



**Economic &
Planning Systems**

*Public Finance
Real Estate Economics
Regional Economics
Land Use Policy*

REVISED HEARING REPORT WOODCREEK WEST CFD No. 1

Prepared for:

City of Roseville

Prepared by:

Economic & Planning Systems, Inc.

October 5, 1999

EPS #8197

SACRAMENTO

1750 Creekside Oaks Drive, Suite 290
Sacramento, CA 95833-3647
www.epsys.com

phone: 916-649-8010
fax: 916-649-2070



BERKELEY

phone: 510-841-9190
fax: 510-841-9208

DENVER

phone: 303-623-3557
fax: 303-623-9049

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I. INTRODUCTION

BACKGROUND

Phase II of the North Roseville Specific Plan (NRSP) area encompasses approximately 492.6 acres of development located in the northwestern portion of the City Roseville. Phase II of the specific plan was approved by the City Council in May of 1999. As shown in **Map 1**, Woodcreek West is located in the southwest quadrant of the plan area and is bounded by Fiddymont Road on the west, Pleasant Grove Boulevard on the north, Junction Boulevard on the east, and Baseline Road on the south.

The Woodcreek West project will require the construction of major road, sewer, water, and drainage facilities. In addition, the development must fund contributions to the City of Roseville for the Cirby/Riverside Interchange, a city community center, and two softball fields within the plan area. The facility requirements and the timing for their construction are outlined in the development agreements between the City and the Woodcreek West landowner.

PURPOSE OF THE CFD

The Woodcreek West project has proposed the formation of the Woodcreek West Community Facilities District No. 1 (the "CFD") for the purpose of funding approximately \$15.6 million of the total \$17.3 million in backbone infrastructure required for this development.

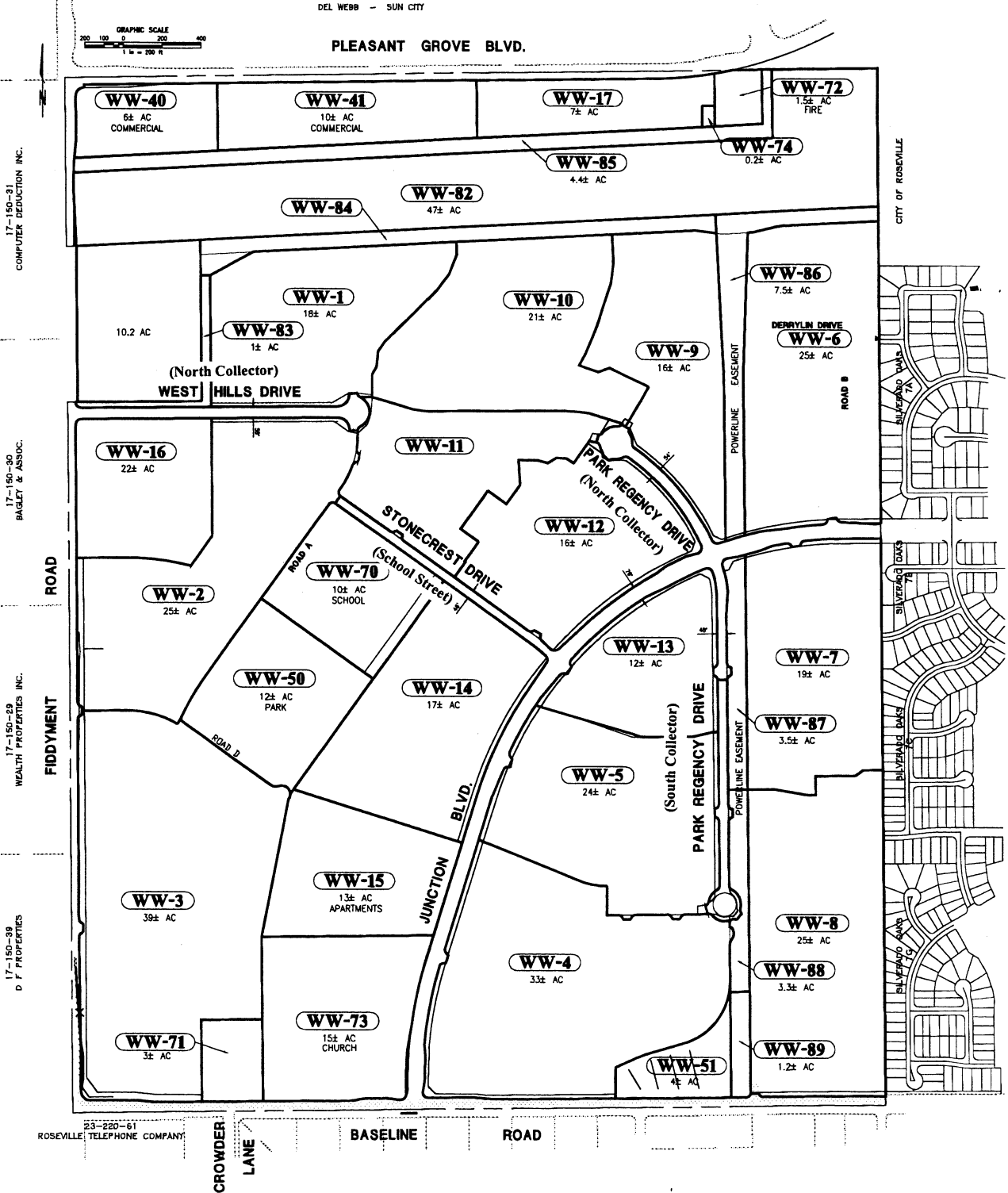
ORGANIZATION OF THE REPORT

Chapter II describes the land uses within the CFD. **Chapter III** describes the public facilities to be funded. **Chapter IV** discusses the proposed bond issue and the maximum special tax. **Chapter V** describes the structure of the CFD and the Rate and Method of Apportionment of Special Tax (also known as the Special Tax Formula).

Two exhibits are attached to this report. **Exhibit A** is the Rate, Method, and Manner of Apportionment and Manner of Collection of Special Tax (the "Tax Formula"). The maps at the end of this exhibit show the general boundaries of the CFD. **Exhibit B** is the list of eligible facilities for which the CFD may fund acquisition or construction.

NORTH ROSEVILLE SPECIFIC PLAN - PHASE 2 WOODCREEK WEST

Woodcreek West CFD No. 1



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II. LAND USE

Woodcreek West is a mixed-use community with both residential and non-residential land uses as shown in **Figure 1**. The development includes a total of 2,014 residential units on 331.1 acres including 446 high-density units and 110 high-density senior living units. Non-residential development includes a 14.9 acre church site and 15.6 acres of commercial development. The development also includes 80.1 acres of parks/open space, a 10 acre elementary school, a 1.6 acre fire station, and a 0.2 acre well site.

Figure 1
Woodcreek West CFD No. 1
Summary of Land Use

	Acres [1]	Units
Residential		
Low-Density	279.3	1,308
Medium-Density	20.3	150
High-Density	24.2	446
High-Density Sr. Living	7.5	110
Subtotal Residential	331.3	2,014
Non-Residential		
Church	14.9	
Commercial	15.6	
Subtotal Non-Residential	30.5	
Public/Other		
Park/Open Space	80.1	
Elementary School	9.2	
School Administration	3.0	
Fire Station	1.6	
Well Site	0.2	
ROW	36.3	
Subtotal Public/Other	128.8	
Total	490.6 Acres	2,014 Units
Percent Developable	74%	

[1] The acres are currently being revised and may change.

III. FACILITY COST AND COST ALLOCATION

The facility-funding program will allow development of Woodcreek West projects in a timely fashion. This chapter will describe the facilities to be financed, the cost of these facilities, and how these costs have been allocated between the major projects.

FACILITY COSTS

Over \$17.3 million in public facilities is required for the development of Woodcreek West. **Figure 2** shows the total on-site facility costs for the development as well as contributions to the City. **Figure 2** also details the proposed funding sources for these facilities. Approximately \$15.1 million will come from the Community Facilities District financing. Approximately \$317,100 of the engineering and design fees already funded by the developer will be reimbursed through special tax payments or from interest earned on the construction fund. The developer contribution to the community center will be funded by the developer by June of 2000 as required in the Development Agreement with the City. The community center is an authorized CFD funded facility and could be funded in whole or in part by excess bond proceeds. The remaining \$750,000 will come from the Placer County Water Agency (PCWA) for specific water improvements.

COMMUNITY FACILITY DISTRICT FUNDING

Roadway Facilities

Major Arterial Roads

Woodcreek West is bounded by major arterial roads on three sides of the development. These arterials include Baseline Road, Fiddymment Road, and Pleasant Grove Boulevard. In addition, Junction Boulevard is located in the middle of the Specific Plan. Arterial road improvements totaling \$4.23 million, before engineering, design fees, and contingency, will be funded through the CFD.

Collector Roads

The \$2.1 million in construction costs, before engineering, design fees, and contingency, for the interior collector roads will be funded through the CFD. The three collector roads are School Street, the north collector, and the south collector.

Signals

Two signals, one at the intersection of Baseline and Fiddymment and the second at the intersection of Baseline and Junction, will be funded through the CFD. The cost for the two signals is estimated to be \$300,000, before engineering, design fees, and contingency.

Figure 2
Woodcreek West CFD No. 1
Facility Costs and Sources and Uses of Funding

Facility	Total Cost	Proposed Funding Sources			
		Community Facilities District Financing	Gap Funded Improvements (Reimbursable or Interest Earnings)[1]	Public Sources [2]	Developer Funded [3]
On-Site Facilities					
Roadways					
Major Arterial Roads					
Baseline Road	\$551,000	\$551,000	-	-	-
Junction Blvd.	\$1,512,000	\$1,512,000	-	-	-
Fiddymont Road	\$1,352,000	\$1,352,000	-	-	-
Pleasant Grove Blvd.	\$817,000	\$817,000	-	-	-
Subtotal	\$4,232,000	\$4,232,000	-	-	-
Collector Roads					
School Street (Stonecrest Drive)	\$420,000	\$420,000	-	-	-
South Collector (Park Regency Drive)	\$800,000	\$800,000	-	-	-
North Collector (West Hills Drive and Park Regency Drive north of Junction Blvd.)	\$875,000	\$875,000	-	-	-
Subtotal	\$2,095,000	\$2,095,000	-	-	-
Signals	\$300,000	\$300,000	-	-	-
Subtotal Roadways	\$6,627,000	\$6,627,000	-	-	-
Sewer					
Force Main & Pump Station	\$846,000	\$846,000	-	-	-
Gravity Sewer	\$346,500	\$346,500	-	-	-
Subtotal Sewer	\$1,192,500	\$1,192,500	-	-	-
Water					
Water PRV Station	\$300,000	\$124,050	-	\$175,950	-
Recycled Water	\$92,000	\$92,000	-	-	-
Baseline Road	\$522,000	\$147,697	-	\$374,303	-
Junction Blvd.	\$336,000	\$336,000	-	-	-
Fiddymont Road	\$336,000	\$336,000	-	-	-
Subtotal Water	\$1,586,000	\$1,035,747	-	\$550,253	-
Dry Utilities					
Baseline Road	\$232,000	\$232,000	-	-	-
Junction Blvd.	\$448,000	\$448,000	-	-	-
Fiddymont Road	\$416,000	\$416,000	-	-	-
Pleasant Grove Blvd.	\$344,000	\$344,000	-	-	-
Subtotal Dry Utilities	\$1,440,000	\$1,440,000	-	-	-
Landscaping					
Junction Blvd.	\$200,000	\$200,000	-	-	-
Pleasant Grove Blvd.	\$125,000	\$125,000	-	-	-
Subtotal Landscaping	\$325,000	\$325,000	-	-	-
Detention					
Detention A	\$190,000	\$190,000	-	-	-
Detention B	\$70,000	\$70,000	-	-	-
Subtotal Detention	\$260,000	\$260,000	-	-	-
Engineering & Design Fees (17.5%)	\$2,000,600	\$1,590,916	\$317,100	\$92,584	-
Contingency (10%)	\$2,014,500	\$1,952,337	-	\$62,163	-
Total On-Site Facilities	\$15,445,600	\$14,423,500	\$317,100	\$705,000	-
City Facility Contributions [4]					
Community Facilities					
Cirby/Riverside Corridor	\$244,900	\$244,900	-	-	-
Community Center	\$1,201,400	-	-	-	\$1,201,400
Softball Fields	\$400,500	\$400,500	-	-	-
Total City Facility Contributions	\$1,846,800	\$645,400	-	-	\$1,201,400
Total Facilities Cost	\$17,292,400	\$15,068,900	\$317,100	\$705,000	\$1,201,400

"Sources_Uses"

- [1] Gap funded facilities will either be reimbursed from excess special tax collections after payment of debt service and City administration or through interest earnings on bond proceeds earned over the drawdown of the Construction Fund.
- [2] Assumes reimbursements from Placer County Water District based on their fair share of the 24" waterline along Baseline Road and the PRV station.
- [3] Contributions to the City Community Center will be funded by the developer per requirements of the Development Agreement (by June 2000). The Community Center contribution is an authorized CFD funded facility and may be funded in-part or whole with any excess bond proceeds.
- [4] Total requested contribution to City facilities is \$2.3 million. This amount represents Woodcreek West's share, the remaining amount is allocated to Crocker Ranch.

Sewer Facilities

Woodcreek West will connect into the regional sewer system serving the City Roseville. Sewer improvements include the installation of a force main and pump station. The cost estimate for these improvements is \$1.2 million, before engineering, design fees, and contingency, and will be funded through the CFD.

Water

Water improvements total approximately \$1.5 million in costs before engineering and design fees and contingency. Approximately \$1.04 million of the necessary water improvements will be funded through the CFD. The remaining \$550,000 in costs will be funded through reimbursements by the Placer County Water Agency to pay for their fair-share of the 24-inch waterline along Baseline Road.

Dry Utilities

Dry utility improvements for Baseline Road, Junction Boulevard, Pleasant Grove Boulevard, and Fiddymont Road will be funded through the CFD and total approximately \$1.44 million in costs before engineering, design fees, and contingency.

Landscaping and Detention Basins

The improvement costs for landscaping and the two detention basins are included in the CFD. The estimated cost for landscaping is \$325,000 and the estimated cost for the two detention basins is \$260,000 before engineering, design fees, and contingency.

Engineering, Design Fees, and Contingency

Engineering, design fees, and contingency costs have been included in the on-site facilities cost. Engineering and design fees are estimated to be \$2.0 million and a ten percent contingency is also approximately \$2.0 million. These costs will be funded through a combination of CFD bond proceeds, up-front funding by the developer to be reimbursed through excess special tax payments, and public sources as described below.

Facility Contributions to City of Roseville

Under provisions of the development agreement, the NRSP Phase II landowners are required to provide contributions for the Cirby/Riverside Corridor Study, the Mahany Park Community Center, and two community softball fields located outside the Specific Plan area.

The Woodcreek West project will contribute approximately \$1.20 million to the Mahany Park Community Center, \$244,900 for the Cirby Riverside Corridor, and \$400,500 for the softball fields. Additional contributions will also be made by the Mourier 160 Project (Crocker Ranch).

Mahany Park Community Center will be funded with cash by the developer by June of 2000. A portion of this facility may be funded through the Mello-Roos bond proceeds if monies are available after all CFD costs have been funded.

IV. PROPOSED BOND ISSUES AND MAXIMUM SPECIAL TAX

FACILITY FUNDING PROGRAM

Funding of the \$17.2 million in CFD facility costs will come from four primary sources:

- CFD Bond Proceeds and Interest Earnings;
- PCWA Water Reimbursement;
- Reimbursable Up-Front Funding (by the Developer to be Reimbursed Through Future Special Tax Collections); and
- Developer Funding.

Each of these funding sources is described below.

CFD BOND PROCEEDS

One bond issue of approximately \$17.0 million will produce an estimated \$15.1 million in proceeds to fund the construction of authorized facilities. The total bond amount will be set based on the appraisal of the CFD land uses by Bender Rosenthal. The actual amount of bond proceeds from this bond issue will be dependent upon the reserve fund requirement, the costs of issuance, and the bond interest rate. No capitalized interest is anticipated for this bond issue. The City's bond underwriter will determine the actual bond costs at the time of the bond sale. In addition to the bond proceeds, the CFD will generate interest earnings on the construction fund during the construction period. Interest earnings are expected to generate approximately \$600,000.

PUBLIC SOURCES

Approximately \$705,000 in costs will be funded through reimbursements from the Placer County Water Agency to pay for their fair-share of costs for construction of the 24-inch waterline along Baseline Road.

REIMBURSABLE UP-FRONT FUNDING

Approximately \$317,100 of up-front funding by the developer for engineering and design costs will be reimbursed through special tax collections. Reimbursements will be paid from special tax collections after the payment of annual debt service, City administrative costs, and delinquency coverage.

DEVELOPER FUNDING

The developer contribution to the City community center of approximately \$1.2 million will be made pursuant to the requirements of the Development Agreement with the City. The Development Agreement requires that the contribution be made by June 2000. The community center is an authorized CFD funded facility and the developer may choose to fund the contribution in whole or in part through excess bond proceeds if available.

CALCULATION OF MAXIMUM ANNUAL COST

Annual costs funded by special tax collections consist of several components. The first component is debt service on the bonds, which is the annual payment of interest and principal to bond holders. The second component is the annual cost of administering the CFD. Additional costs to replenish the bond reserve fund are also included in CFD annual costs. A fourth cost component provides for tax delinquencies. Provisions for delinquencies are necessary, as some taxpayers may not pay their tax bills promptly. In addition, reimbursements for up-front developer funding are also included.

The maximum annual cost for the CFD is estimated to be \$1,698,710. As shown in **Figure 3**, the estimated debt service component of this amount is estimated to be \$1,426,100. This leaves \$272,610 to cover City administrative costs, delinquency coverage, and any reimbursement for up-front gap funding by the developer. The debt service estimate assumes 25-year bonds issued at 6.75 percent interest cost. If interest rates are higher at the time of the issue, fewer bonds could be issued resulting in a lower amount of bond proceeds.

The Tax Formula is designed to provide revenue sufficient to cover the maximum annual cost in any year in which bonds are outstanding. In years when less than maximum revenues are needed, the total tax levy will be less than the maximum authorized rates.

WOODCREEK WEST CFD NO. 1 MAXIMUM SPECIAL TAXES

Figure 4 shows the maximum annual special taxes for each original parcel and how the maximum annual special taxes per parcel were calculated. Special taxes are levied on a per parcel basis and are not escalated. In the case of residential parcels, the per unit annual special tax is multiplied times the number of units assigned to each original parcel.

The annual special tax per parcel is based on a \$912 per unit for low-density residential units, \$813 per unit for medium-density residential units, and \$459 per unit for high-density residential units. Because the maximum special taxes are set on a per-parcel basis, the actual tax rate per unit will vary if the actual number of units developed on an original parcel is different than anticipated. For non-residential parcels, the annual special tax is based on \$4,222 per acre.

DESCRIPTION OF THE COMMUNITY FACILITIES DISTRICT

Parcels within the CFD will pay special taxes based upon the Rate, Method of Apportionment, and Manner of Collection of Special Tax (the "Tax Formula"). The attached exhibits contain the formation documents for CFD No. 1. **Exhibit A** contains the Tax Formula and **Exhibit B** is the list of eligible facilities to be acquired by the CFD. The purpose of the CFD is to provide funding for the acquisition of all or a portion of the eligible CFD facilities from the project developer.

Figure 3
Woodcreek West CFD No. 1
Bond Sizing and Maximum Special Taxes
Based on Preliminary Appraisal

Total Bonds	<i>Assumptions</i>	Estimated Bond Sizing
		Based on Total Backbone Infrastructure Costs [1]
Bond Proceeds		\$15,068,900
Capitalized Interest	none assumed	\$0
Bond Reserve Fund	8.4%	\$1,426,100
Issuance Cost & Discount	3.0%	\$505,000
Total Bond Size		\$17,000,000
Maximum Special Taxes		
Estimated Gross Debt Service [2]		\$1,426,100
Estimated Administration Costs	<i>assumed</i>	\$50,000
Delinquency Coverage & Gap Funding	10%	\$222,610
Estimated Maximum Special Taxes		\$1,698,710

[1] Bond sizing used to estimate maximum special taxes only. Actual amount of bonds sold will be dependent on appraised value of property and bond interest rate.

[2] Assumes interest rate of 6.75% and bond term of 25 years.

[3] The gap funding and delinquency coverage amounts are combined with to fund any reimburseable facility construction costs.

Source: EPS and Stone & Youngberg

Figure 4
Woodcreek West CFD No. 1
Maximum Special Taxes by Parcel
Based on Preliminary Appraised Value

Parcel	Land Use	Acres	Units	Annual Maximum Special Tax Rate	Annual Maximum Special Tax
WW-1	LDR	17.9	77	\$912 /unit	\$70,234
WW-2	LDR	24.2	105	\$912 /unit	\$95,774
WW-3	LDR	37.0	171	\$912 /unit	\$155,975
WW-4	LDR	31.7	131	\$912 /unit	\$119,489
WW-5	LDR	20.9	84	\$912 /unit	\$76,619
WW-6	LDR	24.1	103	\$912 /unit	\$93,950
WW-7	LDR	19.2	102	\$912 /unit	\$93,038
WW-8	LDR	24.6	117	\$912 /unit	\$106,720
WW-9	LDR	16.2	69	\$912 /unit	\$62,937
WW-10	LDR	21.1	96	\$912 /unit	\$87,565
WW-11	LDR	14.4	77	\$912 /unit	\$70,234
WW-12	LDR	17.1	114	\$912 /unit	\$103,983
WW-13	LDR	10.9	62	\$912 /unit	\$56,552
WW-14	MDR	20.3	150	\$813 /unit	\$121,919
WW-15	HDR	12.7	222	\$459 /unit	\$101,798
WW-16	HDR	11.5	224	\$459 /unit	\$102,715
WW-17	HDR/Sr/Hndcp/Disabl	7.5	110	\$459 /unit	\$50,441
WW-40 [1]	Commercial	6.0		\$4,222 /acre	\$25,331
WW-41 [1]	Commercial	9.6		\$4,222 /acre	\$40,530
WW-73 [1]	Church/School	14.9		\$4,222 /acre	\$62,906
TOTAL		361.8	2,014		\$1,698,710

"land_tax"

[1] These acre estimates are being revised and may change.

DEFINITION OF ANNUAL COSTS

Each year, the City will approve the costs of the CFD for the upcoming fiscal year. The annual costs will include the following items:

- Debt service on the Special Tax Bonds;
- Replenishment of the Bond Reserve Fund;
- Anticipated Tax Delinquencies;
- Administration of the CFD; and
- Reimbursements for eligible advanced-funded CFD facilities.

Until all reimbursable costs are funded, each parcel will be taxed at its maximum rate. After the reimbursable costs are funded, the costs funded by the levy of the special tax will be determined by adding the annual cost of the above listed items and subtracting other available revenues. The City will then apply the Tax Formula to determine the tax levy for each parcel.

DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

The City shall prepare a list of the parcels subject to the Special Tax using the records of the City of Roseville and the County Assessor. The City will tax all parcels within the CFD except tax-exempt parcels and parcels that have prepaid their special tax obligation as described in Section 7 of the Tax Formula. Taxable parcels that are acquired by a public agency after the CFD is formed will remain subject to the special tax unless a "trade" resulting in no loss of tax revenue can be made, as described in Section 5 of the Tax Formula.

TERMINATION OF THE SPECIAL TAX

The special tax will be levied and collected for as long as needed to pay the principal and interest on bond debt and other costs incurred in order to construct the authorized facilities and to pay the annual costs. However, in no event shall the special tax be levied on any parcel in the CFD after Fiscal Year 2029-30.

When all annual costs incurred by the CFD have been paid, the special tax shall cease to be levied. The City 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.

ASSIGNMENT OF MAXIMUM SPECIAL TAX

Section 5 of the Tax Formula describes in detail the precise method for assigning the maximum special tax to parcels within each CFD. The following paragraph briefly summarizes these procedures.

Each year the Administrator will use the definitions contained in the Tax Formula to classify each Parcel as tax-exempt or taxable. The Tax Formula assigns a total maximum tax to the existing Original Parcels and then reallocates the tax to Successor Parcels based on pro rata share of net developable area. If a parcel is subdivided into single-family residential lots, the maximum special tax is divided between the lots on a pro rata basis.

SETTING THE SPECIAL TAX LEVY FOR TAXABLE PARCELS

After computing the annual costs and determining the maximum annual special tax for each parcel, the City will determine the tax levy for each parcel. To determine the annual levy, the City will use the process presented in Section 6 of the Tax Formula. That process can be summarized as follows.

- First, the administrator determines the annual cost for the fiscal year as defined in the Tax Formula.
- Second, the administrator computes 100 percent of the maximum special tax revenue for all taxable parcels.
- If the maximum special tax revenue from taxable parcels exceeds the annual cost, the administrator shall decrease the special tax levy proportionately for each taxable parcel until the total special tax revenue equals the annual costs.

PREPAYMENT OF THE SPECIAL TAX OBLIGATION

Landowners may permanently satisfy all or a portion of the Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The Parcel is a whole Original Parcel greater than one acre or a Successor Parcel greater than ten acres.
- The City determines that the Prepayment of the Special Tax obligation does not jeopardize its ability to make timely payments of debt service on outstanding bonds.
- Any landowner prepaying the Special Tax obligation must pay any and all delinquent Special Taxes and penalties for the prepaying Parcel.
- Prior to the calculation of the prepayment amount, the landowner must notify the City whether such landowner intends to execute a full Prepayment or Partial Prepayment. If the landowner intends to execute a Partial Prepayment, the landowner shall further notify the City of the dollar amount of the intended Prepayment. In no event shall a Partial Prepayment be for less than twenty-five percent (25%) of the full Prepayment amount.

The prepayment amount shall be established by following the procedures described in Section 7 of the Rate and Method of Apportionment of the Special Tax. Once bonds are sold, parcels

wishing to prepay must prepay their share of outstanding bonds. Parcels wishing to prepay prior to the sale of bonds may pay the allocated amount of anticipated construction proceeds plus any costs incurred by the City in the formation of the CFD and the calculation or application of the prepayment proceeds.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as *ad valorem* property taxes. At the City's option, the special taxes may be billed directly to property owners.

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EXHIBITS:

EXHIBIT A: RATE AND METHOD OF APPORTIONMENT

EXHIBIT B: LIST OF AUTHORIZED FACILITIES



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EXHIBIT A:

RATE AND METHOD OF APPORTIONMENT

EXHIBIT A

CITY OF ROSEVILLE

WOODCREEK WEST COMMUNITY FACILITIES DISTRICT NO. 1

RATE AND METHOD OF APPORTIONMENT

1. BASIS OF SPECIAL TAX LEVY

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

2. DEFINITIONS

"**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 costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and corporate bond paying and/or fiscal agents or trustees for bonds and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the CFD as determined by the Finance Director of the City of Roseville.

"**Annual Costs**" means for each Fiscal Year for the CFD, the total of 1) Debt Service; 2) Administrative Expenses and County fees; 3) any amounts needed to replenish bond reserve funds and to pay for delinquencies in Special Taxes for the previous Fiscal Year or anticipated for the current year, and 4) any pay-as-you-go expenditures for authorized improvements; less any amounts paid to the CFD from reimbursements.

"**Annual Tax Revenues**" means the amount of Special Taxes required each Fiscal Year to pay the Annual Costs.

"**Anticipated Construction Proceeds**" means \$15,068,900 as adjusted annually after the Base Year in accordance with the Engineering News Record Building Cost Index.

"**Base Year**" means Fiscal Year ending June 30, 1999.

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

"**Bond Indenture**" means the indenture or other financing documents pursuant to which bonds are issued.

"**Bond Share**" means the Benefit Share for a Parcel multiplied by the total Outstanding Bonds.

"**Bond Year**" means the twelve (12)-month period ending on the second bond payment date of each calendar year as defined in the resolution authorizing the issuance of bonds.

"**CFD**" means the Woodcreek West Community Facilities District No. 1 of the City of Roseville.

"**City**" means the City of Roseville, California.

"**Council**" means the City Council of the City of Roseville as the legislative body for the CFD under the Act.

"**County**" means the County of Placer, California.

"**County Assessor's Parcel**" means the Parcel and Parcel number as recorded by the County Assessor on the equalized tax roll.

"**Debt Service**" means for each Fiscal Year or Bond Year, the total amount of principal and interest for any bonds of the City for the CFD during that Fiscal Year, less any applicable credits that may be available from any other sources and less any interest on reserve funds and other funds available to the City to pay principal and interest for the previous or current Fiscal Year or Bond Year. At the City's discretion, applicable credits may be used to: retire outstanding bonds, reimburse landowners for up-front funding of CFD facilities, or any other appropriate CFD funding purpose.

"**Final Subdivision Map**" means a recorded map designating the final Parcel splits for individual single-family residential Parcels. A Large-Lot Subdivision Map for single-family residentially zoned land is not considered a Final Subdivision Map for purposes of levying the Special Tax.

"**Finance Director**" means the Finance Director for the City of Roseville or his or her designee.

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

"**Full Prepayment**" means the Prepayment of a Parcel's entire Maximum Special Tax obligation prior to the termination of Special Taxes for the CFD as a whole.

"**Large-Lot Subdivision Map**" means a recorded map delineating Parcels by land use and providing an opportunity to transfer ownership of the delineated Parcels.

"**Maximum Special Tax**" means the greatest amount of Special Tax that can be levied against a Taxable Parcel in any Fiscal Year. Each time a taxable parcel is subdivided, the Maximum Special Tax will be reassigned to the Successor Parcels.

"**Maximum CFD Revenue**" means the sum of the Maximum Special Tax for all of the Taxable Parcels in the CFD.

"**NRSP**" means the North Roseville Specific Plan.

"**Original Parcel**" means a Specific Plan Parcel as it existed at the time of the adoption by the Council of the Resolution of Formation and as shown on **Attachment 1**.

"**Outstanding Bonds**" means the total principal amount of bonds that have been issued by the CFD and not retired or defeased

"**Parcel**" means any County Assessor's Parcel in the CFD based on the equalized tax rolls of the County.

"**Partial Prepayment**" means a Prepayment for less than the full portion of the Special Tax obligation for one or more Parcels.

"**Partial Prepayment Factor**" means a factor by which Maximum Special Tax Rates for a Partial Prepayment Parcel are multiplied to calculate adjusted Maximum Special Tax Rates. Each Partial Prepayment Factor shall be calculated according to the steps described under Section 7 hereof.

"**Partial Prepayment Parcel**" means a Parcel that has had a portion of its Special Tax obligation satisfied with a Prepayment under Section 7 hereof. Such Parcels shall be liable for a Special Tax Levy based on adjusted Maximum Special Tax Rates. If one or more Successor Parcels are created through the Subdivision of a Partial Prepayment Parcel, each of these Successor Parcels shall also be a Partial Prepayment Parcel. The Partial Prepayment Factor that applies to the Partial Prepayment Parcel prior to Subdivision shall apply to these Successor Parcels.

"**Prepayment**" means the full payment of Maximum Special Taxes prior to the termination of Special Taxes for the CFD as a whole.

"**Public Parcel**" means any Parcel that is (1) publicly owned, and (2) is normally exempt from the levy of general **ad valorem** property taxes under California law, including public streets; schools; parks; and public drainage ways, public landscaping, greenbelts, and public open space.

"**Remaining Facility Cost Share**" means the total Facility Cost Share for a Parcel less facility costs funded through CFD bonds or on a pay-as-you-go basis.

"**Reserve Fund**" means the total amount held in the bond reserve funds by the City for all Outstanding Bonds.

"**Reserve Fund Share**" means the lesser of (i) the reserve requirement on all Outstanding Bonds, or (ii) the Reserve Fund balance on all Outstanding Bonds, multiplied by the Benefit Share for a given Parcel.

"**Special Tax(es)**" mean(s) any tax levy under the Act in the CFD as defined by the Annual Costs and as levied pursuant to Section 6 herein.

"**Specific Plan Parcel**" means the planned Parcels by land use in Woodcreek West. The Original Parcels are all Specific Plan Parcels at the formation of the CFD as detailed on **Attachment 1** and shown on **Map 1**.

"**Subdivision**" means a group of Successor Parcels created from an Original Parcel through the Subdivision Map Act process.

"**Successor Parcel**" means a Parcel created by Subdivision, lot line adjustment, or parcel map from an Original Parcel.

"**Tax Collection Schedule**" means the document prepared by the City for the County Auditor to use in levying and collecting the Special Taxes each Fiscal Year.

"**Taxable Parcel**" means any Parcel that is not exempt from Special Taxes as defined below.

"**Tax-Exempt Parcel**" means a Parcel not subject to the Special Tax. Tax-Exempt Parcels include: (1) Public Parcels identified at the formation of the CFD or created by subdivision of an Original or Successor Parcel, and (2) any Parcel that has prepaid its Special Taxes under Section 7 hereof.

"**Total Facility Cost Share**" means the Benefit Share for a Parcel multiplied by the Anticipated Construction Proceeds for the CFD.

"**Woodcreek West**" means the Woodcreek West development in phase II of the North Roseville Specific Plan as shown in **Map 1**.

3. DETERMINATION OF PARCELS SUBJECT TO SPECIAL TAX

The Finance Director shall prepare a list of the Parcels subject to the Special Tax using the records of the County Assessor and the City's own records. The City shall identify the Taxable Parcels from a list of all Parcels within the CFD using the procedure described below.

- 1) Exclude all Tax-Exempt Parcels.
- 2) The remaining Parcels are subject to the Special Tax according to the formula detailed below.

It shall be the burden of the taxpayer to timely correct any errors in the determination of the Parcels subject to the Special Tax and their Special Tax assignments.

4. TERMINATION OF THE SPECIAL TAX

The Special Tax will be levied for as long as is needed to pay the principal and interest on debt incurred in order to construct the authorized facilities and to pay the Annual Costs. However, in no event shall the Special Tax be levied after Fiscal Year 2029-2030.

When all Annual Costs incurred by the CFD have been paid, the Special Tax shall cease to be levied. The Council shall direct the City Clerk 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. 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 SPECIAL TAXES

By August 1 of each Fiscal Year, using the Definitions from Section 2 and the Maximum Special Tax rates from **Attachment 1**, the Finance Director shall assign the Maximum Special Taxes to Taxable Parcels as follows:

Classify Each Taxable Parcel as an Original Parcel, a Successor Parcel, or a Partial Prepayment Parcel.

The assignment of the Maximum Special Tax to Taxable Parcels is as follows:

- a) Prior to Recording Large-Lot Subdivision Map – The Maximum Special Tax for a Parcel that includes more than one Specific Plan Parcel shall be determined by summing the Maximum Special Tax for each Specific Plan Parcel included in the Parcel. If portions of a Specific Plan Parcel are included in more than one Parcel, the Maximum Special Tax for the Specific Plan Parcel shall be divided between the Parcels in which it is included proportional to the land area included in each Parcel.
- b) Partial Prepayment Parcels - the Maximum Special Tax for all Partial Prepayment Parcels is assigned by multiplying the Maximum Special Tax from **Attachment 1**, or as otherwise calculated for a Successor Parcel, by the Partial Prepayment Factor for that Parcel.
- c) Original Parcel - the Maximum Special Tax for each Original Parcel is as shown on **Attachment 1**.
- d) Successor Parcel - the Maximum Special Tax for each Successor Parcel is determined as follows:
 - (i) If the Successor Parcel is the result of a single-family residential or individually-owned residential condominium Parcel Subdivision, divide the Maximum Special Tax assigned to the Original Parcel or Successor Parcel, as calculated under (c) above or (d)(ii) below, by the number of single-family residential Parcels or residential condominium units. The result of this calculation is the Maximum Special Tax for each single-family residential or residential condominium Successor Parcel within the Subdivision.
 - (ii) If the Successor Parcel is the result of a non-residential or multi-family Subdivision, or a single-family residential Subdivision that is not creating final residential lots:
 - calculate the percentage of the taxable Successor Parcel's square footage to the total square footage for all taxable Successor Parcels of that Original or Successor Parcel; then,

- multiply this percentage by the Maximum Special Tax assigned to the previous Original Parcel or Successor Parcel. The result of this calculation is the Maximum Special Tax for the new Successor Parcel.
- e) Residential Unit/Maximum Special Tax Transfer - the Maximum Special Tax assigned to a residential Parcel under (a), (b), (c), or (d) above, may be adjusted to reflect a change in the number of original residential units (as shown in **Attachment 1**) resulting from a transfer of units from one Taxable Parcel to another Taxable Parcel if:
- any decrease in one Parcel's Maximum Special Tax assignment is offset by an equal increase in the Maximum Special Tax of other Parcels to ensure that there is no net loss in the total Maximum Special Taxes; and,
 - all adjustments are agreed to in writing by the affected property owners and the Finance Director.

Such adjustment shall be made in the following manner:

- (i) Calculate the existing Maximum Special Tax per unit by dividing the Maximum Special Tax for the Parcel by the number of units assigned to that Parcel;
 - (ii) Calculate the total Maximum Special Tax being transferred by multiplying the number of units being transferred by the calculation in (i). Add the total Maximum Special Tax and number of units being transferred to the Parcel(s) receiving the transferred units and Maximum Special Tax.
 - (iii) Subtract the total Maximum Special Tax and the number of residential units being transferred, as identified in step 2), from the Parcel transferring the Maximum Special Tax and the residential units.
- e) If the assignment of Maximum Special Taxes to Successor Parcels under step d) or through a transfer of Maximum Special Tax in step e) results in unequal Maximum Special Taxes between residential Subdivisions, the revised Maximum Special Taxes may be shifted between Parcels further to accommodate a uniform Special Tax throughout the CFD. Such adjustments shall also be subject to the transfer conditions under step e) above.
- f) Conversion of a Tax-Exempt Parcel to a Taxable Parcel - if a parcel designated as a Public Parcel is not needed for public use and is converted to a private use, it shall become subject to the Special Tax. The Maximum Special Tax for each such Parcel shall be set equal to the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.
- g) Taxable Parcels Acquired by a Public Agency – A Taxable Parcel 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 if a Public Parcel within the CFD is relocated to a Taxable Parcel, the previously Tax-Exempt Parcel of comparable acreage becomes a Taxable Parcel, and the Maximum Special Tax from the previously Taxable Parcel is transferred to the newly Taxable Parcel. This trading of Parcels will be permitted to the extent that there is no net loss in Maximum CFD Revenue.

6. SETTING THE ANNUAL SPECIAL TAX LEVY

The Special Tax levy for each Taxable Parcel will be established annually as follows:

- 1) Compute the Annual Costs using the definitions in Section 2.
- 2) Calculate the Special Tax for each Parcel as follows:
 - Step 1: Compute 100% of the Maximum Special Tax revenue for all Taxable Parcels.
 - Step 2: Compare the Annual Costs with the Maximum Special Tax revenue calculated in the previous step.
 - Step 3: If the Annual Costs are less than the Maximum Special Tax revenue, decrease proportionately the Special Tax levy for each Taxable Parcel until the Special Tax revenue equals the Annual Cost.
- 3) Prepare the Tax Collection Schedule for each Parcel and send it to the County Auditor requesting that it be placed on the general, secured property tax roll for the following Fiscal Year. The Tax Collection Schedule shall not be sent later than the date required by the Auditor for such inclusion.

The City shall make every effort to correctly assign the number of taxable units and 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 tax and their Special Tax assignments.

As development and subdivision of the NRSP takes place, the Finance Director will maintain a file of each current assessor's parcel number within the CFD, its Maximum Special Tax, and the authorized Maximum Special Tax on all Parcels within the CFD available for public inspection. This record shall show the Maximum Special Tax on all Original and Successor Parcels and a brief description of the process of assigning the Special Tax each time a Successor Parcel was created, including any adjustments due to change in use. The record will also indicate whether a Parcel is a Prepayment Parcel or a Partial Prepayment Parcel.

7. PREPAYMENT OF SPECIAL TAX OBLIGATION

With a Prepayment, a landowner may satisfy all or a portion of the Special Tax obligation on any given Parcel:

Landowners may permanently satisfy all or part of the Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The Parcel is a whole Original Parcel greater than one acre or a Successor Parcel greater than ten acres.
- The City determines that the Prepayment of the Special Tax obligation does not jeopardize its ability to make timely payments of debt service on outstanding bonds.
- Any landowner prepaying the Special Tax obligation must pay any and all delinquent Special Taxes and penalties for the prepaying Parcel.
- Prior to the calculation of the prepayment amount, the landowner must notify the City whether such landowner intends to execute a full Prepayment or Partial Prepayment. If the landowner intends to execute a Partial Prepayment, the landowner shall further notify the City of the dollar amount of the intended Prepayment. In no event shall a Partial Prepayment be for less than twenty-five percent (25%) of the Full Prepayment amount.

The Full Prepayment amount shall be established by following the steps in Parts A and B below. The Partial Prepayment is calculated by following the steps in Part C below. Transfers from the Reserve Fund for a Full or Partial Prepayment are described in Part D below.

Part A: Prepayment of Outstanding Bond Share

- Step A.1: Determine the Maximum Special Tax for the Parcel based on the assignment of the Maximum Special Tax described in Section 5 above.
- Step A.2: Determine the Benefit Share by dividing the Maximum Special Tax determined in Step A.1 by the Maximum CFD Revenue for all Parcels in the CFD.
- Step A.3: Determine the Bond Share for the Parcel by multiplying the Benefit Share From Step A.2 by the total amount of Outstanding Bonds issued by the CFD.
- Step A.4: Calculate the Reserve Fund Share associated with the Bond Share determined in Step A.3 and reduce the Bond Share by the amount of the Reserve Fund Share. The Reserve Fund Share is equal to the reserve requirement on all outstanding bonds multiplied by the Benefit Share. At the City's discretion, the Reserve Fund Share may be withheld from the Prepayment calculation and refunded to the Prepaying landowner at the time that bonds are called.
- Step A.5: Determine the Outstanding Bond Share by adding to the amount calculated in Step A.4 any fees, call premiums, amounts necessary to cover negative arbitrage from the date of the prepayment to first call date on the bonds, and expenses incurred by the City in connection with the prepayment calculation or the application of the proceeds of the prepayment.

Part B. Remaining Facility Cost Share

- Step B.1: Determine the Total Facility Cost Share for the Parcel by multiplying the Benefit Share from Part A, Step A.2 above by the Anticipated Construction Proceeds.
- Step B.2: Determine the share of facilities funded by bonds already issued by the CFD for the Parcel by multiplying the Benefit Share by the construction proceeds made available from all such bonds issued by the CFD. These amounts shall be adjusted to the year of Prepayment by using the Engineering News Record Construction Cost Index.
- Step B.3: Determine the share of facilities already funded Special Tax revenues on a pay-as-you-go basis by multiplying the Benefit Share by the total amount of pay-as-you-go funding used to acquire authorized facilities.
- Step B.4: Determine the Remaining Facility Cost Share for the Parcel by subtracting the results from Steps B.2 and B.3 from the Total Facility Cost Share determined in Step B.1. (Notwithstanding the above, once the City has funded all authorized CFD facilities, the Remaining Facility Cost Share shall be set to zero for purposes of this prepayment calculation.)
- Step B.5 Combine the amount from Part A Step A.5 with the amount from Part B Step B.4 to arrive at the Full Prepayment amount.**

Part C: Partial Prepayments

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. In no event shall a Partial Prepayment be for less than twenty-five percent (25%) of the Full Prepayment amount. The City shall then determine the Partial Prepayment Factor by the following procedure:

- Step C.1: Subtract the amount of the Partial Prepayment from the Full Prepayment amount calculated in Step B.5;
- Step C.2: Subtract any fixed costs (such as the cost of the Prepayment calculation and other fees that do not vary proportionally with the size of the Prepayment) of the Prepayment from the Full Prepayment amount;
- Step C.3: Divide the result of Step 1 by the result of Step C.2; and,
- Step C.4: If a Partial Prepayment has previously been made for this Parcel, multiply the result of Step C. 3 times the previously calculated Partial Prepayment Factor.

Part D: Transfers

Make the appropriate transfers from the Reserve Fund to the prepayment fund, as follows:

Step D.1: For a Full Prepayment transfer the amount of the Reserve Fund Share.

Step D.2: For a Partial Prepayment, transfer an amount equal to the Reserve Fund Share times one minus the Partial Prepayment Factor.

8. ADMINISTRATIVE CHANGES AND APPEALS

The Finance Director or designee 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 assigned to a parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director will then promptly review the appeal, and if necessary, meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, a recommendation at that time will be made to the City Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the City Council 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 City 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 its financial obligation.

Attachment 1
Woodcreek West CFD No. 1
Maximum Special Taxes by Specific Plan Parcel

Specific Plan Parcel	Land Use	Units	Annual Maximum Special Tax
WW-1	LDR	77	\$70,234
WW-2	LDR	105	\$95,774
WW-3	LDR	171	\$155,975
WW-4	LDR	131	\$119,489
WW-5	LDR	84	\$76,619
WW-6	LDR	103	\$93,950
WW-7	LDR	102	\$93,038
WW-8	LDR	117	\$106,720
WW-9	LDR	69	\$62,937
WW-10	LDR	96	\$87,565
WW-11	LDR	77	\$70,234
WW-12	LDR	114	\$103,983
WW-13	LDR	62	\$56,552
WW-14	MDR	150	\$121,919
WW-15	HDR	222	\$101,798
WW-16	HDR	224	\$102,715
WW-17	HDR/Sr/Disabled	110	\$50,441
WW-40	Commercial		\$25,331
WW-41	Commercial		\$40,530
WW-73	Church/School		\$62,906
TOTAL		2,014	\$1,698,710

The logo consists of the letters 'EPS' in a bold, white, sans-serif font, centered within a dark gray rectangular background.

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Planning Systems**

Public Finance

Real Estate Economics

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Land Use Policy

EXHIBIT B:
LIST OF AUTHORIZED FACILITIES

EXHIBIT B

Woodcreek West Community Facilities District No. 1

City of Roseville, California

LIST OF AUTHORIZED FACILITIES

Authorized facilities that may be funded through the CFD include the following public improvements:

Transportation Improvements

Authorized facilities include the following transportation-related improvements:

- Baseline Road;
- Junction Boulevard;
- Fiddymment Road;
- Pleasant Grove Boulevard;
- School Street;
- South and North Collectors;
- Other public roadway improvement required to meet the needs of the project.

Eligible roadway improvements include; purchase of right of way; roadway design; project management; bridge crossings, grading and paving; joint trenches and underground utilities; curbs, gutters, and sidewalks; street lights (including reimbursements to the City) and signalization; signs and striping; and median and parkway landscaping related thereto.

Wastewater System Improvements

Authorized facilities include any and all wastewater facilities designed to meet the needs of development within Woodcreek West CFD No. 1. These facilities include sewer transmission lines, force main and pump station, and related wastewater system improvements.

Water System Improvements

Authorized facilities include any and all water facilities designed to meet the needs of development within Woodcreek West CFD No. 1. These facilities include water