Economic & Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

DRAFT FINAL

NORTH ROSEVILLE SPECIFIC PLAN CFD NO. 1 FINANCING PLAN

Prepared for:

The City of Roseville

Prepared by:

Economic & Planning Systems, Inc.

June 9, 1998

EPS #4122

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

TABLE OF CONTENTS

Page

I. INTRODUCTION 1
Background 1
Purpose of the CFD 1
Facility Funding Program 1
Organization of the Report 2

II. LAND USE 4

III. FACILITY COST AND COST ALLOCATION 6
Facility Costs 6
Cost Allocation 10

IV. PROPOSED BOND ISSUES AND MAXIMUM SPECIAL TAX 21
Facility Funding Program 21
Calculation of Maximum Annual Cost 24
NRSP CFD No. 1 Maximum Special Taxes 24

V. STRUCTURE OF THE PROPOSED CFD 28
Description of the Community Facilities District 28
Definition of Annual Costs 28
Determination of Parcels Subject to Special Tax 28
Termination of the Special Tax 29
Assignment of Maximum Special Tax 29
Setting the Special Tax Levy for Taxable Parcels 29
Prepayment of the Special Tax Obligation 30
Manner of Collection 30

Exhibits
Exhibit A - Rate and Method of Apportionment
Exhibit B-- List of Eligible Facilities

LIST OF FIGURES

Page

Map 1 North Roseville Specific Plan Area Map 1 3

Figure 1 Proposed Land Uses Utilized for Apportionment of Project Costs 5

Figure 2 Summary of Facility Costs and Sources of Funding 7

Map 2 Location of CFD Facilities 8

Figure 3 Proposed Funding for Excess Land Dedication for All Property Owners 11

Figure 4 Summary of Allocated Costs by Landowner 12

Figure 5 Detailed Cost Breakdown for Shared Backbone Facility Costs 13

Figure 6 Summary of EDUs by Project 14

Figure 7A Joint Utility Trench Cost Allocation Alternative 16

Figure 7B Allocation of Park Frontage Costs Between Project Areas and Allocation within Mello-Roos CFD 17

Figure 8 Phase I Individual Backbone Costs 20

Figure 9 Estimated Bond Issue and Maximum Special Taxes 22

Figure 10 Calculation of Maximum Special Taxes 23

Figure 11 Estimated Maximum Annual Cost 26

Figure 12 Calculation of Maximum Special Taxes 27

I. INTRODUCTION

BACKGROUND

The North Roseville Specific Plan (NRSP) area is a 738.4 acre development located in the northwestern portion of the City Roseville. The specific plan was approved by the City Council in 1997. The project is bisected by Blue Oaks Boulevard and lies east of the Del Webb project and west of Hewlett Packard, as shown on **Map 1**. The NRSP area is comprised of four major project areas: Diamond Creek, Eskaton Village, Mourier 140, and Woodcreek North.

Development of the NRSP project will require the construction of major road, sewer, water, and drainage facilities. In addition, the plan area must fund park and school facilities to serve its future residents. The facility requirements and the timing for their construction are outlined in the development agreements between the City and each landowner.

PURPOSE OF THE CFD

The landowners of the NRSP projects have proposed the formation of the North Roseville Community Facilities District No. 1 (the "CFD") for the purpose of funding approximately $22.4 million in backbone infrastructure required for the development of the Plan Area. The backbone infrastructure consists of facility costs shared between the four major projects as well as backbone facilities for individual projects. Facilities funded under the CFD will meet the funding and construction criteria for these facilities under the development agreements.

FACILITY FUNDING PROGRAM

Funding of the $22.4 million backbone infrastructure costs will be provided through a combination of:

- Approximately $17.9 million in CFD bond proceeds;
- $2.0 million in cash contributions to buydown maximum special tax rates; and,
- $2.5 million in cash contributions that will be reimbursed from future special tax collections.

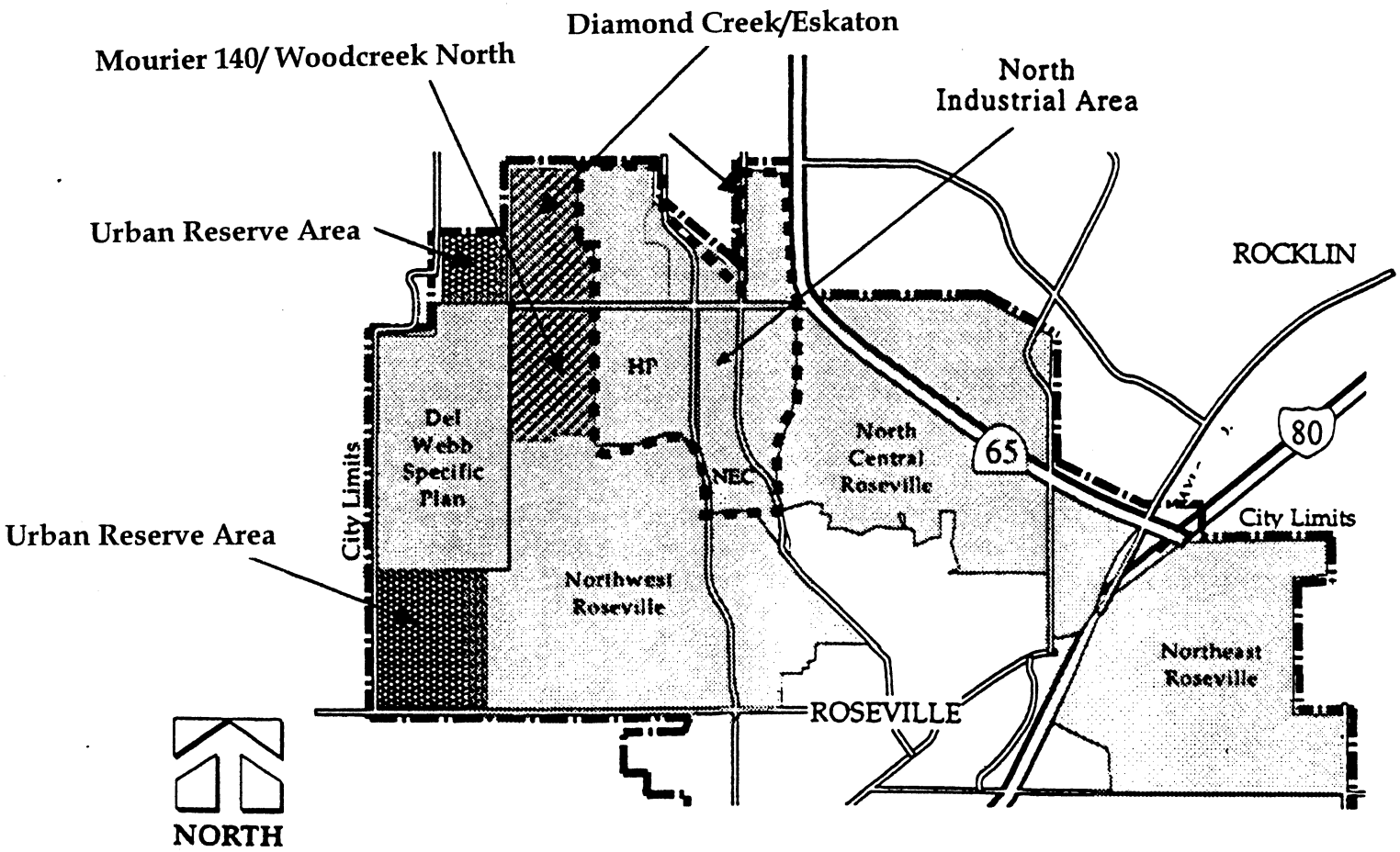
The maximum special tax rates are set to support the funding of debt service on the CFD bonds, pay City administrative costs, and fund reimbursable cash contributions over a six- to seven-year period.

ORGANIZATION OF THE REPORT

Chapter II describes the land uses within the CFD. **Chapter III** describes the public facilities to be funded and method of allocating facility costs between the major projects. **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 know 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.

Map 1
North Roseville Specific Plan
Location Map



II. LAND USE

The North Roseville Specific Plan is located in the northwest portion of the City of Roseville. It is east of the Del Webb Specific Plan, north of the Northwest Specific Plan, and west of Hewlett Packard. The City limit borders the project on the north. The plan is divided into four major projects: Diamond Creek, Eskaton Village, Mourier 140, and Woodcreek North. These projects also coincide to the four landowners in the Specific Plan at time of the CFD formation.

The NRSP is comprised of a mix of residential and non-residential uses. **Figure 1** provides a summary of the approved land uses by project. Residential land uses comprise the majority of the Plan Area with 440.5 of the 507.6 developable acreage. Total residential units include 1,611 low-density units, 97 medium density units, 101 low-income purchase units (both low- and medium density), and 265 high-density units. In addition, Eskaton Village will add 400 independent living units for seniors.

Non-residential development includes 42.1 commercial acres located in the Diamond Creek and Mourier 140 projects and 8.1 acres of business professional/commercial development located in the Diamond Creek and Eskaton Village projects. The Eskaton Village project will also include a skilled nursing facility as well as other support and recreation facilities.

Non-developable uses include a 22-acre middle school -- which will provide space for nearly 600 students outside of the NRSP area -- and two elementary schools. The plan area includes 79.2 acres of park, 81.2 acres of open space, and over 30 acres of land for public use and rights-of-way.

Figure 1
North Roseville Specific Plan
Proposed Land Uses Utilized for Apportionment of Project Costs

Land Use	Total Rezone Area		Woodcreek North		Eskaton Village		Diamond Creek		Mourier 140	
	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units
Residential										
Low Density (0.5 - 6.9 du/acre)	364.3	1,611	120.44	523	0.00	0	175.15	760	68.70	328
Medium Density (7 - 12.9 du/acre)	11.7	97	0.00	0	0.00	0	4.15	32	7.52	65
Low Income Purchase Units	17.2	101	9.90	43	0.00	0	5.18	40	2.08	18
Subtotal Single Family	**393.1**	**1,809**	**130.34**	**566**	**0.00**	**0**	**184.48**	**832**	**78.30**	**411**
High Density (>13 du/acre)	15.3	265	0.00	0	0.00	0	10.00	165	5.34	100
Independent Units	32.0	400	0.00	0	32.00	400	0.00	0	0.00	0
Subtotal Multi-Family	**47.3**	**665**	**0.00**	**0**	**32.00**	**400**	**10.00**	**165**	**5.34**	**100**
Subtotal Residential	**440.5**	**2,474**	**130.34**	**566**	**32.00**	**400**	**194.48**	**997**	**83.64**	**511**
Non-Residential										
Commercial	42.1		0.00		0.00		27.98		14.10	
BP/Commercial	8.1		0.00		3.20		4.86		0.00	
Assisted Living/Nursing Care	17.0		0.00		17.00		0.00		0.00	
Subtotal Non-Res.	**67.1**		**0.00**		**20.20**		**32.84**		**14.10**	
K-8 Schools/Jr. High School	37.8		8.03		0.00		7.94		21.80	
Park	79.2		42.17		0.00		34.35		2.71	
Open Space	81.2		45.88		0.00		21.87		13.40	
Electric Substation	1.0		0.00		0.00		1.00		0.00	
Public/Right-of-Way	31.7		6.46		0.00		20.41		4.81	
Subtotal Public/O.S.	**230.8**		**102.54**		**0.00**		**85.57**		**42.72**	
TOTAL ALL LAND USES	**738.4**		**232.88**		**52.20**		**312.89**		**140.46**	
Total Residential Units		**2,474**		**566**		**400**		**997**		**511**
Total Developable Acres	**507.6**		**130.34**		**52.20**		**227.32**		**97.74**	
- as a % of Total Acres	**68.7%**		**56.0%**		**100.0%**		**72.7%**		**69.6%**	
% of Total Developable Acres	**100.0%**		**25.7%**		**10.3%**		**44.8%**		**19.3%**	

"high-density"

Prepared by Economic Planning Systems, Inc.

Land_us1.xls 6/8/98

III. FACILITY COST AND COST ALLOCATION

The facility-funding program will allow development of the NRSP 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 $22.4 million in public facilities is required for the development of the four major project areas. These facilities are divided into two broad categories of shared backbone costs and individual backbone costs. The shared backbone costs are those required jointly by at least two of the major project areas. The individual backbone is for facilities required by one project area only. **Figure 2** provides a summary of the CFD facilities and whether they are shared or individual backbone facilities. In addition to the CFD facilities, this figure also lists $5.7 million of City facilities located in the NRSP will be constructed by the City with accumulated fee revenues. **Map 2** shows the overall location of the proposed facility improvements.

SHARED BACKBONE

The shared backbone facilities are those facilities, or facility cost contributions, required by the City of Roseville before development may proceed. Share backbone consists of major roads, water, sewer, and joint utility trench facilities. In addition, theses costs include contributions to the Pleasant Grove Interchange in the North Central Roseville Specific Plan Area; up-front funding for initial NRSP park development; oak tree and utility mitigation; a Community Center contribution; and funding to purchase school, fire station, electric substation, and telephone easement lands.

Major Roads

The shared backbone road facilities include the construction of Woodcreek Oaks Boulevard and the improvement of Blue Oaks Boulevard within the boundaries of the Plan Area.

Sewer Facilities

The NRSP plan will connect into the regional sewer system serving the City of Roseville. Sewer improvements include off-road trunk sewer that will provide sewer collection for the entire plan area, a sewer pump station, and internal sewer lines connecting to the major City trunk facilities.

Figure 2
North Roseville Specific Plan
Summary of Facility Costs and Sources of Funding

Facility	Source of Funding: Mello-Roos CFD: Total Mello-Roos	Source of Funding: Mello-Roos CFD: Shared Backbone	Source of Funding: Mello-Roos CFD: Individual Backbone	Source of Funding: City Fees	Total Facility Cost
Vail Engineering Cost Estimates					
Roads					
Blue Oaks Blvd.					
Road Improvements	$1,883,240	$1,883,240			$1,883,240
City-funded pavement	-			$121,940	$121,940
Subtotal Blue Oaks	**$1,883,240**	**$1,883,240**			**$2,005,180**
Woodcreek Oads Blvd.					
Road Improvements	$3,544,591	$3,544,591			$3,544,591
Bridge North of Blue Oaks	$596,948	$596,948			$596,948
Bridge South of Blue Oaks	$500,107	$500,107			$500,107
Median Landscaping	$113,000	$113,000			$113,000
Subtotal Woodcreek Oaks	**$4,754,646**	**$4,754,646**			**$4,754,646**
Diamond Creek Collector Roads	$1,113,446		$1,113,446		**$1,113,446**
Diamond Creek Blvd. Bridge	$778,051		$778,051		**$778,051**
Diamond Creek/Eskton Shared Roads	$239,612		$239,612		**$239,612**
Eskaton Intract Facilities	$486,837		$486,837		**$486,837**
Mourier Collector Roads	$1,084,299		$1,084,299		**$1,084,299**
Woodcreek North Collector Roads	$790,264		$790,264		**$790,264**
Sewer					
Pump Station	$190,721	$190,721			**$190,721**
72" Off-road Trunk Sewer				$2,059,434	**$2,059,434**
City-Funded Trunk Sewer				$1,734,085	**$1,734,085**
Shared Sewer in Roads F and G	$139,552	$139,552			**$139,552**
Shared Sewer in Diamond Creek Rd.	$211,522	$211,522			**$211,522**
Shared Off-Road Sewer	$10,575	$10,575			**$10,575**
Miscellaneous					
Signal Undergrounding	$32,430	$32,430			$32,430
Major-Road Joint Utility Trench	$2,400,058	$2,400,058			**$2,400,058**
Offsite Utility Trench	$545,160	$545,160			**$545,160**
Internal Joint Utility Trench	$1,371,908		$1,371,908		**$1,371,908**
16" Water System	$1,220,479	$1,220,479			**$1,220,479**
Reclaimed Water	$444,740	$444,740		$1,862,230	**$2,306,970**
HP-Domestic Water & Sewer	$28,682	$28,682			**$28,682**
Subtotal Vail Costs	**$17,726,224**	**$11,861,806**	**$5,864,417**	**$5,655,749**	**$23,503,912**
Other Facility Costs and Contributions					
Woodcreek Oaks Trunk Sewer [1]	$262,764	$262,764			**$262,764**
Pressure Reduction Valve	$102,400		$102,400		**$102,400**
Del Webb Reimbursement	$166,739	$166,739			**$166,739**
Median Landscaping [2]	$325,000	$325,000			**$325,000**
Pleasant Grove Interchange	$1,000,000	$1,000,000			**$1,000,000**
Parks/Landscaping	$500,000	$500,000			**$500,000**
Fire Station Land Acquisition	$150,000	$150,000			**$150,000**
Electric Substation Acquisition	$100,000	$100,000			**$100,000**
Excess School Land Acquisition	$767,460	$767,460			**$767,460**
Roseville Telephone Easement	$5,510	$5,510			**$5,510**
Community Center Contribution	$1,000,000	$1,000,000			**$1,000,000**
Interest on Community Center [3]	$75,000	$75,000			**$75,000**
Oak Tree Mitigation	$115,000	$115,000			**$115,000**
Utility/Permit/Easement Mitigation	$140,000	$140,000			**$140,000**
Subtotal Other Costs	**$4,709,873**	**$4,607,473**	**$102,400**	**-**	**$4,709,873**
Total All Costs	**$22,436,097**	**$16,469,279**	**$5,966,817**	**$5,655,749**	**$28,091,846**

"sources_uses"

[1] The developer's share of this facility estimated by Helmick & Lerner.
[2] The additional $75,000 is assumed to be used as interest on the Community Center building.
[3] The interest on the Community Center will be used to fund the interim Middle School purchase.

Source: Vail Engineering Estimates dated 6/3/98; EPS

Map 2
North Roseville Specific Plan
Location of CFD Facilities

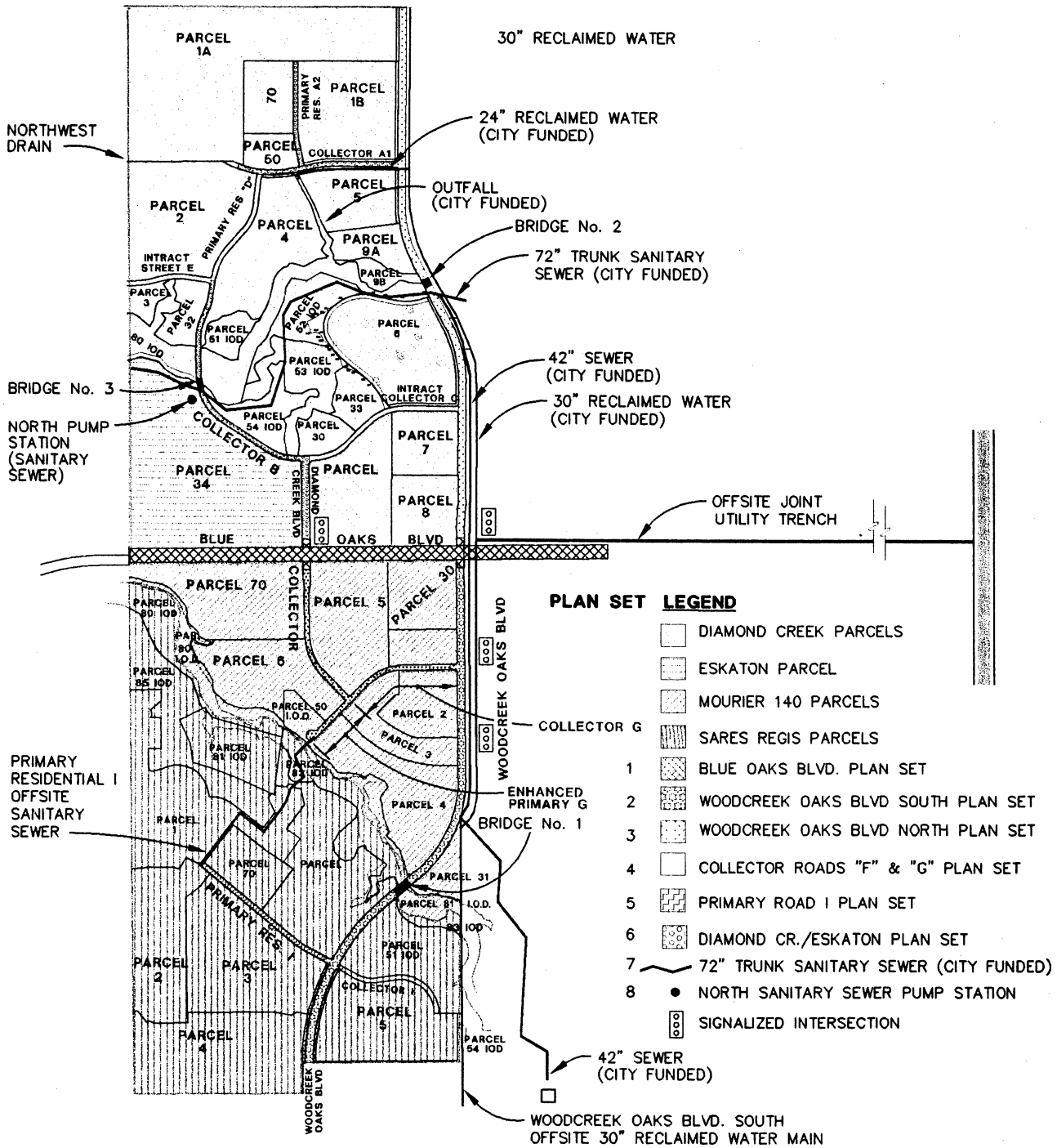


EXHIBIT 'I'

GRAPHIC SCALE

1000 0 500 1000 2000 1000

(IN FEET)
1 inch = 4000 ft.

VAIL ENGINEERING CORPORATION
916 929-3323

HELMICK + LERNER
916 485-7222

Water

The water facilities included in the shared backbone category include all transmission mains 16″ or greater. Reclaimed water lines less than 30″ are also funded through the CFD. The reclaimed water lines will provide irrigation for City parks.

Joint Utility Trench

Joint utility trench for the project is included both in the major roads as well as a joint utility trench extension that is outside of the Plan Area boundaries.

Facility Contributions

Under provisions of the development agreement, the NRSP landowners are required to provide contributions for the Pleasant Grove Interchange and the Mahany Park Community Center in the amount of $1 million each. Furthermore, the Plan Area will contribute $500,000 in up-front funding for the NRSP neighborhood parks.

Pursuant to the NRSP development agreements, the Plan Area will also reimburse the Del Webb Corporation for portions of Blue Oaks Boulevard already constructed. The amount of this reimbursement is $166,739.

Public Land Acquisition

The NRSP includes a significant amount of public land that will be purchased from CFD bond proceeds. These lands include schools, an out-of-area fire station, an electric substation site, and a Roseville Telephone easement on the Mourier property. The fire station and electric substation lands are each one-acre. The school land funding is described below.

School Land Funding

The NRSP includes a significant amount of school acreage that will provide capacity for students from outside of the NRSP area. The Middle School, located in the Mourier 140 project, comprises a majority of this land.

The Roseville City School District has agreed to purchase the portion of the Middle School site that is not serving projected NRSP students, approximately 18.1 acres. The value of this land is set at $100,000 per acre for a total value of $1.8 million. The School District will not be able to purchase this land until January of 1999. In order to provide funding for all of the excess school lands at the time that CFD bonds are sold, the City has agreed to pre-fund $1.4 million of the School District's obligation by deferring funding of the $1 million contribution for the Mahany Park Community Center and the Blue Oaks median landscaping. To compensate the City for deferring the Community Center contribution, $75,000 in interest expenses has been added to the overall CFD costs.

The School District will pay the City for the Middle School land purchase in January 1999. The remaining $401,000 in land cost, along with $366,000 for purchase of excess land at the two elementary schools, are funded as additional school land cost in the CFD. **Figure 3** provides a summary of the excess land costs and the proposed use of CFD funding.

INDIVIDUAL BACKBONE

The individual backbone costs consist of collector roads and joint utility trench interior to each project providing access to City parks and school sites. The only exception to this is a pressure reduction valve in the water system serving the Diamond Creek project. The individual backbone facilities and costs are shown on **Figure 2.** These costs are segregated by landowner on **Figure 8**, at the end of this chapter.

CITY OF ROSEVILLE

Certain regional improvements located in the NRSP will be funded by the City of Roseville from accumulated fee revenue and other sources. These facilities are an integral part of the overall backbone infrastructure, and are included in the financing report to show the overall project funding. The facilities funded by the City include a 72" off-road trunk sewer, trunk sewer in Blue Oaks and Woodcreek Oaks , the 30" reclaimed water main located in Woodcreek Oaks Boulevard, and a portion of a travel lane on Blue Oaks Boulevard. The City-funded costs are shown in **Figure 2**.

COST ALLOCATION

The costs of backbone infrastructure within the North Roseville Specific Plan have been assigned to the Plan Area projects using various allocation methodologies. The following describes the specific allocation methodology used for each of the facility categories. **Figure 4** provides a summary of the total CFD facility cost allocation by project.

SHARED BACKBONE COST ALLOCATIONS

The shared backbone cost allocations and general methodology used to spread those costs is provided on **Figure 5**. The costs are spread on the basis of saleable acres, fronting owner, students, population, or another equivalent dwelling unit (EDU) factor. **Figure 6** provides the calculation of EDUs used in these allocations. The following text provides a discussion of the spread methodology for each facility.

Major Arterial Roads

The cost for Blue Oaks and Woodcreek Oaks Boulevards was spread on the same basis.

Fronting Road Sections: Curb, gutter, sidewalk, and the first 18 feet of pavement were allocated to the owner fronting the road section. In addition, the fronting owner allocation includes water lines (less than 16 inches), sewer lines, and drainage lines providing direct service to the fronting owner.

Figure 3
North Roseville Specific Plan
Proposed Funding for Excess Land Dedication
for All Property Owners

	Excess Land Dedication Funding				
	Mourier	Woodcreek North	Eskaton	Diamond Creek	Total
Value of Excess Dedicated Land					
School Land	$1,801,529	$320,694	$0	$45,237	$2,167,460
Electric Substation				$100,000	$100,000
Roseville Telephone Easement	$5,510				$5,510
Total Excess Land Value Owed	**$1,807,039**	**$320,694**	**$0**	**$145,237**	**$2,272,970**
Funded in Mello-Roos					
Community Center	$1,000,000				$1,000,000
Blue Oaks Landscaping	$400,000				$400,000
Excess School Land Purchase	$401,529	$320,694		$45,237	$767,460
Electric Substation Cost				$100,000	$100,000
Roseville Telephone Easement	$5,510				$5,510
Total	**$1,807,039**	**$320,694**	**$0**	**$145,237**	**$2,272,970**

"land_alloc"

Figure 4
Summary of Allocated Costs
By Landowner

Cost Category	Total Facilities Costs	Facility Costs			
		Eskaton	Diamond Creek	Mourier	Woodcreek North
Shared Backbone Costs	**$16,469,279**	$1,534,378	$7,340,823	$3,874,639	$3,719,439
Individual Backbone Costs	**$5,966,817**	$762,893	$2,777,208	$1,396,553	$1,030,164
Total Costs	**$22,436,097**	**$2,297,271**	**$10,118,031**	**$5,271,192**	**$4,749,603**

Figure 5
North Roseville Specific Plan
Detailed Cost Breakdown for
Shared Backbone Facility Costs

	Total Shared Facility Costs	Facility Costs				Spread Methodology
		Eskaton	Diamond Creek	Mourier	Woodcreek North	
Blue Oaks Road						
Fronting Road Section (<18') and Drainage	$720,564	$259,344	$210,083	$251,137	-	Fronting Owner
Citywide Road Section (>18' per direction)	$1,078,051	$106,123	$465,096	$235,331	$271,502	Saleable Acres
Road fronting Middle School	$196,845	-	$92,179	$46,184	$58,482	Students
Median Landscaping/Middle School Land	$325,000	$31,993	$140,212	$70,945	$81,850	Saleable Acres
Subtotal Blue Oaks	**$2,320,460**	**$397,460**	**$907,570**	**$603,597**	**$411,833**	
Woodcreek Oaks Road						
Fronting Road Section (<18') and Drainage	$3,803,166		$1,954,862	$827,265	$1,021,039	Fronting Owner
Citywide Road Section (>18' per direction)	$838,480	$82,540	$361,739	$183,034	$211,167	Saleable Acres
Median Landscaping	$113,000	$11,124	$48,751	$24,667	$28,458	Saleable Acres
Subtotal Wookcreek Oaks	**$4,754,646**	**$93,663**	**$2,365,352**	**$1,034,967**	**$1,260,664**	
In-Road Joint Utility Trench	$2,400,058	$216,393	$1,121,701	$604,860	$457,104	(see Figure 7A)
Off-Site Utility Trench	$545,160	$53,665	$235,194	$119,005	$137,296	Saleable Acres
Signalization Undergrounding	$32,430	$3,192	$13,991	$7,079	$8,167	Saleable Acres
Reconciliation of Park/School Rd. Frontage	($0)	($2,269)	$48,167	$45,734	($91,632)	(see Figure 7B)
Pump Station	$190,721	115,959	74,763			Sewer Usage
Shared Sewer in Roads F and G	$139,552			$109,828	$29,725	Sewer Usage
Shared Diamond Creek Sewer	$211,522	128,606	82,917			Sewer Usage
12" Off-Road Sewer	$10,575			$1,703	$8,872	Sewer Usage
42" City Sewer--Share	$262,764			$107,125	$155,639	Sewer Usage
HP-Domestic Water & Sanitary	$28,682	$2,823	$12,374	$6,261	$7,223	Saleable Acres
Pleasant Grove Interchange	$1,000,000	$59,105	$527,697	$248,563	$164,635	JPA EDUs
Del Webb Reimbursements for Blue Oaks [1]	$54,519	$9,360	$21,421	$23,738	-	Benefit
Reclaimed Water	$444,740	$47,375	$188,395	$95,456	$113,514	Population
Water System Costs (lines >16")	$1,220,479	$120,143	$526,542	$266,422	$307,371	Saleable Acres
Parks/Landscaping	$500,000	$53,262	$211,803	$107,317	$127,618	Population
Fire Station Land Acquisition	$150,000	$14,766	$64,713	$32,744	$37,777	Saleable Acres
Electric Substation Acquisition	$100,000	$9,844	$43,142	$21,829	$25,184	Saleable Acres
Roseville Telephone Easement	$5,510	$542	$2,377	$1,203	$1,388	Saleable Acres
Excess School Land Acquisition (see Figure 8)	$767,460	-	$359,389	$180,062	$228,010	Students
Community Center/Middle School Land	$1,000,000	$185,363	$403,284	$194,166	$217,187	CC EDUs
Interest on Community Center/Middle School	$75,000	$7,989	$31,771	$16,098	$19,143	Saleable Acres
Oak Tree Mitigation	$115,000	$3,354	$37,861	$16,322	$57,463	Tree EDUs
Utility/Permit/Easement Mitigation	$140,000	$13,782	$60,399	$30,561	$35,258	Saleable Acres
Subtotal Other	**$9,394,173**	**$1,043,255**	**$4,067,901**	**$2,236,076**	**$2,046,942**	
Total Cost Allocation	**$16,469,279**	**$1,534,378**	**$7,340,823**	**$3,874,639**	**$3,719,439**	

"alt_5"

[1] $87,013 of the Del Webb reimbursement is spread in Citywide Road Section and $25,207 is allocated to the middle school. The total Del Webb reimbursement is $166, 739.

Source: Vail Engineering and EPS

Ownr_alc.xls 6/9/98

Prepared by: EPS

Figure 6
North Roseville Specific Plan
Summary of EDUs by Project

	Totals	Eskaton	Daimond Creek	Mourier	Woodcreek North
Total Sewer EDUs	2,569	413	1,068	533	555
% Share	100.0%	16.1%	41.6%	20.7%	21.6%
Population EDUs	5,633	600	2,386	1,209	1,438
% Share	100.0%	10.7%	42.4%	21.5%	25.5%
Saleable Acres [1]	530.27	52.20	228.77	115.76	133.55
% Share	100.0%	9.8%	43.1%	21.8%	25.2%
Trips	30,288	1,790	15,983	7,529	4,987
% Share	100.0%	5.9%	52.8%	24.9%	16.5%
Water EDUs	1,992	122	899	432	539
% Share	100.0%	6.1%	45.1%	21.7%	27.1%
Community Cnt. EDUs [2]	$1,796,520	$333,009	$724,507	$348,824	$390,180
% Share	100.0%	18.5%	40.3%	19.4%	21.7%
Student Generation	980	-	459	230	291
% Share	100.0%		46.8%	23.5%	29.7%
Electric Usage (KwH) [3]	11,279	1,042	5,291	2,603	2,343
% Share	100.0%	9.2%	46.9%	23.1%	20.8%
Tree Removal (in inches) [4]	1543 in.	45 in.	508 in.	219 in.	771 in.
% Share	100.0%	2.9%	32.9%	14.2%	50.0%

"edus"

[1] Includes all lands for which a developer will be compensated--e.g., schools and electric substation.
[2] Share of total Public Facility Fees to be paid based on assumed square feet of development.
[3] Based on Roseville Electric usage analysis.
[4] From Craig Park Associates tree report.

Ownr_alc.xls 6/9/98

Road Fronting Middle School: Blue Oaks Road fronting the Middle School is spread to each property owner based on estimated student generation.

Citywide Road Sections: The portions of major arterials greater than 18 feet are spread to landowners based on saleable acres.

Median Landscaping: Median landscaping in Blue Oaks Boulevard and the portion of Woodcreek Oaks Boulevard fronting the Woodcreek North project are spread based on saleable acres. (Note: The Mello-Roos proceeds for the Blue Oaks landscaping will be used initially to fund the Middle School purchase.)

Signal Undergrounding: The City is requiring the Plan Area to provide the basic electric undergrounding for future signals along Blue Oaks Boulevard. These costs are spread based on saleable acres.

Joint Utility Trench

In-Road: In-road joint utility trench is spread based on the average of three different cost allocation methodologies—1) fronting owner, 2) saleable acres, and 3) electric EDUs. **Figure 7A** shows the calculation of each method and the average cost used in the final cost allocation.

Off-Site: The off-site joint utility trench cost is allocated based on saleable acres.

Major Sewer Trunk Lines

The cost of major sewer trunk lines is allocated based on the estimated total sewer flow from the projects benefiting from a particular sewer line. The sewer flow benefit was estimated by Helmick and Lerner Engineers.

Water Transmission Mains

Water lines 16 inches and above cannot be tapped for local service; therefore, these costs provide plan-wide benefit. Costs are allocated on saleable acres.

School and Park Collector Road Frontage

The cost of collector road frontage along school sites is spread based on student generation. The cost of collector roads along park sites is spread based on population. These costs are used in calculating park and school fees; however, the facilities are funded separately by each property owner. To account for differences in fee payments and construction costs, the overall shared backbone costs are adjusted based on the relative share of these costs attributable to each property owner. **Figure 7B** provides the analysis used in calculating this adjustment.

Figure 7A
North Roseville Specific Plan
Joint Utility Trench Cost Allocation Alternative

Location	Cost	Owner Allocation				Spread Methodology
		Eskaton	Diamond Creek	Mourier	Woodcreek North	
Blue Oaks Blvd.						
Fronting Middle School	$172,790		$80,915	$40,540	$51,335	Students
Fronting Eskaton	$172,790	$172,790				Owner
Fronting Mourier	$160,010			$160,010		Owner
Fronting Diamond Creek	$160,010		$160,010			Owner
Telephone Manholes	$3,525	$1,236	$1,145	$1,145		
Total Blue Oaks	**$669,126**	**$174,026**	**$242,070**	**$201,695**	**$51,335**	
Woodcreek Oaks Blvd.						
Fronting Park	$160,824	$17,132	$68,126	$34,518	$41,048	Population
Fronting Wookcreek North	$160,824				$160,824	Owner
Fronting Mourier	$478,053			$478,053		Owner
South Bridge	$37,600			$22,477	$15,123	Owner
Fronting Diamond Creek	$893,631		$893,631			Owner
Total Wookcreek Oaks	**$1,730,932**	**$17,132**	**$961,757**	**$535,048**	**$216,996**	
Totals	**$2,400,058**	**$191,157**	**$1,203,827**	**$736,743**	**$268,331**	
Alternative Spread Methodologies						
Saleable Acres	**$2,400,058**	$236,261	$1,035,439	$523,916	$604,442	
Electric EDUs	**$2,400,058**	$221,762	$1,125,837	$553,921	$498,538	
Avg. of Above 3 Spread Methods	**$2,400,058**	$216,393	$1,121,701	$604,860	$457,104	

"M_P_JUT_alloc"

Figure 7B
North Roseville Specific Plan
Allocation of Park Frontage Costs Between Project Areas
and Allocation within Mello-Roos CFD

	Park Frontage & Mourier Cost Reallocation					School Frontage Reallocation				
Project	Share of Pop.	Road Frontage Costs [3]	Fair Share of Frontage Costs [1]	Share of Mourier Park Carrying Costs	Park Reallocation	Share of Students	Road Frontage Costs [3]	Fair Share of Frontage Costs	School Reallocation	**Mello-Roos Allocation**
	a	*b*	*c=front. cost*a*	*d=[see Note 4]*	*e=c-b+d*	*f*	*g*	*h=front. Cost*f*	*i=h-g*	*j=e+i*
Eskaton [2]	10.65%	$81,525	$76,928	$2,321	($2,276)	0.00%	$0	$0	$0	($2,276)
Diamond Creek [2]	42.36%	$351,525	$305,916	$9,232	($36,377)	46.83%	$128,126	$212,802	$84,677	$48,299
Mourier	21.46%	$28,750	$155,002	($17,116)	$109,136	23.46%	$170,077	$106,619	($63,458)	$45,678
Woodcreek North	25.52%	$260,370	$184,324	$5,562	($70,484)	29.71%	$156,228	$135,010	($21,219)	($91,702)
Totals	**100.00%**	**$722,170**	**$722,170**	($0)	**($0)**	**100.00%**	**$454,431**	**$454,431**	**$0**	**($0)**

"alloc"

[1] Based on estimted population.
[2] The Eskaton/Diamond Creek projects fair-share amounts may need to be adjusted internally.
[3] Cost estimates from Morton & Pitalo. These costs were used in developing the park and school fees and credits.
[4] Mourier carrying cost equal to NPV of park costs less NPV of fee credits. Spread to property owners based on population excluding Mourier.

4122par2.xls 6/9/98

Prepared by: EPS

Other

Pleasant Grove Interchange

The plan area is required to contribute $1 million toward the Pleasant Grove/Highway 65 interchange. These costs are spread based on trip EDUs. These EDUs are consistent with the method used in setting the JPA fees.

Reclaimed Water & Parks

Reclaimed water lines to the Plan's parks, along with the $500,000 in up-front park costs, are spread on a population basis. This is the same methodology used in setting the park fees. A $17,115 adjustment is made to Mourier's cost allocation to account for their anticipated carrying cost of providing a turnkey park to the City early in the development process, as shown on **Figure 7B**.

Fire Station/Electric Substation/Roseville Telephone Land Acquisition

The fire station, electric substation, and Roseville Telephone land acquisition are spread based on saleable acres.

Excess School Land

Each of the landowners is dedicating the school land necessary to serve Plan Area students. The excess school land cost is allocated based on student generation.

Community Center Contribution

The City is requiring the Plan Area to contribute $1 million to a Community Center. This contribution will be creditable against the City's Capital Facility Fee (CFF); therefore, the cost is spread based on the estimated total CFFs for each project. (Note: The Mello-Roos proceeds for this contribution will be used initially to fund the Middle School purchase.)

Interest on the Community Center

Because the City will not receive the Plan Area's contribution for the community center when CFD bonds are sold, an amount has been included to account for the anticipated interest costs to the City by waiting for these funds. The interest costs are spread based on saleable acres as they will not be creditable against the CFF. (Note: The Mello-Roos proceeds for this contribution will be used initially to fund the Middle School purchase.)

Oak Tree Mitigation

The cost of Oak tree mitigation associated with public facility improvements is included in the CFD. The costs have been allocated based on the total amount of tree inches that will be cut within each project. This has been translated into a "tree" EDU.

Utility/Permit/Easement Mitigation

An initial cost of $115,000 is required for the removal of utility poles in the Blue Oaks Boulevard right-of-way. The additional $25,000 will be used to fund further mitigation costs. The cost of mitigating utility easements and other permit issues has been spread to the property owners based on saleable acres.

INDIVIDUAL BACKBONE

Individual backbone costs are funded by the benefiting project. The Mourier 140 and Woodcreek North facilities are wholly contained within the project boundaries. Diamond Creek and Eskaton share a portion of Diamond Creek Boulevard and Collector "B" facility costs. These costs are spread to the owner fronting the facility. The individual backbone costs by project are shown on **Figure 8**.

ALLOCATION TO LAND USES WITHIN EACH DEVELOPMENT PROJECT

The costs allocated between the development projects are reallocated to land uses within each project for purposes of calculating the maximum special tax by land use. These reallocations were initially made based on EDU benefit factors for each type of facility funded in the Mello-Roos. The maximum special taxes were then reallocated within the Mourier 140 and Diamond Creek projects to account for market conditions and parcel sales contracts. These adjustments are described below.

Property-Owner Adjustments

The special taxes for the Mourier 140 project were adjusted to two ways. The first involved setting the maximum special tax per single-family unit to a rate of $85 per unit per month. The second adjusted resulted in a buydown of maximum special taxes for multi-family and commercial land uses. The buydown lowered the special tax rate on these projects and result in a $1.56 million cash contribution from Mourier for the construction of project facilities.

The maximum special taxes for multi-family land uses in Diamond creek are being bought down at a cost of $444,512. In addition, changes in the maximum special taxes were made to several Diamond Creek parcels to account for the current real estate market conditions. None of these changes has any impact on other landowners.

Figure 8
North Roseville Specific Plan
Individual Backbone Costs

Facility	Total Facilities Costs	Backbone In-Tract Costs			
		Eskaton	Diamond Creek	Mourier	Woodcreek North
Collector Roads					
Diamond Creek Intract Facilities	$1,113,446		$1,113,446		
Diamond Creek Blvd. Bridge	$778,051		$778,051		
Diamond Creek/Eskaton Shared Roads [1]	$239,612	$119,806	$119,806		
Eskaton Intract Facilities	$486,837	$486,837			
Mourier Collector Roads	$1,084,299			$1,084,299	
Woodcreek North Collector Roads	$790,264				$790,264
Joint Utility Trench	$1,371,908	$156,249	$663,505	$312,254	$239,900
Subtotal Collectors	**$5,864,417**	**$762,893**	**$2,674,808**	**$1,396,553**	**$1,030,164**
Pressure Reduction Valve	**$102,400**		**$102,400**		
Totals	**$5,966,817**	**$762,893**	**$2,777,208**	**$1,396,553**	**$1,030,164**

"individual"

[1] Spread evenly between Diamond Creek and Eskaton.

Source: Vail Engineering, June 3, 1998 estimates.

IV. PROPOSED BOND ISSUES AND MAXIMUM SPECIAL TAX

FACILITY FUNDING PROGRAM

The funding of the $22.4 million in CFD facility costs will come from three primary sources:

- CFD Bonds;
- Buydown of Special Taxes; and,
- Reimbursable Up-Front Funding.

Each of these funding sources is described below. The distribution of these funding sources by landowner is shown on **Figure 9.**

CFD BONDS

One bond issue of approximately $20.13 million, which produces an estimated $17.9 million in proceeds, is anticipated for funding the construction of authorized facilities. The total bond amount will be set based on the appraisal of the CFD land uses by Clark Wolcott & Co. The actual amount of bond proceeds from this bond issue will be dependent upon the amount of capitalized interest, the reserve fund requirement, the costs of issuance, and the bond interest rate. **Figure 10** provides a breakdown of the estimated facility costs, bonds, and debt service for the anticipated bond issue. The total bonds were estimated assuming three months of capitalized interest; a bond reserve fund equal to one year's debt service; and issuance costs estimated by the bond underwriter, Stone & Youngberg. The bond amount was reduced to account for anticipated interest earnings on the bond proceeds during the construction period. The City's bond underwriter will determine the actual bond costs at the time of the bond sale.

BUYDOWN OF SPECIAL TAXES

The Mourier 140 and Diamond Creek landowners are providing approximately $2 million in up-front funding in return for lower maximum special taxes on selected multi-family and commercial parcels. This buydown assures that these projects pay their full allocation of facility costs. The value of the buydown is not reimbursable. Compensation for the cash buydown is derived from lower maximum special taxes.

REIMBURSEMENTS FOR UP-FRONT GAP FUNDING

An additional cash contribution of $2.5 million will be funded by each of the landowners at varying amounts. The majority of this funding—nearly $2 million—will come from the

Figure 9
North Roseville Specific Plan
Mello-Roos CFD Facility Funding

Funding Source	Reimburseable?	Total	Project			
			Eskaton	Diamond Creek	Mourier	Woodcreek North
Mello-Roos CFD Bond Proceeds [1]	No	$17,906,241	$ 2,075,227	$ 7,678,339	$ 3,527,885	$ 4,624,791
Cash Contribution						
Buydown of Max. Special Taxes	No	$2,005,371	-	$ 444,512	$ 1,560,859	-
"Gap" Funding [2]	Yes	$2,524,485	$ 222,044	$ 1,995,180	$ 182,448	$ 124,812
Percent of Total Gap Funding			*8.80%*	*79.03%*	*7.23%*	*4.94%*
Total Funding		**$22,436,097**	**$2,297,271**	**$10,118,031**	**$5,271,192**	**$4,749,603**

"funding"

[1] The actual amount of bond proceeds will vary based on the bond interest rate, term, and issuance costs. Assumes total bonds of $20.13 million. Changes in bond proceeds will change the total "Gap" funding amount. For example, an increase in bond proceeds will reduce the amount needed to reimburse the "gap" funding amount.

[2] The "Gap" funding is the difference between the total allocated costs and the amount of bond proceeds and special tax buydowns for each property owner. This amount will increase or decrease depending on the actual bond proceeds.

Figure 10
North Roseville CFD No. 1
Projected Bond Issue and Debt Service

Estimated Bonds	Initial Facilities
Bond Proceeds	$17,906,241
Reserve Fund	$1,727,696
Capitalized Interest	$352,342
Issuance Costs	$285,000
Underwriting	$400,000
Interest on Bond Proceeds During the Construction Period [1]	($537,187)
Total Bonds	**$20,133,848**
Annual Debt Service	$1,727,696
Major Assumptions	
Bond Interest Rate	7.00%
Bond Term	25
Months of Capitalized Interest	3
Bond Factor [2]	112.44%

"bond_debt"

[1] Based on 5.5% annual interest and assuming 12 equal monthly draws.

[2] Bond factor applied to bond proceeds less construction period interest to arrive at the estimated bond amount.

Source: Stone & Youngberg and EPS

Diamond Creek landowner. This funding covers the "gap" between the total CFD facility costs, the amount of bond proceeds, and the cash from the buydown of special taxes. Cash funding provided in this category will be subject to reimbursement from future special tax collections.

Reimbursements will be paid from special tax collections after the payment of annual debt service, City administrative costs, and delinquency coverage. It is anticipated that it will take six to seven years to fully repay the reimbursable costs.

CALCULATION OF MAXIMUM ANNUAL COST

Principal and interest payments for the proposed bond issue, along with the reimbursement of up-front funding, will be funded through the collection of special taxes levied against the property within the CFD. Special taxes will be collected from each of the major development projects based on each project's share of allocated facility costs. For purposes of the CFD, the Eskaton and Diamond Creek projects are combined into one tax area.

The maximum annual costs funded by the special tax was calculated assuming debt service, City administrative costs, and delinquency coverage on one $25.2 million bond issue to fund the entire $22.4 million of facility costs. This calculation results in a maximum annual cost of $2.4 million with the addition of City administrative costs and the 10 percent delinquency coverage. This method of calculation ensures that no property owner is over taxed in the repayment of reimbursable cash funding. As discussed above, $216,708 of this maximum annual cost has been bought down by Mourier 140 and Diamond Creek landowners. The maximum annual cost after the buydown is $2,204,299

The $2.2 million will fund four major cost components. The first component is the debt service on the $20.13 million in estimated bonds. The second component is the annual cost of administering the CFD. The third component is a provision for tax delinquencies. The fourth component is the amount used to reimburse landowners for up-front funding of CFD costs. The $2.2 million in maximum cost also provides additional special tax coverage for debt service.

Figure 11 shows the estimated annual amount of each of these components. The debt service component assumes $20.13 million in bonds at an average coupon interest rate of 7.0 percent and a 25-year term. The City administrative costs are estimated at $50,000 per year. The delinquency coverage/reimbursement repayment is the difference between the maximum annual cost, the debt service, and City administrative costs.

NRSP CFD NO. 1 MAXIMUM SPECIAL TAXES

The special tax levy must provide for payment of the annual costs in any year in which bonds are outstanding and reimbursements have not been fully retired. In years when less than maximum revenues are needed, the tax levy will be less than the maximum authorized rates.

Figure 12 shows the maximum special tax for each original parcel in the proposed CFD. This figure shows the maximum tax for each parcel as well as the maximum special tax per unit or acre upon which the parcel tax is based. Each parcel is assigned a maximum special tax based upon its designated land use and the allocation of costs between major projects. An allowance is made for low-income purchase units, as described below. This results in a maximum annual special tax of $2,218,992; however, the maximum annual special tax is anticipated to shrink to $2,204,299 after all of the low-income purchase parcels have been identified.

LOW-INCOME PURCHASE UNITS

The NRSP requires developers of the Diamond Creek, Mourier 140, and Woodcreek North projects to provide a specified number of single-family units available for purchase by low-income households. In recognition of this fact, these households will be assigned a lower maximum special tax than other single-family units.

The maximum special tax for these units was calculated on a lower basis than other single-family units; however, these units cannot be assigned to a given parcel at this time. Because of this, the difference between the discounted maximum special tax and the full special tax is included in the overall maximum special taxes for each project. When a low-income purchase unit is identified, its maximum special tax will be reduced based on the adjustment factors listed in the Tax Formula. These adjustment factors will reduce the total maximum special taxes to match the estimated maximum annual cost.

Only the Mourier and Woodcreek North projects have low-income purchase adjustments. The adjustment for Diamond Creek's low-income purchase units is accounted for in the maximum special taxes for parcel DC-7.

Figure 11
North Roseville Specific Plan
Estimated Maximum Annual Cost

Cost Component	Amount
Debt Service [1]	$1,727,696
City Administration	$50,000
Delinqency Coverage/ Reimbursement Repayment	$426,603
Total [2]	**$2,204,299**

"max_cost"

[1] Debt service will vary based on actual debt service on the $20.13 million in CFD bonds. Changes in this amount will change the reimbursement repayment amount.

[2] The total maximum annual cost excludes the additional amounts added for the low-income purchase units. These additional amounts will be excluded from the maximum annual costs once the low-income parcels are mapped.

Figure 12
North Roseville Specific Plan
Calcuation of Maximum Special Taxes [1]

Parcel	Land Use	Acres	Units	Maximum Annual Special Tax		
				Per Month	Annual	Total Annual
Tax Group A						
WN-1	LDR	28.67	85	$77 /unit	$923 /unit	$78,480
WN-2	LDR	19.38	95	$77 /unit	$923 /unit	$87,713
WN-3	LDR	29.06	108	$77 /unit	$923 /unit	$99,716
WN-4	LDR	30.12	120	$77 /unit	$923 /unit	$110,795
WN-4	Low Inc. Purch.	*(inc. above)*	22	$60 /unit	$723 /unit	$15,911
(Additional Tax to Allow for Floating Low-Income Designation)				$17 /unit	$200 /unit	$4,402
WN-5	LDR	23.11	115	$77 /unit	$923 /unit	$106,179
WN-5	Low Inc. Purch.	*(inc. above)*	21	$60 /unit	$723 /unit	$15,188
(Additional Tax to Allow for Floating Low-Income Designation)				$17 /unit	$200 /unit	$4,202
Total *		**130.34**	**566**			**$522,585**
				0.6460		
Tax Group B						
M-1	HDR	5.34	100	$3 /unit	$34 /unit	$3,378
M-2	MDR	9.60	65	$69 /unit	$834 /unit	$54,199
M-2	Low Inc. Purch.	*(inc. above)*	18	$45 /unit	$539 /unit	$9,695
(Additional Tax to Allow for Floating Low-Income Designation)				$28 /unit	$338 /unit	$6,089
M-3	LDR	9.40	60	$74 /unit	$890 /unit	$53,406
M-4	LDR	22.30	88	$85 /unit	$1,020 /unit	$89,760
M-5	LDR	20.00	106	$85 /unit	$1,020 /unit	$108,120
M-6	LDR	17.00	74	$85 /unit	$1,020 /unit	$75,480
M-30	CC	10.00		$44 /acre	$530 /acre	$5,304
M-31	CC	4.10		$44 /acre	$530 /acre	$2,175
Total		**97.74**	**511**			**$407,606**
Tax Group C						
DC-1	LDR	79.99	365	$97 /unit	$1,164 /unit	$424,860
DC-2	LDR	28.51	137	$97 /unit	$1,164 /unit	$159,468
DC-3	LDR	2.60	10	$97 /unit	$1,164 /unit	$11,640
DC-4	LDR	20.00	69	$97 /unit	$1,164 /unit	$80,316
DC-5	LDR	11.72	38	$97 /unit	$1,164 /unit	$44,232
DC-6	LDR	26.29	120	$75 /unit	$900 /unit	$108,000
DC-7	MDR	9.33	32	$65 /unit	$780 /unit	$24,960
DC-7	Low Inc. Purch.	*(inc. above)*	40	$65 /unit	$780 /unit	$31,200
DC-8	HDR	10.00	165	$3 /unit	$32 /unit	$5,319
DC-9A	LDR	6.04	2	$88 /unit	$1,060 /unit	$2,120
DC-30	CC	4.10		$376 /ac/mo	$4,509 /acre	$18,488
DC-31	CC	19.10		$376 /ac/mo	$4,509 /acre	$86,128
DC-32	BP	4.86		$376 /ac/mo	$4,509 /acre	$21,915
DC-33	CC	4.78		$376 /ac/mo	$4,509 /acre	$21,554
EV-1	Eskaton Village	52.20	400	$397 /ac/mo	$4,762 /acre	$248,601
Total		**279.52**	**1,378**			**$1,288,801**
Grand Total		**507.60**	**2,455**			**$2,218,992**
Total Special Tax Excluding Low-Income Purchase Additions						*$2,204,299*

"tax_parcel_calc"

[1] Assuming 3 months of capitalized interest.
* Total does not add to exact dollar due to rounding error.

V. STRUCTURE OF THE PROPOSED CFD

DESCRIPTION OF THE COMMUNITY FACILITIES DISTRICT

Parcels within CFD No. 1 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 developers.

DEFINITION OF ANNUAL COSTS

Each year, the City will approve the costs of CFD No. 1 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 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 2034-35.

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. If one of these lots is designated as a low-income purchase lot, the maximum special tax per lot is multiplied by a reduction factor to arrive at the maximum special tax for that lot.

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 City determines the annual cost for the upcoming fiscal year.
- Second, the City assigns a share of the annual costs to each special tax group based on the percentages shown in the Tax Formula.
- Next, the City determines the total maximum special tax revenues available by summing the maximum special tax on each parcel for each special tax group.
- If the annual costs are less than the total maximum special taxes for all parcels, the City will reduce each parcel's special tax levy until the total special taxes equal 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.

Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

Exhibits

Exhibit A – Rate & Method
Exhibit B – List of Eligible Facilities

Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

Exhibit A

Rate and Method of Apportionment

EXHIBIT A

CITY OF ROSEVILLE
NORTH ROSEVILLE
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 North Central Roseville 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 and/or prepaid Special Taxes as described in Section 7.

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

"**Base Year**" means Fiscal Year ending June 30, 1998.

"**Bond Share**" means the Benefit Share for a Parcel multiplied by the applicable total of outstanding bonds as specified in option 2, Step 3, of Section 7 of this Rate and Method of Apportionment.

"**Bond Year**" means the 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 North Roseville 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.

"**Delinquency Coverage**" means the amount of Maximum Special Tax levied in each Fiscal Year to replenish the Bond Reserve Fund or to anticipate future delinquencies based on the historical delinquency rate for the CFD or the City as whole.

"**Final Subdivision Map**" means a 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.

"**Gross Acre(age)**" means the acreage of a parcel prior to dedication of right-of-way for streets, roads, landscaping, and other public purposes.

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

"**Low-Income Purchase Unit**" means a single-family residential unit that is designated as a low-income for-purchase unit under the provisions of the Housing section of the NRSP. The Low-Income Purchase Units designated in each Special Tax Group are:

- Special Tax Group A 43 units
- Special Tax Group B 18 units
- Special Tax Group C 40 units

"**Low-Income Adjustment Factor**" means a factor by which the Maximum Special Tax for a designated Low-Income Purchase Unit in Special Tax Groups A and B is multiplied to reduce the assigned Maximum Special Tax for the single-family Parcel. The adjustment factors vary by Special Tax Group, as shown below:

- Special Tax Group A 0.783
- Special Tax Group B 0.646

"**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 a Special Tax Group or the entire CFD.

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

"**Net Acre(age)**" means the acreage of a parcel as shown on the final subdivision map or parcel map excluding right-of-way dedicated for streets, roads, landscaping, and other public purposes.

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

"**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.

"**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. These Public Parcels -- so identified at the formation of CFD -- are exempt from the levy of Special Taxes.

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

"**PWD**" means the Public Works Director for the City of Roseville or his or her designee.

"**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.

"**Special Tax Group**" means a group of parcels that will be responsible for a percentage of the Annual Costs. The percentage share is equal to the total Maximum Special Taxes for a given Special Tax Group divided by the total Maximum Special Taxes for all Special Tax Groups.

"**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.

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 2034-2035.

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

The CFD is divided into three Special Tax Groups as shown on **Maps 1 and 2**.
By August 1 of each Fiscal Year, using the Definitions from Section 2 and the Maximum Special Tax rates from **Attachments 1 through 3**, the Finance Director shall assign the Maximum Special Taxes to Parcels in each Special Tax Group as follows:

1. Each Parcel to be classified as a Tax-Exempt Parcel or a Taxable Parcel;

2. Each Taxable Parcel to be classified as an Original Parcel, a Successor Parcel, or a Partial Prepayment Parcel.

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

a) Partial Prepayment Parcels — the Maximum Special Tax for all Partial Prepayment Parcels is assigned by multiplying the Maximum Special Tax from **Attachment 1, 2, or 3**, or as otherwise calculated for a Successor Parcel, by the Partial Prepayment Factor for that Parcel.

b) Original Parcel - the Maximum Special Tax for each Original Parcel is as shown on **Attachment 1** for Special Tax Group A, **Attachment 2** for Special Tax Group B, and **Attachment 3** for Special Tax Group C.

c) 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 (b) above or (c)(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 Successor Parcel's square footage to the total square footage for all Successor Parcels of that Original or Successor Parcel that are Taxable Parcels; 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.

d) Low-Income Purchase Units - If a single-family Parcel is designated as a Low-Income Purchase Unit, multiply the assigned Maximum Special Tax per single-family Parcel calculated in c) above by the Low-Income Adjustment Factor for the Special Tax Group to arrive at the adjusted Maximum Special Tax for the Low-Income Purchase Unit.

In no event shall the cumulative reductions in Maximum Special Taxes for Low-Income Purchase Units in a given Special Tax Group exceed the anticipated reductions shown on **Attachments 1, 2, and 3**. If the reduction for a Low-Income Purchase Unit will exceed the total reductions anticipated for a given Special Tax Group, no adjustment to the assigned Maximum Special Tax will be granted.

e) Residential Unit/Maximum Special Tax Transfer - the Maximum Special Tax assigned to a residential Parcel under (a), (b), or (c) above, may be adjusted within a Special Tax Group to reflect a change in original residential units, shown in **Attachment 1**, in the following manner:

1) 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;

2) Calculate the total Maximum Special Tax being transferred by multiplying the number of units being transferred by the calculation in 1). Add the total Maximum Special Tax and number units being transferred to the Parcel(s) receiving the transferred units and Maximum Special Tax.

3) Subtract the total Maximum Special Tax and the number of units being transferred from step 2) from the Parcel transferring the Maximum Special Tax and the residential units.

4) If this process results in uneven Maximum Special Taxes between residential Subdivisions, the revised Maximum Special Taxes may be adjusted further to accommodate a uniform Special Tax throughout the CFD subject to the provisions below.

Such unit and Special Tax transfer will be allowed under the following conditions:

(i) 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;

(ii) all adjustments are agreed to by the affected property owners and the Finance Director; and,

(iii) no transfers of units will be allowed between Special Tax Groups.

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.

g) Taxable Parcels Acquired by a Public Agency — Taxable Parcel that are 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 Special Tax Revenue.

6. SETTING THE ANNUAL SPECIAL TAX RATE

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

1) Compute the Annual Costs using the definitions in Section 2.

2) Assign a share of the Annual Costs to each Special Tax Group by multiplying the Annual Costs by the percentages given for each Special Tax Group in **Attachments 1, 2, and 3**.

3) For Public Parcels, no Special Tax shall be apportioned or levied, except as noted in Section 5, Step 2 g) above.

4) For each Special Tax Group, determine the Special Tax levy for each parcel as follows:

Step 1: Calculate the Maximum Special Tax Revenue by summing the Maximum Special Tax for each Taxable Parcel.

Step 2: Compare the Annual Costs with the Maximum Special Tax Revenue from Taxable Parcels calculated in the previous step.

Step 3: If the Annual Costs are less than the Maximum Special Tax Revenue, decrease the Special Tax levy proportionately for each Taxable Parcel until the Special Tax Revenue equals the Annual Costs.

5) 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 in 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 prepayment amount shall be established by following the steps in Part A, B, C and D below.

Part A: Prepayment Prior to any Bond sale

Step A.1: Determine the anticipated construction proceeds for the Original Parcel as stated on the Maximum Special Tax Attachment for the Special Tax Group or as assigned for a Successor Parcel.

Step A.2: Determine the total Prepayment amount by adding to the amount from Step A.1 the Parcels share of any costs incurred in the formation of the CFD and any other costs incurred by the City in the calculation or application of the Prepayment proceeds.

Part B: Prepayment of Outstanding Bond Share

Step B.1: Determine the Maximum Special Tax for the Parcel based on the assignment of the Maximum Special Tax described in Section 5 above.

Step B.2: Determine the "Benefit Share" by dividing the Maximum Special Tax determined in Step 1 by the Maximum CFD Revenue for all Parcels in the CFD.

Step B.3: Determine the Bond Share for the Parcel by multiplying the Benefit Share From Step 2 by the total amount of outstanding bonds issued by the CFD.

Step B.4: Determine the Reserve Fund Share associated with the Bond Share determined in Step 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 B.5: Determine the Outstanding Bond Share by adding to the amount calculated in Step 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 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) and which 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 than 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 5 of Part B or C above;

Step C.2: Subtract any fixed costs (such as the cost of the prepayment calculation and other fees which do not vary proportionally with the size of the prepayment) of the Prepayment from the full repayment amount;

Step C.3: Divide the result of Step 1 by the result of Step 2; and

Step C.4: If a partial prepayment had previously been made for this Parcel, multiply the result of Step 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.

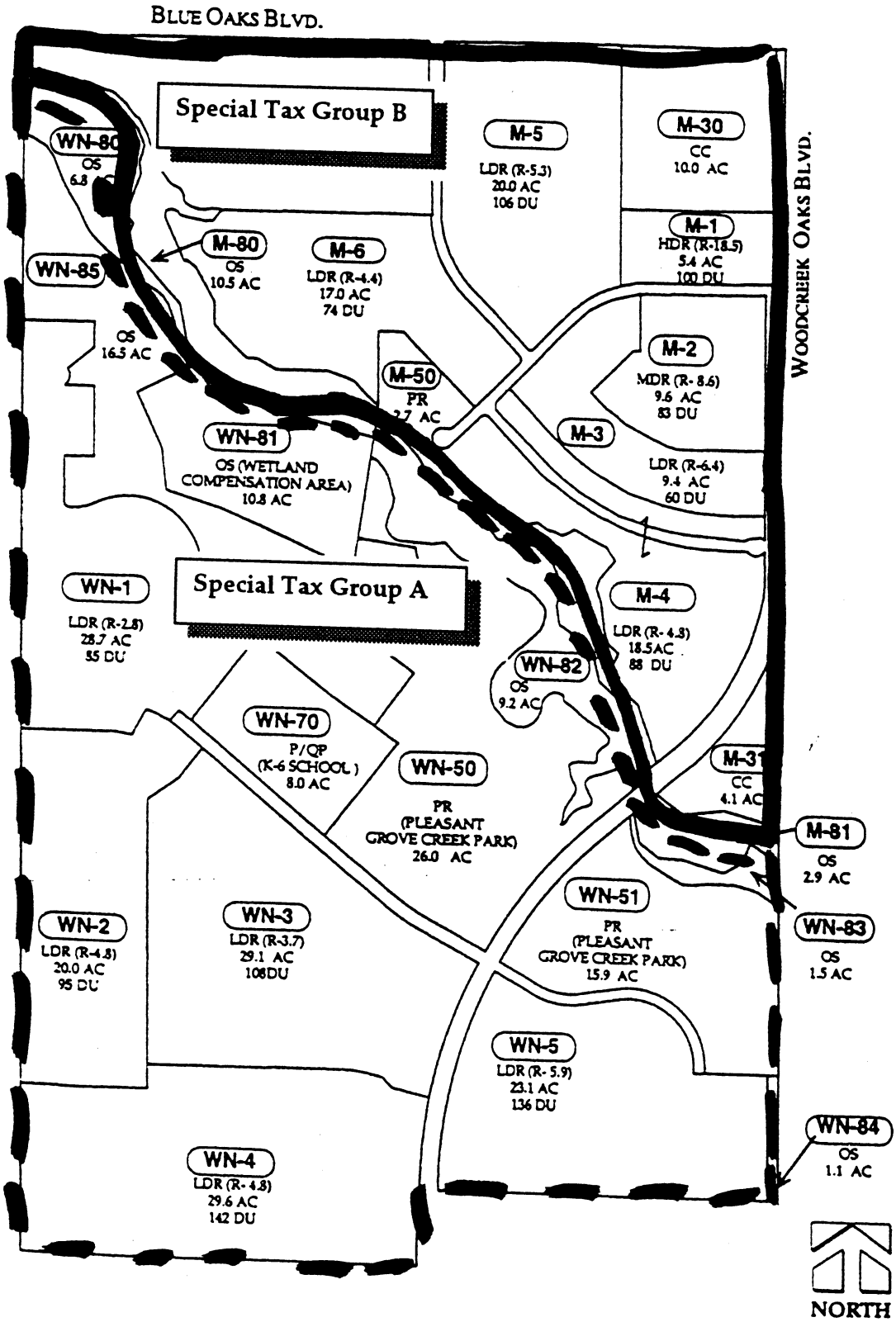
Any taxpayer who feels that the amount of the Special Tax assigned to a parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director will then promptly review the appeal, and if necessary, meet with the applicant. If the Finance Director verifies 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.

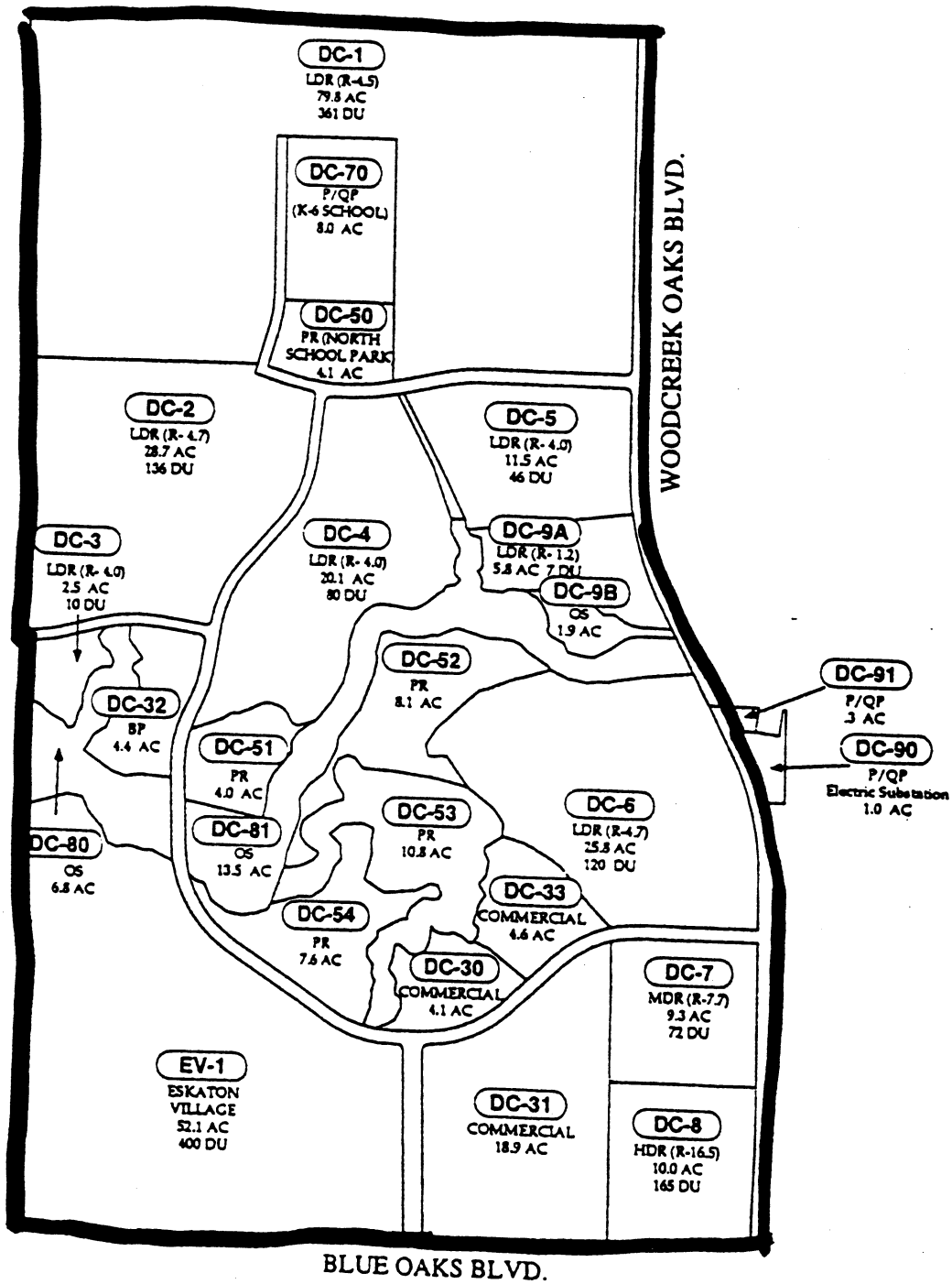
9. MANNER OF COLLECTION

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.

MAP 1
NORTH ROSEVILLE CFD NO. 1
SPECIAL TAX GROUPS A AND B



MAP 2
NORTH ROSEVILLE CFD NO. 1
SPECIAL TAX GROUP C



Attachment 1
North Roseville CFD No. 1 -- Special Tax Group A
Maximum Annual Special Taxes
for Original Parcels

Parcel	Land Use	Acres	Units	Maximum Special Tax	Share of Annual Costs	Anticipated Construction Proceeds [1]
WN-1	LDR	28.67	85	$78,480		$713,280
WN-2	LDR	19.38	95	$87,713		$797,195
WN-3	LDR	29.06	108	$99,716		$906,285
WN-4	LDR	30.12	142	$131,108		$1,191,597
WN-5	LDR	23.11	136	$125,568		$1,141,247
Total		**130.34**	**566**	**$522,585**	**23.254%**	**$4,749,603**
Less Reductions for Low-Income Purchase Units [2]				($8,603)		
Total Maximum Special Tax After Reductions				**$513,981**		

[1] The anticipated construction proceeds amount is used in calculating a Prepayment prior to any Bond issuance.

[2] Low-Income Purchase Units are levied a reduced Maximum Special Tax. The reductions in Maximum Special Taxes are not determined until the Final Map for a subdivision is submitted; therefore, the initial Maximum Special Taxes are set higher than the anticipated final Maximum Special Taxes.

Attachment 2
North Roseville CFD No. 1 -- Special Tax Group B
Maximum Annual Special Taxes
for Original Parcels

Parcel	Land Use	Acres	Units	Maximum Special Tax	Share of Annual Costs	Anticipated Construction Proceeds [1]
M-1	HDR	5.34	100	$3,378		$30,749
M-2	MDR	9.60	83	$69,983		$637,042
M-3	LDR	9.40	60	$53,406		$486,137
M-4	LDR	22.30	88	$89,760		$817,063
M-5	LDR	20.00	106	$108,120		$984,190
M-6	LDR	17.00	74	$75,480		$687,076
M-30	CC	10.00	0	$5,304		$48,281
M-31	CC	4.10	0	$2,175		$19,795
WN-5		**97.74**	**511**	**$407,606**	**18.165%**	**$3,710,333**
Less Reductions for Low-Income Purchase Units [2]				($6,089)		
Total Maximum Special Tax After Reductions				**$401,516**		

[1] The anticipated construction proceeds amount is used in calculating a Prepayment prior to any Bond issuance.

[2] Low-Income Purchase Units are levied a reduced Maximum Special Tax. The reductions in Maximum Special Taxes are not determined until the Final Map for a subdivision is submitted; therefore, the initial Maximum Special Taxes are set higher than the anticipated final Maximum Special Taxes.

Attachment 3
North Roseville CFD No. 1 -- Special Tax Group C
Maximum Annual Special Taxes
for Original Parcels

Parcel	Land Use	Acres	Units	Maximum Special Tax	Share of Annual Costs	Anticipated Construction Proceeds [1]
DC-1	LDR	79.99	365	$424,860		$3,951,056
DC-2	LDR	28.51	137	$159,468		$1,482,999
DC-3	LDR	2.60	10	$11,640		$108,248
DC-4	LDR	20.00	80	$80,316		$746,912
DC-5	LDR	11.72	46	$44,232		$411,343
DC-6	LDR	26.29	120	$108,000		$1,004,364
DC-7	MDR	9.33	72	$56,160		$522,269
DC-8	HDR	10.00	165	$5,319		$49,467
DC-9A	LDR	6.04	2	$2,120		$19,717
DC-30	CC	4.10		$18,488		$171,933
DC-31	CC	19.10		$86,128		$800,958
DC-32	BP	4.86		$21,915		$203,804
DC-33	CC	4.78		$21,554		$200,449
EV-1	Eskaton Village	52.20	400	$248,601		$2,297,271
Total		**279.52**	**1,397**	**$1,288,801**	**58.592%**	**$11,970,790**

[1] The anticipated construction proceeds amount is used in calculating a Prepayment prior to any Bond issuance.

Economic &
Planning Systems
Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

Exhibit B

List of Eligible Facilities

EXHIBIT B

EXHIBIT "J"

CFD IMPROVEMENTS

CFD FACILITIES

- **ROADS**

  - Blue Oaks Boulevard

    - Frontage improvements on both the north and south sides of Blue Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including landscaping or sidewalks (except as otherwise provided below), plus median landscaping.

      - Road improvements will extend from intersection with Woodcreek Oaks Boulevard to the western plan boundary for Neighborhoods A and B, with appropriate transitions at each end.

      - Del Webb reimbursement for the previously installed southern portion of frontage improvements included as part of the cost for Blue Oaks Boulevard.

      - City to pay cost of 10 feet of additional pavement on north side of Blue Oaks Boulevard.

      - CFD will include financing for the meandering sidewalk to be located along the portion of Blue Oaks Boulevard adjacent to the middle school site.

  - Woodcreek Oaks Boulevard

    - South of the South Branch of Pleasant Grove Creek: frontage improvements on both the west and east sides of Woodcreek Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including frontage landscaping or sidewalks (except as otherwise provided below), plus median landscaping.

    - The west one-half of the bridge structure crossing the South Branch of Pleasant Grove Creek, and all necessary transitions to the southern improvements to Woodcreek Oaks Boulevard.

    - North of the South Branch of Pleasant Grove Creek: frontage improvements for the west side of Woodcreek Oaks Boulevard, consisting of curb, gutter, 18 feet of pavement, streetlights, utilities and ancillary improvements, but not including landscaping or sidewalks (except as otherwise provided below), plus 14 feet of additional pavement and a median curb for the western edge of the landscape median planned for Woodcreek Oaks Boulevard (but no other median landscaping), plus the west one-half of the bridge structure crossing the Main Branch of Pleasant Grove Creek. Streetlights on west side only, designed to meet IESRP8 lighting standards for a residential collector.

- CFD will include financing for sidewalks to be located back-of-curb for any portion of Woodcreek Oaks Boulevard adjacent to non-park, open space, as required by City.

- Collector Streets

  - Curb, gutter, pavement, streetlights, utilities, bridges and ancillary improvements (but excluding landscaping and sidewalk, except as otherwise provided below) for that portion of the roadways identified as "Collector Streets" on Exhibit "I" necessary to provide access to the school sites and park sites within the Plan Area.

    - CFD will include financing for the sidewalks to be located back-of-curb for the portions of the Collectors adjacent to the middle school and elementary school sites and for any portion of the Collectors adjacent to non-park, open space, as required by City.

- Intersections

  - Intersection improvements (excluding signals) as required by the City for the intersection of Woodcreek Oaks and Blue Oaks Boulevards and for the intersections of the Collector Streets with such Boulevards.

♦ DRAINAGE

- Master Drainage Plan.

- Storm drain mains required by the Master Drainage Plan and laterals located within the above-described road improvements.

♦ WATER

- All on-site improvements to the water system shown on Exhibit "F" of this Agreement.

- The alternative reducing station, if any, to be located on Blue Oaks Boulevard as an alternative to the western-most reducing station shown on Exhibit "F."

♦ RECLAIMED WATER

- Reclaimed water line extensions from the backbone line along Woodcreek Oaks Boulevard to be installed by City to the publicly owned parks within the Plan Area, as generally shown on Exhibit "G" of this Agreement. Each line will be sized as required to serve the applicable park site.

♦ SEWER

- All on-site improvements to the sewer system as shown on Exhibit "H" to this Agreement.

- Modifications to Pump Station No. 1 to allow minimum flows along the 72" Trunk Sewer that will support single design for the Temporary North Pump Station.

- ELECTRIC FACILITIES
  - All on-site electric distribution facilities identified in Exhibit "D" of this Agreement, and all off-site electric distribution facilities identified in Exhibit "E" of this Agreement.
- PARKS
  - Initial park and bike trail improvements within the Plan Area.

CFD CONTRIBUTIONS

- *PLEASANT GROVE INTERCHANGE*
  - $1 million at bond issuance, to be credited against the Highway 65 JPA Impact Fee.
- FIRE STATION SITE
  - $150,000 for City acquisition of a fire station site to be located outside the Plan Area boundary.
- SCHOOL SITE ACQUISITION
  - $1,852,000 for acquisition of middle school site.
  - Approximately $309,000 for acquisition of land for school sites, net of dedications, approximately $174,000 of which to be allocated to Neighborhood A (exclusive of the Eskaton project) and $135,000 to the northern half of Neighborhood B.
- MAHANY PARK COMMUNITY CENTER
  - $1,000,000 for City construction of the Mahany Park Communtiy Center, to be credited against the City's Capital Facilities Fee. (Actual proceeds to come from reimbursement to City from school district purchase of middle school site.)
- BLUE OAKS BOULEVARD MEDIAN
  - Up to $400,000 for landscaping 56-foot wide Blue Oaks Boulevard median from western Phase 1 Plan Area boundary east to Woodcreek Oaks Boulevard intersection. (Actual proceeds to come from reimbursement to City from school district purchase of middle school site.)

** TOTAL PAGE.04 **