

**Exhibit A**  
**McClellan Park**  
**Community Facilities District No. 2004-1**  
**County of Sacramento**  
**Sacramento, California**

**RATE, METHOD OF APPORTIONMENT, AND MANNER OF  
COLLECTION OF SPECIAL TAX**

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**1. Basis of Special Tax Levy**

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to the land in McClellan Park Community Facilities District No. 2004-1 (CFD) of the County of Sacramento (County) shall be levied and collected according to the tax liability determined by the County through the application of the appropriate amount or rate, as described below.

**2. Definitions**

**“Acre(age)”** means the total acreage of a total Taxable Parcel as shown on Assessor’s Parcel Maps or as otherwise calculated by the Administrator.

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

**“Administrative Expenses”** means the following actual or reasonably estimated costs directly related to the administration of the CFD: the costs of computing Special Taxes and preparing the annual Special Tax collection schedules; the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture; the costs to the County, CFD or any designee thereof of complying with arbitrage rebate requirements; the costs to the County, CFD or any designee thereof of complying with County, CFD or obligated persons disclosure requirements associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the County, CFD or any designee thereof related to an appeal of the Special Tax; and the costs associated with the release of funds from an escrow account, if any.

Administrative Expenses shall also include amounts estimated or advanced by the County or CFD for any other administrative purposes, including attorney’s fees and

other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes. The costs of preparing Prepayment calculations, and the processing of Prepayments, are not an Administrative Expense and will be paid by the requesting party in the form of a fee as adopted by the County.

**“Administrator”** means the Administrator of the County Public Works Agency or his/her designee.

**“Annexation Parcel”** means any Parcel that is annexed to the CFD after the CFD is formed.

**“Annual Costs”** means, for any Fiscal Year, the total of the following:

- i) Debt Service to be paid from Special Taxes collected during such Fiscal Year;
- ii) Administrative Expenses for such Fiscal Year;
- iii) The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture;
- iv) An amount equal to Special Tax delinquencies from the previous Fiscal Year and/or anticipated for the current Fiscal Year;
- v) Pay-as-you-go expenditures for Authorized Facilities to be constructed or acquired by the CFD; and
- vi) Less any earnings on the reserve fund and special tax fund that are transferred to the bond redemption fund pursuant to the Bond Indenture.

**“Assessor’s Parcel Number”** means the parcel number as recorded by the County Assessor on the equalized tax roll.

**“Authorized Facilities”** means those facilities to be financed as identified in the resolution forming the CFD.

**“Base Year”** means Fiscal Year 2004-2005.

**“Board”** means the Board of Supervisors of the County.

**“Benefit Share”** means the Maximum Annual Special Tax for a Parcel divided by the Maximum CFD Revenue.

**“Bond(s)”** means bond(s) issued by the County under the Act for the CFD.

**“Bond Indenture”** means the indenture, resolution, fiscal agent agreement, or other financing document pursuant to which the Bonds are issued.

**“Bond Proceeds”** means the net amount of Bond proceeds that are available to construct or acquire Authorized Facilities.

**“Bond Share”** means the share of Bonds assigned to a Parcel as specified in **Section 7**, Part A, Step 3.

**“Building Square Footage”** means the area of structures on a Parcel that would typically be included in the lease contract. The following area would be excluded: hallways, patios, common areas, storage, electrical closets, common area restrooms, foyers, and entry ways. Building Square Footage is designated as Certified Leased Building Space or Certified Unoccupied Leasable Building Space for a Developed Parcel by the Certificate of Use. A Developed Parcel may have Certified Leased Building Space and Certified Unoccupied Leasable Building Space assigned for structures located on the Parcel.

**“Certificate of Use”** means a certificate with respect to a Parcel, initially prepared by the owner of the Parcel, if not prepared by the owner within such time period as the Administrator deems appropriate, by the Administrator, and in any case modified by the Administrator if and to the extent the Administrator determines such modification is necessary to make the information set forth in the certificate is accurate and complete, that identifies: (a) the Assessor’s Parcel Number, (b) the tax-status (whether the Parcel is a Taxable Parcel or a Tax-Exempt Parcel), (c) the Acreage, (d) the development status (whether the Parcel is a Developed Parcel, a Partial Prepayment Parcel or an Undeveloped Parcel), (e) for each structure located on the Parcel, its status as either a New Structure or an Existing Structure, its Tax Category, its Building Square Footage, its Certified Leased Building Space, and its Certified Unoccupied Leasable Building Space and (f) for each Undeveloped Parcel, its Tax Category. A Certificate of Use will be prepared for each Parcel prior to the first Special Tax levy, and for each Annexation Parcel upon its annexation into the CFD, and modified and resubmitted each time there is a change to the Parcel that changes any of the information contained on the certificate.

**“Certified Leased Building Space”** means the Building Square Footage of a Developed Parcel shown in the Certificate of Use as being leased to a tenant, or owner-occupied, as certified in the Certificate of Use. Owner-occupied building space is treated the same as leased building space. Building Square Footage that is certified as Certified Leased Building Space may not be reclassified as Certified Unoccupied Leasable Building Space.

**“Certified Unoccupied Leasable Building Space”** means the Building Square Footage of a Developed Parcel that is available for lease, but not occupied, as certified in the Certificate of Use.

**“CFD”** means McClellan Park Community Facilities District No. 2004-1.

**“Commercial Use”** means a the actual or permitted use of a Parcel for commercial purposes including, but not limited to, general retail uses, gas stations, miscellaneous service-oriented uses (including dry cleaners and credit unions), churches, child care centers, bowling alleys, motion picture theaters, sports centers, gymnasiums, food service facilities, auto repair, auto service, and medical and dental clinics.

**“Construction Cost Escalation Factor”** means the annual inflation adjustment on March 1 of each year by the average of the 20-Cities and San Francisco Construction Cost Index as reported in the Engineering News Record for the twelve month period ending in January of the same calendar year.

**“County”** means the County of Sacramento, California.

**“Debt Service”** means the total amount of bond principal, interest, and the scheduled sinking fund payments of the Bonds for the CFD.

**“Developed Parcel”** means a Taxable Parcel with an Existing Structure(s) or New Structure(s).

**“Development Agreement”** means the development agreement recorded on December 19, 2002, in the Sacramento County Recorder’s Office, Book 20021219, Page 1149, or as amended.

**“Development Agreement Facility Cost”** means the costs of constructing public facilities required by the Development Agreement. This amount is \$40,403,715 as of the CFD formation, as adjusted annually by the Construction Cost Escalation Factor.

**“Existing Structure(s)”** means a building structure(s) on Developed Parcels that existed at the time the CFD formed.

**“Fiscal Year”** means the period starting July 1 and ending the following June 30.

**“Full Prepayment”** means the prepayment of a Parcel’s complete Special Tax obligation, as determined by following the procedures in **Section 7**.

**“Manufacturing Use”** means the actual or permitted use of a Parcel for manufacturing purposes, including, but not limited to, aircraft maintenance and repair, airfield (supporting maintenance and repair activities and other industrial park uses), composites engineering, metal casting, hydraulics repair and engineering, electrical accessories and generator repair, assembly of electric vehicles (including the conversion of gasoline or diesel powered vehicles), manufacturing processes supporting aircraft maintenance and other industrial park uses (including machine shop work, painting/depainting, and plating), and production and repair of electronic systems.

**“Maximum Annual Special Tax”** means the greatest amount of Special Tax that can be levied against a Taxable Parcel in a Fiscal Year as calculated pursuant to **Section 5**.

**“Maximum Annual Special Tax Rate”** means in the Base Year, the rate shown in **Attachment 1** and in each Fiscal Year after the Base Year, the rate shown in **Attachment 1** increased by the Tax Escalation Factor.

**“Maximum Annual Special Tax Revenue”** is the greatest amount of revenue from levying the Maximum Annual Special Tax in a Fiscal Year on a group of Parcels, such as Developed Parcels.

**“Maximum CFD Revenue”** means the total amount of Special Tax revenue from all Taxable Parcels in a given Fiscal Year.

**“New Structure(s)”** means a new building structure(s) that is built after the CFD was formed.

**“Office Use”** means the actual or permitted use of a Parcel for office and related purposes, including, but not limited to, ancillary offices, office and administration uses, and any use otherwise permitted in the BP Business Professional Land Use Zone as set forth in the Sacramento County Zoning Code, Section 225-11, Table II, as it may be amended from time to time.

**“Other Land Uses”** means actual or permitted uses that are not defined as Office, Commercial, Research and Development, Manufacturing, Warehouse, or Transitional Uses of a Parcel including, but not limited to, single family and multi-family residential land uses.

**“Outstanding Bonds”** means the total principal amount of Bonds that have been issued and not retired or defeased.

**“Parcel”** means any County Assessor's Parcel in the CFD based on the equalized tax rolls of the County as of January 1 preceding the Fiscal Year.

**“Partial Prepayment”** means a prepayment of a portion of a Parcel’s Special Tax obligation, as set forth in **Section 7**.

**“Partial Prepayment Factor”** means the factor by which the Maximum Annual Special Tax for a Partial Prepayment Parcel is multiplied to calculate an adjusted Maximum Annual Special Tax for such a Parcel. Each Partial Prepayment Factor shall be calculated according to the steps described under **Section 7** hereof.

**“Partial Prepayment Parcel”** means a Taxable Parcel for which a Partial Prepayment has been made following the procedures in **Section 7**.

**“Prepayment”** means the partial or complete fulfillment of a Parcel’s Special Tax obligation, as determined by following the procedures in **Section 7**.

**“Public Parcel”** means any Parcel that is or is intended to be publicly owned and that is normally exempt from the levy of general *ad valorem* property taxes under California law, including public streets, schools, parks, public drainage ways, public landscaping, wetlands, greenbelts, and public open space. Public Parcel also includes any Parcel for which the property interest has not been conveyed by the United States Air Force.

**“Reductions to Development Agreement Facility Cost”** means decreases to the Development Agreement Facility Cost as a result of the application of Bond Proceeds or pay-as-you-go Special Taxes, or any other source, to fund the construction or acquisition of Authorized Facilities identified in the Development Agreement. Each time an Authorized Facility identified as a Development Agreement Facility Cost is funded by Bond Proceeds, pay-as-you-go Special Taxes, or any other source, the Administrator shall reduce the Development Agreement Facility Cost by subtracting the cost, as adjusted by the Construction Cost Escalation Factor, of the funded Authorized Facility identified in the Development Agreement.

**“Remaining Development Agreement Facility Cost”** means Development Agreement Facility Cost, less Reductions to the Development Agreement Facility Costs.

**“Remaining Development Agreement Facility Cost Share”** means a share of the Development Agreement Facility Cost, less Reductions to the Development Agreement Facility Costs.

**“Research and Development Use”** means the actual or permitted use of a Parcel for research and development purposes including, but not limited to, research and development of electric vehicles, science and engineering laboratories (research, development, and testing), quality assurance work (dimensional analysis), software development and engineering, and software development.

**“Reserve Fund Requirement”** means the amount required to be held in the bond reserve fund created under the Bond Indenture.

**“Reserve Fund Share”** means the product of the amount on deposit in the reserve fund, but in any event not to exceed the required bond reserve as defined in the Bond Indenture, multiplied by the Benefit Share for a given Parcel.

**“Reuse Plan”** means the McClellan Air Force Base Final Reuse Plan and Implementation Plan.

**“Special Consideration Parcels”** means the Assessor’s Parcel Numbers list below. The Maximum Annual Special Tax is calculated for Special Consideration Parcels using **Attachment 1**.

**Assessor’s Parcel Number**

215-0310-035-0000

215-0320-005-0000

**“Special Tax(es)”** mean(s) the special tax levied under the Act in the CFD.

**“Special Tax Priority”** means a classification assigned to a Taxable Parcel which determines the order in which the Special Tax levy is applied to a Parcel. There are four tiers of Special Tax Priority listed below in order of priority.

**Tier 1**—Developed Parcels—Certified Leased Building Space

**Tier 2**—Developed Parcels—Certified Unoccupied Leasable Building Space

**Tier 3**—Developed Parcels—Other Land Uses/Transitional Uses

**Tier 4**—Undeveloped Parcels

A Developed Parcel with New or Existing Structures may be subject to one or both of the Tier 1 and Tier 2 Special Taxes. Once assigned to a Special Tax Priority, the Building Square Footage for Certified Leased Building Space of a Developed Parcel may not be placed into a lower Special Tax Priority.

**“Tax Category”** means the category of Special Tax (as shown in **Attachment 1**) assigned to a Parcel.

**“Tax Collection Schedule”** means the document prepared by the Administrator for the County Director of Finance to use in levying and collecting the Special Tax each Fiscal Year.

**“Tax Escalation Factor”** means a factor of 2 percent that will be applied annually to the Maximum Annual Special Tax Rate for a Taxable Parcel beginning the Fiscal Year following the Base Year.

**“Taxable Parcel”** means any Parcel that is not a Tax-Exempt Parcel.

**“Tax-Exempt Parcel”** means a Parcel not subject to the Special Tax, that is a:

- (i) Public Parcel,
- (ii) Parcel used solely for recreation and/or open spaces uses, including but not limited to, golf courses and common open space Parcels, or
- (iii) Parcel for which the Special Tax has been fully prepaid under **Section 7** hereof.

**“Transitional Use”** means the use of a Parcel that is not its “highest and best use” according to the land use authorized by the Reuse Plan.

**“Undeveloped Parcel”** means a Taxable Parcel that is not a Developed Parcel.

**“Unit(s)”** mean(s) the unit of measure assigned to a Parcel used to calculate the Maximum Annual Special Tax. Developed Parcels are assigned either a Building Square Footage or Acre unit of measure. Undeveloped Parcels are assigned an Acre unit of measure.

**“Warehouse Use”** means the actual or permitted use of a Parcel for warehouse and distribution purposes.

### **3. Determination of Parcels Subject to Special Tax**

The Administrator shall prepare a list of the Parcels subject to the Special Tax. The Administrator shall identify the Taxable Parcels from a list of all Parcels within the CFD boundary by excluding all Tax-Exempt Parcels.



#### 4. Termination of the Special Tax

The Special Tax will be levied and collected for as long as needed pay the Annual Costs. However, in no event shall the Special Tax be levied on any Parcel in the CFD after Fiscal Year 2059-2060.

When all Bonds, pay-as-you-go expenditures for Authorized Facilities that the County has agreed to pay and all Administrative Expenses have been paid, the Special Tax shall cease to be levied. The Administrator shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished on all Taxable Parcels. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

#### 5. Assignment of Maximum Annual Special Tax

In each Fiscal Year the Maximum Annual Special Tax will be assigned using the procedures outlined below. Each Fiscal Year following the Base Year the Maximum Annual Special Tax Rate, as shown in **Attachment 1**, should be increased by the Tax Escalation Factor.

A. Classification of Parcels. Based on the Definitions in **Section 2** above, using the Parcel records of the County Assessor's Secured Tax Roll, Certificates of Use issued for Parcels, and other County development approval records as of June 1 of each year, the Administrator shall cause the following to be done:

1. Each Parcel to be classified as a Taxable Parcel or Tax-Exempt Parcel,
2. Each Taxable Parcel to be classified as a Developed Parcel, Partial Prepayment Parcel, or an Undeveloped Parcel,
3. Identify Taxable Parcels that are to be classified as Special Consideration Parcels,
4. Each structure on each Developed Parcel to be classified as an Existing Structure or a New Structure,
5. Each Existing Structure or New Structure on a Developed Parcel to be classified as Office Use, Commercial Use, Research and Development Use, Manufacturing Use, Warehouse Use, Other Land Use, or Transitional Use,

6. Each Undeveloped Parcel to be classified as Office Use, Commercial Use, Research and Development Use, Manufacturing Use, Warehouse Use, or Other Land Use.

B. Assignment of Maximum Annual Special Tax to Developed Parcels. The Maximum Annual Special Tax for each Tax Category of Developed Parcels will be assigned by use of the following matrix and instructions below.

Except as allowed under the provisions of **Section 5.G**, the Maximum Annual Special Tax, as calculated below for a Developed Parcel, will not be reduced from the prior Fiscal Year amount. This will also be true for Taxable Parcels transitioning from Undeveloped to Developed Parcel status. The Maximum Annual Special Tax for an Undeveloped Parcel will not be reduced from a prior Fiscal Year as it transitions to Developed Parcel status.

Developed Parcels may have more than one Existing or New Structure and each structure may be assigned to a different Tax Category. Each Existing and New Structure will be assigned to only one Tax Category regardless of whether the structure contains more than one use as defined in **Section 2**. The Maximum Annual Special Tax for a Developed Parcel is the sum of the Maximum Annual Special Tax calculated for each Existing or New Structure on a Developed Parcel.

**Tier 1 Maximum Annual Special Tax** Calculate the **Tier 1 Maximum Annual Special Tax** for each Developed Parcel by multiplying the Maximum Annual Special Tax Rate of the Certified Leased Building Space for the applicable Tax Category, as shown in **Attachment 1**, by the Building Square Footage of Certified Leased Building Space for each New and/or Existing Structure located on such Parcel.

**Tier 2 Maximum Annual Special Tax** Calculate the **Tier 2 Maximum Annual Special Tax** for each Developed Parcel by multiplying the Maximum Annual Special Tax Rate of the Certified Unoccupied Leasable Building Space for the applicable Tax Category, as shown in **Attachment 1**, by the Building Square Footage of Certified Unoccupied Leasable Building Space for each New and/or Existing Structure on such Parcel.

**Tier 3 Maximum Annual Special Tax** Calculate the Maximum Annual Special Tax for Other Land Uses and Transitional Uses using the following steps.

**Other Land Uses** Calculate the **Tier 3 Maximum Annual Special Tax** for each Developed Parcel that is an Other Land Use Parcel by multiplying the Maximum Annual Special Tax Rate per Acre for the applicable Tax Category, as shown in **Attachment 1**, by the Acreage of the Parcel.

**McClellan Park CFD No. 2004-1  
Assignment of Maximum Annual Special Tax**

Tax Category	Special Tax Priority			
	Tier 1	Tier 2	Tier 3	Tier 4
<b>DEVELOPED PROPERTY</b>				
	<i>New &amp; Existing Structures</i>			
Office				
Commercial	Certified	Certified	n/a	n/a
Research & Development	Leased	Unoccupied Leasable		
Manufacturing	Bldg. Sq. Footage	Bldg. Sq. Footage		
Warehouse	[1]	[1]		
Special Consideration Parcels				
<hr/>				
	<i>New &amp; Existing Structures</i>			
Transitional Land Uses	n/a	n/a	Certified Leased & Certified Unoccupied Leasable Building Square Footage [1]	n/a
<hr/>				
Other Land Uses	n/a	n/a	Parcel Acres [2]	n/a
<hr/>				
<b>UNDEVELOPED PROPERTY</b>				
Undeveloped Parcels	n/a	n/a	n/a	Parcel Acres [2]

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- [1] Formula for assignment of maximum annual special tax equals building square footage multiplied by the applicable rate by land use category as shown in **Attachment 1**, escalated by the Tax Escalation Factor in each Fiscal Year following the Base Fiscal Year.
- [2] Formula for assignment of maximum annual special tax equals Parcel Acres multiplied by the applicable rate as shown in **Attachment 1**, escalated by the Tax Escalation Factor in each Fiscal Year following the Base Fiscal Year.

**Transitional Uses** Calculate the **Tier 3 Maximum Annual Special Tax** for Transitional Use Parcels by multiplying the Maximum Annual Special Tax Rate per Building Square Footage for the applicable Tax Category, as shown in **Attachment 1**, by the Certified Leased Building Space and the Certified Unoccupied Leasable Building Space for the Parcel.

C. Partial Prepayment Parcels. The Maximum Annual Special Tax for a Partial Prepayment Parcel is calculated by first using the steps in **Sections 5.A** and **5.B**, assuming for such purpose that the Parcel is a Developed Parcel, and further assuming, if the Parcel is in fact an Undeveloped Parcel, that it has a New Structure, to calculate the Maximum Annual Special Tax. Multiply the Maximum Annual Special Tax so calculated by the Partial Prepayment Factor for the Partial Prepayment Parcel to determine the Maximum Annual Special Tax for the Parcel.

D. Assignment of the Tier 4 Maximum Annual Special Tax to Undeveloped Parcels. Calculate the **Tier 4 Special Tax** for Undeveloped Parcels by multiplying the Maximum Annual Special Tax Rate for the applicable Tax Category, as shown in **Attachment 1**, by the Acres of a Parcel.

Except as allowed under the provisions of **Section 5.G**, the Maximum Annual Special Tax as calculated above for an Undeveloped Parcel will not be reduced from the prior Fiscal Year amount.

E. Conversion of a Tax-Exempt Parcel to a Taxable Parcel. If a Tax-Exempt Parcel is converted to a Taxable Parcel, it shall become subject to the Special Tax. The Maximum Annual Special Tax for each such Parcel shall be calculated using the steps outlined in **Section 5.A** through **D**.

F. Taxable Parcel Acquired by a Public Agency. A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the applicable Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code. An exception to this may be made, in connection with such acquisition, if a Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel, there is no net loss in Maximum CFD Revenue, and the transfer is agreed to by the Administrator.

G. Trading of Special Tax Obligation. Once the Maximum Annual Special Tax has been calculated for a Taxable Parcel, the Maximum Annual Special Tax in a subsequent Fiscal Year may not be reduced unless a trade is made with another Taxable Parcel so that there is no net loss in Maximum CFD Revenue. If, as a result of reuse or demolition, a Taxable Parcel has a calculated Maximum Annual Special Tax that is less than that

calculated in the previous Fiscal Year, the Maximum Annual Special Tax can only be reduced for the Parcel if an amount equal to or greater than the amount of reduction is shifted to another Taxable Parcel or prepaid in whole or part using the provision of **Section 7**.

The Administrator will determine whether such trading of Special Tax obligation between Developed Parcels maintains the security for the payment of Debt Service on Outstanding Bonds as a means of determining the appropriateness of such trade. The Administrator may consider certain criteria when determining the appropriateness of a Special Tax trade, such as the assessed value of the Parcels involved in the trade, and the resulting Special Tax rate per Unit.

H. Annexation Parcels. A Parcel may be annexed to the CFD after the CFD has been formed. In the event a Taxable Parcel is annexed to the CFD, the Maximum Annual Special Tax will be assigned using the Definitions in **Section 2**, and procedures shown in **Section 5**.

I. Subdivision of Special Consideration Parcels. If a Special Consideration Parcel is subdivided into two or more Parcels, the Maximum Annual Special Tax for the new Parcels is calculated using the following steps.

1. Determine the total Building Square Footage for the Special Consideration Parcel that has been subdivided.
2. Assign the Building Square Footage to each new Parcel so that there is no net loss of Building Square Footage in the assignment of Building Square Footage for the newly created Special Consideration Parcels from the original, or subdivided, Special Consideration Parcel.
3. The new Taxable Parcels created by the subdivision of a Special Consideration Parcel are classified as Special Consideration Parcels and will be taxed in the same manner as all other Special Consideration Parcels.

## **6. Setting the Annual Special Tax Levy for Taxable Parcels**

The annual Special Tax levy shall be established using the following:

- A. Compute the Annual Costs using the definition of Annual Costs in **Section 2**.
- B. Calculate the Special Tax levy for each Taxable Parcel by the following steps:
  - Step 1: Compute 100 percent of the **Tier 1 Maximum Annual Special Tax** for all Developed Parcels.

- Step 2: Compare the Annual Costs with the sum of the **Tier 1 Maximum Annual Special Tax** on Developed Parcels calculated in Step 1.
- Step 3: If the Annual Costs are less than the sum of the **Tier 1 Maximum Annual Special Tax** for all Developed Parcels, decrease proportionately the Special Tax levy for the **Tier 1 Maximum Annual Special Tax** for each Developed Parcel until the total amount thereof for all Developed Parcels equals the Annual Costs.
- Step 4: If the Annual Costs are greater than sum of the **Tier 1 Maximum Annual Special Tax** for all Developed Parcels, levy the **Tier 2 Maximum Annual Special Tax** on each Developed Parcel at 100% thereof or, if less, proportionately on each Developed Parcel such that the sum of the **Tier 1 Maximum Annual Special Tax** and the **Tier 2 Maximum Annual Special Tax** for all Developed Parcels equals the amount of Annual Costs.
- Step 5: If the Annual Costs are greater than the sum of the **Tier 1 Maximum Annual Special Tax** and the **Tier 2 Maximum Annual Special Tax** for all Developed Parcels, levy the **Tier 3 Maximum Annual Special Tax** on each Developed Parcel at 100% thereof or, if less, proportionately on each Developed Parcel such that the sum of the Special Tax for all Developed Parcels equals the amount of Annual Costs.
- Step 6: If the Annual Costs are greater than the Maximum Annual Special Tax Revenue from all Developed Parcels, levy the **Tier 4 Maximum Annual Special Tax** on each Undeveloped Parcel at 100% thereof or, if less, proportionately on each Undeveloped Parcel such that the sum of the total amount thereof for all Undeveloped Parcels plus the Maximum Annual Special Tax Revenue from all Developed Parcels equals the amount of Annual Costs.
- C. Levy on each Taxable Parcel the amount calculated above.
- D. Prepare the Tax Collection Schedule, unless an alternative method of collection has been selected pursuant to **Section 9**, and send it to the County Director of Finance requesting that it be placed on the general, secured property tax roll for the Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Director of Finance for such inclusion.

The County shall make every effort to correctly calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the Special Tax and the assignment of the Special Tax to the Parcels.

As development and subdivision of the Parcels takes place, the Administrator will maintain a file, available for public inspection, of each current County Assessor's Parcel Number within the CFD, its Maximum Annual Special Tax, and the Maximum Annual Special Tax Revenues for all Parcels. This record shall show the calculation of the Maximum Annual Special Tax assigned to each Taxable Parcel.

## 7. Prepayment of Special Tax Obligation

Landowners may partially or permanently satisfy the Special Tax obligation by a cash settlement with the County as permitted under Government Code Section 53344.

Prepayment is permitted only under the following conditions:

- The Administrator determines that the prepayment of the Special Tax obligation does not jeopardize the ability of the County to make timely payments of Debt Service on Outstanding Bonds.
- Any landowner prepaying the Special Tax obligation must pay any and all delinquent property taxes and penalties prior to prepayment.
- Prepayment should be made on or before June 1 in order to prevent the levy of Special Taxes due during the Fiscal Year beginning July 1.
- If Special Taxes have already been levied, but not collected, at the time the Prepayment is calculated, the owner of the Parcel(s) must pay the Special Taxes included on the property tax bill in addition to the Prepayment amount.

The Prepayment amount shall be established by following the steps in Part A, B, and C.

### Part A: Prepayment of Outstanding Bonds

Step A.1: Determine the Maximum Annual Special Tax for the Parcel for which the Special Tax is to be fully prepaid by following the procedures in **Section 5**. If the Parcel is an Undeveloped Parcel, the determination of the Maximum Annual Special Tax shall assume that the Parcel is a Developed Parcel with a New Structure, and the Prepayment shall be calculated using **Attachment 2**. The Maximum Annual Special Tax is determined by multiplying the Maximum Annual Special Tax Rate per Acre shown in **Attachment 2** by the Acres on the Undeveloped Parcel.

- Step A.2: Divide the Maximum Annual Special Tax from Step A.1 by the Maximum CFD Revenue to arrive at the Benefit Share for the prepaying Parcel.
- Step A.3: Determine the Bond Share for the Parcel by multiplying the Benefit Share from Step A.2 by the amount of the Outstanding Bonds. For the purpose of calculating the Bond Share, Bonds to be retired from Special Taxes that have been levied but not collected shall not be considered Outstanding Bonds.
- Step A.4: Determine the Reserve Fund Share associated with the Bond Share calculated in Step A.3 and reduce the Bond Share by the amount of the Reserve Fund Share.
- Step A.5: Add to the amount calculated in Step A.4 any fees, call premiums, and expenses incurred by the County in connection with the Prepayment calculation or the application of the proceeds of the prepayment to the call of bonds.

Part B: Prepayment of Remaining Development Agreement Facility Cost Share

- Step B.1: Determine the Remaining Development Agreement Facility Cost.
- Step B.2: Determine the Remaining Development Agreement Facility Cost Share for the prepaying Parcel by multiplying the Benefit Share from Part A, Step A.2 above by the amount calculated in Step B.1.
- Step B.3: Combine the amount from Part A Step A.5 with the amount from Part B Step B.2 to arrive at the Full Prepayment amount.

Part C: Calculate the Partial Prepayment Factor

If the Prepayment is a Partial Prepayment, then the property owner shall designate an amount which is less than the total Prepayment amount determined above for the prepaying Parcel (or group of prepaying Parcels) that results in a bond call in a whole number multiple of \$5,000. The County shall then determine the Partial Prepayment Factor by the following procedure:

- Step C.1: Subtract the amount of the Partial Prepayment from the sum of the total amount of Bonds included in the Prepayment amount calculated in Step A.4 and the Remaining Facility Cost Share calculated in B.3 above;



Step C.2: Divide the result of Step C.1 by the sum of the total amount of Bonds included in the Prepayment amount calculated in Step A.4 and the Remaining Facility Cost Share calculated in B.3; and,

Step C.3: If a Partial Prepayment had previously been made for this Parcel, add the amount of all previous Partial Prepayment by the Partial Prepayment currently calculated, and then perform the Partial Prepayment Factor calculation, beginning with Step C.1.

## **8. Appeals**

The Administrator has the authority to make necessary administrative adjustments to the Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that the amount of the Special Tax levied on a Parcel is in error may file a notice with the Administrator appealing the levy of the Special Tax as to that Parcel. The Administrator will then promptly review the appeal, and if necessary, meet with the applicant. If the Administrator verifies that the Special Tax should be modified, he or she will so recommend to the Board and if the Board concurs, the levy of the Special Tax as to that Parcel shall be corrected and, if applicable, a refund may be granted. If the Administrator determines that the Special Tax should not be modified or changed, the appeal is denied and no further action will be taken.

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

## **9. Manner of Collection**

The Special Tax will be collected in the same manner and at the same time as *ad valorem* property taxes, provided, however, that the Administrator or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary, to meet the County's financial obligations.

## **10. Records to be Maintained**

The Administrator will maintain records on each Parcel in the CFD for the purpose of accurately developing the annual Special Tax levy. The developer or property owner will prepare a Certificate of Use for every Parcel located in the CFD, and the Administrator will certify the Certificate of Use prior to the levy of the Special Tax. The Certificate of Use will be updated and reissued by the developer or property owner as changes are made to Parcels that affect the taxable status of a Parcel. Existing structures in the CFD will be redeveloped and leased, while new structures will be constructed. As structures are made available for use by tenants or owner-occupants, changes in Parcel configurations or the usable areas of the structures will be made. These changes will be documented in the Certificate of Use.

The Certificate of Use will contain the following information:

- Assessor's Parcel Number,
- Acreage of the Parcel,
- Designation of the Parcel as "Developed" or "Undeveloped,"
- Tax Category for each structure on the Parcel,
- New Construction or Existing Structure, if "Developed,"
- Total Building Square Footage of all structures on the Parcel,
- Building Square Footage of structures that are Certified Leased Building Space,
- Building Square Footage of structures that are Certified Unoccupied Leasable Building Space,
- Date of Issuance, and
- Authorized Signature.

Certificate of Uses filed with the Administrator by June 1 of each Fiscal Year will be used to set the following year Special Tax levy.

**Attachment 1**  
**County of Sacramento**  
**McClellan Park CFD No. 2004-1**  
**Maximum Annual Special Tax Rates - Base Year of FY 2004-2005**

<u>Tax Category</u>	<u>Maximum Annual Special Tax Rate [1]</u>	
	<u>New Structures</u>	<u>Existing Structures</u>
<b><u>Developed Parcels</u></b>		
	<i>per certified bldg sqft</i>	<i>per certified bldg sqft</i>
Office Use	\$0.40	\$0.30
Commercial Use	\$0.40	\$0.30
Research and Development Use	\$0.28	\$0.24
Manufacturing Use	\$0.20	\$0.16
Warehouse Use	\$0.14	\$0.12
Transitional Uses	\$0.12	\$0.10
Special Consideration Parcels [2]	n/a	\$0.27
	<i>per acre</i>	<i>per acre</i>
Other Land Uses	\$3,600	\$3,200
<b><u>Undeveloped Parcels</u></b>		
	<b>No Structures</b>	
	<i>per acre</i>	
Office Use	\$2,200	
Commercial Use	\$2,200	
Research and Development Use	\$2,000	
Manufacturing Use	\$1,750	
Warehouse Use	\$1,250	
Other Land Uses	\$1,900	

*"tax\_rates"*

[1] The Maximum Annual Special Tax Rate increases by the Tax Escalation Factor of 2% annually in each Fiscal Year following the Base Year of Fiscal Year 2004-2005.

[2] APNs 215-0310-035 and 215-0320-005 are Special Consideration Parcels at formation of the CFD.

**Attachment 2**

**County of Sacramento**

**McClellan Park CFD No. 2004-1**

**Calculation of Full or Partial Prepayment for an Undeveloped Parcel - Base Year 2004-2005 [1]**

Tax Category	Maximum Annual Special Tax Rate Per Certified Bldg Sqft (Base Year) [2]	Assumed FAR [3]	Maximum Annual Special Tax Rate Per Acre (Base Year) [4]
	<i>a</i>	<i>b</i>	<i>c=43,560*a*b</i>
Office Use	\$0.40	0.25	\$4,400
Commercial Use	\$0.40	0.25	\$4,400
Research and Development Use	\$0.28	0.33	\$4,000
Manufacturing Use	\$0.20	0.40	\$3,500
Warehouse Use	\$0.14	0.40	\$2,500

*"attachment\_2"*

[1] In order to calculate the Full or Partial Prepayment of the Special Tax obligation for a Undeveloped Parcel, the Administrator must calculate the Maximum Annual Special Tax for the Parcel assuming the Parcel has achieved Developed Parcel status. **Attachment 2** shows the calculation of the Maximum Annual Special Tax Rate per Acre for an Undeveloped Parcel for which a Prepayment is being made. The Maximum Annual Special Tax Rate is increased by the Tax Escalation Factor in each Fiscal Year after the Base Year of 2004-2005.

[2] Assumes the Maximum Annual Special Tax Rate for a New Structure.

[3] The assumed Floor-Area-Ratio (FAR) for each Tax Category issued to determine the Maximum Annual Special Tax Rate per Acre.

[4] The Maximum Annual Special Tax Rate per Acre is calculated by multiplying the Maximum Annual Special Tax Rate per Building Square Feet by the FAR and the total square feet of an acre of land (43,560). The Maximum Annual Special Tax Rate for the Base Year has been rounded to the nearest \$100. The Maximum Annual Special Tax Rate is increased by 2% in each Fiscal Year following the Base Year. This amount is multiplied by the Acres of the prepaying Parcel to determine the Developed Parcel Special Tax obligation of a prepaying Undeveloped Parcel.