code sections 65864 through 65869.5, and has been processed consistent with all the procedural requirements thereof.

Section 3. Approval of Development Agreement.

A. The City Council hereby approves the Amended Development Agreement, attached to this Ordinance and incorporated herein by reference as **Exhibit B**, and authorizes the City Manager to sign the amended Development Agreement after the effective date of this Ordinance.

Section 4. Amendment of the Zoning Code.

A. The City Council hereby amends the Rancho Cordova Zoning Code for APN 067-0030-064 and portion of 067-0030-065, as shown on **Exhibit A**.

Section 5. Recordation

Within ten (10) days after the Development Agreement is executed by the City Manager, the City Clerk shall submit the Agreements to the County Recorder for recordation.

Section 6. Severability.

If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, it shall not affect the remaining portions of this Ordinance that can be given effect without the invalid provision and, to this end, the provisions of this Ordinance are severable. This City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. Publication and Effective Date.

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

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this ____ day of _____ 2012, by the following vote:

AYES:

NOES:

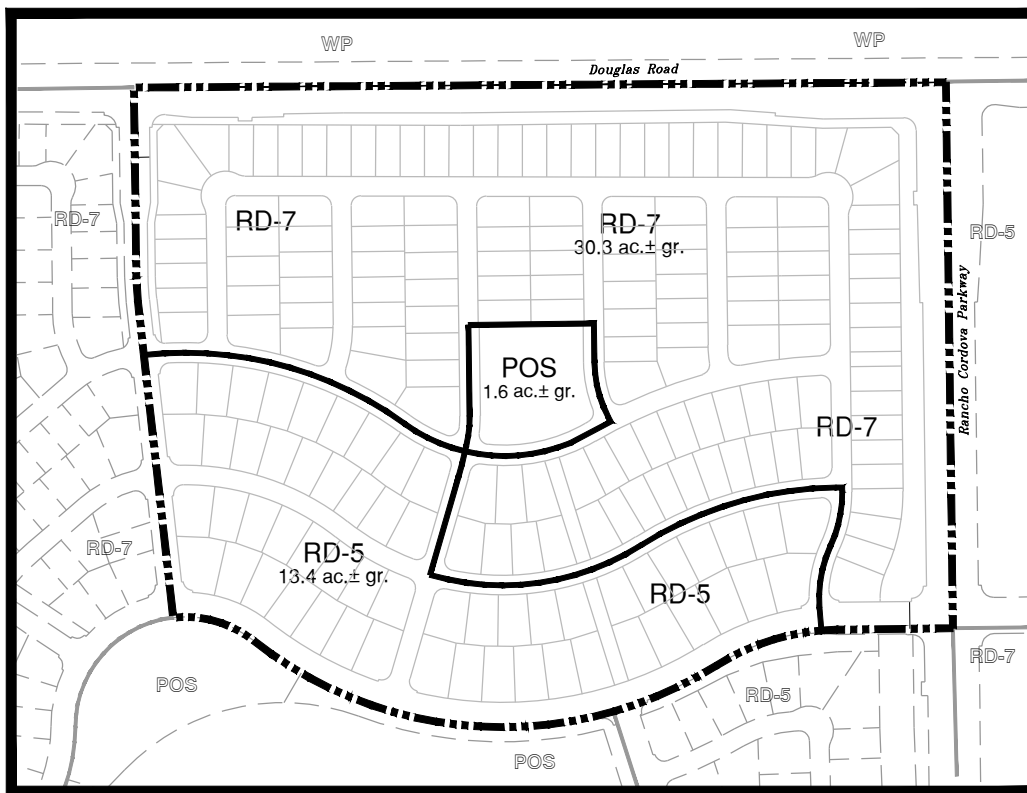
ABSENT:

ABSTAIN:

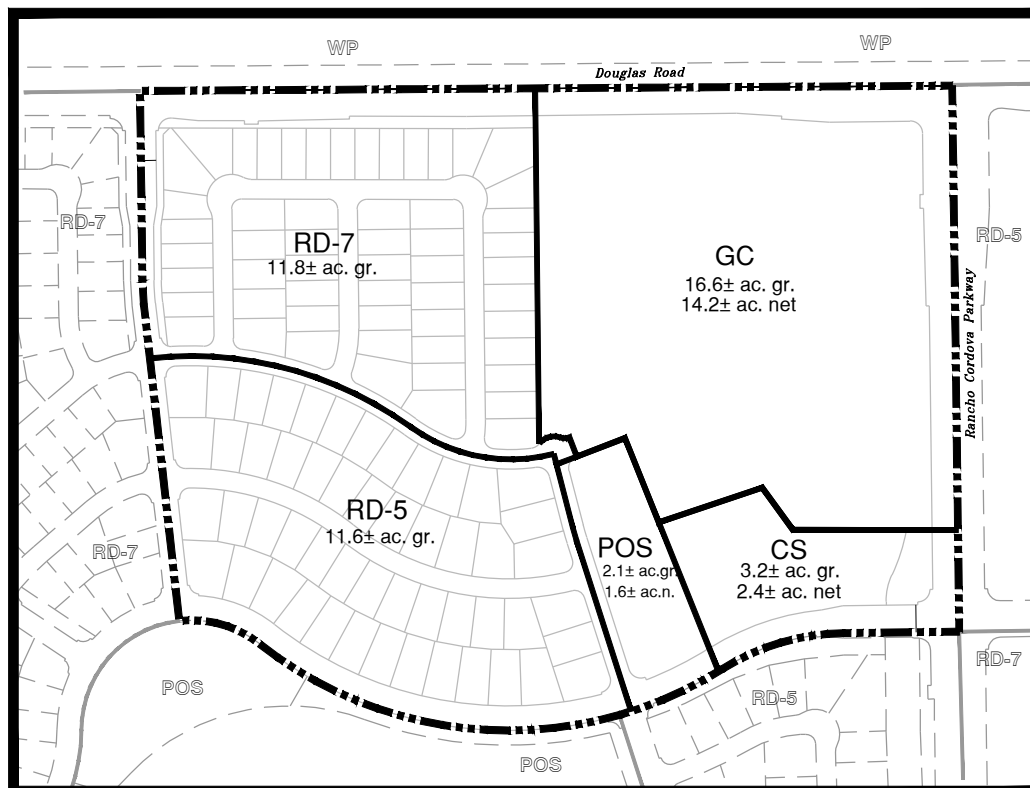
David M. Sander, Mayor

ATTEST:

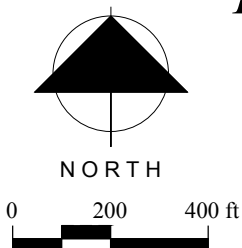
Mindy Cuppy, CMC, City Clerk



Existing Zoning



Proposed Zoning



Rezone Exhibit

MONTELENA

Village 4 & 5

Scale 1"=400'
(when printed on 8.5 x 11)

January 23, 2012

MACKEY & SOMPS
ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road

AGENDA ITEM 8.4

1-23-2012 11:21:34 P:\27042\Planning\Coord files\27042-REZONE.dwg
[1] P:\27042\Planning\Coord files\27042-TL-BASE.dwg

No fee required, as recording benefits the City of Rancho Cordova, a government entity (Gov. Code, ' ' 6103 & 27383).

Recording requested by, and when recorded return to:

City of Rancho Cordova
2719 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**SECOND AMENDMENT TO DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF RANCHO CORDOVA AND MONTELENA DOUGLAS, LLC
RELATIVE TO MONTELENA**

This Second Amendment (the "Second Amendment") to Development Agreement is dated _____, 2012, for references purposes only, is made by and between the **CITY OF RANCHO CORDOVA**, a California municipal corporation ("City"); and **MONTELENA DOUGLAS, LLC**, a California limited liability company (the "Landowner"). City and Landowner are hereinafter collectively referred to as the "Parties" and singularly as a "Party."

RECITALS

A. The City and the Landowner's predecessor in interest, CP SUNRIDGE, LLC, a Delaware limited liability company, are parties to a Development Agreement that is dated April 3, 2006 and was recorded on July 18, 2006 in the Official Records of Sacramento County at Book 20060718, Page 0966 (the "Agreement") establishing certain development rights for real property located in the City of Rancho Cordova, California, as more particularly described in Exhibit A-1 and Exhibit A-2 of the Agreement (the "Property").

B. The Agreement was subsequently amended by the City and CP Sunridge LLC on November 19, 2007 by an instrument entitled "First Amendment to Development Agreement By and Between the City of Rancho Cordova and CP Sunridge, LLC relative to Montelena" and was recorded on January 31, 2008, in the Official Records of Sacramento County at Book 20080131, Page 1582 (the "First Amendment") to clarify that the terms and provisions of the Agreement were not applicable to the wetland preserve area established within the Property.

C. Landowner was assigned all of the interest of CP SUNRIDGE LLC in the Agreement in 2008 by virtue of that certain "Assignment and Assumption Agreement Relative to Montelena" dated February 14, 2008, and recorded on February 15, 2008 in the Official Records of Sacramento County at Book 20080215, Page 0899 (the "Assignment").

D. City and Landowner now desire to amend the Agreement to reflect a change in the Project Approvals City has approved for the Property that will provide approximately 14.2± acres of commercial uses and an approximately 2± acre fire station site, while replacing 879 residential units

with 790 total residential units. The following changes in land use approvals (collectively the “Additional Project Approvals”) have been granted for the Property concurrent with this Second Amendment:

(i) The Amendments to the City Zoning Code to reflect the changed land uses in Villages 4 and 5, as amended by City Ordinance No. _____ on _____, 2012 (“Zoning Code Amendments”);

(ii) The Amendments to the City General Plan to reflect the changed land uses in Villages 4 and 5 (“General Plan Amendments”), as amended by City Resolution No. _____ on _____, 2012;

(iii) The Supplemental Mitigated Negative Declaration (“SMND”) for the changes to the Project’s land use entitlements and roadway improvement phasing. The SMND’s mitigation measures are incorporated into the Project and hereby incorporated into the terms and conditions of this Second Amendment;

(iv) A Large Lot Tentative Parcel Map to create four (4) large lots on approximately 45.3 acres.

(v) A Small Lot Tentative Subdivision Map for Villages 4 and 5 attached hereto as Exhibits “C” and “C-1” and approved by the City Resolution No. _____ (the “Village 4 and 5 Small Lot Map”); and

(vi) This Second Amendment to the Development Agreement, amending certain provisions of the Development Agreement applicable to the entire project area, as adopted by City Ordinance No. _____ on _____, 2012.

E. Pursuant to Government Code section 65868, City and Landowner now desire to amend the Agreement to reflect these land use entitlement changes approved for the Property.

AGREEMENT

1. Incorporation of Recitals. Recitals A through E are hereby incorporated herein, including all documents referred to in said Recitals.

2. Additional Project Approvals. The City and Landowner acknowledge and agree that the Additional Project Approvals described above have been granted for the Property and vested for the term of the Development Agreement.

3. Restatement of Section 6.4.1 concerning the “New Park Development Obligation.” City and Landowner agree that Section 6.4.1 of the Agreement is hereby deleted and replaced with the following:

“6.4.1 New Park Development Obligation. The Project shall be subject to Resolution No. 28-2005, which establishes revised standards for the dedication of park and open space in the City. Landowner shall pay a development impact fee to mitigate

the costs of designing, constructing and installing park improvements on 18.2± net acres of park land provided at the Project. This development impact fee shall be in the amount of Twelve Thousand Five Hundred and Twelve Dollars (\$12,512) per single-family residential parcel or residential parcel equivalent (the "Park Development Impact Fee") which shall be adjusted on March 1, 2012 and annually thereafter no later than March 15th by the method provided in City Ordinance No. 24-2004 as follows:

- (a) A "mean" index will be computed by averaging the index for 20 U.S. cities with the index for San Francisco by resort to the January issue of the Engineering News Record magazine Construction Cost Index of the year in which the calculation is being made.
- (b) An adjustment factor shall be computed by dividing the "mean" index as calculated in subsection (a) of this section by the "mean" index for the previous January, however the March 2012 adjustment factor shall be computed by dividing the "mean" index for January 2011.

The Park Development Impact Fee of Twelve Thousand Five Hundred and Twelve Dollars (\$12,512) shall not include the cost of park street frontage improvements at parks. To fulfill its park land dedication obligation, Landowner shall be obligated to dedicate 18.2 acres of park land to the Cordova Recreation and Park District for use as park property and recreational facilities, together with additional land for landscape corridors, open space and/or flood plain or water detention areas required for the Project. The land to be dedicated for park and recreation purposes is set forth more specifically in Exhibit "E" attached hereto and incorporated herein by this reference (the "Dedicated Land"). If and when the City or the Cordova Recreation and Park District adopts a Citywide or Districtwide Park Improvement Fee for the improvement of parks that includes the 18.2 acres of parks at the Project as part of the Citywide or Districtwide park improvement program being funded by such new Citywide or Districtwide Park Improvement Fee, the Landowner shall thenceforth pay the Citywide or Districtwide Park Improvement Fee for each residential parcel developed thereafter instead of paying the Park Development Impact Fee set forth above in this Agreement; provided, however, that if the Districtwide Park Improvement Fee funds less than the 7 acres of parks per 1,000 residents that is provided by this Project, then an additional sum above and beyond the Districtwide Park Improvement Fee shall be paid in proportion to the difference between the two standards (for example, if the Districtwide Park Improvement Fee is \$7,500 per parcel based upon a standard of 5 acres of parks per 1,000 residents, then Landowner shall pay \$10,500 per parcel ($\$7,500 / 5 \text{ acres} \times 7 \text{ acres} = \$10,500$)). Under no circumstances shall the Landowner be required to pay either the new Citywide or Districtwide Park Improvement Fee and the Park Development Impact Fee set forth above in this Agreement. City further agrees and acknowledges that the 18.2 acres of park land dedication being provided at the Project will satisfy the park land dedication requirements of Resolution No. 28-2005."

4. Restatement of Section 6.4.2 concerning the “Timing of Dedications and Improvements of Parks.” City and Landowner agree that Section 6.4.2 of the Agreement is hereby deleted and replaced with the following:

“6.4.2 Timing of Dedications and Improvements of Parks. Prior to the recordation of any residential small lot final subdivision map in the Project which contains a portion of the Dedicated Land (but not prior to construction of model homes) Landowner shall: (a) irrevocably offer for dedication to the Cordova Recreation and Park District that portion of the Dedicated Land that is encompassed within such residential small lot final subdivision map; and (b) enter into a park improvement agreement with the Cordova Recreation and Park District for the improvement of parks within that portion of the Dedicated Land situated within said residential small lot final subdivision map. Under the park improvement agreement, Landowner shall have the option to either: (i) dedicate the Dedicated Land and pay a Park Development Impact Fee of \$12,512 per residential unit; or (ii) dedicate the Dedicated Land and build turnkey parks. If turnkey parks are constructed, Landowner shall be given a credit against the Park Development Impact Fee as provided in the park improvement agreement. If Landowner chooses to dedicate the Dedicated Land and pay the Park Development Impact Fee, then Landowner shall have no obligation to build any park improvements or pay any additional fees concerning parks to the Cordova Recreation and Park District or to the City, with the exception of the fee set forth in Section 6.4.3 of the Development Agreement for the In-fill Park and Open Space Renovation and Acquisition Fee. The park improvement agreement shall address, but not be limited to, the specific park improvements to be provided by Landowner, the amount of credits against those fees to be granted to Landowner as a result of Landowner providing the specific park improvements described in the agreement, and the times for commencing and completing the construction of park improvements by Landowner. The City shall be named a third party beneficiary to the park improvement agreement with the Cordova Recreation and Park District. The difference between the Park Development Impact Fee and the credit given to Landowner for building turnkey parks pursuant to the park improvement agreement shall only be used by the Cordova Recreation and Park District and/or the City for improving community and/or regional parks situated within the City of Rancho Cordova.”

5. Restatement of Section 6.4.4 concerning the Police Tax. City and Landowner agree that Section 6.4.4 of the Agreement is hereby deleted and replaced with the following:

“6.4.4 Police Tax. Landowner and City agree that the Property shall be subject to the Police Tax enacted by City Ordinance No. 24-2006 pertaining to Police Tax Zone 30. Within 180 days following the date of the City Council’s approval of this Second Amendment, City shall form a Police Services Community Facilities District (CFD) and Landowner shall support the inclusion of the Project in the CFD and cover Landowner’s fair share costs of the CFD formation not to exceed \$7,000. City agrees that the new CFD will provide that on lands designated for all residential land use categories, the base year FY 2011/2012 Police Maximum Services Special Tax shall be Four Hundred Fifty

Dollars (\$450) annually per residential unit or residential unit equivalent, and that the base year amount of the Police Maximum Services Special Tax per unit for all non-residential land use categories (except Recreational and Agricultural) shall be up to One Thousand Dollars (\$1,000) per acre annually as determined by the City. The special tax imposed by the CFD will be payable on a parcel within the Property only after a building permit has been issued by City for the construction of a building on that particular parcel and there will be no undeveloped land tax imposed by the CFD. The new CFD shall further provide that on each July 1 commencing July 1, 2012, the base year Police Special Tax shall be escalated by the increase, if any, in the United States Department of Labor Consumer Price Index (CPI) for All Urban Consumers (1982-84 = 100) for the San Francisco-Oakland-San Jose Area. The CPI used shall be as determined by the United States Department of Labor Bureau of Labor Statistics from April to April beginning with the period from April 2011 to April 2012. However, in no event shall the tax per parcel for any fiscal year be less than the amount established for the prior fiscal year. If the Consumer Price Index is discontinued, or revised, such other government index or computation with which it is replaced shall be used by the CFD in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised. The CFD shall specify that the Police Special Tax shall commence being payable annually following issuance of a building permit for each parcel subject to the Police Special Tax.

Within 60 days of the inclusion of the Property in the Police Services CFD, the City Council will rescind City Ordinance No. 24-2006 pertaining to Police Tax Zone 30. The Landowner acknowledges that no final small lot subdivision maps shall be submitted to the City for approval prior to the formation of the Police Services CFD.

Landowner agrees that it will not vote to repeal or amend the Police Special Tax being imposed in the amounts set forth above, and that any such vote by Landowner would constitute an event of default under this Agreement. In the event of such a default by Landowner, then in addition to all other remedies available to City, Landowner shall be obligated to annually pay under this Agreement the difference between the amount of the Police Special Tax before the Landowner's vote to repeal or amend the tax, and the amount of the proposed Police Special Tax set forth above."

6. Addition of Section 6.4.6 for Supplemental Traffic Impact Fee. City and Landowner agree to add a new Section 6.4.6 to the Development Agreement as follows to fund traffic improvements to be constructed by the City in order to mitigate for the traffic impacts of the Project:

"6.4.6 New Supplemental Traffic Impact Fee. City and Landowner agree the Landowner shall pay a new supplemental traffic impact development fee to the City in the amount of Five Thousand Sixty Dollars (\$5,060) for each residential lot shown on the final small lot subdivision maps for the Property (the "Supplemental Traffic Impact Fee"). Landowner shall pay the Supplemental Traffic Impact Fee in the following increments: (i) Eight Hundred Sixty-five Dollars (\$865) for each residential lot at the time of recordation of a final subdivision map for the residential lot; and (ii) Four

Thousand One Hundred Ninety-five Dollars (\$4,195) at the time of issuance of a building permit for a residential lot. Landowner's agreement to pay the Supplemental Traffic Impact Fee is conditioned upon the effectiveness of the Additional Project Approvals. If for any reason the additional Project Approvals are changed or rescinded in any manner without the Landowner's consent, then Landowner's obligation to pay the Supplemental Traffic Impact Fee shall automatically cease; provided, reciprocally, that if for any reason the amount of the Supplemental Traffic Impact Fee is challenged or overturned, Landowner's vested rights under this Second Amendment to develop the Property consistent with the Additional Project Approvals shall, at City's sole discretion, cease and terminate. By agreeing to pay the Supplemental Traffic Impact Fee, City agrees that Landowner and the Property will have satisfied its obligation under the Conditions of Approval and Mitigation Monitoring Reporting Program for offsite traffic improvements and shall not be made subject to constructing or funding the construction of offsite roadway improvements other than those immediately adjacent to the Property, including Chrysanthy Boulevard, Rancho Cordova Parkway, and associated frontage improvements. City agrees that it will apply the Supplemental Traffic Impact fee to fund Rancho Cordova Parkway Interchange or the costs of other roadway improvements needed to improve access to U.S. Highway 50 from the Project area. The above Supplemental Traffic Impact Fee will not be subject to increase or decrease as a result of changes in any City traffic impact fees."

7. Addition of New Section 6.4.7 Concerning Rancho Cordova Parkway Left Turn Land Pocket. City and Landowner agree to add a new Section 6.4.7 to the Development Agreement as follows to provide for a left turn pocket on Rancho Cordova Parkway:

"6.4.7 Rancho Cordova Parkway Left Turn Lane Pocket. City and Landowner agree the Landowner shall have the right to construct a left turn pocket on northbound Rancho Cordova Parkway in order to provide left turn access into the approximately 14.2 acre commercial parcel at the Property, as generally shown on Exhibit "H" attached hereto and incorporated herein by reference. This right shall be vested for the duration of the Development Agreement."

8. Addition of New Section 6.4.8 Phasing Plan. City and Landowner agree to add a new Section 6.4.8 to the Development Agreement as follows to provide for a Phasing Plan:

"6.4.8 Phasing Plan. Prior to approval of any final map, Developer shall provide a large lot phasing plan addressing sequencing and full build-out of major public infrastructure throughout the Montelena Project limits. The large lot phasing plan shall show all public facilities including, but not limited to, major roadways, bike trails, sewer, water, drainage, facilities, parks and other utilities, and the large lot phasing plan will be based on the City's Guiding Principles for Phasing of Transportation, Infrastructure and Utility Services to the satisfaction of the City's Public Works Department. The large lot phasing plan may be revised as needed during the development of the Project.

Prior to approval of any small lot final map for an individual phase, the Landowners shall prepare and submit to City a “small lot phasing plan” that addresses full build-out of all secondary streets and utility infrastructure.. The small lot phasing plan will show the blocks of the small lot tentative map to be constructed and all roads, bike trails and other infrastructure required to serve the use of the proposed units within each block to the satisfaction of the City’s Public Works Department. The small lot phasing plan will also be defined by the City’s Guiding Principles for Phasing.

Prior to issuance of building permits (except permits for model homes) within an individual map phase, all streets and improvements shown on the small lot phasing plan, all streets necessary for access to the proposed homes, associated improvements included in the approved improvement plans, landscaping and other infrastructure as necessary for adequate public access and use shall be fully constructed and accepted to the satisfaction of the City’s Public Works Department.

At the discretion of the City’s Public Works Department, the final lift of asphalt only (e.g. upper approximately 1.5 inches of asphalt) may be deferred to prior to the first occupancy in a phase. The structural street section shall be designed to accommodate construction traffic and loads until such time that the finish lift of asphalt concrete is installed. All other improvements shall be fully completed and accepted for maintenance prior to issuance of the first building permit in the applicable phase”

9. Amendment to Section 8.2 concerning “Development Impact Fees, Exactions and Dedications.” City and Landowner agree that Section 8.2 of the Agreement is hereby amended by adding the following phrase at the end of the first sentence:

“...; provided, however that in recognition of the New Supplemental Traffic Impact Fee, Landowner shall not have to pay any new supplemental fees to pay for traffic improvements.”

10. Improvement of On-Site Detention Basin. City and Landowner acknowledge that improvements to the on-site detention basin are required to meet the intent of the original approvals of the Montelena Project. Such improvements are conceptually depicted on Exhibit “I” attached hereto and incorporated herein by reference, and completion of such improvements shall be the obligation of the Landowner. City and Landowner agree that the final improvements for the on-site detention basin shall be designed so as to attempt to avoid triggering any requirement to obtain a Section 404 Permit from the U.S. Army Corps of Engineers, and further agree that should it be subsequently determined that the final improvements would require a Section 404 Permit, then the City and Landowner will meet and confer to revise the final improvements so as to redesign or eliminate any recreational or public access improvements that were a basis for the permit requirement. The Landowner will be responsible for permits required due to drainage improvements. The net holding capacity of the on-site detention basin in terms of water volume shall not be changed by the final improvements, and no amendments to the approved drainage master plan or further approvals by the City of Rancho Cordova or County of Sacramento shall be required. Outside the on-site detention basin along its bank edges shall be an approximately 12 ft. wide paved path with landscaping as

depicted on Exhibit "I." Certain paths and other improvements as identified in Exhibit "I" will be funded by the Project's Park Development Impact Fee and be maintained by the new lighting and landscaping district or a new park maintenance district or Cordova Park and Recreation District. Construction of the final improvements to the on-site detention basin shall be included as part of the small lot phasing plans for Village 1 prepared and submitted to the City for approval pursuant to the provisions of Section 6.4.8 added to the Development Agreement by this Second Amendment.

11. Affordable Housing Requirement Satisfaction. City and Landowner agree and acknowledge that the Project's affordable housing obligation will be fully satisfied by the Landowner's dedication to the City of the approximately two (2) acre parcel of land for the new fire station site at the Project identified in Recital "D" which will allow the City to subsequently exchange that two (2) acre parcel for a fire station site or other appropriate land at another location which can then be combined with other lands owned by the City and be better used for providing affordable housing. At the time the Final Large Lot Parcel Map for Villages four (4) and five (5) is recorded, Landowner shall dedicate to the City the new fire station site.

12. Stormwater Drainage Maintenance District. City and Landowner agree and acknowledge that the Project's stormwater drainage system will need ongoing maintenance following its installation. Landowner agrees that prior to the recordation of the first final subdivision map at the Property, Landowner shall annex the Property into a new stormwater drainage maintenance district formed by the City for the purpose of providing a financial mechanism to fund the operation and maintenance of the Project's stormwater drainage system. If a new district has not been formed by the City prior to the time of recordation of the first final subdivision map at the Project, then Landowner may satisfy this obligation by annexing the Property into the County of Sacramento Stormwater Utility District, prior to the recordation of the first final subdivision map, pursuant to the Sacramento County Water Agency Code and comply with the Sacramento County Improvement Standards.

13. Replacement of Exhibit B "Large Lot Tentative Subdivision Map." City and Landowner agree to delete Exhibit B of the Agreement and replace it with the revised Exhibit B and Exhibit B-1 "Large Lot Tentative Subdivision Maps," attached hereto and hereby incorporated by reference into the Agreement.

14. Replacement of Exhibit C "Small Lot Tentative Subdivision Map." City and Landowner agree to delete Exhibit C of the Agreement and replace it with the revised Exhibit C and Exhibit C-1 "Small Lot Tentative Subdivision Maps," attached hereto and hereby incorporated by reference into the Agreement.

15. Replacement of Exhibit D-1 "Land Use Map." City and Landowner agree to delete Exhibit D-1 of the Agreement and replace it with the new Exhibit D-1 "Land Use Map" attached hereto and hereby incorporated by reference into the Agreement.

16. Replacement of Exhibit D-2 "Land Use Table." City and Landowner agree to delete Exhibit D-2 of the Agreement and replace it with the new Exhibit D-2 "Land Use Table" attached hereto and hereby incorporated by reference into the Agreement.

17. Replacement of Exhibit E “Diagram of Park Land Dedication.” City and Landowner agree to delete Exhibit E of the Agreement and replace it with the new Exhibit E “Diagram of Park Land Dedication” attached hereto and hereby incorporated by reference into the Agreement.

18. Definition of Terms. All capitalized terms used in this Second Amendment shall have the same definition as provided in the Agreement, except where a different definition has been supplied in this Second Amendment.

19. All Other Terms Remain in Force. Except as amended by Sections 1 through 18 above, all terms and conditions of the Agreement remain in full force and effect.

20. Effective Date. This Second Amendment takes effect on the effective date of the ordinance that approves it (the “Effective Date”) (Gov. Code, § 65868).

21. Recording. Within ten (10) days after the Effective Date, City shall record this Second Amendment with the Sacramento County Recorder’s Office.

22. Counterparts. The parties may execute this Second Amendment in counterparts, each of which will be considered an original, but all of which will constitute the same instrument.

23. Entire Agreement. This Second Amendment sets forth the Parties' entire understanding regarding the matters set forth above. It supersedes all prior or contemporaneous agreements, representations, and negotiations regarding those matters (whether written, oral, express, or implied) and may be modified only by another written agreement signed by all Parties. This Second Amendment will control if any conflict arises between it and the Agreement.

City of Rancho Cordova

Montelena Douglas, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____, 2012

Date: _____, 2012

Approved as to Form
City Attorney

By: _____

1788172.3

[Attach Certificate of Acknowledgment – Civil Code § 1189]

STATE OF CALIFORNIA)
) **ss.**
COUNTY OF SACRAMENTO)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
) ss.
 COUNTY OF SACRAMENTO)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

1467.001
02/01/05
PJ

EXHIBIT "A-1"

DESCRIPTION OF MONTELENA DEVELOPMENT AGREEMENT

All that certain real property situate within Fractional Section 8 and Section 17, Township 8 North, Range 7 East, Mount Diablo Meridian, City of Rancho Cordova, County of Sacramento, State of California, being further described as follows:

Beginning at a found Three-Quarter inch (3/4") iron pipe marking the closing corner of said Fractional Section 8; thence from said **POINT OF BEGINNING**, along the East line of said Fractional Section 8, South 00°44'24" East a distance of 1741.58 feet to the Northeast corner of said Section 17; thence along the East line of said Northeast One-Quarter of Section 17, South 00°44'04" East a distance of 1549.20 feet to the Southeast corner of Parcel "B" of the certain Parcel Map filed for record in Book 31 of Parcel Maps, at Page 37, Sacramento County Records; thence leaving said East line of the Northeast One-Quarter of Section 17 along the South line of said Parcel "B", South 89°51'16" West a distance of 1000.03 feet to the Southwest corner of said Parcel "B"; thence along the West line of Parcel "C" of said parcel map, South 00°44'04" East a distance of 1097.70 feet to the South line of said Northeast One-Quarter of Section 17; thence along said South line of the Northeast One-Quarter of Section 17, South 89°45'38" West a distance of 1750.15 feet to an angle point on the Easterly line of Anatolia as shown on that certain final map entitled "Subdivision No. 01-.0385.0 Large Lot Map of Anatolia" filed for record in Book 316 of Maps, at Page 8, Sacramento County Records; thence along said Easterly line of said map for the following two (2) courses and distances:

1. North 00°43'51" West a distance of 2644.73 feet; and
2. North 00°43'50" West a distance of 1746.24 feet to a point on the South line of Rancho Rio de los Americanos;

thence along said South line of Rancho Rio de los Americanos for the following two (2) courses and distances:

1. South 89°37'42" East a distance of 802.94 feet; and
2. North 89°37'47" East a distance of 1946.87 feet to the Point of Beginning.

Containing 251.654 acres of land, more or less.

See Exhibit "A-2", plat to accompany description, attached hereto and made a part hereof.

The **Basis of Bearings** for this description is the California State Plane Coordinate System, Zone 2, Nad 83, Epoch Date 1997.30, as measured between NGS Station "G 1414," 1st order, and NGS station "Sheldon," 1st order. Said bearing is North 72°44'09" East. Distances shown are ground based.

1467 001
02/11/05
PJ

This description is for a development agreement only and not intended to circumvent the Subdivision Map Act and shall not be used for sale, lease or finance. Any conveyance must comply with the Subdivision Map Act and local ordinances.

Craig E. Spiess

Craig E. Spiess P.L.S. 7944
Expires: December 31, 2007

Date: 2/2/06



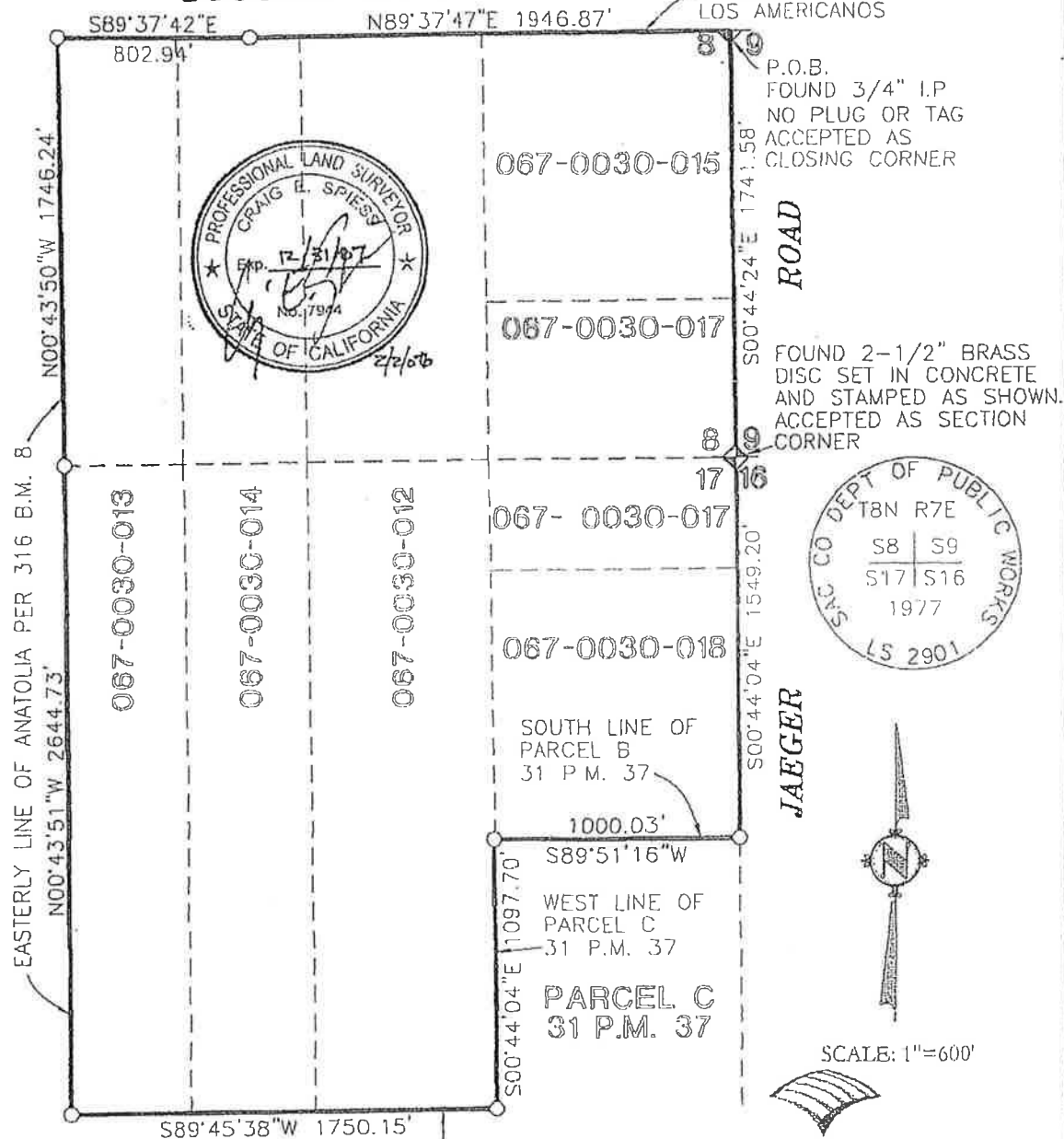
PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT A-2
DIAGRAM OF THE PROPERTY

EXHIBIT A-2

PLAT TO ACCOMPANY
DESCRIPTION

MONTELENA
DEVELOPMENT AGREEMENT
PORTION OF THE SECTION 17 &
FRACTIONAL SECTION 8, T.8N., R.7E.
CITY OF RANCHO CORDOVA
COUNTY OF SACRAMENTO STATE OF CALIFORNIA
SOUTH LINE OF
RANCHO RIO DE
LOS AMERICANOS

DOUGLAS ROAD

WOOD RODGERS
ENGINEERING • MAPPING • PLANNING • SURVEYING
3301 C St., Bldg. 100-B Tel 916.341.7760
Sacramento, CA 95816 Fax 916.341.7767

EXHIBIT B-1

LARGE LOT TENTATIVE PARCEL MAP

Parcel 4
11.80 ac. gr.

Parcel 1
16.60 ac. gr.

Parcel 3
13.70 ac. gr.

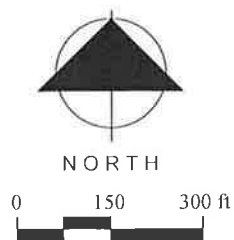
Parcel 2
3.20 ac. gr.

MONTELENA

Village 4 & 5

Scale 1"=300'
(when printed on 8.5 x 11)

January 12, 2012



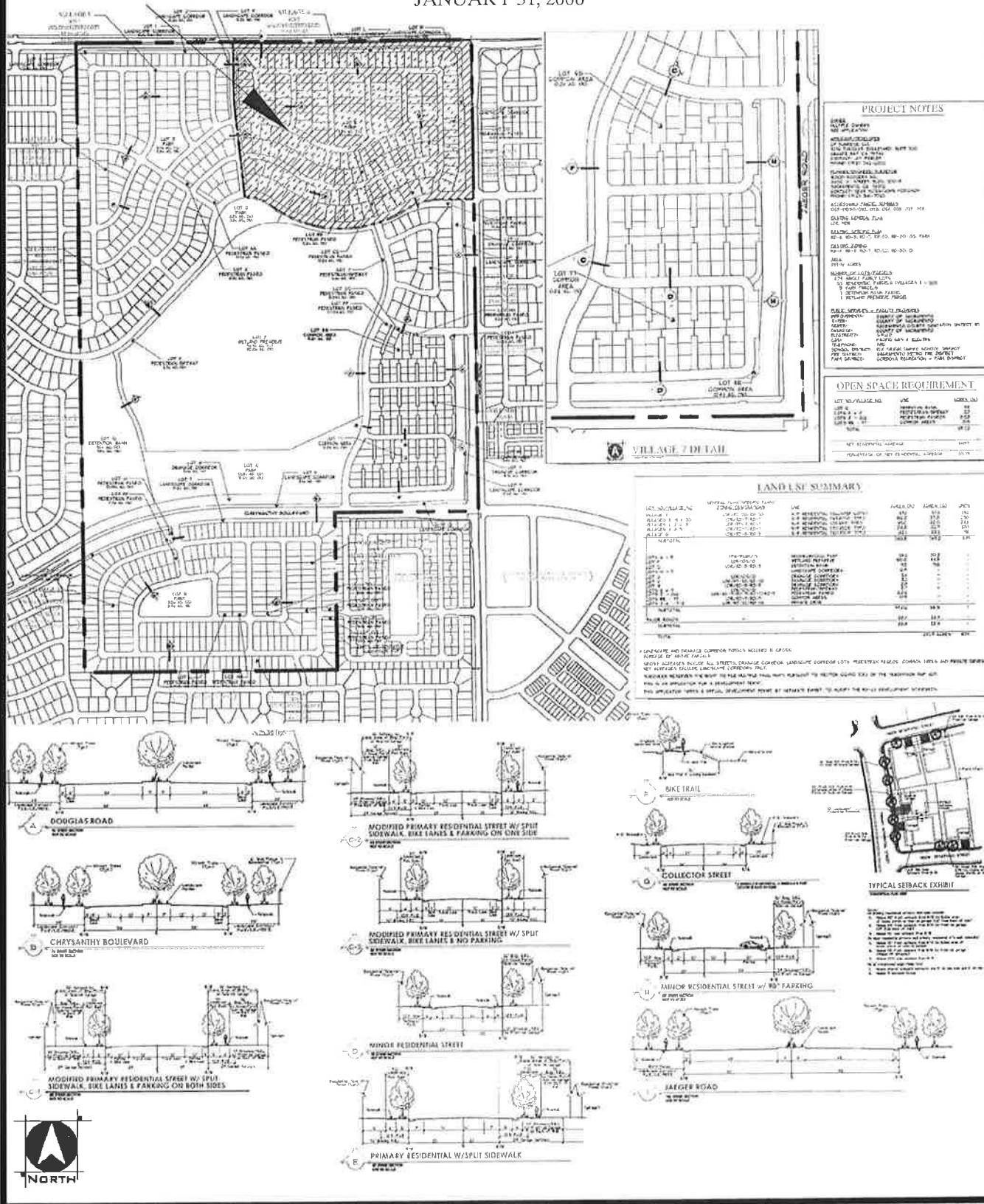
MACKEY & SOMPS
ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Rossville, CA 95661 (916) 773-1189

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27042.00

EXHIBIT C SMALL LOT TENTATIVE SUBDIVISION MAPS

MONTELENA

SEE EXHIBIT C-1 CITY OF RANCHO CORDOVA, CALIFORNIA
JANUARY 31, 2006



January 12, 2012



12-2012 NY 55 41 P 12042 planning 1504 Mes 12042-002 day

AGENDA ITEM 8.4

EXHIBIT D-1 LAND USE MAP
MONTELENA
CITY OF RANCHO CORDOVA, CALIFORNIA
JANUARY 31, 2006
Revised: JANUARY 16, 2011



EXHIBIT D-2 LAND USE TABLE

MONTELENA

CITY OF RANCHO CORDOVA, CALIFORNIA

January 31, 2006

cd

<u>LOT NO./VILLAGE NO.</u>	<u>GENERAL PLAN / SPECIFIC PLAN / ZONING DESIGNATIONS</u>	<u>USE</u>	<u>ACRES (N)</u>	<u>ACRES (G)</u>	<u>UNITS</u>
VILLAGE 7	LDR/RD-10/RD-10	S-F RESIDENTIAL (CLUSTER LOTS)	17.1	17.1	152
VILLAGES 8, 9 & 10	LDR/RD-7/RD-7	S-F RESIDENTIAL (45'X100' TYP.)	36.3	37.3	250
VILLAGES 1, 2 & 3	LDR/RD-7/RD-7	S-F RESIDENTIAL (55'X85' TYP.)	41.0	42.0	243
VILLAGES 4 & 5	LDR/RD-7/RD-7	S-F RESIDENTIAL(50 & 60'X105' TYP.)	19.3	19.9	107
VILLAGE 6	LDR/RD-5/RD-5	S-F RESIDENTIAL (60'X100' TYP.)	9.5	9.5	38
Commercial - Fire Sta.	VILL CTR. & P-QP/GC & CS	Commercial & Fire Station	17.2	18.8	-
SUBTOTAL			140.4	144.6	790
LOTS A - E	LDR/PARK/O	NEIGHBORHOOD PARK	18.5	20.8	-
LOT F	LDR/OS/O	WETLAND PRESERVE	50.0	54.5	-
LOT G	LDR/RD-5/RD-5	DETENTION BASIN	9.5	9.6	-
LOTS H - T		LANDSCAPE CORRIDOR*	6.5	-	-
LOT U	LDR/OS/O	DRAINAGE CORRIDOR*	1.4	-	-
LOT V	LDR/RD-10/RD-10	DRAINAGE CORRIDOR*	3.1	-	-
LOT W	LDR/RD-5/RD-5	DRAINAGE CORRIDOR*	2.9	-	-
LOTS X & Y	LDR/OS/O	PEDESTRIAN/BIKEWAY	2.7	-	-
LOTS Z - QQ	LDR/RD-5/RD-5/RD-7/RD-7	PEDESTRIAN/PASEO	2.02	-	-
LOTS RR - TT	LDR/RD-7/RD-7	COMMON AREAS	0.8	-	-
LOTS 7-A - 7-Z	LDR/RD-10/RD-10	PRIVATE DRIVE	-	-	-
SUBTOTAL			97.42	84.9	-
MAJOR ROADS			22.4	22.4	-
SUBTOTAL			22.4	22.4	-
TOTAL				251.9	790

* LANDSCAPE AND DRAINAGE CORRIDOR TOTALS INCLUDED IN GROSS ACREAGE OF ABOVE PARCELS.

GROSS ACREAGES INCLUDE ALL STREETS, DRAINAGE CORRIDOR, LANDSCAPE CORRIDOR LOTS, PEDESTRIAN PASEOS, COMMON AREAS AND PRIVATE DRIVE. NET ACREAGES EXCLUDE LANDSCAPE CORRIDORS ONLY.

SUBDIVIDER RESERVES THE RIGHT TO FILE MULTIPLE FINAL MAPS PURSUANT TO SECTION 66456 1(A) OF THE SUBDIVISION MAP ACT.

THIS IS AN APPLICATION FOR A DEVELOPMENT PERMIT.

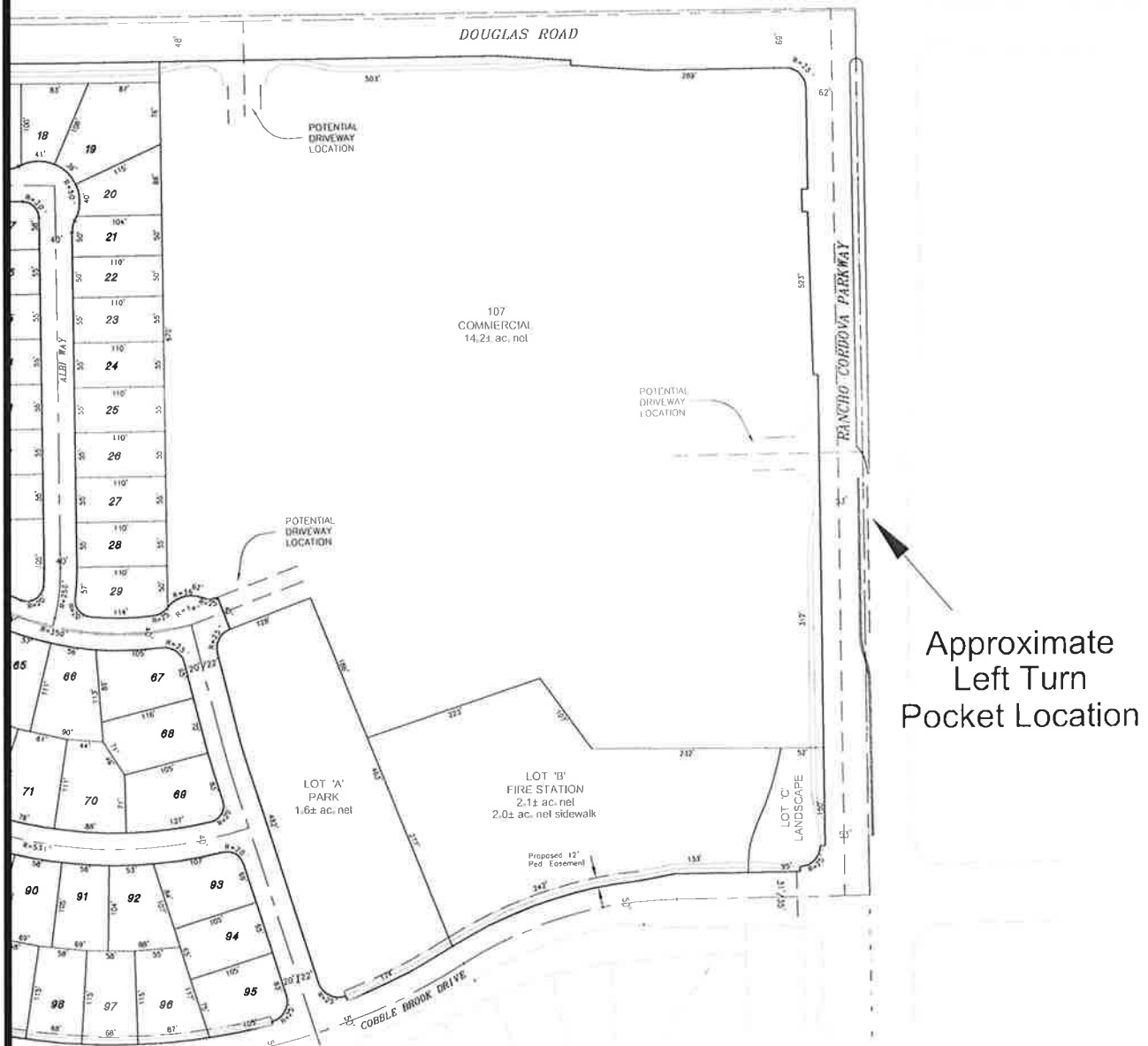
THIS APPLICATION SEEKS A SPECIAL DEVELOPMENT PERMIT, BY SEPARATE EXHIBIT, TO MODIFY THE RD-10 DEVELOPMENT STANDARDS.

SHADED AREAS INDICATE CHANGES FROM ORIGINAL LAND USE TABLE EXHIBIT.

Note: See land use plan on previous page for detailed information.

EXHIBIT H

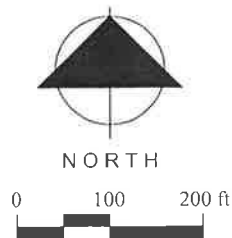
RANCHO CORDOVA PARKWAY LEFT TURN LANE POCKET



MONTELENA

Scale 1"=200'
(when printed on 8.5 x 11)

January 13, 2012

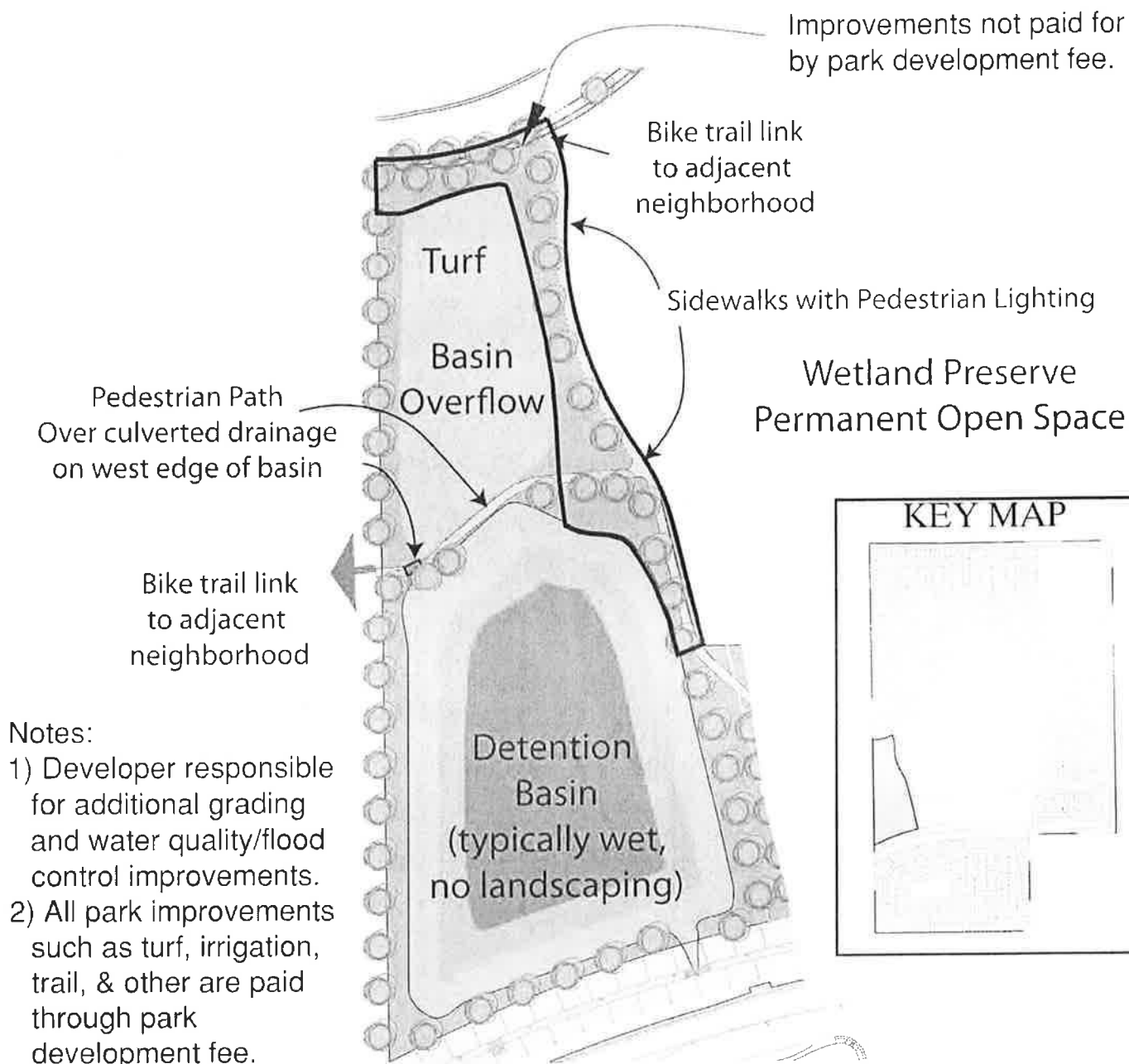


MACKEY & SOMPS
ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

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EXHIBIT "I"



Montelena Recreation Amenities Concept Diagram

Detention/Open Space 9.5 acres

1" = 200'



WADE ASSOCIATES
Urban Planning & Design
Environmental Planning

December 5, 2011

MEMORANDUM



DATE: April 16, 2012

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
Elizabeth Sparkman, Senior Engineer

SUBJECT: RESOLUTIONS INITIATING PROCEEDINGS FOR FORMATION OF THE RANCHO CORDOVA LIGHTING DISTRICT NO. 2012-1

RECOMMENDATION

That Council holds a public hearing and:

- a) Adopt Resolution No. 28-2012 Initiating Proceedings for the Formation of the Rancho Cordova Lighting District No. 2012-1;
- b) Adopt Resolution No. 29-2012 Accepting and Preliminarily Approving the Engineer's Report Regarding the Formation of the Rancho Cordova Lighting District No. 2012-1; and
- c) Adopt Resolution No. 30-2012 Declaring Its Intention to Form the Rancho Cordova Lighting District No. 2012-1 and to Levy and Collect Assessments Therein.

RESULT OF RECOMMENDED ACTION

Adoption of these Resolutions will initiate the actions required for the formation of the Rancho Cordova Lighting District No. 2012-1 for the purpose of creating a successor district to continue the existing assessments currently authorized by the County of Sacramento Service Area No. 1 for street lights and safety lights. There is no new financial impact to existing residents.

ADVANCES GOAL: 5

BACKGROUND

County Service Area No. 1 (CSA 1) was formed in 1986 to provide for street light and highway safety lights throughout Sacramento County, including the cities of Elk Grove, Citrus Heights, and Rancho Cordova. The Sacramento County Board of Supervisors governs CSA 1. From 1987 to 1996, the Board adjusted assessments upward each year to account for fluctuations in operating and maintenance costs. This generally allowed for higher levels of service. The passage of Proposition 218 in 1996 capped assessments and removed the Board's discretion to approve future rate increases.

Under the County's current operating structure, the costs of operating the street light system exceed revenues received. In an effort to control costs, the service levels have been reduced which have created long delays in response time for repairs of broken or damaged street lights. The City could provide a more streamlined process for operation and maintenance of the system and improve the response time. On May 2, 2011, the City Council adopted Resolution

No. 43-2011 initiating an application to detach Rancho Cordova from CSA 1. Staff prepared the necessary application and supporting documentation which was submitted to Sacramento Local Agency Formation Commission (LAFCO) on March 21, 2012. If approved by LAFCO, the City would provide street light and safety light maintenances to its residents instead of the County. The public hearing before LAFCO related to detachment is anticipated to be scheduled June 6, 2012. At this time it is necessary to begin the procedures for establishing the Rancho Cordova Lighting District No. 2012-1 as the successor funding mechanism to CSA 1.

Resolution No. 28-2012 initiates the proceedings for formation of the new District and orders the preparation of an Engineer's Report concerning the formation of the District and the levy of assessments within the District. Anticipating this Resolution, the Engineer's Report has been prepared and is on file with the City Clerk. Resolution No. 29-2012 approves the Engineer's Report on a preliminary basis. Resolution 30-2012 declares the City's intention to form the District and levy and collect special benefit assessments on parcels of land within the District which are consistent with the assessments previously established by the County and gives notice that a public hearing will be held on June 18, 2012 on the formation of the District and levy and collection of assessments.

The boundaries of the proposed District are the City boundaries. The current annual assessment and proposed 2012/2013 rates, which have not increased since the passage of Proposition 218 in 1996, are:

Improvement Type	Proposed Annual Rates
Safety Lights	\$ 2.56 per parcel
Street Lights (Residential)	\$15.32 per parcel
Street Lights (Non-Residential)*	\$0.2519 per front foot

*Non-Residential parcels include commercial and multi-family properties.

The following Table provides a summary of the estimated total assessments to be levied in Fiscal Year 2012-2013.

Benefit Classifications	Applied Rates	Parcels	Applied Front Footage	Total Estimated Revenue
Safety Light Only	\$2.56 per Parcel	7,366	N/A	\$ 18,857
Street and Safety Light (Residential)	\$2.56 + \$15.32 per Parcel	10,020	N/A	\$ 179,158
Street and Safety Light (Non-Residential)	\$2.56 per Parcel + \$0.2519 per front foot	3,416	595,507.50	\$ 158,753
Totals				\$ 356,768

The next step will be to complete the detachment from CSA 1 through the LAFCO process and negotiate an agreement with the County for transition of operations and maintenance services.

ATTACHMENTS

1. Resolution No. 28-2012
2. Resolution No. 29-2012 including **Exhibit A** - Engineer's Report
3. Resolution No. 30-2012

ATTACHMENT 1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 28-2012

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
INITIATING PROCEEDINGS FOR THE FORMATION OF THE RANCO CORDOVA LIGHTING
DISTRICT NO. 2012-1 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972**

WHEREAS, in order to finance the costs of maintain the street and safety lights formerly included within the County Service Area No. 1 (CSA-1) and to equitably distribute the costs among benefited landowners, the City Council (the "City Council") of the City of Rancho Cordova (the "City") has determined to undertake proceedings pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "1972 Act") to form an assessment district within the City of Rancho Cordova to be designated as the Rancho Cordova Lighting District No. 2012-1 (the "District") and to levy assessments to finance such costs; and

WHEREAS, the purpose of the District is to fund the ongoing operation, maintenance and servicing of public lighting facilities and appurtenants, previously provided and maintained by the County of Sacramento as part of County Service Area No. 1, Zone 2; and to levy and collect annual assessments related thereto; and

WHEREAS, once the District is formed, the parcels within the District will be detached from Zone 2 of County Service Area No. 1, and the available fund balances and assessment revenues previously collected by the County will be transferred to the newly formed District; and

WHEREAS, the 1972 Act provides for the formation of such an assessment district pursuant to Chapter 2 Article 1, and provides for the levy and collection of assessments by the County on behalf of the City pursuant to Chapter 4 Article 2; and

WHEREAS, the City has retained Willdan Financial Services as the Engineer of Work for the purpose of assisting with the formation of the District, the establishment of annual assessments, and to prepare and file an Engineer's Report with the City Clerk in accordance with the 1972 Act.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

Section 1. The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. The City Council proposes to form an assessment district pursuant to the 1972 Act.

Section 3. The District's activities entail the operations and maintenance of street and safety lights in the City of Rancho Cordova. The District's activities shall consist of the operation and maintenance of all lighting improvements and facilities within the City which are currently maintained and serviced through CSA-1, Zone 2, including highway safety lights and street lights. Highway safety lights are those lights located at intersections, on major streets and along the rear of properties that abut major streets. Street lights are all lights not designated as highway safety lights, primarily consisting of local street lighting.

Section 4. The City Council hereby orders the Engineer to prepare and file an Engineer's Report concerning the formation of the District, and the levy of assessments for property within the District as specified By Chapter 2, Article 1, Section 22585 of the 1972 Act.

Section 5. The territory within the proposed District consists of all lots, parcels and subdivisions of land located and identified by the Sacramento County Assessors' Parcel Numbers attached to the Engineer's Report on file with the City Clerk's office and is available for review by any interested member of the public during normal business hours.

Section 6. This resolution shall take effect from and after the date of its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

CITY OF RANCHO CORDOVA

RESOLUTION NO. 29-2012

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
ACCEPTING AND PRELIMINARILY APPROVING THE ENGINEER'S REPORT REGARDING
THE FORMATION OF THE RANCO CORDOVA LIGHTING DISTRICT NO. 2012-1**

WHEREAS, the City Council (the "City Council") of the City of Rancho Cordova (the "City") has by previous Resolution, ordered the preparation of an Engineer's Report (hereafter referred to as the "Report") regarding the formation of an assessment district within the City of Rancho Cordova to be designated as the Rancho Cordova Lighting District No. 2012-1 (the "District") and to levy and collection of assessments related thereto, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "1972 Act"); and

WHEREAS, there has now been presented to this Council the Report as required by Chapter 2, Article 1, Section 22586 of said 1972 Act; and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented, and is preliminarily satisfied with the District, each and all of the budget items and documents as set forth therein, and is satisfied that the continuation of the annual assessments have been spread in accordance with the special benefits received from the improvements, operation, administration, maintenance and services to be performed within the District, as set forth in said Report.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

Section 1. The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. That the Report as presented, as required by Chapter 1, Article 4 of said 1972 Act, consists of the following:

- a. A Description of Improvements (Plans and Specifications).
- b. A Boundary Diagram of the District.
- c. The Method and Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The proposed Budget for the first fiscal year (Estimate of Costs and Expenses).
- e. The establishment of the proposed Maximum Assessment.
- f. The District Roll containing the Levy for each Assessor Parcel Number within the District for Fiscal Year 2012-2013.

Section 3. The Report is hereby approved on a preliminary basis, and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection. Said report is attached hereto and incorporated as **Exhibit A**.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk



ENGINEER'S REPORT

CITY OF RANCHO CORDOVA

FORMATION OF

LIGHTING DISTRICT NO. 2012-1

FISCAL YEAR 2012/2013

Submitted this 16th Day of March, 2012

CITY OF RANCHO CORDOVA
2729 PROSPECT PARK DRIVE
RANCHO CORDOVA, CA 95670

PREPARED BY
WILLDAN FINANCIAL SERVICES



WILLDAN
Financial Services

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reach*



ENGINEER'S REPORT AFFIDAVIT

Formation of the Rancho Cordova Lighting District No. 2012-1,

Establishment of Annual Assessments (Conversion of Sacramento County CSA 1 Zone 2)

The District includes all parcels of land within the

**City of Rancho Cordova,
County of Sacramento,
State of California**

This Report and the enclosed budget, assessments, diagram and descriptions outline the proposed formation of the Rancho Cordova Lighting District No. 2012-1, which includes each lot and parcel of land within the City of Rancho Cordova and said District, as the same existed at the time this Report was prepared. Reference is hereby made to the Sacramento County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each lot and parcel within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council of the City of Rancho Cordova.

Dated this _____ day of _____, 2012.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Rancho Cordova

By: _____

Jim McGuire
Senior Project Manager

By: _____

Richard Kopecky
R. C. E. # 16742

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INTRODUCTION

Pursuant to the provisions of the Landscape and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the "1972 Act"), the City Council of the City of Rancho Cordova, County of Sacramento, State of California (hereafter referred to as "City"), has by resolution initiated proceedings in connection with the establishment of a special benefit assessment district to be designated as:

Rancho Cordova Lighting District No. 2012-1

(hereafter referred to as "District"), for the purpose of continuing and providing for the ongoing maintenance, servicing and operation of public lighting improvements (safety lights and street lights) within the City that has previously been provided and administered by the County of Sacramento as part of County Service Area 1 (CSA-1). Upon the formation of this District, the parcels with the City of Rancho Cordova will be detached from CSA-1 and the maintenance, servicing and operation of the improvements will become the responsibility of the City of Rancho Cordova with the City Council acting as the legislative body for the District. The City Council proposes to form the District, and continue the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the safety light and street light improvements for the benefiting lots and parcels of land within the boundaries of the District that were previously included in Zone 2 of CSA-1 and for which the County of Sacramento has been maintaining through the annual levy of assessments.

County Service Area 1 was created in 1986 by the Sacramento County Board of Supervisors by reorganizing five existing street light maintenance districts. CSA-1 was established to provide street light services to those portions of Sacramento County that were unincorporated in 1986. Since the establishment of CSA-1, the cities of Citrus Heights, Elk Grove and Rancho Cordova have been incorporated and in July 2005, the Board of Supervisors approved the creation of zones within CSA-1. The creation of these zones allowed incorporated cities and the County to supplement CSA-1 revenues specific to those areas. This action also facilitated the eventual Local Agency Formation Commission (LAFCO) approved detachment of Elk Grove (August 2005) and Citrus Heights (June 2006) from CSA-1, leaving Rancho Cordova as the only incorporated city that is still part of CSA-1.

This Engineer's Report (hereafter referred to as "Report") has been prepared in connection with the formation of the Rancho Cordova Lighting District No. 2012-1 and the continued levy and collection of annual assessments related thereto commencing in fiscal year 2012/2013, as required pursuant to Chapter 1, Article 4 of the 1972 Act. This Report describes the District, the improvements, and the assessments to be levied on properties within the District in connection with the special benefits the properties receive from the maintenance and servicing of the District improvements. The formation of this District and the annual assessments will provide a continued funding source for the City to fund in part the ongoing maintenance, servicing and operation, of the safety lights and street lights that provide special benefits to the properties within the District.

The improvements and assessments described in this Report are based on the improvements and assessments previously established by the County of Sacramento for CSA-1 Zone 2 and the assessment revenues will be used to fund in part the annual direct expenditures and incidental expenses, associated with the maintenance and servicing of those improvements. The formation of the District, the structure of the District (organization), the improvements, the

method of apportionment, and assessments described herein have been established to continue the maintenance of the existing improvements and assessments previously established by the County of Sacramento for CSA-1 and as such are not considered to be new or increased assessments under the provisions of the California Constitution Article XIII D.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Sacramento County Assessor's Office. The Sacramento County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for special benefit assessments.

As part of this District formation to continue the assessments previously levied by the County of Sacramento as part of CSA-1, in addition to the proceedings conducted the Local Agency Formation Commission (LAFCO) for the detachment of the City of Rancho Cordova from CSA-1, the Rancho Cordova City Council will conduct a noticed public hearing pursuant to the provisions of the 1972 Act to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Assuming LAFCO has approved the detachment from CSA-1, upon conclusion of the public hearing and consideration of any protests, the City Council may approve the Report (as submitted or amended), order the formation of the District, and the levy and collection of assessments as described herein and approved. In such case, the assessments for fiscal year 2012/2013 shall be submitted by the City to the Sacramento County Auditor/Controller for inclusion on the property tax roll for each parcel and the assessments for CSA-1 will be discontinued.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year, and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year. If in any year, the proposed annual assessments for the District exceed the assessments described herein, such an assessment would be considered a new or increased assessment and must be confirmed through property owner protest ballot proceeding before that new or increased assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. The District is being formed with two (2) designated benefit zones that collectively encompass all lots and parcels of land within the boundaries of the City of Rancho Cordova and were previously included in Zone 2 of CSA-1. The two benefit zones are designated as "Safety Light Only" Zone, which includes those lots and parcels of land within the District that are associated and benefit from only safety light improvements; and "Safety Light and Street Light" Zone, which includes those lots and parcels of land within the District that are associated and benefit from both safety light improvements and local street light improvements.

Part II

Method of Apportionment: A discussion of benefits the improvements and services provide to properties within the District and the method of calculating each property's proportional special benefit and annual assessment.

Part III

District Budget: An estimate of the annual costs to service, maintain and operate the safety light and street light improvements and appurtenant facilities within the District that had been previously funded in part through CSA-1 assessments. This budget includes an estimate of direct operational costs (energy and maintenance costs), anticipated repair and replacement of the existing facilities and incidental expenses authorized by the 1972 Act such as administration expenses and collection of appropriate fund balances.

Part IV

District Diagram: A diagram showing the exterior boundaries of the District and the Zones therein is provided in this Report and includes all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the Sacramento County Assessor's Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the Sacramento County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel based on the parcel's proportional special benefit as outlined in the method of apportionment. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2012/2013.

PART I — PLANS AND SPECIFICATIONS

Description of the District

The territory within the District shall consist of all lots and parcels of land within the boundaries of the City of Rancho Cordova that in fiscal year 2011/2012, were designated as CSA-1 Zone 2. Within these boundaries, parcels are identified and grouped into one of two designate benefit zones based on the special benefits properties receive from the District improvements, namely Safety Lights Only or Safety Lights and Street Lights. The two Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition the District Diagram in Section IV of the Report provides a visual representation of the District showing the exterior boundaries of the District and the Zones therein.

Improvements and Services

Improvements and Services Authorized by the 1972 Act

As generally defined by the 1972 Act and may be applicable to this District, the improvements and associated assessments may include one or more of the following:

- The installation or construction of public lighting facilities including, but not limited to street lights, safety lights and traffic signals;
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - Repair, removal, or replacement of all or any part of any improvements;
 - Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
 - Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
- Incidental expenses associated with the improvements including, but not limited to:
 - The costs of the report preparation, including plans, specifications, estimates, diagram, and assessment;
 - The costs of printing and advertising, and publishing, posting and mailing of notices;
 - Compensation payable to the County for collection of assessments;
 - Compensation of any engineer or attorney employed to render services;
 - Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - Costs associated with any elections held for the approval of new or increased assessments.

Description of District Improvements

The District's annual assessments will finance in part the maintenance, operation and servicing of the District's lighting improvements (safety lights and street lights) which generally includes the furnishing of labor, materials, equipment and electricity for the ordinary and usual maintenance, operation, and servicing of street lights within the public right-of-ways and easements dedicated to the City, incidental expenses including administrative costs as well as the performance of periodic repairs, replacement and expanded maintenance resulting from damage or vandalism. These services and activities more specifically may include, but are not limited to:

- Payment of the electrical bill for the safety lights and street lights.
- Maintenance, repair and replacement of light poles and fixtures, including changing light bulbs, painting, photoelectric sell repair or replacement, and repairing damage cause by automobile accidents, vandalism, time, and weather.
- Electrical conduit and pullbox repair and replacement due to damage by construction and weather.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of lighting electrical conduits, and marking the location of those underground conduits in the field to prevent damage by excavation.
- Service-can maintenance, repair and replacement including painting, replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Remedial projects for major repairs or upgrading of facilities. Construction for such projects are usually performed by contract, however City maintenance workers may execute small projects.
- Street light inventory database, pole numbering and mapping to establish the number of streetlights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Acquisition of land, easements and right-of-ways necessary to maintain the street and safety lighting system.
- Responding to citizens and Council member inquiries and complaints regarding street lighting. Resolving complaints may require and engineering study and possible project.

For the purpose of determining benefit and the proportional assessment of special benefit the light fixtures to be maintained by the District are defined as either "Street Lights" or "Safety Lights". Safety Lights are lights located at intersections on major streets and along the rear of properties that abut major streets. All other lights are designated as Street Lights. The following table provides a summary of the safety light and street light inventory within the City at the time this Report was prepared. Detailed maps identifying the location and extent of the District's Safety Lights and Street Lights are on file in the Office of Public Works, and by reference these documents are made part of this Report.

Type of Light	Number of Lights
Safety Light	428
Street Light	4,240
Total District Lights	4,668
Decorative Light ⁽¹⁾	92
Total City Lights	4,760

- ⁽¹⁾ The 92 decorative lights shown above are contained within a single residential development and these lights are funded by a separate revenue source levied on those parcels. Therefore these lights are not included as part of the District's improvements, budget or assessments. Parcels within this residential development are included in the "Safety Light Only" zone

PART II — METHOD OF APPORTIONMENT

Based on the provisions of the 1972 Act and the California Constitution, this section of the Report summarizes the benefits associated with the District's safety and street light improvements and services to be provided by the District; the resulting District structure (zones of benefit); and the formulas used to calculate each parcel's proportional special benefit assessment obligation based on the entirety of the cost of providing the various improvements (method of assessment).

Benefit Analysis

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include but are not limited to the construction, maintenance, operation, and servicing of public street lighting improvements and appurtenant facilities.

The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as:

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";

Article XIID Section 2i defines Special Benefit as:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIID Section 4a defines proportional special benefit assessments as:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from the maintenance, serving and operation of either safety lights locate throughout the District or both safety lights and local street lights and these improvements will be funded in part by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as

compared to other properties that receive such special benefits as outlined in the preceding definitions established in the 1972 Act and the California Constitution.

To identify and determine the proportional special benefit to each parcel within the District, as well as any general benefit associated with the improvements, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The District's improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District and is consistent with the method of apportion previously established for the assessments as part of CSA-1.

While the California Constitution requires that *"The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement..."*; it is reasonable to conclude that the reasons for installing street lights are somewhat different than the reasons for installing safety lights and therefore the benefits associated with street lights and safety lights are different which also suggests that the apportionment of the cost to provide those improvements would be different.

As previously noted, Safety Lights are lights located at intersections on major streets and along the rear of properties that abut major streets. As such, it is evident that these lights are installed in part for the purpose of providing nighttime traffic illumination and circulation and are not entirely the result of specific property development, although the location and extent of these lights are most certainly driven by development of properties in the area which in turn increases traffic circulation and therefore facilitates the need for safety lights. Therefore, while the need for such lights is most often facilitated by development in the area and certainly a special benefit to properties within the District, because safety lights promote nighttime traffic illumination and circulation for the general public as well as for properties in the District, these lights obviously provide some measure of benefit to the community as a whole and to the public at large (general benefit). However, in reviewing the overall extent and location of the Safety Lights, it has been determined that about 47% of these lights are located on major streets that are considered through-traffic corridors, namely Bradshaw Road, Folsom Boulevard and Sunrise Boulevard. The remaining Safety Lights are located on major streets and intersections that are considered internal City traffic routes primarily providing access to the parcels in the District. Therefore it would be reasonable and conservative to assume that no more than 25% of the total maintenance and operation (O&M) costs of providing Safety Lights would be considered general benefit.

In reviewing the location and extent of the City's Street Light improvements and the relationship these improvements have to properties within the District, it has been determined that these lights are entirely local light improvements that were installed in connection with the development of nearby properties or were a precursor to property development and would otherwise not be necessary or required. As such, these local street light improvements have a direct and particular relationship to, and provide special benefit to, the properties located in close proximity to those street lighting improvements and serve as extension of those properties and developments into the public areas (streets) that serve those properties. These lights clearly provide special benefits that affect these properties in a way that is particular and distinct from its effect on other parcels, and that real property in general and the public at large do not share. This is most evident in the fact that the Street Lights are concentrated within the City's various residential developments and developed non-residential areas and the absence of such lights within many portions of the District. Therefore, since certain areas of the City forgo the need of local street lighting, the maintenance costs associated with local street lighting is not

considered to be a general benefit. It is reasonable to conclude that the District's Street Lights are solely a special benefit to those properties and developments in close proximity to those lights. However, these lights are not exclusive or typically isolated to a particular parcel, but are rather shared and directly affect entire neighborhoods or groups of parcels. In this District, it has been determined that each parcel that is assessed for Street Lights is at least within two-hundred feet of a street light although that light may be located across the street from the parcel.

Zones of Benefit

In order to calculate and identify the proportional special benefit received by each parcel and their proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District

Article XIID Section 4a reads in part:

"...The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District will be established with benefit zones ("Zones") as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

Therefore, in order to separate general benefits from special benefits and to ensure each parcel is assessed for only the special benefits received from the improvements two benefit zones have been established and every parcel in the City is grouped into one of these two Zones:

- **Safety Lights Only Zone:** Includes all parcels that receive special benefits from the maintenance of Safety Lights only which includes lights located at intersections on major streets and along the rear of properties that abut major streets.
- **Street Lights and Safety Lights:** Includes all remaining parcels within the City that specially benefit from maintenance of Street Lighting (local lights) as well as Safety Lights.

The District Budget, incorporated herein under Part III of this Report, provides a summary of the total estimated cost of providing the street light improvements and the allocation of those costs that are considered general benefit. Details regarding the location and extent of the street lighting improvements within the District and the Zones therein are on file in the Office of Public Works Services Department and by reference these documents are made part of this Report. A diagram showing the exterior boundaries of the District and the two Zones therein is attached and incorporated herein under Part IV (District Diagram) of this Report.

Assessment Methodology

In order to calculate and identify the proportional special benefit received by each parcel and their proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District

Article XIID Section 4a reads in part:

"...The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Safety Lights and Street Lights, like most public improvements, provides varying degrees of benefit (whether they be general or special) based largely on the extent of such improvements, the location of the improvements in relationship to the properties, the specific use of each property, and the reason or need for such improvements as it relates to individual properties. In this District these issues are each considered in determining the proportional special benefit to each parcel by the use of benefit zones, the separation of general benefit and special benefit, and County land use designations.

Safety Lights

Safety Lights are located throughout the District and properties throughout the City are considered to benefit proportionally from Safety Lights and are therefore levied a flat rate calculated by the following formula.

$$\text{Net Safety Light Cost} / \text{Total Assessable Parcels} = \text{Levy per Parcel}$$

Street Lights

Only properties that benefit from Street Lights are charged for Street Lights. Parcels are classified based on land use into two categories; Residential and Non-Residential. Residential parcels that have street lights are levied equally. Non-Residential are levied on a front footage basis. Formulas for both Non-Residential and Residential parcels are illustrated below.

Residential Parcels

$$\text{Net Residential Street Light Cost} / \text{Residential Parcels} = \text{Levy per Residential Unit}$$

Non-Residential Parcels

$$\text{Net Non-Residential Street Light Cost} / \text{Non-Residential Front Footage} = \text{Levy per Non-Residential Front Foot}$$

$$\text{Levy per Non-Residential Front Foot} \times \text{Non-Residential Parcel Front Footage} = \text{Levy per Parcel}$$

Exempt

Excepted from the assessment would be the areas of public streets and other roadways (typically not assigned an APN by the County), dedicated public easements, open space areas and rights-of-ways including public greenbelts and parkways. Also excepted from assessment would be utility rights-of-ways, common areas (such as in condominium complexes), landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed. These types of parcels do not benefit from the improvements.

The land use classification for each parcel has been based on the Sacramento County Assessor's Roll.

Rates

The following Table shows the assessment rates proposed to be levied in Fiscal Year 2012/2013. It is important to note that these rates are the same rates applied under CSA 1 and have not increased since the passage of Proposition 218 in 1996.

Proposed Fiscal Year 2012/2013 Assessment Rates

Improvement Type	Proposed Rates
Safety Lights	\$2.56 per parcel
Street Lights (Residential)	\$15.32 per parcel
Street Lights (Non-Residential) *	\$0.2519 per front foot

* Non-Residential parcels include commercial and multi-family properties

The following Table provides a summary of the estimated total assessments to be levied in Fiscal Year 2012/2013.

Benefit Classifications	Applied Rates	Parcels	Applied Front Footage	Total Estimated Revenue
Safety Light Only	\$2.56 per Parcel	7,366	N/A	\$ 18,857
Street and Safety Light (Residential)	\$2.56 + \$15.32 per Parcel	10,020	N/A	\$ 179,158
Street and Safety Light (Non-Residential)	\$2.56 per parcel + \$0.2519 per front foot	3,416	595,507.50	\$ 158,753
Totals		20,802		\$ 356,768

PART III — DISTRICT BUDGET

District Budget

The following budget outlines the estimated costs to maintain the improvements and the anticipated expenditures for fiscal year 2012/2013.

Description	Total Budget	Safety Lights	Street Lights
Annual Maintenance & Operation (O&M)			
Electrical Costs	\$ 189,448	\$ 43,484	\$ 145,964
Maintenance Costs	143,892	16,692	127,200
Total Annual O&M Expenses	\$ 333,340	\$ 60,176	\$ 273,164
Annual Administrative Expenses			
District Administration	\$ 18,920	\$ 2,824	\$ 16,096
County Fees	520	184	336
Miscellaneous Administration Expenses	1,000	149	851
Total Annual Administration Expenses	\$ 20,440	\$ 3,157	\$ 17,283
Additional Operating Expenses			
Repairs/Replacements & Capital Expenditures	\$ 70,000	\$ 6,300	\$ 63,700
Reserve Fund Collection	-	-	-
Total Additional Operating Expense	\$ 70,000	\$ 6,300	\$ 63,700
TOTAL DISTRICT EXPENSES	\$ 423,780	\$ 69,633	\$ 354,147
Contributions/Adjustments			
Reserve Fund Transfer	\$ -	\$ -	\$ -
General Benefit Contribution	(15,044)	(15,044)	-
Other Revenue Contributions	(51,968)	(1,336)	(50,632)
Total Contributions/Adjustments	\$ (67,012)	\$ (16,380)	\$ (50,632)
NET ASSESSMENT BUDGET	\$ 356,768	\$ 53,253	\$ 303,515
(Balance to Levy)			
District Statistics			
Total Parcels	21,115	21,115	13,436
Parcels Levied	20,802	20,802	13,436
Front Footage	-	N/A	595,507.50
Per Parcel Rate (As Applicable)	-	\$2.56	\$15.32
Per Front Foot Rate (As Applicable)	-	N/A	\$0.2519

Description of District Budget

Annual Maintenance & Operation (O&M) — Includes the regular annual costs of maintaining and servicing lighting improvements. This may include, but is not limited to, the costs for labor, utilities, equipment, supplies, nor repairs, and replacements and upgrades of fixtures that are required to properly maintain the items that provide a direct benefit to the District.

- **Electrical Costs** — Includes the cost of providing electricity to the lights. Additionally, some lights may be maintained by the Sacramento Municipal Utility District ("SMUD") and the cost for maintenance of these lights is included as part of the utility bill for those lights.
- **Maintenance Costs** — Includes the contract labor associated with the maintenance of the lights and the cost of the preparing and maintaining the light inventory. This cost is based on an estimated annual cost of \$30.00 per street light and \$39.00 per safety light.

Annual Administrative Expenses — Includes the indirect costs not included above that are necessary to properly maintain the District on an annual basis.

- **District Administration** — Includes the estimated cost to coordinate District services including responding to property owner inquiries relating to the assessments and services and contracting with professionals to provide administration, legal, and engineering services to the District that are required on an annual basis. This also includes the costs for the City to account for the funds, calculate the assessments, prepare the annual Report, and place the assessment on the property tax bills.
- **County Fees** — Includes the cost or a portion of the costs that the County charges to place the assessments onto the Sacramento County Secured Tax Roll.
- **Miscellaneous Administration Expenses** — Includes other minor administrative costs such as telephone, copying, noticing, mailing, office supplies and fees related to District Administration.

Total O&M and Administration Expenses — This is the total of the Annual Maintenance & Operation (O&M) and Annual Administrative Expenses which are considered to be the direct costs for the regular annual maintenance, servicing and operation of the District improvements.

Additional Operating Expenses — Includes funding needs to support the improvements that are not included or considered to be costs associated with the regular annual maintenance, servicing and operation of the District improvements.

- **Repairs/Replacements & Capital Expenditures** — Includes, but is not limited to repairs that are only required periodically, repairs and replacements resulting from damage or vandalism, capital improvement expenditures to rehabilitate or upgrade the improvements, and collection of funding (installments) for future capital improvement projects. The amount collected each fiscal year is based on an estimate of current and future needs, but may be limited by available funding (assessment revenues and City contributions).
- **Reserve Fund Collection** — Includes, funds that may be collected and retained specifically to provide a cash flow reserve and/or establish a fund balance to fund unexpected expenditures or periodic expenses. The 1972 Act authorizes the collection of reserves, but limits the fund balance to an amount necessary to meet the required expenditures of the District from the period of July 1 (the beginning of the Fiscal Year) through the time the City receives the first

installment of assessment revenues collected from the property tax bills and provided by the County (typically January or February)

Contributions/Adjustments — Represents funding from sources other than assessments to support the annual costs budgeted for the maintenance, servicing and operation of the District improvements.

- Reserve Fund Transfer – Funding transferred from the Reserve Fund or assessment surplus (if available) to offset a portion of the Total Expenses budgeted.
- General Benefit Contribution — Funding from the City utilizing revenue sources other than assessment revenues to pay the proportional costs for the regular annual maintenance, servicing and operation of the District improvements that have been determined to be of General Benefit and which cannot be included as part of the annual assessments. This City funding may be from the City's General Fund or any other funding source available to the City.
- Other Revenue Contribution – Additional funds designated for use by the District that are not District assessments. Often referred to as a City Contribution, these funds may be from any source available to the City to support the District and reduce the amount to be collected by the District assessments ("Net Assessment Budget"). If the Total District Expenses minus any Reserve Fund Transfer and General Benefit Contribution results in an amount greater than the amount that can be collected through the assessments, the City would either have to reduce expenses or contribute funds to balance the budget.

Net Assessment Budget (Balances to Levy) —Represents the total amount proposed to be levied and collected as assessments on the property tax rolls for the fiscal year.

PART V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Sacramento County Assessor's Office. A listing of the Assessor's Parcel Numbers (APNs) to be assessed within this District, along with the corresponding Assessment Amount to be levied for fiscal year 2012/2013 is provided in the following. If any APN submitted for collection of the assessments is identified by the County Auditor/Controller of the County of Sacramento to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the City Council.

ATTACHMENT 3

CITY OF RANCHO CORDOVA

RESOLUTION NO. 30-2012

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
DECLARING ITS INTENTION TO FORM THE RANCHO CORDOVA LIGHTING DISTRICT
NO. 2012-1 AND TO LEVY AND COLLECT ASSESSMENTS THEREIN**

WHEREAS, the City Council (the "City Council") of the City of Rancho Cordova (the "City") pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "1972 Act") did by previous Resolution, initiate proceedings for the formation of an assessment district within the City of Rancho Cordova to be designated as the "Rancho Cordova Lighting District No. 2012-1" (the "District"); and to continue the levy and collection of annual assessments to pay for the operation, maintenance, and servicing of safety and street lighting and appurtenant facilities related thereto, that had previously been levied and collected by the County of Sacramento (the "County") as part of County Service Area No. 1, Zone 2 for the maintenance and operation of such improvements; and

WHEREAS, once the District is formed, the parcels within the District will be detached from Zone 2 of County Service Area No. 1, and the available fund balances and assessment revenues previously collected by the County will be transferred to the newly formed District; and

WHEREAS, the Engineer selected by the City has prepared and filed an Engineer's Report with the City Clerk in connection with the proposed District, and the levy of assessments commencing with Fiscal Year 2012-2013 (July 1, 2012 and ending June 30, 2013) in accordance with Chapter 1, Article 4 of the 1972 Act and the provisions of the California Constitution, Articles XIIID; and the Council did by previous Resolution preliminary approve such Report.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Council hereby declares its intention to form the District pursuant to the 1972 Act, to continue the maintenance and operation of safety and street lighting and appurtenant facilities within the City previously provided by the County of Sacramento as part of County Service Area No. 1, Zone 2, and to levy and collect special benefit assessments on parcels of land within the District that are consistent with the assessments previously established by the County, to pay for the costs and expenses associated with the operation, maintenance, repair and servicing of safety and street lighting and appurtenant facilities and expenses related thereto.

Section 3. The District improvements include the ongoing operation, administration, maintenance, servicing and incidental expenses related to the public safety and street lighting and appurtenant facilities authorized pursuant to the 1972 Act that were previously provided by the County of Sacramento as part of County Service Area No. 1, Zone 2. Said improvements include highway safety lights and street lights. Highway safety lights are those lights located at intersections, on major streets and along the rear of properties that abut major streets. Street lights are all lights not designated as highway safety lights, primarily consisting of local street

lighting. The Engineer's Report, as ordered by previous Resolution, provides a full and complete description of the improvements within the District

Section 4. The territory within Rancho Cordova Lighting District No. 2012-1 consists of all lots, parcels and subdivisions of land located and identified by the Sacramento County Assessors' Parcel Numbers attached and incorporated herein as to the Engineer's Report on file with the City Clerk's office and is available for review by any interested member of the public during normal business hours.

Section 5. The continuation of the assessments through the formation of this District is outlined in the Engineer's Report. The Report details that continuation of the assessments are necessary to provide for the annual operation, administration, services and maintenance of the improvements described in Section 3 of this Resolution. In a subsequent action, the Council will hold a Public Hearing for the formation of the District prior to approving the annual levy of assessments for the upcoming fiscal year.

Section 6. Notice is hereby given that a Public Hearing on the formation of the District and the levy and collection of assessments within the District will be held by the Council on June 18, 2012 at 5:30 pm or as soon thereafter as the matter may be heard, in the regular meeting chambers of the City Council located at 2729 Prospect Park Drive, Rancho Cordova, California. The City shall also give notice of the time and place of the Public Hearing by posting a copy of this resolution on the official bulletin board customarily used by the Council for the posting of notices and by publishing this resolution in a local newspaper pursuant to Government Code Section 6061 as outlined in the 1972 Act.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

MEMORANDUM



DATE: April 16, 2012

TO: Honorable Mayor and Council Members

FROM: Donna Silva, Finance Director

SUBJECT: RESOLUTIONS APPROVING THE CITY OF RANCHO CORDOVA'S PARTICIPATION IN THE CALIFORNIA PACE PROGRAM

RECOMMENDATION

That Council:

- a) Adopt Resolution No. 22-2012 approving Associate Membership by the City of Rancho Cordova in the California Enterprise Development Authority and authorizing and directing the execution of an Associate Membership Agreement; and
- b) Adopt Resolution No. 24-2012 authorizing the City of Rancho Cordova to join the California Property Assessed Clean Energy ("California PACE") program; authorizing the California Enterprise Development Authority ("CEDA") to conduct contractual assessment proceedings and levy contractual assessments within city boundaries; and authorizing related actions.

RESULT OF RECOMMENDED ACTION

Adoption of these resolutions will allow the City to participate in the California Property Assessed Clean Energy ("California PACE") Program, a program developed by CEDA under Assembly Bills 811 ("AB 811") and 474 ("AB 474") which provides a financing mechanism for commercial and residential properties (on a limited basis) in Rancho Cordova, at the request of a property owner, to finance the purchase and installation of energy efficient, distributed renewable energy and water conservation improvements on their properties. Under the California PACE program, a property owner may voluntarily commit to the recording of an assessment lien on his/her property which shall be repaid over time on the annual County property tax bill as an assessment line item.

ADVANCES GOALS: 5 and 6

BACKGROUND

In December 2009 the City of Rancho Cordova joined the California Statewide Communities Development Authority (CSCDA) to allow our property owners (primarily residential) to participate in the California FIRST program to finance the purchase and installation of energy efficient, distributed renewable energy improvements on their properties. The California FIRST program created a lien against the property that was

superior to any existing mortgage. The program was stalled due to the decision by the Federal Housing Finance Agency ("FHFA") to not allow Fannie Mae or Freddie Mac to purchase mortgages on the secondary market that are participating in programs such as California FIRST. Fannie Mae and Freddie Mac purchase the majority of residential mortgages and because of the position of the FHFA, the California FIRST program has not been able to finance any energy retrofit projects.

California PACE Program:

The California Association for Local Economic Development (CALED), of which the City is currently a member, created CEDA, a joint powers authority for the purpose of operating the California PACE program. The California PACE program team is being led by Figtree Energy Resource Company and includes the services of Willdan Financial and Lewis Brisbois, Bisgaard & Smith, who collectively have been offering local governments the benefit of years of experience in creating the financial solutions and strategies that have yielded measureable benefits to hundreds of local governments.

Staff was contacted recently by representatives from the California PACE program. California PACE is an innovative and cost effective program that enables primarily private commercial property owners to finance renewable energy and energy/water efficiency projects through municipal bonds which are repaid by annual tax assessments levied on the properties. Residential properties would be able to participate only if there was either no mortgage debt on the property, or the mortgage was "non-conforming", meaning not otherwise eligible for purchase by Fannie Mae or Freddie Mac under the guidelines established by the FHFA.

CEDA has taken a different approach in the development of the California PACE program by focusing its attention on the commercial property owners that can realize a huge benefit from this type of financing mechanism. Lender consent is received in advance of the debt issuance, for any commercial property with a mortgage, to ensure no issues arise regarding lien priority. This process is handled by the program administrator, on behalf of the applicant, directly with the mortgage lender, and has been successful with both large and small financial institutions. While there is a residential component to the California PACE program, only limited properties will qualify since only residential properties with either a jumbo loan or no mortgage lien can apply for the California PACE program.

The California PACE program is the first PACE program to have actually financed energy retrofit projects across multiple cities and counties in California through the sale of municipal bonds. The California PACE program sold assessment bonds in December 2011, and financed a variety of energy efficiency and renewable energy projects in 4 different jurisdictions: The Cities of Fresno, Palm Springs, Clovis and Exeter.

Under the California PACE program, a contractual assessment lien is placed on each participating property equal to the amount necessary to finance the purchase and installation of energy efficient, distributed renewable energy and water conservation improvements over a period of time, and to cover the annual costs of administering the California PACE program. The contractual assessment proceedings will be administered by CEDA in accordance with Chapter 29 of Division 7 of the Streets & Highways Code. Pursuant to Chapter 29, these assessments may be levied only with

the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied.

The contractual assessments are paid on the County property tax bill. If the owner sells the property, the repayment obligation remains an obligation of the property. Program participation is voluntary. The property taxes for properties in the City that do not choose to participate are unaffected by the program.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.
- Assessment obligation will transfer with the property upon sale.
- The property owner can choose to pay off the assessments at any time, subject to any applicable prepayment penalties.
- By virtue of regional aggregation provided by the California PACE Program, small projects, both commercial and residential, can have access to the municipal bond market, which may produce a lower borrowing cost.

The benefits to the City include:

- As in conventional assessment financing, the City is not obligated to repay the bonds issued by CEDA or to pay the assessments levied on the participating properties.
- CEDA handles all assessment administration, bond issuance and bond administration functions. A participating city can provide financing of renewable energy, energy efficiency and water efficiency improvements to property owners through the California PACE Program – thereby meeting its political and environmental goals – while committing virtually no staff time to administer the program.
- The City will receive a 2% Administrative Fee payment in any year a Rancho Cordova project is assessed for debt repayment.

The indebtedness will be issued by CEDA and secured solely by the assessment revenues from the property liens so the City's revenues and funds will not be pledged to the repayment of the bonds. All ongoing administration and coordination will be managed by CEDA. The California PACE program is not an exclusive obligation so the City retains the ability to participate in any future PACE programs that are developed.

This item was originally presented to the Council for consideration at its March 19 City Council meeting. After receiving a letter of opposition from Region Builders regarding the California PACE program, Council directed staff to research the PACE program currently being developed for the County of Sacramento by the Ygrene Energy Fund ("Ygrene") and bring the item back for consideration at its April 16th Council meeting. Staff has met with both representatives from California PACE and Ygrene to gain a better understanding the strengths and weakness of both of these programs. Additionally, we contacted Scott Whyte with Region Builders to hear their concerns and we consulted with our own bond counsel attorneys at the legal firm of Jones Hall.

Ygrene and California PACE are very similar programs in that both seek to offer financing to property owners for energy retrofit projects. They differ in the section of state law under which they are formed and operate. Ygrene operates under SB 555, an amendment to the Mello Roos act, passed by the State legislature in 2011. California PACE operates under AB 811 and AB 474 which were enacted by California Legislature in 2008 and 2009, respectively.

There seem to be a few distinct advantages to the Ygrene program under SB 555. First, Ygrene has secured private financing for the debt issuance and the proceeds are immediately available to applicants. Under the California PACE program the property owner has to wait for the administrator to gather enough participants to conduct a bond sale.

Second, the Ygrene program potentially offers a lower interest rate. The interest rate through Ygrene is known at the time of application to the program by the property owner. The interest rate through California PACE will depend upon the number of participants in each bond issuance and the market conditions at the time of issuance.

Scott Whyte, the Political Director of the Sacramento Regional Builders Exchange explained that they support having one county-wide program, which Ygrene is currently working to create through the County of Sacramento. They believe that if the City of Rancho Cordova participates in a different program it would prevent regional consistency for the local building industry and create market confusion.

The Ygrene program includes a commercial contractor program wherein commercial contractors, after satisfying certain criteria, become preferred contractors for the improvement projects financed through the program.

While there are some advantages to the Ygrene program, as described above, staff is concerned about potential disadvantages to the Ygrene program which could cause property owners to be in default of their existing mortgage(s), causing their banks to accelerate the loan, foreclose on the mortgage or exercise other permitted remedies. Both programs result in a tax lien, which is senior to any mortgage that may exist on the property. This creates potential problems since most Deeds of Trusts have a clause that the property owner may not voluntarily enter into an agreement which would result in a lien that is senior to the mortgage.

Staff's primary concern with the Ygrene program is that it does not require lender consent, which is the process the California PACE program has implemented to mitigate the lien priority issues with mortgage companies. Under California PACE the administrator obtains the written consent of the mortgage holder to place the lien on the property (which is automatically superior to the mortgage lien, since it is a "tax" lien). This guarantees that the mortgage company does not object to the PACE financing, giving approval for a senior lien, which protects the property owner from future remedial action by the mortgage holder. The Ygrene program only requires lender *notification*. Consent is *implied* if the lender does not respond to the notification within 30 days. Staff is concerned, after consultation with Chris Lynch, an attorney with Jones Hall, who actually wrote SB 555, that this may put considerable risk on the commercial property owners. According to Mr. Lynch, non-residential deeds of trust include a variety of restrictive covenants, including "due on encumbrance" and/or "additional debt"

provisions that could be triggered by the imposition of an agreement to pay special taxes and the imposition of a continuing lien to pay special taxes under SB 555 (Mr. Lynch offered an example from a transaction on which he is working in which the borrower is prohibited from “incurring, creating, assuming, allowing to exist, become or be liable in any manner with respect to any other indebtedness or monetary obligations”). Additionally he advises that the new Federal National Mortgage Association (“FNMA”) *multi-family* loan agreement (January 2011) says in Section 6.02(c)(5) “(c) Property Preservation, Borrower shall: (5) not subject the Mortgaged Property to any voluntary, elective or non-compulsory tax lien or assessment (or opt in to any voluntary, elective or non-compulsory special tax district or similar regime).” If the banks contest the lien after the 30 day notification period, property owners could still be subject to remedial action by their banks. Such action could include a demand for the immediate removal of the assessment lien, immediate payment of the mortgage in full, or foreclosure. Ygrene assures us that this won’t be the case due to the tax lien structure of their program.

Staff is concerned not only for the protection of property owner assets but for the City’s reputation as well. While the City assumes no liabilities with either PACE program, if property owners are subjected to remedial action by their banks due to their participation in a City sponsored program it would be damaging to our image and reputation. As a result, Staff feels it prudent to wait until the Ygrene program has been implemented, and is operating smoothly, with no unintended consequences for participating properties before we participate in the program.

After meeting with representatives from both programs, Staff recommends proceeding with joining CEDA and participating in the California PACE program immediately. Because of the potential benefits of the Ygrene program staff would continue to monitor their implementation and track record. If the program is successful the City can join the Ygrene program in the future if it so chooses.

The proposed resolution authorizes CEDA to accept applications from owners of property within our jurisdiction for municipal financing of the purchase and installation of energy efficient, distributed renewable energy and water conservation improvements through the California PACE program. It also authorizes CEDA to conduct assessment proceedings and levy assessments against the property of participating owners within our boundaries and authorizes miscellaneous related actions and makes certain findings and determinations required by law.

ATTACHMENTS

1. Resolution No. 22-2012 including **Exhibit A** – Associate Membership Agreement
2. Resolution No. 24-2012 including Exhibit A – Form of Resolution of Intention (ROI) to be adopted by CEDA and **Exhibit B** – AB 811 Services Agreement

ATTACHMENT 1

CITY OF RANCHO CORDOVA

RESOLUTION NO. 22-2012

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF RANCHO CORDOVA IN THE
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND AUTHORIZING AND
DIRECTING THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT**

WHEREAS, the City of Rancho Cordova, California (the "City"), is a municipal corporation, duly organized and existing under the Constitution and the laws of the State of California; and

WHEREAS, the City, upon authorization of the City Council, may pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 (the "JPA Law") enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them; and

WHEREAS, the City and other public agencies wish to jointly participate in economic development financing programs for the benefit of businesses and nonprofit entities within their jurisdictions offered by membership in the California Enterprise Development Authority (the "Authority") pursuant to an associate membership agreement and Joint Exercise of Powers Agreement Relating to the California Enterprise Development Authority (the "Agreement"); and

WHEREAS, under the JPA Law and the Agreement, the Authority is a public entity separate and apart from the parties to the Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the City or the other members of the Authority; and

WHEREAS, the form of Associate Membership Agreement (the "Associate Membership Agreement") between the City and the Authority is attached as **Exhibit A**; and

WHEREAS, there is no cost obligation associated with this Associate Membership; and

WHEREAS, the City is willing to become an Associate Member of the Authority subject to the provisions of the Associate Membership Agreement;

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the Council hereby approves as follows:

Section 1. The City Council hereby specifically finds and declares that the actions authorized hereby constitute public affairs of the City. The City Council further finds that the statements, findings and determinations of the City set forth in the preambles above are true and correct.

Section 2. The Associate Membership Agreement presented to this meeting and on file with the City Clerk is hereby approved. The Mayor of the City, the City Manager, the City Clerk and other officials of the City are each hereby authorized and directed, for and on behalf of the City, to execute and deliver the Associate Membership Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The officers and officials of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this resolution and the Associate Membership Agreement. All such actions heretofore taken by such officers and officials are hereby confirmed, ratified and approved.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

EXHIBIT A**ASSOCIATE MEMBERSHIP AGREEMENT****by and between the****CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY****and the****CITY OF RANCHO CORDOVA, CALIFORNIA**

THIS ASSOCIATE MEMBERSHIP AGREEMENT (this “Associate Membership Agreement”), dated as of March 19th, 2012 by and between CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the “Authority”) and the CITY OF RANCHO CORDOVA, CALIFORNIA, a municipal corporation, duly organized and existing under the laws of the State of California (the “City”);

WITNESSETH:

WHEREAS, the Cities of Selma, Lancaster and Eureka (individually, a “Member” and collectively, the “Members”), have entered into a Joint Powers Agreement, dated as of June 1, 2006 (the “Agreement”), establishing the Authority and prescribing its purposes and powers; and

WHEREAS, the Agreement designates the Executive Committee of the Board of Directors and the President of the California Association for Local Economic Development as the initial Board of Directors of the Authority; and

WHEREAS, the Authority has been formed for the purpose, among others, to assist for profit and nonprofit corporations and other entities to obtain financing for projects and purposes serving the public interest; and

WHEREAS, the Agreement permits any other local agency in the State of California to join the Authority as an associate member (an “Associate Member”); and

WHEREAS, the City desires to become an Associate Member of the Authority;

WHEREAS, City Council of the City has adopted a resolution approving the Associate Membership Agreement and the execution and delivery thereof;

WHEREAS, the Board of Directors of the Authority has determined that the City should become an Associate Member of the Authority;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the Authority and the City do hereby agree as follows:

Section 1. Associate Member Status. The City is hereby made an Associate Member of the Authority for all purposes of the Agreement and the Bylaws of the Authority, the provisions of which are hereby incorporated herein by reference. From and after the date of execution and delivery of this Associate Membership Agreement by the City and the Authority, the City shall be and remain an Associate Member of the Authority.

Section 2. Restrictions and Rights of Associate Members. The City shall not have the right, as an Associate Member of the Authority, to vote on any action taken by the Board of Directors or by the Voting Members of the Authority. In addition, no officer, employee or representative of the City shall have any right to become an officer or director of the Authority by virtue of the City being an Associate Member of the Authority.

Section 3. Effect of Prior Authority Actions. The City hereby agrees to be subject to and bound by all actions previously taken by the Members and the Board of Directors of the Authority to the same extent as the Members of the Authority are subject to and bound by such actions.

Section 4. No Obligations of Associate Members. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the City.

Section 5. Execution of the Agreement. Execution of this Associate Membership Agreement and the Agreement shall satisfy the requirements of the Agreement and Article XII of the Bylaws of the Authority for participation by the City in all programs and other undertakings of the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Associate Membership Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year first set forth above.

**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

By: _____
Wayne Schell, President and CEO
Board of Directors

Attest:

Gurbax Sahota, Chief Operating Officer

**CITY OF RANCHO CORDOVA,
CALIFORNIA**

By: _____
_____, Mayor
City Council

Attest:

City Clerk

ATTACHMENT 2

CITY OF RANCHO CORDOVA

RESOLUTION NO. 24-2012

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY TO JOIN THE CALIFORNIA PACE PROGRAM; AUTHORIZING
THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TO CONDUCT
CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL
ASSESSMENTS WITHIN THE TERRITORY OF THE CITY OF RANCHO CORDOVA; AND
AUTHORIZING RELATED ACTIONS**

WHEREAS, the California Enterprise Development Authority ("CEDA") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the City of Rancho Cordova (the "City"); and

WHEREAS, CEDA has established the California PACE program ("California PACE") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 et seq.) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the City desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in California PACE and to allow CEDA to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

WHEREAS, CEDA will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements; and

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by CEDA in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as **(Exhibit A)**, and the territory within which assessments may be levied for California PACE shall be coterminous with the City's official boundaries of record at the time of adoption of the ROI (the "Proposed Boundaries"); and

WHEREAS, pursuant to Chapter 29, the City authorizes CEDA to conduct assessment proceedings, levy assessments, pursue remedies in the event of delinquencies, and issue bonds or other forms of indebtedness to finance the Improvements in connection with California PACE, and thus the City will not be responsible for the conduct of any assessment proceedings, the levy of assessments or any required remedial action in the case of delinquencies, the issuance, sale or administration of the bonds or other indebtedness issued in connection with California PACE.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the Council hereby approves as follows:

Section 1. On the date hereof, the City Council hereby finds and determines that the issuance of bonds by CEDA in connection with California PACE will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the City.

Section 2. In connection with California PACE, the City hereby consents to the special assessment proceedings by CEDA pursuant to Chapter 29 on any property within the Proposed Boundaries and the issuance of Bonds under the 1915 Act; provided that.

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, voluntarily execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) The City will not be responsible for the conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with California PACE.

Section 3. Pursuant to the requirements of Chapter 29, CEDA has prepared and will update from time to time the "Program Report" for California PACE (the "Program Report"), and CEDA will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the City are hereby authorized and directed to make applications for California PACE available to all property owners who wish to finance Improvements. The following staff persons, together with any other staff designated by the City Manager from time to time, are hereby designated as the contact persons for CEDA in connection with California PACE: Michelle Mingay, Sr. Finance Analyst.

Section 5. The appropriate officials and staff of the City are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by CEDA in accordance with the Program Report to implement California PACE for Participating Property Owners.

Section 6. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act ("CEQA"), because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).

Section 7. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of CEDA.

Section 8. Services related to the formation and administration of the assessment district will be provided by CEDA at no cost to the City per the AB811 Services Agreement attached hereto as **(Exhibit B)**.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of _____, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Sander, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

EXHIBIT A

**FORM OF RESOLUTION DECLARING INTENTION TO FINANCE
INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE
ENERGY SOURCES, ENERGY EFFICIENCY AND WATER
EFFICIENCY IMPROVEMENTS**

CITY OF RANCHO CORDOVA

WHEREAS, the California Enterprise Development Authority ("CEDA") is authorized under the authority granted CEDA pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements that are permanently fixed to real property ("Authorized Improvements"); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of Rancho Cordova (the "City"); and

WHEREAS, CEDA wishes to declare its intention to establish a California PACE program ("California PACE") in the City, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the City.

NOW, THEREFORE, BE IT RESOLVED by the California Enterprise Development Authority, as follows:

Section 1. Findings. CEDA hereby finds and declares the following:

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the City.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.
- (e) A public purpose will be served by establishing a contractual assessment program, to be known as California PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the City.

Section 2. Determination of Public Interest. CEDA hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the City, within which CEDA and property owners within the City may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the City pursuant to Chapter 29.

Section 3. Identification of Authorized Improvements. CEDA hereby declares that it proposes to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 below, as that Report may be amended from time to time.

Section 4. Identification of Boundaries. Contractual assessments may be entered into by property owners located within the entire geographic territory of the City; provided, however, that CEDA shall not enter into contractual assessments to finance the installation of Authorized Improvements with the owner of any property in the City unless requested to do so first by the City.

Section 5. Proposed Financing Arrangements. Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by the Program Administrator in consultation with the California PACE financing team as on file with the Clerk. In connection with indebtedness issued under the Improvement Bond Act of 1915 that are payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by CEDA at the time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. CEDA will not advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA from, in its sole discretion, so advancing funds. The bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and at the determination of CEDA.

CEDA hereby authorizes the Program Administrator, after consultation with bond counsel and the California PACE underwriter, to provide for the issuance of bonds, notes or other forms of indebtedness permitted by Chapter 29 payable from contractual assessments.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Public Hearing. Pursuant to the Act, CEDA hereby orders that a public hearing be held before this Board, at [REDACTED], on [REDACTED], 20[REDACTED] at [REDACTED], for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 below shall be summarized and the Commission shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed contractual assessment program, the extent of the area proposed to be included within the program, the terms and conditions of the draft Contract described in Section 8 below, or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Board hereby orders the Clerk to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. Notice to Water and Electric Providers. Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the City to all water and electric providers within the boundaries of the City has been provided.

Section 8. Report. The Commission hereby directs the Program Administrator for California PACE to prepare and file with the Commission a report (the "Report") at or before the time of the public hearing described in Section 6 above containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.
- b) A draft contract (the "Contract") specifying the terms and conditions of the agreement between CEDA and a property owner within the City.
- c) A statement of CEDA's policies concerning contractual assessments including all of the following:
 - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
 - (2) Identification of CEDA official authorized to enter into contractual assessments on behalf of CEDA.
 - (3) A maximum aggregate dollar amount of contractual assessments in the City.
 - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall

include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment(ii) shall provide for any reserve fund or funds and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and CEDA.

- e) A report on the results of the consultations with the County Auditor-Controller described in Section 10 below concerning the additional fees, if any, that will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property, and a plan for financing the payment of those fees.

Section 9. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 10. Consultations with County Auditor-Controller. CEDA hereby directs the Program Administrator to enter into consultations with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

Section 11. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator (or his/her designee) as the responsible party for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

Section 12. Procedures for Responding to Inquiries. The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 13. Professionals Appointed. CEDA hereby appoints [REDACTED], A Professional Law Corporation, [REDACTED], [REDACTED], as bond counsel and disclosure counsel to CEDA in connection with California PACE. The Commission hereby authorizes and directs an Authorized Signatory of CEDA (as determined from time to time by the Commission by separate resolution) to enter into appropriate agreements with such firm for its services to CEDA in connection with the matters addressed in this Resolution.

Section 14. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Enterprise Development Authority this
_____, 20____.

I, the undersigned, the duly appointed, and qualified member of the Commission of the California Enterprise Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on _____, 20____.

By: _____
Member



EXHIBIT B



AB 811 SERVICES AGREEMENT

The California Enterprise Development Authority (CEDA) has contracted with the firm of FIGtree Energy Resource Company (**FIGtree**) to provide AB 811 formation and administration services to participating member agencies.

SCOPE OF SERVICES (No Cost Services)

California Property Assessed Clean Energy (California PACE) Program

FIGtree will provide CEDA and the City of Rancho Cordova (the “City”) formation and administration services in connection with the California PACE program. These services will be provided at no cost to the City. These services include, but are not limited to the following:

EXPERT RESOURCE. First and foremost, **FIGtree** will act as the “expert resource” for the City and is available to answer questions and advise the City on particular issues involving energy districts(s) established per California Streets and Highways Code beginning with Sections 5898.10 (originally approved under Assembly Bill 811 – AB811).

DATA COLLECTION. **FIGtree** will gather and review data pertinent to the formation of the Property Assessed Clean Energy (California PACE) District. **FIGtree** will maintain and periodically update a database of all parcels within the district and relevant parcel information.

ANNUAL ASSESSMENT ROLL. **FIGtree** will calculate the annual assessment for each parcel and submit the amount for each parcel to the County Auditor/Controller in the format and medium required.

FORMATION PACE REPORT. **FIGtree** will prepare the energy district formation Report as required by Section 5898.22 of the California Streets and Highway Code.

RESOLUTIONS. **FIGtree** will prepare the required resolutions to be adopted by the City.

UTILITY NOTICES. **FIGtree** will prepare and send the required notices that must be transmitted to the local utility companies.

ANNUAL REPORT. **FIGtree** will provide a comprehensive Annual Report that will show a detailed listing of the amounts submitted to the assessment roll, details of delinquent assessments, paid off parcels and release of liens.

Additional Services

The team at **FIGtree** is readily available to assist the City in its endeavors to promote PACE financing to its property owners. **FIGtree** can assist from organizing workshops to property owners and contractors to preparing marketing materials.



EXHIBIT B



In the event that City would like to engage **FIGtree** to perform additional services above and beyond the no cost Scope of Services, the additional services authorized by the City will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Executive	\$ 270
Senior Consultant	225
Analyst	125
Clerical/Support	55

ANNUAL ASSESSMENT COST RECOVERY

In order to be able to provide AB811 services to the City at no cost, revenues will be derived under the California PACE program from multiple sources. One such source is the Annual Assessment Cost Recovery (the “Cost Recovery”).

The Cost Recovery is the revenue collected annually on the property tax rolls in the amount of five percent (5%) of the annual assessment amount due by the property owner. The City Agrees to have Cost Recovery collected on an annual basis and apportioned to the following parties as follows:

COST RECOVERY SCHEDULE:

Participating Agency	5% Cost Recovery
CEDA	0.75%
City	2.00%
FIGtree	2.25%

FIGtree Energy Resource Company

City Of Rancho Cordova

Mahesh Shah

CEO []
Title Date

Title []
Date



CALIFORNIA BUSINESS PROPERTIES ASSOCIATION

1121 L Street, Suite 809 • Sacramento, CA 95814 • Phone (916) 443-4676 • Fax (916) 443-0938 • www.cbpa.com

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The Honorable Mayor David Sander and Members of the Rancho Cordova City Council
Rancho Cordova City Hall
2729 Prospect Park Drive
Rancho Cordova CA 9567

Dear Mayor Sander and Council members,

California Business Property Association is a statewide commercial, industrial and retail real estate organization representing over 11,000 members. We serve as the California legislative and regulatory advocate for individual companies as well as the International Council of Shopping Centers (ICSC), the California Chapters of the Commercial Real Estate Development Association (NAIOP), the Building Owners and Managers Association (BOMA) California, the Institute of Real Estate Management (IREM), the California Downtown Association (CDA), the Retail Industry Leaders Association (RILA), ACRE of Northern California and ACRE of South California.

CBPA actively supports programs that encourage innovative and cost effective energy efficiency programs in the commercial real estate industry. As an organization we have specifically been very supportive commercial Property Assessed Clean Energy (PACE) financing programs at the federal, state and local levels. We endorse a PACE program you currently have under consideration administered by FIGtree Energy Resources in conjunction with ConSol, Inc.

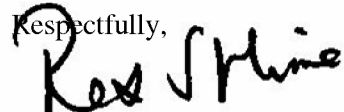
FIGtree Energy Resource Company specializes in the development and administration of PACE programs for California municipalities and we are familiar with them through our work with economic development interests. FIGtree administers the California PACE program on behalf of dozens of California cities and counties. FIGtree provides borrowers access to energy saving capital through various funding sources delivering the most cost effective financing possible.

We have worked directly with ConSol on a number of issues throughout the last decade and have always been impressed by their technical expertise and professionalism. ConSol has been providing energy solutions for builders, government agencies, utilities, trade associations and developers since 1983. ConSol provides complete and integrated Asset Management, including Resource Efficiency, services for commercial, retail and industrial facility owners and managers. Resource efficiency services include energy audits to improve its performance and reduce operating costs by identifying and determining cost-effective energy and water saving measures.

We urge the City of Rancho Cordova to adopt the FIGtree administered California PACE program. We also support the concept that if other PACE programs are available then those programs should be also considered since this will provide property owners with multiple viable financing alternatives. Competition is always good and provides choices for the consumer.

Again, CBPA supports the FIGTree/ConSol commercial PACE program and recommends your adoption of their program.

Respectfully,


Rex S. Hime, President & CEO



**California Building
Industry Association**

1215 K Street
Suite 1200
Sacramento, CA 95814
916/443-7933
fax 916/443-1960
www.cbiam.org

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Walnut Creek

Home Builders
Association of
Tulare & Kings Counties
Visalia

North State Building
Industry Association
Roseville

April 12, 2012

Mayor David Sander and Council Members
Rancho Cordova City Hall
2729 Prospect Park Drive
Rancho Cordova, CA 95670

The California Building Industry Association is a statewide trade association representing 5,000 member-companies involved in new and existing residential and light-commercial construction. Our organization has been active for many years in providing delivering energy efficient buildings and we fully support programs that encourage innovative and cost-effective energy efficiency in our industry.

As an organization we are very supportive of the California PACE financing program. This program is administered by FIGtree Energy Resources in conjunction with ConSol. The financial expertise of FIGtree Energy Resources and energy efficiency auditing and program management expertise of ConSol provides a very strong partnership that enables their program to implement commercial energy retrofit programs in jurisdictions throughout California.

FIGtree Energy Resource Company specializes in the development and administration of PACE programs for California municipalities. FIGtree is the administrator of the California PACE program on behalf of dozens of California cities and counties. In the market for energy efficiency financing, FIGtree has a track record of successfully funding projects through a "full service" and "free market" approach to PACE. FIGtree provides borrowers, such as our CBIA members, access to energy saving capital through various funding sources delivering the most cost effective financing possible.

ConSol has been in the energy efficiency consulting and management business since 1983 and have provided to our members' cost effective, practical and implementable energy solutions. ConSol provides a number of services including energy and green code compliance, energy rating and inspection services, integrated asset management, and resource efficiency services for residential, commercial, retail and industrial building owners and managers. Resource efficiency services include energy audits to improve its performance and reduce operating costs by identifying and determining cost-effective energy and water saving measures.

CBIA has had a long standing and successful relationship with ConSol that dates back to the early-1980's. For that matter, ConSol has served as the primary energy advisor and consultant to CBIA on each of the ten updates to our state energy efficiency building standards for each of the ten update that have been made to that code over the past three decades. In addition, ConSol has served as industry's primary source for training and education on California's Energy Code and Green Building Code.

CBIA fully supports the FIGTree California PACE program and recommends your adoption of their program.

Sincerely,

Robert E. Raymer, PE
Senior Engineer/Technical Director

Mindy Cuppy

From: Donna Silva
Sent: Monday, April 16, 2012 5:08 PM
To: Mindy Cuppy
Subject: FW: Region Builders- Council Item 10.1- California PACE Program

Donna Silva

Finance Director
 City of Rancho Cordova
 2729 Prospect Park Drive
 Rancho Cordova, CA 95670

From: Scott Whyte [<mailto:scott@regionbuilders.com>]
Sent: Monday, April 16, 2012 10:45 AM
To: David Sander; Dan Skoglund; Linda Budge; Robert McGarvey; Ken Cooley
Cc: Donna Silva; Ted Gaebler
Subject: Region Builders- Council Item 10.1- California PACE Program

Honorable Mayor Sander and Council,

Region Builders, a building industry coalition founded by the Sacramento Builders Exchange, is neutral on the staff recommendation for Council Item 10.1 regarding the California PACE Program. Our Organization supports PACE (property assessed clean energy) financing, and see it as being beneficial for the City to enter into either of the two programs before you. However, we would like to request that the City re-visit this issue once the County of Sacramento establishes a County-Wide Financing District this summer, in which incorporated Cities like Rancho Cordova can opt-in at no cost. Regional consistency and planning will benefit all interested parties, most importantly the City of Rancho Cordova.

We would also like to thank staff for their time and outreach throughout this process.

Thank you for your time and consideration.

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Sincerely,

Scott Whyte
 Political Director
 Sacramento Regional Builders
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