

RESOLUTION NO. LAFC 2009-14-1202-09-07

**RESOLUTION OF THE
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
APPROVING THE CITY OF RANCHO CORDOVA – ANNEXATION OF THE SPHERE
OF INFLUENCE**

WHEREAS, the Sacramento Local Agency Formation Commission (“Commission” or “LAFCo”) is the sole entity authorized to approve an annexation pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

WHEREAS, pursuant to Government Code section 56375, subdivision (a), the Commission is authorized to consider and approve an annexation application;

WHEREAS, the City of Rancho Cordova (hereafter “City”) submitted the Proposed Annexation of its Sphere of Influence (hereafter “Proposal”) to the Commission pursuant to the Cortese-Knox-Local Government Reorganization Act, and all amendments thereto;

WHEREAS, based on an Initial Study showing the Proposal would have no significant or potentially significant environmental impacts, a draft Negative Declaration was prepared and certified by the City of Rancho Cordova as lead agency; and

WHEREAS, as a result of performing the Initial Study, it was determined that no mitigation measures were recommended; and

WHEREAS, LAFCo is a responsible Agency under CEQA for the Proposal (Cal.Code Regs., tit. 14, § 15051, subd. (b)(2); LAFCo Policies and Procedures, IV.F.1.); and

WHEREAS, the Executive Officer has reviewed all available information and prepared reports, including recommendations, and presented the findings, reports and related information to the Commission, which were then considered by the Commission; and

WHEREAS, at the public hearing(s) the Commission heard and received all oral and written protests, objections, all oral and written evidence, which was made, presented, or filed, and persons present were given an opportunity to hear and be heard with respect to any matter relating to these hearings.

NOW, THEREFORE, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION does hereby find, determine, resolve and order as follows:

1. The Negative Declaration for the annexation of the City of Rancho Cordova’s sphere of influence is hereby approved, certified, and accepted as adequate and complete.

2. The Commission approves the Annexation Proposal. This approval is based on administrative record of this action and the findings in this Resolution. In approving the Annexation Proposal, the Commission has considered the factors required by law and its policies,

and has made findings as set forth in this Resolution. While these findings list references to certain documents or facts, each finding is based on the whole of the administrative record.

3. LAFCo finds that notice as required by law has been given. The Commission finds that proper notice has been provided to all interested parties and agencies including the legislative body and Executive Officer of all affected agencies consistent with Government Code 56123.

4. LAFCo finds that the required public hearings have been conducted on the Proposal consistent with Government Code 56662(b).

5. LAFCo finds that the Commission has received and considered the Executive Officer's Report consistent with Government Code 56666.

6. LAFCo finds that the application for annexation complied with the requirements of Government Code sections 56652, 56654, and 56700.

7. LAFCo finds that for its consideration of the Proposal, it is acting as a Responsible Agency.

8. LAFCo finds that the City submitted a Plan for Services and Addendum, which contained all of the following information in accordance with Government Code section 56653:

a. An enumeration and description of the services to be extended to the affected territory.

b. The level and range of those services.

c. An indication of when those services can feasibly be extended to the affected territory.

d. An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

e. Information with respect to how those services will be financed.

9. LAFCo finds that it has considered all relevant factors set forth in Government Code 56668 and all other relevant factors in reaching its conclusions regarding the Proposal including, but not limited to, the following:

a. Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

The Sunrise & Folsom Boulevards Annexation Area (hereafter "Annexation Area") is uninhabited, with fewer than 12 registered voters. It consists of 246 parcels, and

approximately 768 acres. The affected territory is surrounded by the City on the west, east, and south. Sunrise Boulevard runs along the west, Highway 50 constitutes the proposed northern boundary, and the Folsom South Canal forms the eastern edge. It is developed with various commercial, industrial, and employment intensive uses. There are relatively few parcels remaining to be developed.

b. The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed reorganization (annexation and detachments), or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

No change in special district service provision or boundaries currently providing service to either the City or the Annexation Area is proposed. The Plan for Services and addendum submitted by the City provides an adequate plan for providing services to the Annexation Area. The Executive Officer has reviewed the Plan for Services and has determined them to be adequate. The Plan for Services contains the required information as set forth under LAFCo policies.

Due to the proximity of the Annexation Area to the existing City, the City is well positioned to provide efficient services to the Annexation Area.

c. The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

LAFCo has considered the effects of the annexation as contemplated under the Proposal and, as set forth in this Resolution, finds that the County and adjacent areas are not adversely affected by the Proposal as stated in the Executive Officer's Report dated December 2, 2009.

d. The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

Prior to incorporation of the City, the area defined as the SOI was considered a part of the Rancho Cordova community. The Proposal will join existing urban development with lands already in the City that are currently under review for urban development, thus creating a unified community.

As currently approved, the boundary of the City creates a disconnected island of City land that extends to Hazel Avenue. Annexation of the SOI will resolve this existing boundary issue.

The Proposal will also allow the City to pursue implementation of the SACOG Blueprint along the Sunrise Boulevard and Folsom Boulevard corridors, consistent with the City's

existing policies, and will allow the incremental transition of existing urban land uses to smart growth land uses.

The Annexation will also allow the City to pursue coordinated development and redevelopment along Sunrise Boulevard, south of Highway 50. The current division of City lands to the west and County lands to the east limits the potential for unified and coordinated development strategies. The Proposal will also allow effective coordination between land use entitlements and roadway improvements both along Sunrise Boulevard and on adjacent roads that feed to Sunrise.

The City of Rancho Cordova will assume control of land use decisions, building inspections, animal control, police protection, and other general government services. The Annexation Area is nearly built out and is primarily mixed-use commercial in character. There are relatively few parcels in the Annexation Area that remain to be developed.

Based on the City's Plan for Services, the Proposal will not create any significant change in municipal service providers or levels of service for either the City or the Annexation Area. Expansion of service infrastructure to serve the Annexation Area will not be required.

There have been no substantive comments from affected agencies or districts that currently serve the Annexation Area. Special districts will continue to serve the proposal territory; funding sources will not be impacted with the annexation. The City will assume service responsibility in several, but not all, areas currently provided by the County of Sacramento.

e. The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

The Proposal will have no impact to the integrity of agricultural lands. There are no agriculturally zoned land uses within the Annexation Area or Williamson Act lands.

f. The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The boundaries of the territory are definite and certain, as shown in Exhibits A and B. The boundaries conform to lines of ownership, do not create islands or corridors of unincorporated territory, and do not raise any other similar issues. As currently approved, the boundary of the City creates a disconnected island of City land that extends to Hazel Avenue. The Proposal will resolve this existing boundary issue.

g. Consistency with city or county general and specific plans.

The Proposal is consistent with the City's General Plan. The City's pre-zoning is consistent with the City's General Plan. Should the zoning become inconsistent with the General Plan, a zoning ordinance shall be amended within a reasonable time so that it is

consistent with the General Plan as amended. In preparing the pre-zoning, the City carefully considered existing land uses and applied designations that would generally accommodate those uses as well as provide greater flexibility for new alternative uses. The City's pre-zoning designations are consistent with the City's 2006 General Plan and its recently updated Zoning Code. County applied zoning of Limited Commercial, Auto Commercial, and General Commercial have been consolidated into the City's general Commercial Mixed Use (CMU). The CMU district also allows a range of non-commercial uses, requiring only that commercial be the predominant use, greatly expanding the potential land uses for property owners in the Annexation Area.

h. The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

The Proposal includes the entire unincorporated area of the City's Sphere of Influence. There will be no impact to the sphere of influence of any other applicable local agency.

i. The comments of any affected local agency or other public agency.

There have been no substantive comments from affected agencies or districts that currently serve the Annexation Area.

j. The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The City submitted a Plan for Services and Addendum, which discuss the City's ability to provide services in the Annexation Area, including the sufficiency of revenues for those services after the proposed annexation.

k. Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

The Annexation Area will continue to receive water service from the Golden State Water Company, the City of Folsom, and the Sacramento County Water Agency. These providers are all signatories to the Water Forum Agreement which recognizes that there needs to be coordination between land-use decision makers and water planners. The Water Forum Agreement includes surface water and groundwater to meet the region's projected water needs for growth planned to the year 2030.

l. The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Pursuant to an agreement between the parties, responsibility for 102 very low income housing units and 102 low income housing units will transfer from the County to the City in the event of annexation.

In order to fulfill its obligations under State Housing Element law (Gov. Code Section 65580 et seq.), the City must demonstrate that it has sufficient sites that are appropriately zoned to accommodate this amount of development within the 2006-2013 period. Land zoned for higher-density development is considered by HCD to be suitable for housing for low and very low-income households. Sites zoned for higher density development have been included near the light rail station in the City's pre-zoning in order to address the need for lower-income housing sites.

m. Any information or comments from the landowner or owners, voters, or residents of the affected territory.

There appears to be no community or landowner opposition to the Proposal. Many businesses seem to believe that they are already within the boundary of the City. Only 11 registered voters live in the Annexation Area.

n. Any information relating to existing land use designations.

The City's pre-zoning designations are consistent with the City's 2006 General Plan and its recently updated Zoning Code.

The City's pre-zoning recognizes existing land uses within the Annexation Area near Hazel Avenue and the City has pre-zoned the territory consistent with the existing County zoning. While the City has attempted to accommodate existing uses in the Annexation Area, there are instances where existing uses will become Legal, Non-Conforming uses under the City's pre-zoning. In these cases, the City has established very liberal non-conforming use regulations that allow such businesses to continue such uses indefinitely, allow complete reconstruction in the event of a catastrophic event, and allow the discretionary approval of expansions of non-conforming uses.

o. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

Pre-zoning for the Annexation Area has been carefully structured to protect the rights of property owners and businesses within the Area and to minimize the creation of regulatory conflicts with existing land uses, and as stated above, the City has prepared a Plan for Services that documents how municipal services will be provided. Based on the City's Plan for Services, the Proposal will not create any significant change in municipal service providers or levels of service for either the City or the Annexation Area. The affected territory is deemed to be uninhabited, pursuant to Government Code section 56046.

10. As required by Government Code section 56375, subdivision (a)(3), LAFCo finds that the City pre-zoned the territory to be annexed, which established General Plan zoning designations for the Annexation Area. (Gov. Code, § 56375, subd. (a)(3).)

11. As required by Government Code section 56375, subdivision (b), LAFCo finds that the Annexation Area is uninhabited.

12. As required by LAFCo Policy IV.B, LAFCo finds that the Proposal is consistent with the policies of the General Plan of the City, as discussed in the Executive Officer's Report dated December 2, 2009. This finding is based on the Record of Proceedings, the Executive Officer's Report, and the General Plan of the City.

13. As required by LAFCo Policy IV.C, LAFCo finds that the Boundaries of the Annexation Area are definite, certain, and fully described as set forth in Exhibits A and B attached hereto and incorporated herein.

14. As required by LAFCo Policy IV.D and Revenue and Tax Code section 99, LAFCo finds that the City and Sacramento County have entered into a Property Tax Exchange and Revenue Sharing Agreement adopted by the City Council on October 5, 2009, and by the Board of Supervisors on November 10, 2009 (attached hereto as Exhibit C). This Agreement complies with Commission Policies requiring that an annexation be revenue neutral to the public agencies affected.

15. As required by LAFCo Policy IV.E, LAFCo finds that the annexation will not result in the conversion of prime agricultural land in open space to other uses.

16. In accordance with LAFCo Policy IV.I.2, LAFCo finds that the annexation is consistent with the General Policies and General Standards in Chapters III and IV of its Policies.

17. In accordance with LAFCo Policy IV.I.3, LAFCo finds that the annexation is consistent with the City's Sphere of Influence boundary.

18. In accordance with LAFCo Policy IV.I.5, the Commission finds that the Annexation provides the lowest cost and highest quality of urban services for the affected population. LAFCo determines that the City possesses the capability to provide the most efficient delivery of the applicable urban services for the affected population. This finding is based on the City's Plan for Services.

a. The Annexation is consistent with the policies of the General Plan of the City. This finding is based on the Record of Proceedings, the Executive Officer's Report, and the General Plan of the City.

b. The Annexation does not exclusively contain revenue-producing properties. This finding is based on the Record of Proceedings, the Boundary Map, the land use plan, and the Executive Officer's Report.

c. Under the Annexation, no parcels are split and no area that is difficult to serve is created. This finding is based on the Record of Proceedings, the Boundary Map, and the Executive Officer's Report.

d. The Annexation results in orderly growth and is not "leap frog" development in relation to existing development.

e. The Annexation does not pose a threat to public health and safety. This finding is based on the Plan for Services and Addendum, the Record of Proceedings, and the Executive Officer's Report.

f. The Annexation will not result in significant adverse effects upon other service recipients or other agencies serving the affected area. This finding is based on the Plan for Services and the comments of affected agencies.

g. Currently, the City has the capacity to provide public services to area residents and commercial/industrial customers. This finding is based upon the Plan for Services and the Executive Officer's Report dated December 2, 2009.

h. The City has sufficient water supplies to meet existing and projected future demands in addition to the proposed project through 2030 under all water year types (e.g., normal, single-dry, and multiple-dry years). This finding is based on the Water Forum Agreement as discussed in the Executive Officer's Report dated December 2, 2009.

i. No additional water supply facilities would be needed to serve the project.

j. The responsibilities and jurisdiction of the service providers in the Annexation Area are outlined in detail in the Plan for Services.

19. In accordance with LAFCo Policy IV.I.7, LAFCo finds that the proposal reflects the logical allocation of existing roads and rights-of-way.

20. The Commission finds that the Proposal is consistent with the Commission's purpose and responsibility for planning, shaping and coordinating the logical and orderly development of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities. In making this determination, the Commission has considered:

a. The Executive Officer's Report;

b. The Plan for Services and Addendum, which the Commission determines is consistent with LAFCo policies and is adequate;

c. The Negative Declaration and Addendum;

d. All oral and written public comments; and

e. Public agency comments, staff reports and other pertinent information in the Commission's Record of Proceedings.

21. The Executive Officer is authorized and directed to take all necessary actions to complete the Annexation contemplated under this Resolution.

22. The Executive Officer is hereby designated as the Conducting Authority and shall set the protest hearing after the close of the required 30-day reconsideration period.

23. The Annexation shall be effective on the date the Executive Officer files the Certificate of Completion.

FURTHERMORE, the City of Rancho Cordova Proposed Annexation of its Sphere of Influence , and all amendments thereto is hereby approved subject to the following condition:

1. The County of Sacramento has executed a long term freeway maintenance agreement with the State of California Department of Transportation (CALTRANS) for the maintenance of landscaping at the Sunrise Boulevard interchange with Highway 50. As a result of the proposed annexation, 100 percent of the interchange will be located in City territory. The freeway agreement with the State shall be modified so that the City is responsible for maintaining the local portions of the interchange. The County may continue to maintain the local portions of the interchange for the City at City expense, as long as the existing highway maintenance agreement between the City and County is in force. The City will assume maintenance responsibilities after annexation.

ON A MOTION made by Commissioner Tooker, seconded by Commissioner Peters, the foregoing Resolution No. LAFCo 2009-14-1202-09-07 was adopted by the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION, on this 2nd day of December 2009, by the following vote, to wit:

AYES: Tooker, Peters, Sheedy, Fox, Budge and Yee

NOES:

ABSTAIN:

ABSENT:

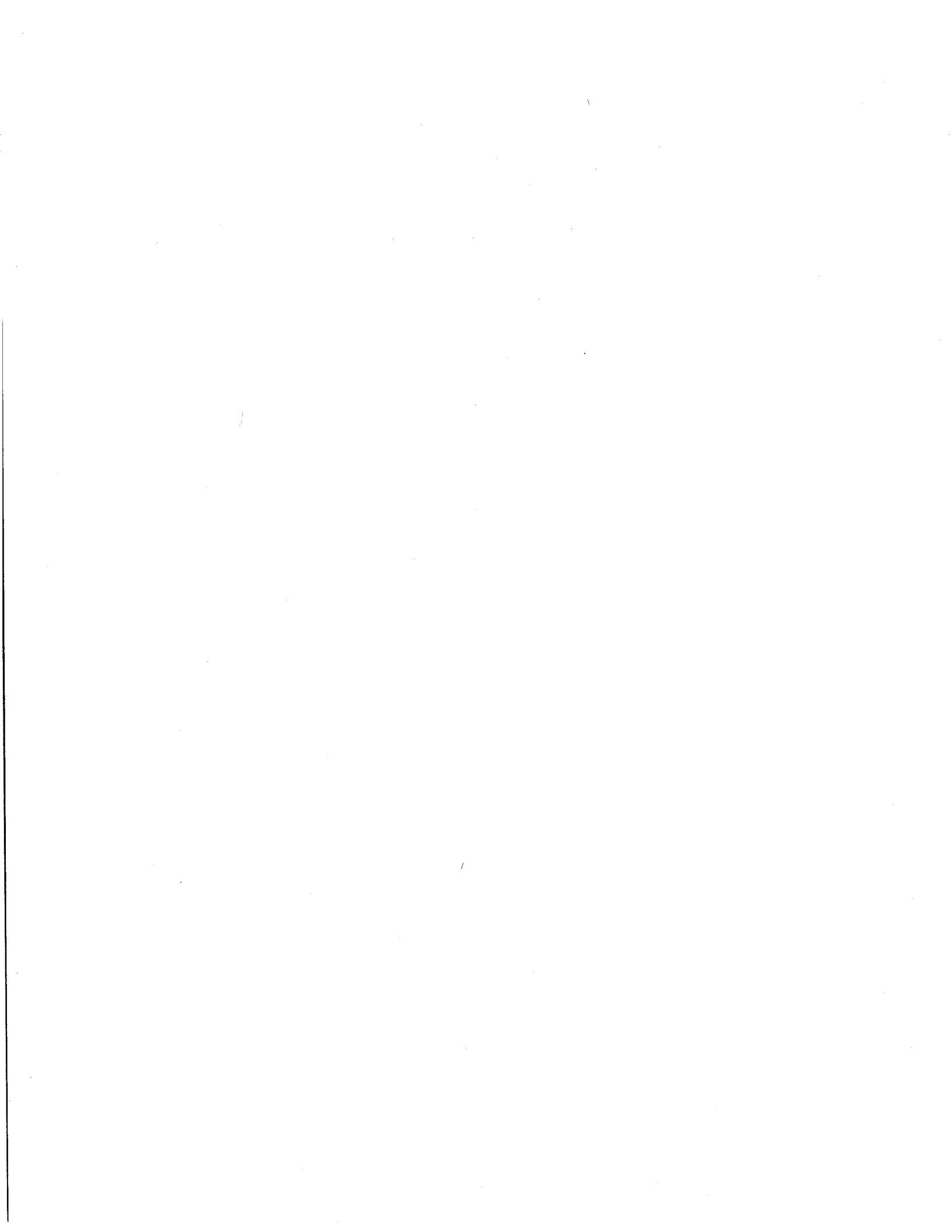
By: Jimmie R Yee
Jimmie Yee, Chair
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

ATTEST:
Diane Thorpe
Diane Thorpe
Commission Clerk

- Attachment: Exhibit A - Metes and Bounds Legal Description of Subject Territory
Exhibit B - Map of Subject Territory
Exhibit C - Property Tax and Revenue Sharing Agreement
Exhibit D - Pre-Zoning and Map

EXHIBIT A

METES AND BOUNDS LEGAL DESCRIPTION OF SUBJECT TERRITORY



**SPHERE OF INFLUENCE
ANNEXATION DESCRIPTION
TO THE CITY OF RANCHO CORDOVA**

All that certain real property situated in the County of Sacramento, State of California, described as follows:

All that portion of Sections 25 and 36, Township 9 North, Range 6 East, together with all that portion of Sections 16, 19, 20, 21, 30 and 31, Township 9 North, Range 7 East, Mount Diablo Meridian, described as follows:

Beginning at a point in the City of Rancho Cordova City Limit Line as described within Resolution No. LAFC 1243, being the Resolution of the Sacramento Local Agency Formation Commission making determinations for the approval of the incorporation of Rancho Cordova, California (12-97) with a proposed effective date of July 1, 2003, said point also being the intersection of the centerline of Citrus Road with the intersection of the centerline of California State Highway 50 as described within said Resolution No. LAFC 1243; thence along said centerline of said California State Highway 50 South 63°00'00" West 1960 feet, more or less, to a point on the centerline of Sunrise Boulevard, a county road; thence Southeasterly along said centerline of Sunrise Boulevard to the intersection of said centerline with the centerline of Trade Center Drive, a county road as shown on that certain Parcel Map entitled "Parcel 7 of 47 P.M. 28 and a Portion of Lots 3 & 4 of Block 3 of Natomas Consolidated of California Subdivision No. 2, 14 B.M. 20" filed in the office of the Recorder of said County and State in Book 138 of Parcel Maps, Page 15; thence continuing along said centerline of Sunrise Boulevard the following two (2) courses: (1) South 32°08'30" East 168.54 feet and (2) along the arc of a curve to the right, having a radius of 3000.00 feet, said arc being subtended by a chord bearing South 19°58'18" East 1257.12 feet; thence continuing along said centerline of Sunrise Boulevard as shown on that certain Parcel Map entitled "Lot 5 and Portion of Lot 4 of Block 3, Lots 1 and 3 and Portion of Lots 2, 4 and 5 of Block 7, Natomas Consolidated of California Subdivision No. 2 Recorded in 14 B.M. 20 and a Portion of Proj. Sec. 36, T. 9 N., R. 6 E., M.D.M." filed in the office of the Recorder of said County and State in Book 50 of Parcel Maps, Page 26, the following two (2) courses: (1) along the arc of a curve to the right, having a radius of 3000.00 feet, said arc being subtended by a chord bearing South 04°38'59" East 342.75 feet and (2) South 01°22'30" East 3285.21 feet to the intersection of said centerline with the centerline of White Rock Road, a county road; thence continuing along said centerline of Sunrise Boulevard as shown on that certain Parcel Map of "Sunrise Park" filed in the office of the Recorder of said County and State in Book 80 of Parcel Maps, Page 6, South 01°56'36" East 1174.76 feet to the intersection of Sanders Drive, a county road as shown on said Parcel Map; thence along said centerline the following five (5) courses: (1) North 88°03'24" East 135.00 feet; (2) along the arc of a curve to the right, said arc being subtended by a chord bearing South 86°46'47" East 180.00 feet to

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ANNEXATION DESCRIPTION
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a point of reverse curvature; (3) along the arc of a curve to the left, having a radius of 1500.00 feet, said arc being subtended by a chord bearing South 85°26'29" East 200.14 feet; (4) South 89°16'00" East 341.41 feet and (5) along the arc of a curve to the right, having a radius of 1500.00 feet, said arc being subtended by a chord bearing South 86°33'57" East 141.37 feet; thence along the centerline of Gold Valley Drive, a county road as shown on said Parcel Map, the following four (4) courses: (1) along the arc of a curve to the left, having a radius of 1500.00 feet, said arc being subtended by a chord bearing North 00°30'59" West 347.51 feet; (2) North 07°10'06" West 723.51 feet; (3) along the arc of a curve to the right, having a radius of 520.00 feet, said arc being subtended by a chord bearing North 03°15'05" West 71.04 feet and (4) North 00°39'55" East 61.18 feet to a point on the centerline of White Rock Road, a county road; thence along said centerline as shown on said Parcel Map the following three (3) courses: (1) South 89°20'05" East 113.80 feet; (2) North 76°21'25" East 639.51 feet and (3) North 80°14'25" East 782.13 feet to the intersection of said centerline with the Southerly prolongation of the West line of Parcel 4 as said parcel is shown on that certain Parcel Map entitled "Portions of Projected Sections 15, 16, 21, 22 & 31, T. 9 N., R. 7 E., M.D.M in Rancho Rio De Los Americanos" filed in the office of the Recorder of said County and State in Book 87 of Parcel Maps, Page 8; thence North 07°04'40" West 447.80 feet to the Northwest corner of said Parcel 4 and being an angle point on the Westerly line of Area 1 as shown on that certain Record of Survey entitled "Being Projected Sections 22, 23, 28 and 29 and Portions of Projected Sections 11, 12, 13, 14, 15, 16, 19, 20, 21, 24, 25, 26, 27, 30, 31, 32, 33 and 34, T. 9 N., R. 7 E., M.D.M. in Rancho Rio De Los Americanos Together with Portions of Sections 13, 24 and 25, T. 9 N., R. 7 E., M.D.M." filed in the office of the Recorder of said County and State in Book 62 of Surveys, Page 4; thence along the Westerly and Northerly lines of said Area 1 the following seventeen (17) courses: (1) North 07°04'23" West 171.94 feet; (2) North 07°05'02" West 627.11 feet; (3) North 07°03'44" West 1002.93 feet; (4) North 07°01'54" West 1032.09 feet; (5) along the arc of a curve, concave Easterly and having a radius of 5040.00 feet; thence Northeasterly along said curve, through a central angle of 17°50'00" an arc distance of 1568.70 feet; (6) North 10°45'17" East 800.30 feet; (7) along the arc of a curve, concave Southeasterly and having a radius of 840.00 feet; thence Northeasterly along said curve, through a central angle of 12°28'00" an arc distance of 182.77 feet; (8) North 23°13'17" East 508.60 feet; (9) along the arc of a curve, concave Southerly and having a radius of 140.00 feet; thence Northeasterly along said curve, through a central angle of 64°47'05" an arc distance of 158.30 feet; (10) North 88°00'17" East 194.60 feet; (11) North 85°08'17" East 200.20 feet; (12) North 88°00'17" East 149.30 feet; (13) along the arc of a curve, concave Northerly and having a radius of 450.00 feet; thence Northeasterly along said curve, through a central angle

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ANNEXATION DESCRIPTION
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of 63°44'00" an arc distance of 500.56 feet; (14) North 24°16'17" East 1147.90 feet; (15) along the arc of a curve, concave Southeasterly and having a radius of 2850.00 feet; thence Northeasterly along curve, through a central angle of 18°15'00" an arc distance of 907.79 feet; (16) North 42°31'17" East 665.80 feet and (17) along the arc of a curve, concave Southeasterly and having a radius of 3050.00 feet; thence Northeasterly along said curve, through a central angle of 16°42'00" an arc length of 888.99 feet; thence along the Westerly and Northerly lines of Area B as shown on said Record of Survey (Book 62 of Surveys, Page 4) the following five (5) courses: (1) North 30°46'43" West 25.00 feet; (2) along the arc of a curve, concave Southerly and having a radius of 3075.00 feet; thence Easterly along said curve, through a central angle of 14°30'00" an arc distance of 778.20 feet; (3) North 73°43'17" East 669.20 feet; (4) along the arc of a curve, concave Northwesterly and having a radius of 3125.00 feet; thence Northeasterly along said curve, through a central angle of 16°53'00" an arc length of 920.84 feet and (5) North 56°50'17" East 1001.80 feet; thence leaving said City of Rancho Cordova City Limit Line, along the Northwesterly line of Area T as shown on said Record of Survey the following two (2) courses: (1) North 56°50'17" East 344.61 feet and (2) along the arc of a curve to the right, concave Southeasterly, having a radius of 875.00 feet, through a central angle of 02°53'43", having a length of 44.22 feet to a point in the City of Rancho Cordova City Limit Line as described within said Resolution No. LAFC 1243; thence along said City of Rancho Cordova City Limit Line and along the Northerly line of Areas 2, 3 and 5 as shown on said Record of Survey the following twelve (12) courses: (1) along the arc of a curve to the right, concave Southeasterly, having a radius of 875.00 feet, through a central angle of 26°12'16", having a length of 400.18 feet; (2) North 89°43'17" East 151.40 feet; (3) along the arc of a curve to the left, concave Northwesterly, having a radius of 400.00 feet, through a central angle of 55°18'05", having a length of 386.08 feet; (4) North 78°06'49" East 558.24 feet; (5) North 63°53'02" East 436.66 feet; (6) South 46°47'31" East 209.13 feet; (7) North 65°44'49" East 1039.28 feet; (8) North 46°39'35" East 420.22 feet; (9) South 23°11'03" East 151.23 feet; (10) North 63°41'59" East 1364.87 feet; (11) South 26°47'26" East 481.61 feet and (12) North 61°24'52" East 1189.11 feet to the Northeast corner of said Area 5; thence leaving the City Limit Line of the City of Rancho Cordova as described within said Resolution No. LAFC 1243, along the Easterly line of Area E as shown on said Record of Survey North 30°19'16" West 1247.14 feet to the Northeast corner of said Area E; thence along the Northerly line of Area H as shown on said Record of Survey to a point in the prolongation of the centerline of the Hazel Avenue overcrossing; thence along said centerline to the intersection of the centerline of said California State Highway 50; thence Southwesterly along said centerline to the point of beginning.

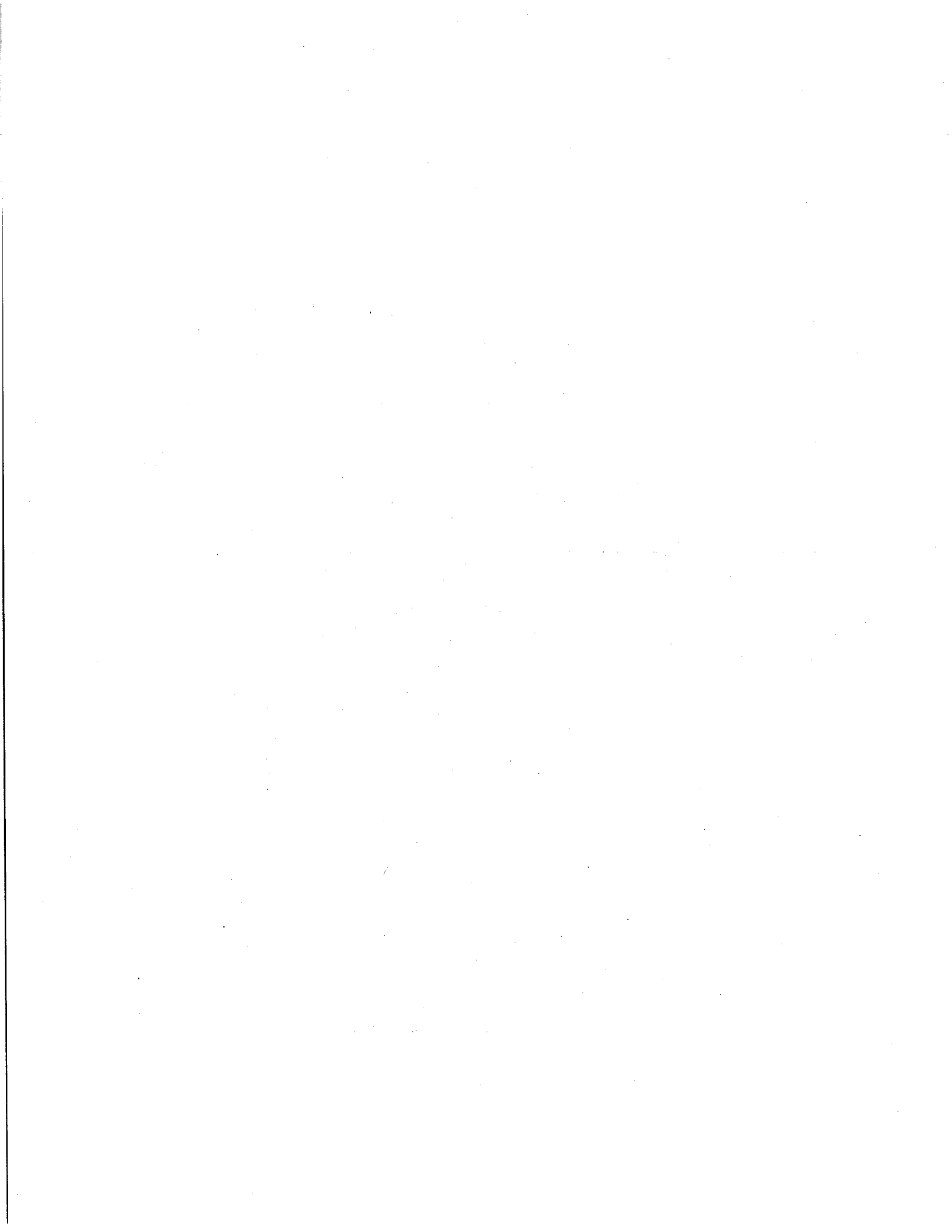
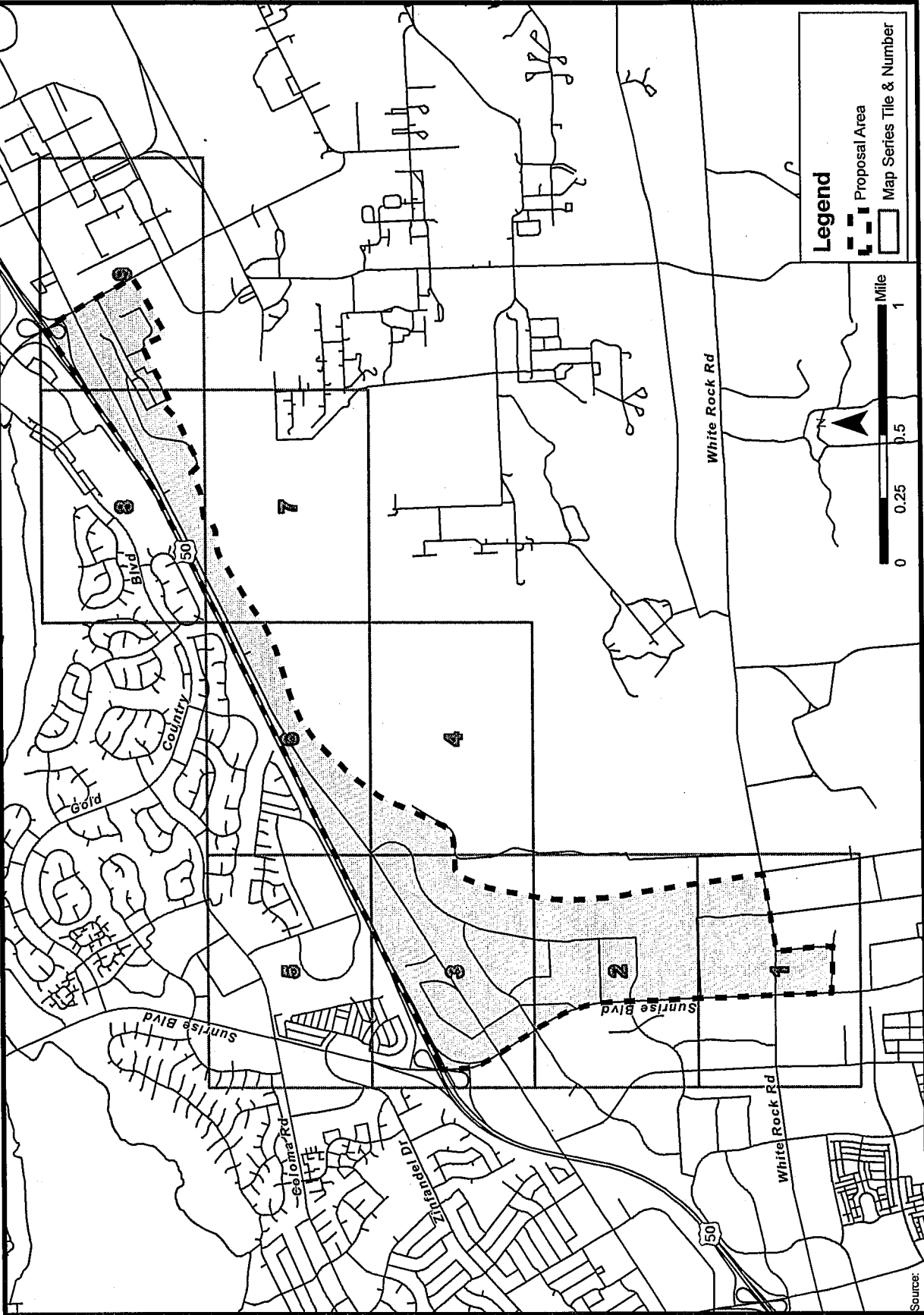


EXHIBIT B

MAP OF SUBJECT TERRITORY

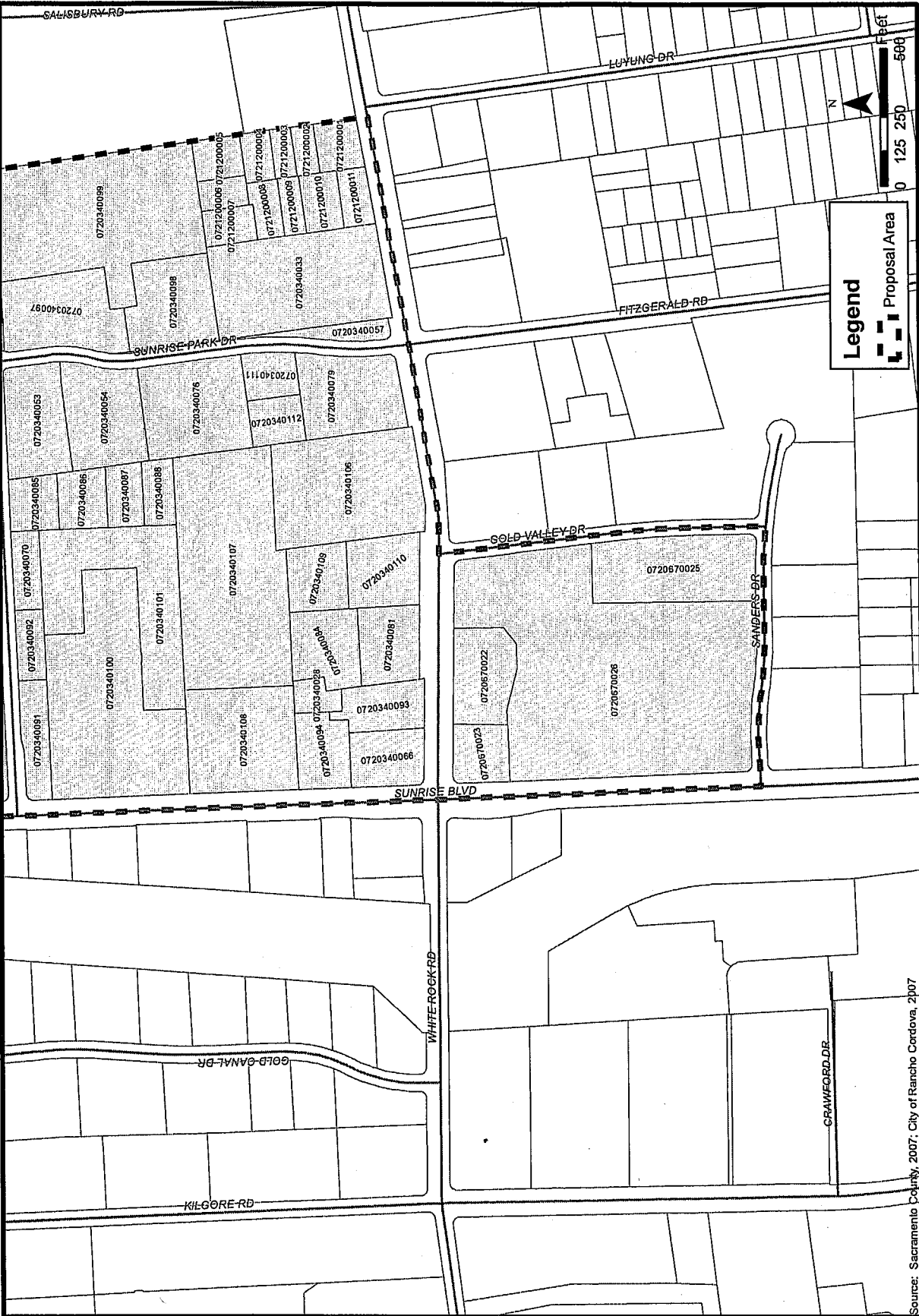




Proposed Area
Map Series Extent

City of Rancho Cordova
Planning Department



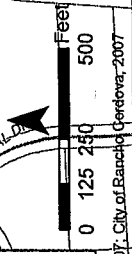
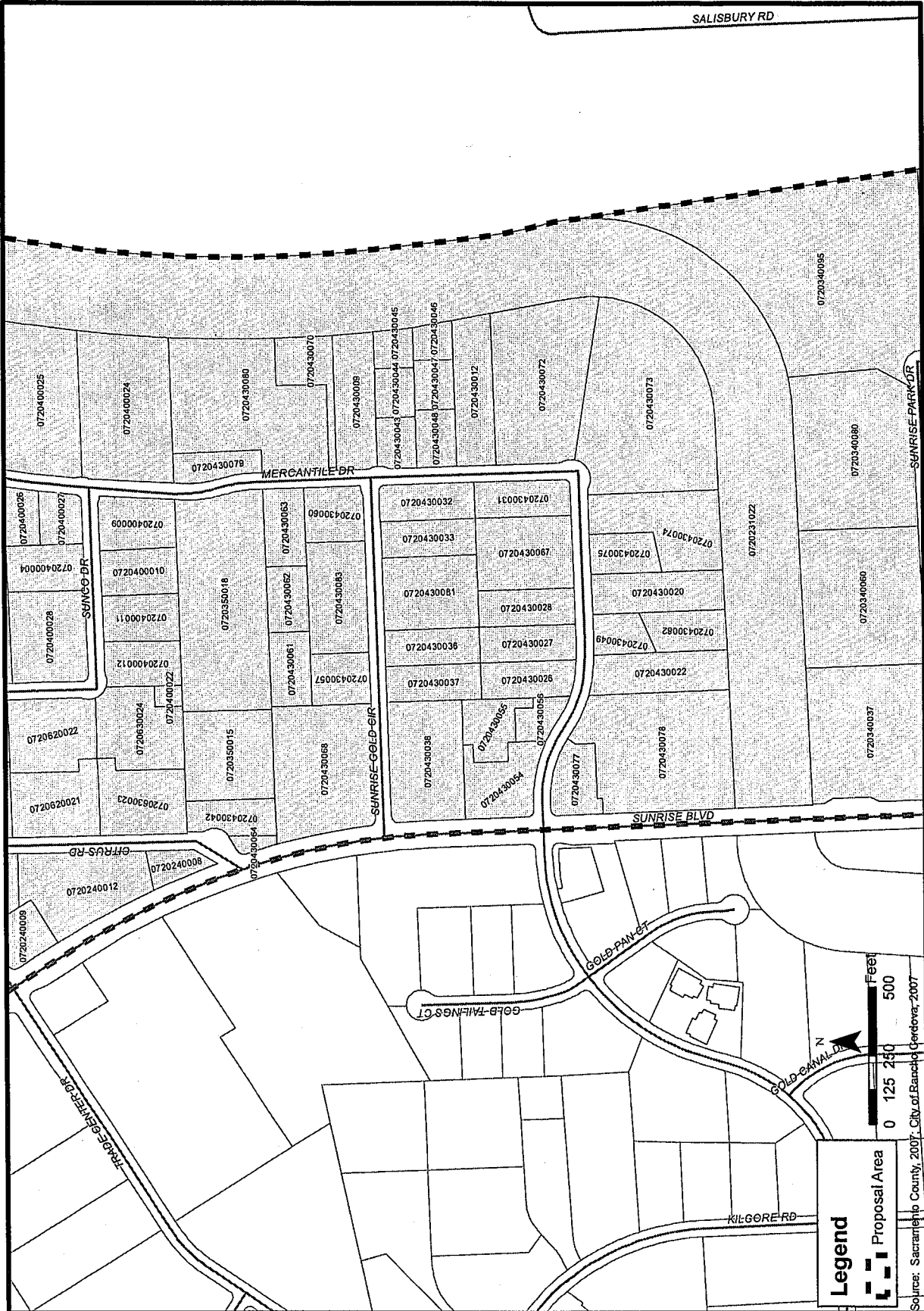


Map Series Title #1

City of Rancho Cordova
Planning Department



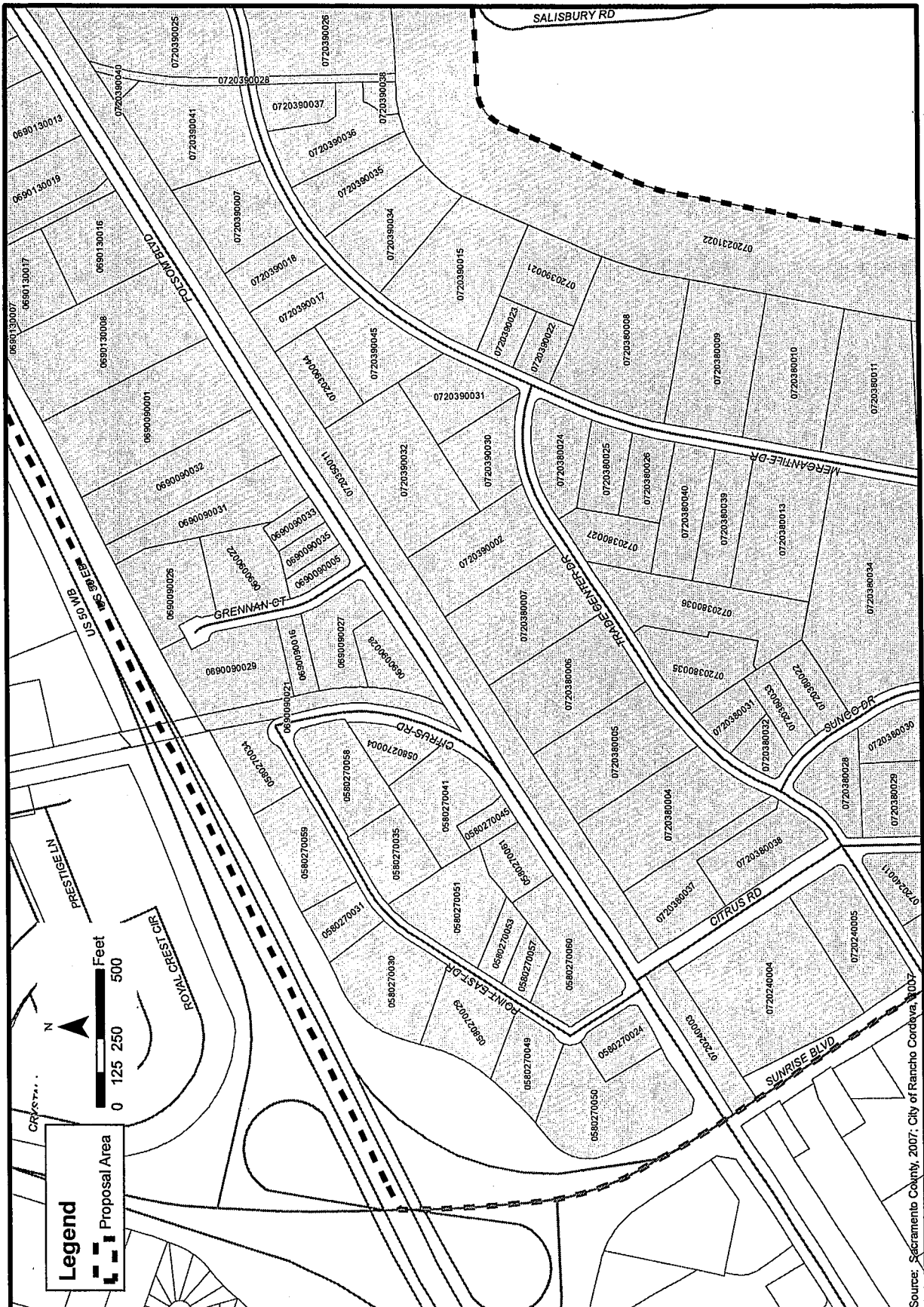
Source: Sacramento County, 2007; City of Rancho Cordova, 2007



Source: Sacramento County, 2007; City of Rancho Cordova, 2007

City of Rancho Cordova
Planning Department



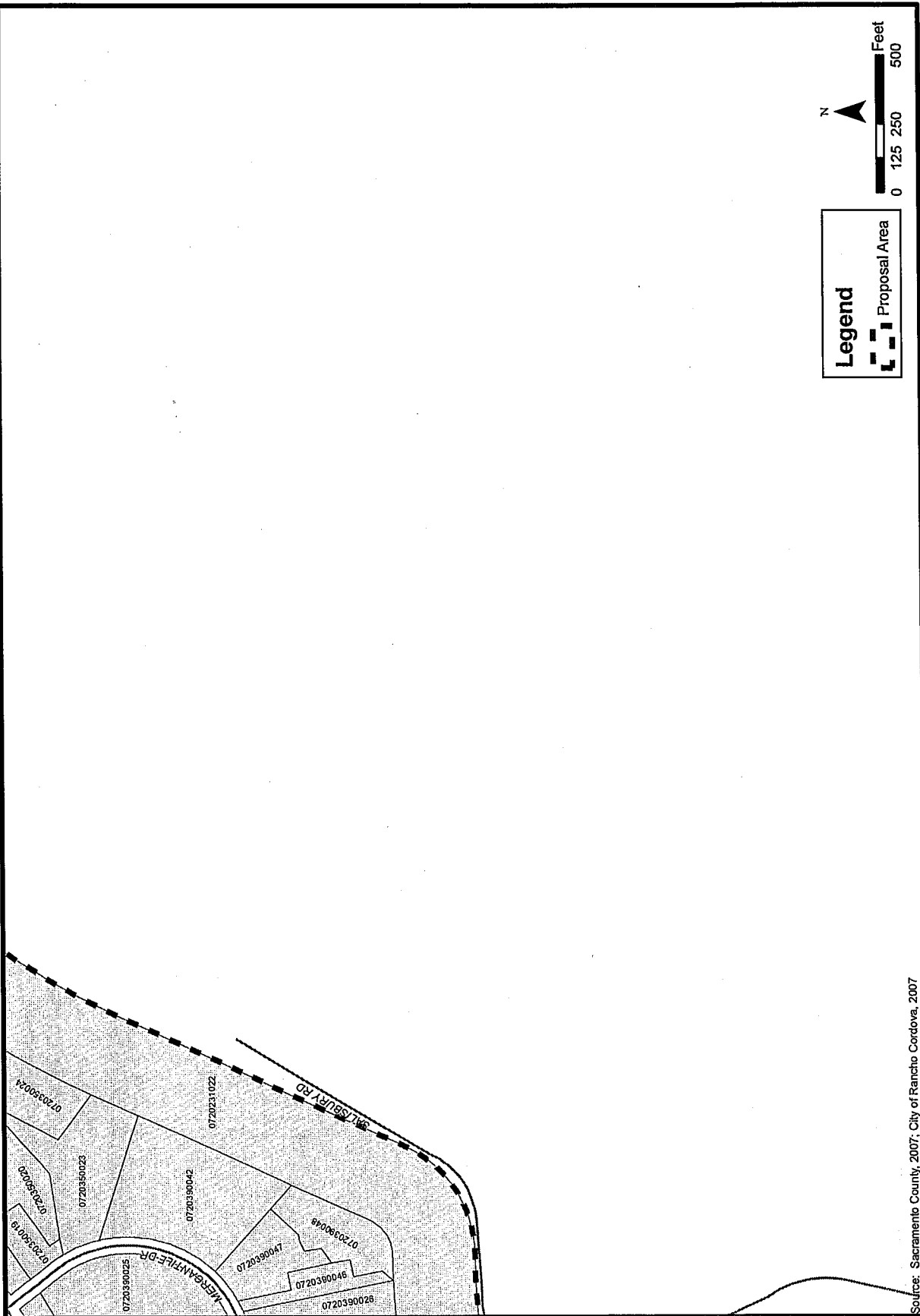


Source: Sacramento County, 2007; City of Rancho Cordova, 2007



City of Rancho Cordova
Planning Department

Map Series Title #3



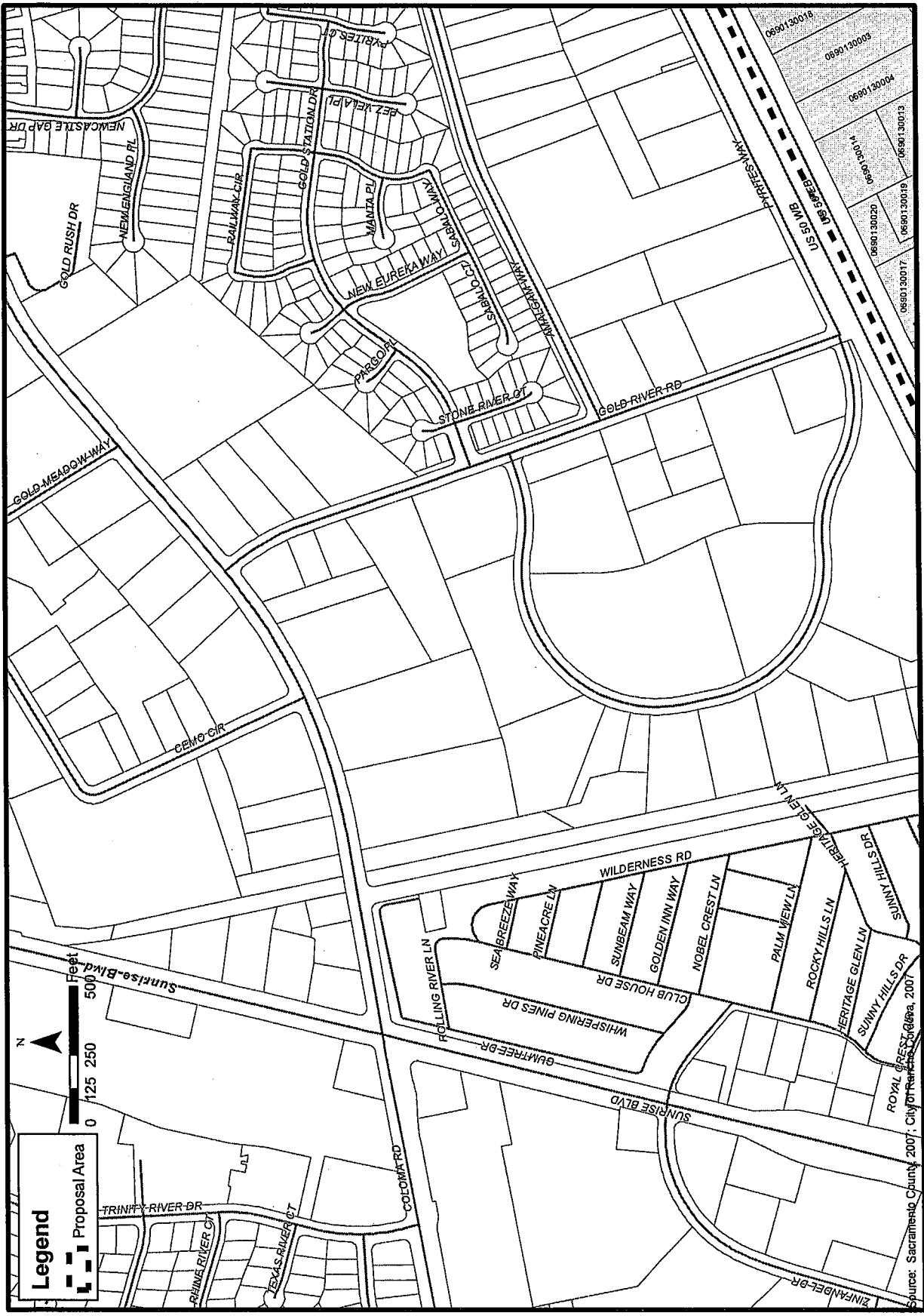
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Source: Sacramento County, 2007; City of Rancho Cordova, 2007



City of Rancho Cordova
Planning Department

Map Series Tile #4



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Legend

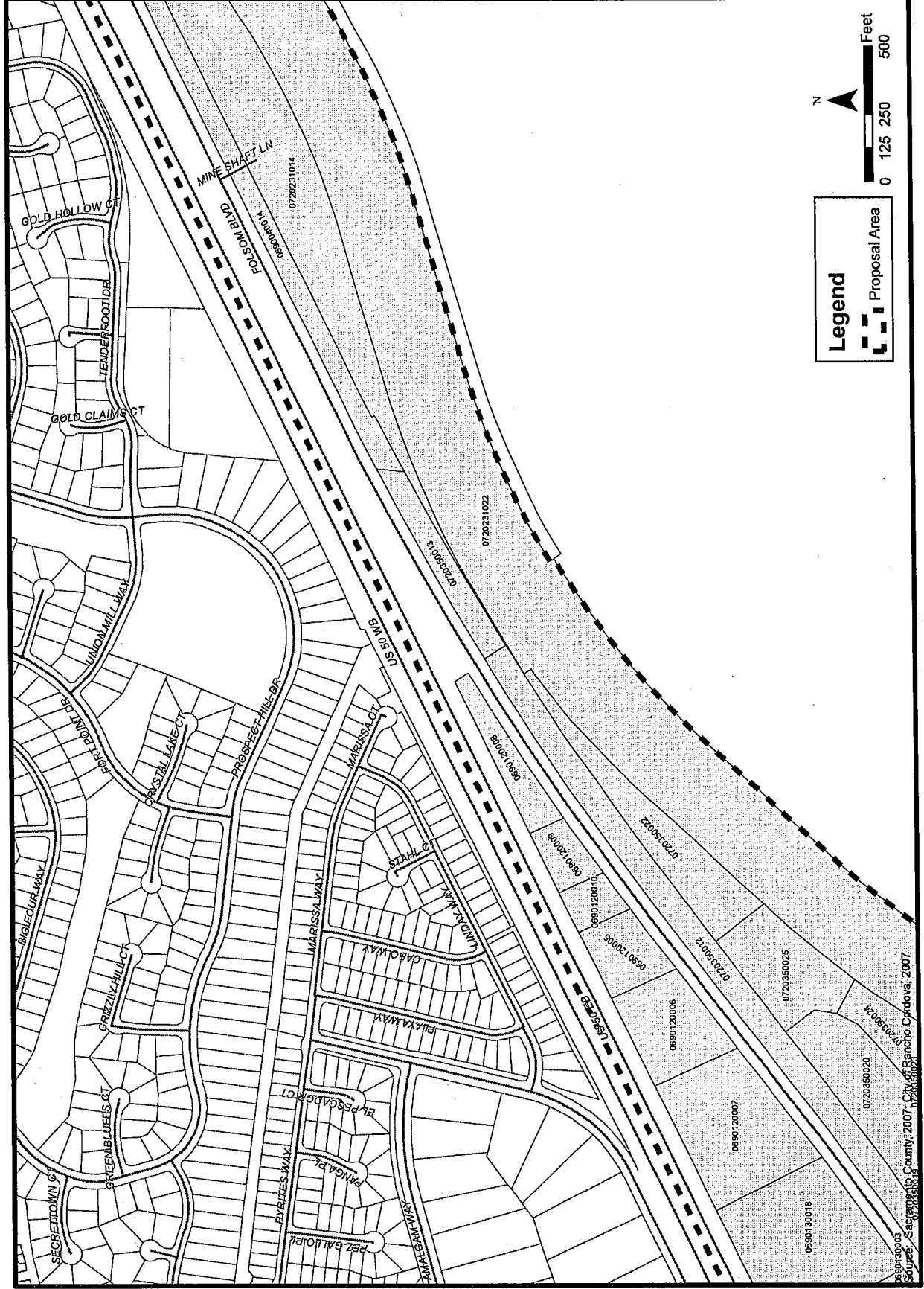
 Proposal Area

Source: Sacramento County, 2007; City of Rancho Cordova, 2007



City of Rancho Cordova
Planning Department

Map Series Tile #5

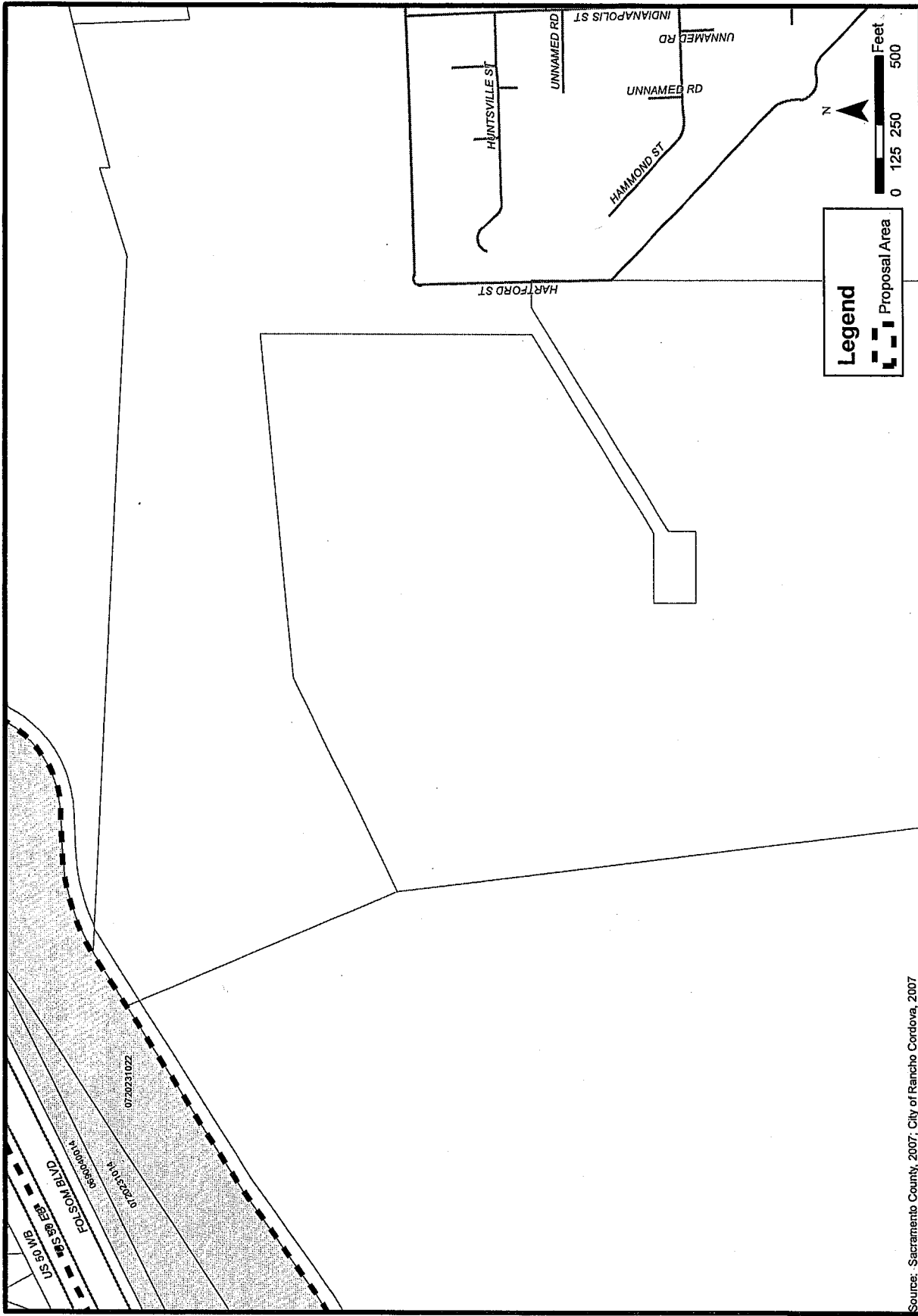


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City of Rancho Cordova
 Planning Department





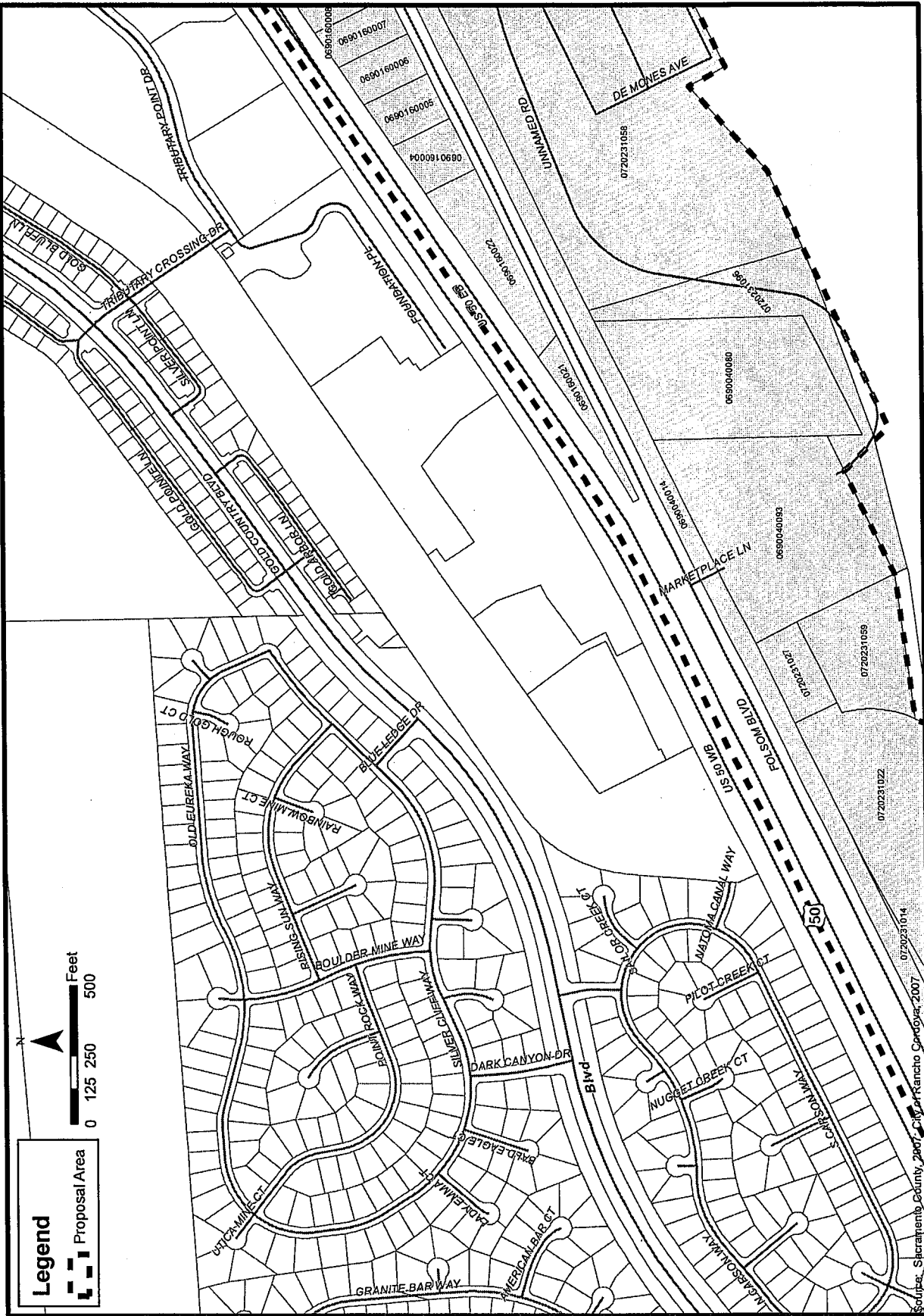
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Source: Sacramento County, 2007; City of Rancho Cordova, 2007



City of Rancho Cordova
Planning Department

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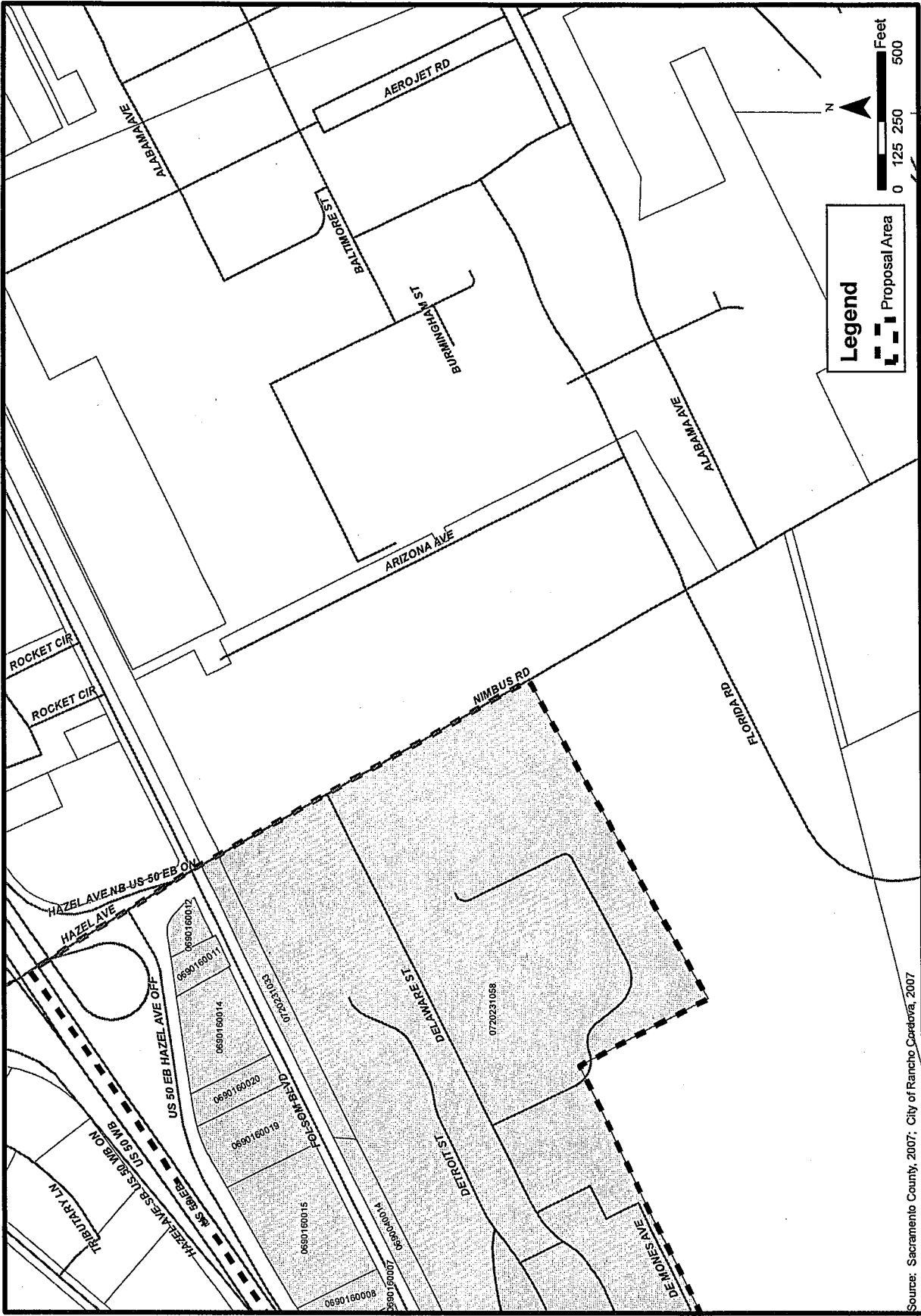


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Series Tile #8

City of Rancho Cordova
Planning Department





Map Series Tile #9

City of Rancho Cordova
 Planning Department



Source: Sacramento County, 2007; City of Rancho Cordova, 2007

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EXHIBIT C

PROPERTY TAX AND REVENUE SHARING AGREEMENT

<u>APN</u>	<u>Acres</u>
07203400760000	2.76
07203401110000	0.76
07203401120000	0.78
06900900210000	1.30
06901300080000	5.00
06901300160000	2.39
06900900010000	5.01
06900900320000	3.28
06900400140000	18.78
07203500130000	1.41
07203500120000	5.84
07203500110000	7.14
07203900280000	0.87
07202400030000	1.26
07202400040000	5.74
07202310330000	12.31
07204000220000	0.17
07203400280000	0.31
07202310590000	3.70
05802700340000	1.05
05802700310000	1.07
07202400120000	2.50
07203400700000	0.68
07203400920000	0.60
07203400570000	0.40
07203401080000	3.78

APN	Acres
07203900460000	0.88
07203900260000	3.90
07203900370000	0.87
07203900360000	2.12
07203900480000	1.18
06900900160000	0.64
07203900440000	1.89
07203900350000	1.80
06900900270000	1.76
07203900450000	1.33
07203900320000	4.18
06900900280000	1.24
07203900380000	0.27
07203900150000	3.80
07203900310000	1.82
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07203900230000	0.76
07203900210000	1.93
07203800080000	4.53
07203800270000	1.42
07203800250000	1.08
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07203800260000	1.14
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07203800350000	2.03
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07203800330000	0.84
07203800100000	3.44
07203800220000	1.12
07203800110000	3.74
07203800300000	1.16
07204000250000	3.47
07204000040000	1.13
07204000240000	4.13
07204000090000	1.43
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07204300800000	5.43
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07203500180000	6.50
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07204300610000	0.97
07204300700000	0.88
07204300570000	1.04
07204300090000	1.61
07204300450000	0.40
07204300440000	0.62
07204300430000	0.63
07204300810000	2.30
07204300360000	1.15
07204300460000	0.39
07204300470000	0.59
07204300480000	0.72
07204300120000	1.75

APN	Acres
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07204300220000	1.75
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07204300750000	0.89
07203400850000	0.81
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APN	Acres
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06901600150000	4.00
06901600080000	1.00
06901600070000	1.00
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06901600050000	1.00
06901600040000	1.00
06901600220000	2.27
06901600210000	0.73
06900400930000	9.99
07202310140000	11.38
06901200080000	1.33
07203500220000	2.70
06901200090000	0.89
06901200100000	0.73
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06901200070000	4.66
06901300180000	5.65
07203500250000	2.50
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06901300200000	1.13
06901300170000	2.24
06901300130000	1.99
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05802700510000	2.42
05802700410000	2.26
07203900020000	3.46
05802700290000	1.88
07203800070000	3.44

APN	Acres
05802700450000	0.56
05802700530000	0.59
05802700610000	1.36
05802700490000	1.43
07203800060000	3.44
05802700570000	0.59
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07203900220000	0.76
05802700500000	3.66
07203800050000	3.51
07203800040000	4.05
05802700240000	1.03
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07202400050000	2.59
07203800280000	1.46
07203800340000	7.47
07203800290000	1.93
07202400110000	1.11
07202400090000	0.87
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07203900180000	1.29

RESOLUTION AUTHORIZING PROPERTY TAX EXCHANGE AGREEMENT RELATING TO THE RANCHO CORDOVA SPHERE OF INFLUENCE ANNEXATION, AGREEMENT REGARDING REVENUE SHARING UPON ANNEXATION OF SUNRISE-FOLSOM AREA TO CITY OF RANCHO CORDOVA, AND AGREEMENT REGARDING REGIONAL HOUSING NEEDS ALLOCATION UPON ANNEXATION OF SUNRISE-FOLSOM AREA TO CITY OF RANCHO CORDOVA

BE IT RESOLVED AND ORDERED that the Chair of the Board of Supervisors is hereby authorized and directed to execute a Property Tax Exchange Agreement Relating to the Rancho Cordova Sphere of Influence Annexation, an Agreement Regarding Revenue Sharing Upon Annexation of Sunrise-Folsom Area to City of Rancho Cordova, and an Agreement Regarding Regional Housing Needs Allocation Upon Annexation of Sunrise-Folsom Area to City of Rancho Cordova between the City of Rancho Cordova and the County of Sacramento, in substantially the forms attached, and to do and perform everything necessary to carry out the purpose and intent of this Resolution.

On a motion by Supervisor Nottoli, seconded by Supervisor MacGlashan, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 10th day of November, 2009, by the following vote, to wit:

AYES: Supervisors, Dickinson, MacGlashan, Nottoli, Yee, Peters
NOES: Supervisors, None
ABSENT: Supervisors, None
ABSTAIN: Supervisors, None

RECEIVED

NOV 12 2009

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION



In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on 11/10/09

By V. Rodgers
Deputy Clerk, Board of Supervisors

Suzanne Price
Chair of the Board of Supervisors
of Sacramento County, California

FILED
BOARD OF SUPERVISORS

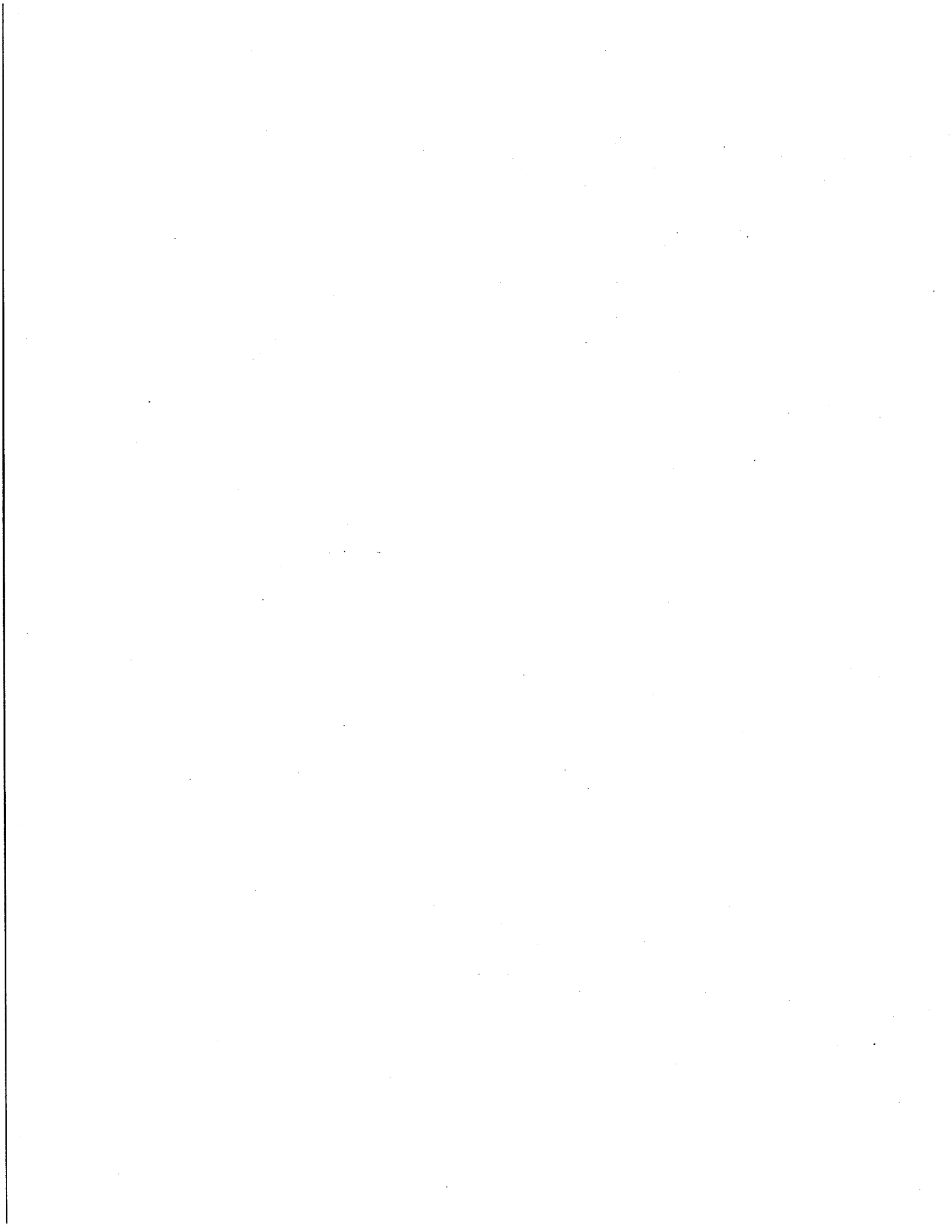
The foregoing is a correct copy of a resolution adopted by the Board of Supervisors, Sacramento County, California

ATTEST: Cyndi Lee
Clerk, Board of Supervisors

NOV 10 2009
BY Cyndi Lee
CLERK OF THE BOARD

Dated 11/10/09
Clerk, Board of Supervisors

By V. Rodgers
Deputy Clerk



**PROPERTY TAX EXCHANGE AGREEMENT
BETWEEN
THE COUNTY OF SACRAMENTO AND THE CITY OF RANCHO CORDOVA,
RELATING TO THE RANCHO CORDOVA SPHERE OF INFLUENCE ANNEXATION**

This PROPERTY TAX EXCHANGE AGREEMENT (hereinafter "Agreement") is made and executed in duplicate this tenth day of November, 2009 by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the CITY OF RANCHO CORDOVA, a general law city (hereinafter referred to as "CITY").

RECITALS

A. On June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of full cash value; and

B. Following such constitutional amendment, the California Legislature added Section 99 to the California Revenue and Taxation Code which requires a city seeking to annex property to its incorporated territory and a county affected by such annexation to agree upon an exchange of property taxes which are derived from such property and available to the county and city following annexation of the property to the incorporated territory of the city; and

C. CITY has filed an application with the Sacramento Local Agency Formation Commission ("LAFCO"), entitled "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO-07-09)," requesting its approval of the annexation of approximately 748 acres of real property to CITY, consisting of all of the area within the CITY's sphere of influence, as designated by LAFCO and approved by the voters in November 2002 ("the Sunrise-Folsom Annexation"); and

D. COUNTY and CITY wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by the Revenue and Taxation Code in order to encourage sound urban development and economic growth; and

E. The purpose of this Agreement is to serve as a Property Tax Transfer Agreement pursuant to Section 99 of the California Revenue and Taxation Code for the Sunrise-Folsom Annexation.

COUNTY and CITY hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Annexation Area" shall mean that portion of the unincorporated area of COUNTY designated by LAFCO as the sphere of influence of CITY known as the "Sunrise-Folsom Annexation",

(b) "Annexation Date" shall mean the date specified by the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.) as the effective date of the Sphere of Influence Annexation.

(c) "Sunrise-Folsom Annexation" shall mean the annexation to the CITY as delineated in Sacramento Local Agency Formation Commission Application Control Number "LAFC 07-09", the annexation of which to CITY is subsequently approved and completed by the Sacramento Local Agency Formation Commission as provided in the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.).

(d) "Property Tax Revenue" shall mean revenue from "ad valorem real property taxes on real property", as said term is used in Section 1 of Article XIII A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, that is collected from within the Annexation Area, is available for allocation to the City and the County, and is currently allocated to the County General Fund and County Road Fund.

Section 2. Purpose of Agreement. The purpose of this Agreement is to set forth the exchange of Property Tax Revenue between CITY and COUNTY as required by Section 99 of the California Revenue and Taxation.

Section 3. Exchange of Property Tax Revenues. On and after the Annexation Date, the COUNTY and CITY shall exchange Property Tax Revenue as follows:

(a) CITY shall receive none of the Property Tax Revenues from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.1.

(b) CITY shall receive none of the annual tax increment from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.5.

Section 4. Exchange by County Auditor. COUNTY and CITY agree that all of the exchanges of Property Tax Revenue required by this Agreement shall be made by the County Auditor.

Section 5. Disposition of Litigation. After CITY's City Council and COUNTY's Board of Supervisors have adopted resolutions approving this Agreement, and authorizing and directing the Mayor and Board Chairperson to sign the Agreement, and after the Mayor and Board Chairperson have signed the Agreement and the resolutions, CITY and COUNTY shall submit a joint stipulation to the Court in the form attached as Exhibit A. CITY and COUNTY shall each bear their own attorneys' fees in connection with the litigation of the Petition for Writ of Mandamus and Complaint for Declaratory Relief.

Section 6. Mutual Defense of Agreement. If the validity of this Agreement is challenged in any legal action by a party other than COUNTY or CITY, the CITY agrees that the COUNTY may defend the CITY against the legal challenge at no cost to the CITY.

Section 7. Modification. The provision of this Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by both the COUNTY and CITY.

Section 8. Reformation. COUNTY and CITY understand and agree that this Agreement is based upon existing law, and that such law may be substantially amended in the future. In the event of an amendment of state law which renders this Agreement invalid or inoperable or which denies any party thereto the full benefit of this Agreement as set forth herein, in whole or in part, then COUNTY and CITY agree to renegotiate the Agreement in good faith.

Section 9. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the Sunrise-Folsom Annexation and does not constitute either a master tax sharing agreement or an agreement on property tax exchanges which may be required for any other annexation to the CITY, nor does it alter, enlarge or affect any revenue sharing obligations of the City by way of incorporation on July 1, 2003.

Section 10. Entire Agreement. With respect to the subject matter hereof only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between COUNTY and CITY except as otherwise provided herein.

Section 11. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

<u>COUNTY</u>	<u>CITY</u>
County Executive County of Sacramento 700 H Street, Room 7650 Sacramento, CA 95814	City Manager City of Rancho Cordova 2729 Prospect Park Drive Rancho Cordova, CA 95670

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

Section 12. Approval, Consent, and Agreement. Wherever this Agreement requires a party's approval, consent, or agreement, the party shall make its decision to give or withhold such approval, consent or agreement in good faith, and shall not withhold such approval, consent or agreement unreasonably or without good cause.

Section 13. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the county of Sacramento, State of California, on the dates set forth above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

By *Susan Price*
Chairperson of the Board of Supervisors

(SEAL)

ATTEST: *Cyndi Lee*
Clerk of the Board of Supervisors

Approved As to Form:

John F. Whit
County Counsel

CITY OF RANCHO CORDOVA, a general law city



By: *Ted L. Seebach*
City Manager 11-5-09

(SEAL)

ATTEST: *[Signature]*
City Clerk

Approved As to Form:

Alan Meyer
City Attorney

1 Elizabeth H. Silver (SBN: 61445)
 esilver@meyersnave.com
 2 Joseph M. Quinn (SBN: 171898)
 Jquinn@meyersnave.com
 3 MEYERS, NAVE, RIBACK, SILVER & WILSON
 4 555 12th Street, Suite 1500
 Oakland, CA 94607
 5 Telephone: (510) 808-2000
 Facsimile: (510) 444-1108
 6 Attorneys for Petitioner and Plaintiff CITY OF RANCHO CORDOVA

8 Michele E. Bach (SBN 88948)
 bachm@saccounty.net
 9 John F. Whisenhunt (SBN 89823)
 whisenhuntj@saccounty.net
 10 COUNTY OF SACRAMENTO
 11 Office of the County Counsel
 700 H Street, Suite 2650
 12 Sacramento, CA 95814
 Telephone: (916) 440-5543
 13 Facsimile: (916) 447-5195

**No Fee Required
 Pursuant to
 Government Code § 6103**

14 Attorneys for Respondents and Defendants COUNTY OF SACRAMENTO
 15 and SACRAMENTO COUNTY BOARD OF SUPERVISORS

16
 17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 18 IN AND FOR THE COUNTY OF SACRAMENTO

19
 20 CITY OF RANCHO CORDOVA;
 Petitioner and Plaintiff,
 21 v.
 22 COUNTY OF SACRAMENTO;
 23 SACRAMENTO COUNTY BOARD OF
 SUPERVISORS; and DOES 1 through 100,
 24 Respondents and Defendants.

Case No: 34-2008-00002478-CU-WM-GDS

**STIPULATION FOR ENTRY OF
 JUDGMENT PURSUANT TO
 SETTLEMENT AGREEMENT**
 [Code Civ. Proc., § 664.6]

Judge: Hon. Michael P. Kenny
 Dept: 31

1 Petitioner and Plaintiff City of Rancho Cordova ("City") and Respondents and Defendants,
2 the County of Sacramento and the Sacramento County Board of Supervisors (collectively,
3 "County"), hereby stipulate to entry of a judgment in accordance with two agreements between
4 City and County by which they have effected a settlement of their dispute, entitled "Property Tax
5 Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova,
6 Relating to the Rancho Cordova Sphere of Influence Annexation," attached as Exhibit 1 and
7 incorporated herein by this reference, and "Agreement Between City Of Rancho Cordova And
8 County Of Sacramento Regarding Revenue Sharing Upon Annexation Of Sunrise-Folsom Area
9 To City Of Rancho Cordova," including Exhibits A, B, and C to that Agreement, all of which are
10 attached hereto as collective Exhibit 2 and incorporated herein by this reference.

11 The City and County stipulate to the entry of a judgment that includes all provisions of the
12 two above-named Agreements, and that is in the form of the proposed Stipulated Judgment
13 attached as Exhibit 3.

14
15 DATED: November __, 2009

MEYERS, NAVE, RIBACK, SILVER & WILSON

16
17 By: _____

18 Elizabeth H. Silver
19 Attorneys for Petitioner and Plaintiff
20 CITY OF RANCHO CORDOVA

21 DATED: November __, 2009

SACRAMENTO COUNTY COUNSEL

22 Bv: _____

23 John F. Whisenhunt,
24 Attorneys for Respondents and Defendants
25 COUNTY OF SACRAMENTO; SACRAMENTO
26 COUNTY BOARD OF SUPERVISORS

27 1284929.9
28

**PROPERTY TAX EXCHANGE AGREEMENT
BETWEEN
THE COUNTY OF SACRAMENTO AND THE CITY OF RANCHO CORDOVA,
RELATING TO THE RANCHO CORDOVA SPHERE OF INFLUENCE ANNEXATION**

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A. On June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of full cash value; and

B. Following such constitutional amendment, the California Legislature added Section 99 to the California Revenue and Taxation Code which requires a city seeking to annex property to its incorporated territory and a county affected by such annexation to agree upon an exchange of property taxes which are derived from such property and available to the county and city following annexation of the property to the incorporated territory of the city; and

C. CITY has filed an application with the Sacramento Local Agency Formation Commission ("LAFCO"), entitled "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO-07-09)," requesting its approval of the annexation of approximately 748 acres of real property to CITY, consisting of all of the area within the CITY's sphere of influence, as designated by LAFCO and approved by the voters in November 2002 ("the Sunrise-Folsom Annexation"); and

D. COUNTY and CITY wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by the Revenue and Taxation Code in order to encourage sound urban development and economic growth; and

E. The purpose of this Agreement is to serve as a Property Tax Transfer Agreement pursuant to Section 99 of the California Revenue and Taxation Code for the Sunrise-Folsom Annexation.

COUNTY and CITY hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Annexation Area" shall mean that portion of the unincorporated area of COUNTY designated by LAFCO as the sphere of influence of CITY known as the "Sunrise-Folsom Annexation",

(b) "Annexation Date" shall mean the date specified by the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.) as the effective date of the Sphere of Influence Annexation.

(c) "Sunrise-Folsom Annexation" shall mean the annexation to the CITY as delineated in Sacramento Local Agency Formation Commission Application Control Number "LAFC 07-09", the annexation of which to CITY is subsequently approved and completed by the Sacramento Local Agency Formation Commission as provided in the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.).

(d) "Property Tax Revenue" shall mean revenue from "ad valorem real property taxes on real property", as said term is used in Section 1 of Article XIII A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, that is collected from within the Annexation Area, is available for allocation to the City and the County, and is currently allocated to the County General Fund and County Road Fund.

Section 2. Purpose of Agreement. The purpose of this Agreement is to set forth the exchange of Property Tax Revenue between CITY and COUNTY as required by Section 99 of the California Revenue and Taxation.

Section 3. Exchange of Property Tax Revenues. On and after the Annexation Date, the COUNTY and CITY shall exchange Property Tax Revenue as follows:

(a) CITY shall receive none of the Property Tax Revenues from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.1.

(b) CITY shall receive none of the annual tax increment from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.5.

Section 4. Exchange by County Auditor. COUNTY and CITY agree that all of the exchanges of Property Tax Revenue required by this Agreement shall be made by the County Auditor.

Section 5. Disposition of Litigation. After CITY's City Council and COUNTY's Board of Supervisors have adopted resolutions approving this Agreement, and authorizing and directing the Mayor and Board Chairperson to sign the Agreement, and after the Mayor and Board Chairperson have signed the Agreement and the resolutions, CITY and COUNTY shall submit a joint stipulation to the Court in the form attached as Exhibit A. CITY and COUNTY shall each bear their own attorneys' fees in connection with the litigation of the Petition for Writ of Mandamus and Complaint for Declaratory Relief.

Section 6. Mutual Defense of Agreement. If the validity of this Agreement is challenged in any legal action by a party other than COUNTY or CITY, the CITY agrees that the COUNTY may defend the CITY against the legal challenge at no cost to the CITY.

Section 7. Modification. The provision of this Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by both the COUNTY and CITY.

Section 8. Reformation. COUNTY and CITY understand and agree that this Agreement is based upon existing law, and that such law may be substantially amended in the future. In the event of an amendment of state law which renders this Agreement invalid or inoperable or which denies any party thereto the full benefit of this Agreement as set forth herein, in whole or in part, then COUNTY and CITY agree to renegotiate the Agreement in good faith.

Section 9. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the Sunrise-Folsom Annexation and does not constitute either a master tax sharing agreement or an agreement on property tax exchanges which may be required for any other annexation to the CITY, nor does it alter, enlarge or affect any revenue sharing obligations of the City by way of incorporation on July 1, 2003.

Section 10. Entire Agreement. With respect to the subject matter hereof only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between COUNTY and CITY except as otherwise provided herein.

Section 11. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

COUNTY
County Executive
County of Sacramento
700 H Street, Room 7650
Sacramento, CA 95814

CITY
City Manager
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

Section 12. Approval, Consent, and Agreement. Wherever this Agreement requires a party's approval, consent, or agreement, the party shall make its decision to give or withhold such approval, consent or agreement in good faith, and shall not withhold such approval, consent or agreement unreasonably or without good cause.

Section 13. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the county of Sacramento, State of California, on the dates set forth above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

By _____
Chairperson of the Board of Supervisors

(SEAL)

ATTEST: _____
Clerk of the Board of Supervisors

Approved As to Form:

County Counsel

CITY OF RANCHO CORDOVA, a general law city

By: _____
City Manager

(SEAL)

ATTEST: _____
City Clerk

Approved As to Form:

City Attorney

**AGREEMENT BETWEEN CITY OF RANCHO CORDOVA AND COUNTY OF
SACRAMENTO REGARDING REVENUE SHARING UPON ANNEXATION OF
SUNRISE-FOLSOM AREA TO CITY OF RANCHO CORDOVA**

This agreement is entered into in duplicate this tenth day of November, 2009 between the City of Rancho Cordova, a general law city ("City"), and the County of Sacramento, a political subdivision of the State of California ("County").

RECITALS

A. Factual Background

On or about August 21, 2007 and pursuant to the Cortese-Knox-Hertzberg Act, Government Code § 56000 et seq., the City submitted to the Local Agency Formation Commission of Sacramento County ("LAFCO") an application proposing the annexation of an unincorporated territory of Sacramento County consisting of the City's sphere of influence ("Annexation Area"). LAFCO has designated the annexation application as "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO-07-09)" ("the Annexation"). The Annexation Area is sometimes referred to as the "Sunrise-Folsom Area."

As required by Revenue and Taxation Code § 99 ("Section 99"), the City and the County commenced negotiations to determine the amount of the 1% *ad valorem* property tax subject to negotiations to be exchanged. Although the City and the County met and exchanged correspondence, and the City made an offer by letter of December 19, 2007, they did not reach agreement regarding the exchange of property tax from the Annexation Area.

B. Procedural Background

On January 31, 2008, the City filed its Complaint and Petition for Writ of Mandamus ("Complaint") in Sacramento Superior Court (Case No. 34-2008-00002478-CU-WM-GDS), naming as Defendants and Respondents the County of Sacramento and the Sacramento County Board of Supervisors. The Complaint asks the Court to issue a peremptory writ of mandamus directing the County to accept the City's offer of December 19, 2007 and adopt a resolution ratifying the parties' property tax sharing agreement within the time required by Section 99; to declare that the exchange of property tax revenues and the annual tax increment from the territory proposed for annexation is the only subject matter negotiable under Section 99; and to order the parties to limit their Section 99 negotiations to said property tax revenues and annual tax increment.

The City and the County stipulated that the Court could stay the proceedings to enable the City and County to pursue the three-part dispute resolution process set forth in Section 99, subdivision (e), in an effort to reach agreement regarding the exchange of property tax from the Annexation Area.

The three-part dispute resolution process involves the retention of a third-party fiscal consultant to perform an independent fiscal analysis of tax revenues derived from, and the costs

of the city and the county services to, the proposed annexed territory. If the information contained in the fiscal analysis does not precipitate an agreement, subdivision (e) requires the affected local agencies to participate in mediation and then an arbitration process. The City and the County jointly retained fiscal consultant Rosenow Spevacek Group, Inc. (RGS), which prepared a report dated December 23, 2008 entitled "Sunrise/Folsom Annexation Fiscal Analysis Performed for the County of Sacramento & the City of Rancho Cordova" (the "Fiscal Analysis"). The Fiscal Analysis is attached hereto and incorporated herein as **Exhibit A**. The City and the County reviewed the Fiscal Analysis but did not reach agreement on the exchange of property tax revenues. The City and the County then retained a mediator and participated in mediation; upon the completion of the mediation, no exchange of property tax revenues was agreed upon. As a third step, subdivision (e) requires that the city and the county select and pay for an arbitrator to conduct an advisory arbitration for a 30 day period. The City and the County have extended the arbitration period through December 31, 2009, provided an arbitrator is retained by September 30, 2009.

The parties stipulated to extend time for the Defendants and Respondents to respond to the Complaint and the Court entered its Order staying the proceedings through October 31, 2009. The attached agreement entitled "Property Tax Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova Relating to the Rancho Cordova Sphere of Influence Annexation" ("Property Tax Exchange Agreement") (**Exhibit B** attached hereto) provides that, following that Agreement's execution, the City and County shall submit a joint stipulation to the Court for entry of judgment.

AGREEMENT

Now, therefore, the City and the County agree as follows:

I. INTENT OF THE PARTIES

Notwithstanding the parties' respective legal contentions, all parties desire to resolve the dispute set forth in the Complaint without the necessity of further litigation. This Agreement, therefore, is entered into with the intent of resolving all claims in the Complaint.

The City and the County agreed to resolve the lawsuit on the following four fundamental terms:

A. The City will recover all of its costs of providing services to the Annexation Area.

B. The County will continue to receive all of its current allocation from the one percent (1%) *ad valorem* property tax rate provided in Article XIII A, section 1, subdivision (a) of the California Constitution from the Annexation Area following the annexation.

C. Following recovery of its costs of services, the City will transmit to the County 75% of the Bradley-Burns Uniform Sales and Use tax, transient occupancy tax and utility users' tax revenues (on energy and gas usage) received by the City from the Annexation Area.

D. The City's annual recovery of its costs of providing services and its sharing of sales and use tax, transient occupancy tax and utility users' tax revenues with the County be administratively simple and efficient.

Accordingly, the process for calculating the City's costs of providing services and the revenue sharing is designed to minimize the amount of administration required, and such process therefore sacrifices precision for simplicity. The parties recognize that there may be changes in the facts and/or the law that exist as of the date of this Agreement that may necessitate the interpretation or amendment of this Agreement in the future to effectuate the fundamental intent of the parties as expressed above and set forth more herein. In particular, the parties recognize that the State of California may enact legislation, whether by the State Legislature or by the people by the initiative, or a court may issue an order that affects or changes the revenues from the Annexation Area identified in the Fiscal Analysis, including without limitation changes in the types of revenues, the percentages of any taxes or fees, the persons or entities subject to any taxes or fees or the manner in which revenues are distributed to entities. All of these changes have the potential to result in the revenue sharing process becoming inconsistent with the parties' fundamental intent. Therefore, if one of the parties believes that, because of changes in law, the revenue sharing has become inconsistent with the parties' fundamental intent, that party may request that revisions to the revenue sharing process be made to conform to the parties' intent, and, in such event, the parties shall negotiate in good faith to reach agreement on revisions, if appropriate, to the revenue sharing process.

The parties' agreement regarding the four fundamental terms is described in more detail in this Agreement, including the exhibits hereto.

II. PROPERTY TAX REVENUES

The parties' agreement that the County will retain 100% of the *ad valorem* property taxes from the Annexation Area following the effective date of the Annexation shall be implemented by adoption by City's City Council and County's Board of Supervisors of resolutions approving the attached agreement entitled "Property Tax Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova Relating to the Rancho Cordova Sphere of Influence Annexation" ("Property Tax Exchange Agreement") (**Exhibit B** attached hereto) and authorizing and directing the Mayor and Board Chairperson to sign such agreement. The parties agree to adopt such resolutions no later than November 10, 2009.

This Agreement does not apply to any revenue attributable to an increase in the 1% *ad valorem* property tax rate in excess of 1% as a method of generating revenue, as provided in Article XIII A, section 1, subdivision (b) or any successor provision of the California Constitution, commonly referred to as "property tax overrides." The tax revenue attributable to such an increase shall be allocated and paid to the City.

The parties acknowledge that the monies received by the City from the Vehicle License Fee Property Tax Compensation Fund as the "vehicle license fee adjustment amount" pursuant to Revenue and Taxation Code section 97.70 are not subject to this Agreement.

III. RECOVERY OF COSTS OF SERVICES AND SHARING CITY REVENUES FROM THE ANNEXATION AREA FROM SALES AND USE TAXES, TRANSIENT OCCUPANCY TAXES AND UTILITY USERS' TAXES

The parties' agreement that the City will retain revenues from the Annexation Area to cover its costs of services to the Annexation Area during each fiscal year and that the City will transfer 75% of the sales and use tax, transient occupancy tax and utility users' tax revenues (from energy and gas usage) from the Annexation Area to the County shall be implemented following the effective date of the Annexation in the manner set forth in Exhibit C, attached hereto and incorporated herein, entitled "Annual Steps for City to Recover Costs of Services and To Share Tax Revenues with County from the Sunrise-Folsom Annexation Area."

The parties' agreement to share certain revenues from the Annexation Area does not include property tax revenues identified in Paragraph II above, tax revenues identified in Paragraph IV below, revenues derived from an increase in the rate of the transient occupancy tax in excess of 12% or revenues derived from a utility users' tax that broadens the services subject to such tax and/or increases the rate of such tax over the services subject to the tax and/or rate in effect as of the effective date of the annexation.

IV. AGREEMENT TO SHARE SALES AND USE TAX REVENUES

The provisions of Article XIII, Section 29(b) of the California Constitution authorize cities and counties to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to local sales and use tax law, provided that a resolution approving the contract is approved by a two-thirds (2/3) vote of both the city council and the board of supervisors. This agreement is entered into pursuant to Government Code sections 55700 to 55707 which specify the procedures under which revenues derived from the tax collected pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law provided for in Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code ("Bradley-Burns Act") and distributed by the State Board of Equalization to the City from the Annexation Area may be shared by the City with the County.

The parties' agreement that the City will share actual sales and use tax revenues received from the Annexation Area with the County after the City has received its costs of services shall be implemented after the effective date of the Annexation as set forth in this Agreement, including all exhibits, provided this Agreement is approved by resolutions adopted by a two-thirds' vote by City's City Council and County's Board of Supervisors. The parties agree to adopt such resolutions no later than November 10, 2009.

This Agreement does not apply to any revenue attributable to an increase by the City following the effective date of annexation of its sales and use tax, enacted pursuant to the Bradley-Burns Act, in excess of one percent, a transactions and use tax or other tax imposed on retailers for the privilege of conducting business in the City.

V. IMPLEMENTATION OF THIS AGREEMENT

A. Effective Date of Agreement

This Agreement shall become effective when executed by both parties.

B. Integration

The terms of this Agreement are intended by the parties as a final expression of their agreement and understanding with respect to such terms as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced to vary its terms in any proceeding involving this Agreement.

C. Dispute Resolution

(1) Inadmissibility. Should any disputes arise as to the performance of this Agreement, the County and the City agree to the dispute resolution process set forth below. All conduct, testimony, statements or other evidence made or presented during the meeting described in subsection (2) below shall be confidential and inadmissible in any subsequent arbitration proceedings brought to prove liability for any claimed breach or damages which are the subject of the dispute resolution process.

(2) Initiation of Process. The County or the City may initiate the dispute resolution process by notifying the other in writing of a potential dispute concerning the performance of this Agreement. This written notification shall include all supporting documentation, shall state what is in dispute, and shall request a meeting between the County Executive and the City Manager, or their respective designees. The purpose of this meeting shall be to ascertain whether a resolution of the disagreement is possible without third-party intervention. This meeting shall be scheduled to take place within thirty (30) working days of receipt of the written notification of the dispute. At the meeting, the respective representatives of the County and the City shall attempt to reach an equitable settlement of the disputed issue(s). The representatives may agree to conduct further meetings or other communications for up to thirty (30) days in an attempt to reach an equitable settlement.

(3) Third Party Neutral Resolution. If the initial meeting and any further meetings and communications provided for in subsection (2) above do not fully resolve the disagreement, the parties shall each then within ten (10) working days each appoint a single representative who is knowledgeable and experienced in matters of the sort addressed by this Agreement, including local government finance, taxation, revenues, and accounting. Those two representatives shall then, within twenty (20) working days, agree between themselves to appoint a neutral third person who is similarly knowledgeable and experienced in local government finance, taxation, revenues, and accounting, and who is not employed by or affiliated with the City or the County (the Third Party Neutral). The Third Party Neutral shall resolve the parties' dispute. He or she shall meet with, and solicit and review such written submissions and

documents as he or she deems appropriate from, the County Executive and the City Manager, or their respective designees, over a period of up to ninety (90) days from the Third Party Neutral's selection. The provisions of the California Discovery Act, commencing at CCP §§ 2016.050 et. seq. providing for requests for production of documents and depositions shall be applicable to the proceeding before the Third Party Neutral and any redress thereunder shall be made to the Third Party Neutral who shall make all appropriate orders consistent with relevant legal precedent. The Third Party Neutral shall have no authority to add to, delete or otherwise modify the provisions of this Agreement or rule upon the underlying validity of this Agreement or any of its provisions. The Third Party Neutral shall render a decision within twenty (20) days of the expiration of the ninety-day period. The Third Party Neutral's decision shall be final and controlling between the City and the County, and shall not be subject to judicial review except that judicial review shall be available to determine if the Third Party Neutral exceeded his or her authority as defined herein. The parties shall pay any monetary award and/or comply with any other order of the Third Party Neutral within sixty (60) days of his or her decision.

(4) Costs. The parties shall equally share the Third Party Neutral's fees and expenses. Each party shall bear its own costs, expenses and attorney's fees, and no party shall be awarded such costs, expenses, or attorney's fees incurred in the dispute resolution process.

D. Construction and Interpretation

It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

E. Waiver

The waiver at any time by either party of any of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

F. Notices

Any notice, demand, request, consent, or approval that any party hereto may, or is required to, give the other shall be in writing and shall be deemed to have been received three (3) days after being deposited in the United States mail, first class postage prepaid, and addressed as follows:

TO COUNTY:

County Executive
County of Sacramento
700 H Street, Room 7650
Sacramento, CA 95814

TO CITY:

City Manager
City of Rancho Cordova
2729 Prospect Park Dr.
Rancho Cordova, CA 95670

Any party hereto shall have the right to serve any notice by personal delivery, and change the address at which it will receive such communications by giving fifteen (15) days advance notice to the other party.

G. Counterparts

This Agreement may be executed in separate counterparts.

H. Litigation Affecting The City's Ability to Collect Tax Revenues

The parties will cooperate in the defense of any action brought against the City, including the City Council and/of any City official, that challenges the City's ability to levy and/or collect the sales and use tax, transient occupancy tax and/or utility users' tax or seeks a refund of any such taxes, provided that the County is entitled to receive 75% of such tax revenues pursuant to this Agreement. If a claim is made and/or litigation is brought against the City challenging the legality of any of the taxes or claiming a refund of any such taxes, the City may place the disputed revenues that it would otherwise transmit to the County pursuant to this Agreement into an impound account until the claim and/or lawsuit is resolved.

J. Exhibits

The following exhibits are included as part of this Agreement:

- (a) Exhibit A, entitled "Fiscal Analysis";
- (b) Exhibit B, entitled "Property Tax Exchange Agreement";
- (c) Exhibit C, entitled "Annual Steps for City to Recover Costs of Services and To Share Tax Revenues with County from the Sunrise-Folsom Annexation Area."

VI. AMENDMENT OF AGREEMENT

The parties agree to negotiate in good faith to amend this Agreement to address conditions imposed by LAFCO or changes in state law that substantially affect the provisions of this Agreement. The parties' negotiations shall be governed by the parties' intent as stated in Paragraph I above.

Date:

City of Rancho Cordova
Ted Gaebler, City Manager

Date:

County of Sacramento
Susan Peters, Chairperson

Date:

Sacramento County Board of Supervisors
Susan Peters, Chairperson

APPROVED AS TO FORM:

Date:

Counsel for City of Rancho Cordova

Date:

Counsel for County of Sacramento and
Sacramento County Board of Supervisors

1286407.6

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 6 Attorneys for Petitioner and Plaintiff CITY OF RANCHO CORDOVA
 7

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 9 John F. Whisenhunt (SBN 89823)
 whisenhuntj@saccounty.net
 10 COUNTY OF SACRAMENTO
 11 Office of the County Counsel
 700 H Street, Suite 2650
 12 Sacramento, CA 95814
 Telephone: (916) 440-5543
 13 Facsimile: (916) 447-5195

**No Fee Required
 Pursuant to
 Government Code § 6103**

14 Attorneys for Respondents and Defendants COUNTY OF SACRAMENTO
 15 and SACRAMENTO COUNTY BOARD OF SUPERVISORS

16
 17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 18 IN AND FOR THE COUNTY OF SACRAMENTO

19
 20 CITY OF RANCHO CORDOVA;
 Petitioner and Plaintiff,
 21 v.
 22 COUNTY OF SACRAMENTO;
 23 SACRAMENTO COUNTY BOARD OF
 SUPERVISORS; and DOES 1 through 100,
 24 Respondents and Defendants.

Case No: 34-2008-00002478-CU-WM-GDS

[PROPOSED] STIPULATED JUDGMENT
 [Code Civ. Proc., § 664.6]

Judge: Hon. Michael P. Kenny
 Dept: 31

1 Petitioner and Plaintiff City of Rancho Cordova (“City”) and Respondents and Defendants,
2 the County of Sacramento and the Sacramento County Board of Supervisors (collectively,
3 “County”) having submitted a Stipulation for Entry of Judgment Pursuant to Settlement
4 Agreement (“Stipulation”), and good cause appearing therefor,

5 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Petition for Writ of
6 Mandamus and Complaint for Declaratory Relief (“Petition”) shall be, and hereby is, dismissed
7 without prejudice.

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the dismissal is based
9 upon the Parties’ having voluntarily entered into two agreements by which they have settled their
10 dispute, and which are entitled “Property Tax Exchange Agreement Between the County of
11 Sacramento and the City of Rancho Cordova, Relating to the Rancho Cordova Sphere of Influence
12 Annexation” (“Property Tax Exchange Agreement”), attached as Exhibit 1 to the Stipulation, and
13 incorporated herein by this reference, and “Agreement Between City Of Rancho Cordova And
14 County Of Sacramento Regarding Revenue Sharing Upon Annexation Of Sunrise-Folsom Area To
15 City Of Rancho Cordova” (“Revenue Sharing Agreement”), including Exhibits A, B, and C to that
16 Revenue Sharing Agreement, which are attached to the Stipulation as collective Exhibit 2, and
17 incorporated herein by this reference.

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any amendments of the
19 Property Tax Exchange Agreement and/or the Revenue Sharing Agreement approved by the
20 Parties shall not require approval of this Court and that such agreements, as amended, shall be
21 become part of this Stipulated Judgment.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Parties’ entry into
23 the Property Tax Exchange Agreement moots the claims for relief in the Petition, by which the
24 City sought a writ of mandate and/or declaratory relief to require the County to enter into such an
25 agreement. Accordingly, this judgment does not resolve the merits of the City’s claims for such
26 relief or the County’s defenses thereto, and shall have no res judicata or collateral estoppel effect.

27 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the City’s entry into the
28 Revenue Sharing Agreement, and the Parties’ incorporation of that Agreement into the

1 Stipulation, and into this Proposed Judgment, shall not constitute a waiver by the City of its
2 contention in the Petition that the County was only lawfully entitled, in connection with the
3 annexation proceedings, to negotiate about the matters addressed in the Property Tax Exchange
4 Agreement, and that both Parties fully reserve their respective claims and defenses regarding the
5 lawful scope of County-City negotiations with regard to an annexation, as to which this judgment
6 shall have no res judicata or collateral estoppel effect.

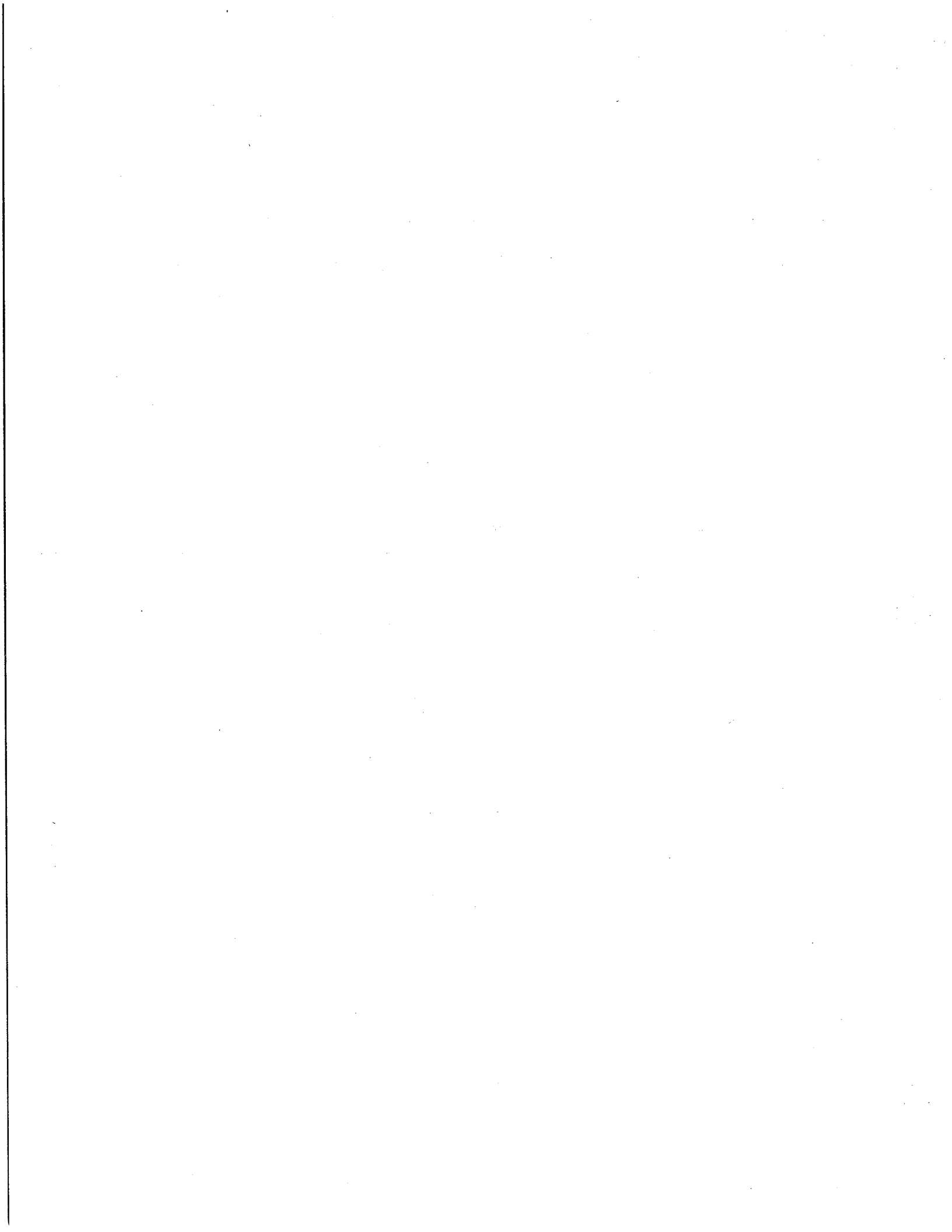
7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the City and the County
8 shall each bear their own attorneys' fees in connection with the prosecution or defense of the
9 Petition for Writ of Mandamus and Complaint for Declaratory Relief.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court shall retain
11 jurisdiction over the parties to enforce this Judgment as provided for in Code of Civil Procedure
12 Section 664.6 (or any successor provision).

13 Dated: _____, 2009

14 _____
15 Honorable Michael P. Kenny
16 Judge of the Superior Court

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RECEIVED

NOV 06 2009

CITY OF RANCHO CORDOVA

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

RESOLUTION NO. 92-2009

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING A PROPERTY TAX EXCHANGE AGREEMENT BETWEEN THE COUNTY OF
SACRAMENTO AND THE CITY OF RANCHO CORDOVA, RELATING TO THE RANCHO
CORDOVA SPHERE OF INFLUENCE (SUNRISE/FOLSOM AREA)**

RECITALS

WHEREAS, on August 21, 2007, the City of Rancho Cordova ("City") submitted an application to the Local Agency Formation Commission of the County of Sacramento ("LAFCO") which LAFCO has designated as the "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO 07-09) ("Proposed Annexation") to annex the City's sphere of influence to the City ("Annexation Area"); and

WHEREAS, as required by Revenue and Taxation Code Section 99(b), the LAFCO Executive Director gave notice of the filing to the Assessor and Auditor of the County of Sacramento ("County"); and

WHEREAS, as required by Revenue and Taxation Code section 99(b) the County Auditor notified the City Council and the Board of Supervisors of the County of Sacramento of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to Revenue and Taxation Code section 99(b) that is subject to a negotiated exchange between the City and the County ("Section 99 negotiations"); and

WHEREAS, the negotiation period for the Section 99 negotiations began on December 5, 2007 and, by law, is limited to 60 days; and

WHEREAS, as required by Revenue and Taxation Code section 99(b), the City and the County commenced negotiations to determine the amount of property tax revenues to be exchanged between and among them; and

WHEREAS, the City and the County were unable to reach an agreement and agreed to go through the three-part dispute resolution process set forth in Revenue and Taxation Code section 99(e); and

WHEREAS, the City and the County have agreed to extend the time periods for the dispute resolution process; and

WHEREAS, the City and the County have completed the first and the second steps of the three-part dispute resolution process set forth in Revenue and Taxation Code section 99(e)(1)(A) and (B); and

WHEREAS, the City and the County are engaged in the third step of the three-part dispute resolution process set forth in Revenue and Taxation Code section 99(e)(1)(C); and

WHEREAS, Revenue and Taxation Code section 99(b)(4) provides that the exchange may be limited to an exchange of property tax revenues from the annual tax increment attributable to the local agencies whose service area or responsibilities will be altered and provides that the final exchange resolution to be adopted by the City's City Council and the County's Board of Supervisors shall specify how the annual tax increment shall be allocated in future years; and

WHEREAS, the purpose of this resolution is to set forth the amount of property tax revenues the City of Rancho Cordova agrees will be exchanged between the City and the County in connection with the Proposed Annexation and to specify how the City agrees the annual tax increment from the area to be annexed shall be allocated in future years; and

WHEREAS, it is the intention of the City Council that there be no change or adjustment to the allocation of property tax revenues as a result of the approval of the Proposed Annexation; that is, the City does not seek any property tax from the Annexation Area or any annual tax increment from the Annexation Area. The City would, thus, have no allocation factor for the tax rate area that contains the Annexation Area; there would be no "exchange" of property tax revenues; and the City would receive no property tax revenues from the Annexation Area following annexation; and

WHEREAS, the representatives of the City and the County have reached an agreement regarding the exchange of property tax revenues, which agreement is entitled "Property Tax Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova, Relating to the Rancho Cordova Sphere of Influence," which agreement is attached hereto as **Exhibit A**; and

WHEREAS, the City Manager recommends approval of the agreement; and

WHEREAS, all terms used herein shall be as defined in the Revenue and Taxation Code.

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

1. The City Council of the City of Rancho Cordova approves the "Property Tax Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova, Relating to the Rancho Cordova Sphere of Influence," and authorizes and directs the City Manager to sign it in substantially the form attached as **Exhibit A**.
2. The City Council of the City of Rancho Cordova directs the City Clerk to send a copy of this resolution and said agreement to the Executive Director of the Sacramento County Local Agency Formation Commission.


PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 5th day of October, 2009 by the following vote:

AYES: Budge, McGarvey, Sander, Cooley, and Mayor Skoglund
NOES: None
ABSENT: None
ABSTAIN: None



Dan Skoglund, Mayor

ATTEST:



Mindy Cuppy, City Clerk

RECEIVED

NOV 06 2009

CITY OF RANCHO CORDOVA

RESOLUTION NO. 93-2009

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING AN AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND THE
COUNTY OF SACRAMENTO REGARDING REVENUE SHARING UPON ANNEXATION OF
SUNRISE-FOLSOM AREA**

RECITALS

WHEREAS, on August 21, 2007, the City of Rancho Cordova ("City") submitted an application to the Local Agency Formation Commission of the County of Sacramento ("LAFCO") which LAFCO has designated as the "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO 07-09) ("Proposed Annexation") to annex the City's sphere of influence to the City ("Annexation Area"); and

WHEREAS, as required by Revenue and Taxation Code Section 99(b), the LAFCO Executive Director gave notice of the filing to the Assessor and Auditor of the County of Sacramento ("County"); and

WHEREAS, as required by Revenue and Taxation Code section 99(b) the County Auditor notified the City Council and the Board of Supervisors of the County of Sacramento of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to Revenue and Taxation Code section 99(b) that is subject to a negotiated exchange between the City and the County ("Section 99 negotiations"); and

WHEREAS, the negotiation period for the Section 99 negotiations began on December 5, 2007 and, by law, is limited to 60 days; and

WHEREAS, as required by Revenue and Taxation Code section 99(b), the City and the County commenced negotiations to determine the amount of property tax revenues to be exchanged between and among them; and

WHEREAS, the City and the County were unable to reach an agreement regarding the amount of property tax revenues to be exchanged between and among them and the City filed a Petition for Writ of Mandamus and Complaint for Declaratory Relief in Sacramento Superior Court, Case No. 34-2008-00002478-CU-WM-GDS, on January 31, 2008 ("Complaint"), within the 60-day period; and

WHEREAS, prior to responding to the Complaint, the City and the County agreed to go through the three-part dispute resolution process set forth in Revenue and Taxation Code section 99(e) in an effort to come to agreement regarding the amount of property tax revenues to be exchanged between and among them; and

WHEREAS, the Sacramento Superior Court has stayed the proceedings in order to allow the City and the County to complete the three-part dispute resolution process;

WHEREAS, the City and the County agreed to extend the time periods for the dispute resolution process; and

WHEREAS, the City and the County have completed the three-part dispute resolution process set forth in Revenue and Taxation Code section 99(e)(1)(A) and (B); and

WHEREAS, the City and the County engaged in separate and parallel negotiations to discuss other issues of concern to them regarding the Annexation Area such as the provision of services; and

WHEREAS, the result of their negotiations pursuant to the three-part dispute resolution process set forth in Revenue and Taxation Code section 99(e) and their separate and parallel negotiations, the City and the County have agreed to resolve the issues raised in the Complaint on the terms set forth in a separate agreement and to resolve the other issues which were the subject of their separate and parallel negotiations on the terms set forth in the attached "Agreement Between the City of Rancho Cordova and the County of Sacramento Regarding Revenue Sharing Upon Annexation of Sunrise-Folsom Area to City of Rancho Cordova" (**Exhibit A1**) ("Agreement"); and

WHEREAS, the City Manager recommends approval of the Agreement; and

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

1. The City Council of the City of Rancho Cordova approves the "Agreement Between the City of Rancho Cordova and the County of Sacramento Regarding Revenue Sharing Upon Annexation of Sunrise-Folsom Area to City of Rancho Cordova" and authorizes and directs the City Manager to sign it in substantially the form attached as **Exhibit A1**.
2. The City Council of the City of Rancho Cordova directs the City Clerk to send a copy of this resolution and said Agreement to the Finance Director of the City of Rancho Cordova.

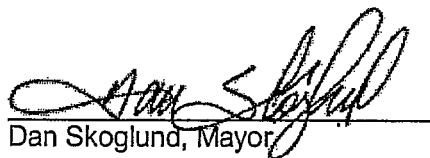
PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 5th day of October, 2009 by the following vote:

AYES: Budge, McGarvey, Sander, Cooley, and Mayor Skoglund

NOES: None

ABSENT: None

ABSTAIN: None


Dan Skoglund, Mayor

ATTEST:


Mindy Cuppy, City Clerk

RECEIVED

NOV 06 2009

EXHIBIT A

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

**PROPERTY TAX EXCHANGE AGREEMENT
BETWEEN THE COUNTY OF SACRAMENTO AND THE CITY OF RANCHO
CORDOVA, RELATING TO THE RANCHO CORDOVA SPHERE OF INFLUENCE**

This PROPERTY TAX EXCHANGE AGREEMENT (hereinafter "Agreement") is made and executed in duplicate this _____ day of _____, 2009 by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the CITY OF RANCHO CORDOVA, a general law city (hereinafter referred to as "CITY").

RECITALS

A. On June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of full cash value; and

B. Following such constitutional amendment, the California Legislature added Section 99 to the California Revenue and Taxation Code which requires a city seeking to annex property to its incorporated territory and a county affected by such annexation to agree upon an exchange of property taxes which are derived from such property and available to the county and city following annexation of the property to the incorporated territory of the city; and

C. CITY has filed an application with the Sacramento Local Agency Formation Commission ("LAFCO"), entitled "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO-07-09)," requesting its approval of the annexation of approximately 748 acres of real property to CITY, consisting of all of the area within the CITY's sphere of influence, as designated by LAFCO and approved by the voters in November 2002 ("the Sunrise-Folsom Annexation"); and

D. COUNTY and CITY wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by the Revenue and Taxation Code in order to encourage sound urban development and economic growth; and

E. The purpose of this Agreement is to serve as a Property Tax Transfer Agreement pursuant to Section 99 of the California Revenue and Taxation Code for the Sunrise-Folsom Annexation.

COUNTY and CITY hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Annexation Area" shall mean that portion of the unincorporated area of COUNTY designated by LAFCO as the sphere of influence of CITY known as the "Sunrise-Folsom Annexation",

(b) "Annexation Date" shall mean the date specified by the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California

EXHIBIT A

Government Code § 56000 et seq.) as the effective date of the Sphere of Influence Annexation.

(c) "Sunrise-Folsom Annexation" shall mean the annexation to the CITY as delineated in Sacramento Local Agency Formation Commission Application Control Number "LAFC 07-09", the annexation of which to CITY is subsequently approved and completed by the Sacramento Local Agency Formation Commission as provided in the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.).

(d) "Property Tax Revenue" shall mean revenue from "ad valorem real property taxes on real property", as said term is used in Section 1 of Article XIII A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, that is collected from within the Annexation Area, is available for allocation to the City and the County, and is currently allocated to the County General Fund and County Road Fund.

Section 2. Purpose of Agreement. The purpose of this Agreement is to set forth the exchange of Property Tax Revenue between CITY and COUNTY as required by Section 99 of the California Revenue and Taxation.

Section 3. Exchange of Property Tax Revenues. On and after the Annexation Date, the COUNTY and CITY shall exchange Property Tax Revenue as follows:

(a) CITY shall receive none of the Property Tax Revenues from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.1.

(b) CITY shall receive none of the annual tax increment from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.5.

Section 4. Exchange by County Auditor. COUNTY and CITY agree that all of the exchanges of Property Tax Revenue required by this Agreement shall be made by the County Auditor.

Section 5. Disposition of Litigation. After CITY's City Council and COUNTY's Board of Supervisors have adopted resolutions approving this Agreement, and authorizing and directing the Mayor and Board Chairperson to sign the Agreement, and after the Mayor and Board Chairperson have signed the Agreement and the resolutions, CITY and COUNTY shall submit a joint stipulation to the Court in Sacramento Superior Court Case No. 34-2008-00002478-CU-WM-GDS initiated by CITY by its Complaint and Petition for Writ of Mandamus which names as Defendants and Respondents the County of Sacramento and the Sacramento County Board of Supervisors, and asks the Court, among other things, to issue a peremptory writ of mandamus directing the County to adopt a resolution ratifying a property tax sharing agreement for entry of judgment pursuant to the terms of this agreement. CITY and COUNTY shall each bear

EXHIBIT A

their own attorneys' fees in connection with the litigation of the Petition for Writ of Mandamus and Complaint for Declaratory Relief.

Section 6. Mutual Defense of Agreement. If the validity of this Agreement is challenged in any legal action by a party other than COUNTY or CITY, the CITY agrees that the COUNTY may defend the CITY against the legal challenge at no cost to the CITY.

Section 7. Modification. The provision of this Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by both the COUNTY and CITY.

Section 8. Reformation. COUNTY and CITY understand and agree that this Agreement is based upon existing law, and that such law may be substantially amended in the future. In the event of an amendment of state law which renders this Agreement invalid or inoperable or which denies any party thereto the full benefit of this Agreement as set forth herein, in whole or in part, then COUNTY and CITY agree to renegotiate the Agreement in good faith.

Section 9. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the Sunrise-Folsom Annexation and does not constitute either a master tax sharing agreement or an agreement on property tax exchanges which may be required for any other annexation to the CITY, nor does it alter, enlarge or affect any revenue sharing obligations of the City by way of incorporation on July 1, 2003.

Section 10. Entire Agreement. With respect to the subject matter hereof only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between COUNTY and CITY except as otherwise provided herein.

Section 11. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

<u>COUNTY</u>	<u>CITY</u>
County Executive	City Manager
County of Sacramento	City of Rancho Cordova
700 H Street, Room 7650	2729 Prospect Park Drive
Sacramento, CA 95814	Rancho Cordova, CA 95670

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

Section 12. Approval, Consent, and Agreement. Wherever this Agreement requires a party's approval, consent, or agreement, the party shall make its decision to give or withhold such approval, consent or agreement in good faith, and shall not withhold such approval, consent or agreement unreasonably or without good cause.

Section 13. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

EXHIBIT A

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the county of Sacramento, State of California, on the dates set forth above.

COUNTY OF SACRAMENTO, a political
subdivision of the State of California

By _____
Chairperson of the Board of Supervisors

(SEAL)

ATTEST: _____
Clerk of the Board of Supervisors

Approved As to Form:

County Counsel

CITY OF RANCHO CORDOVA, a general law
city

By: _____
Ted Gaebler, City Manager

(SEAL)

ATTEST: _____
Mindy Cuppy, City Clerk

Approved As to Form:

City Attorney

1283024.4

**AGREEMENT BETWEEN CITY OF RANCHO CORDOVA AND COUNTY OF SACRAMENTO
REGARDING REVENUE SHARING UPON ANNEXATION OF SUNRISE-FOLSOM AREA TO
CITY OF RANCHO CORDOVA**

This agreement is entered into in duplicate this ____ day of September 2009 between the City of Rancho Cordova, a general law city ("City"), and the County of Sacramento, a political subdivision of the State of California ("County").

RECITALS

A. Factual Background

On or about August 21, 2007 and pursuant to the Cortese-Knox-Hertzberg Act, Government Code § 56000 et seq., the City submitted to the Local Agency Formation Commission of Sacramento County ("LAFCO") an application proposing the annexation of an unincorporated territory of Sacramento County consisting of the City's sphere of influence ("Annexation Area"). LAFCO has designated the annexation application as "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFC-07-09)" ("the Annexation"). The Annexation Area is sometimes referred to as the "Sunrise-Folsom Area."

As required by Revenue and Taxation Code § 99 ("Section 99"), the City and the County commenced negotiations to determine the amount of the 1% *ad valorem* property tax subject to negotiations to be exchanged. Although the City and the County met and exchanged correspondence, and the City made an offer by letter of December 19, 2007, they did not reach agreement regarding the exchange of property tax from the Annexation Area.

B. Procedural Background

On January 31, 2008, the City filed its Complaint and Petition for Writ of Mandamus ("Complaint") in Sacramento Superior Court (Case No. 34-2008-00002478-CU-WM-GDS), naming as Defendants and Respondents the County of Sacramento and the Sacramento County Board of Supervisors. The Complaint asks the Court to issue a peremptory writ of mandamus directing the County to accept the City's offer of December 19, 2007 and adopt a resolution ratifying the parties' property tax sharing agreement within the time required by Section 99; to declare that the exchange of property tax revenues and the annual tax increment from the territory proposed for annexation is the only subject matter negotiable under Section 99; and to order the parties to limit their Section 99 negotiations to said property tax revenues and annual tax increment.

The City and the County stipulated that the Court could stay the proceedings to enable the City and County to pursue the three-part dispute resolution process set forth in Section 99, subdivision (e), in an effort to reach agreement regarding the exchange of property tax from the Annexation Area.

The three-part dispute resolution process involves the retention of a third-party fiscal consultant to perform an independent fiscal analysis of tax revenues derived from, and the costs of the city and the county services to, the proposed annexed territory. If the information contained in the fiscal analysis does not precipitate an agreement, subdivision (e) requires the affected local agencies to participate in mediation and then an arbitration process. The City and the County jointly retained fiscal consultant Rosenow Spevacek Group, Inc. (RGS), which prepared a report dated December 23, 2008 entitled "Sunrise/Folsom Annexation Fiscal

Analysis Performed for the County of Sacramento & the City of Rancho Cordova" (the "Fiscal Analysis"). The Fiscal Analysis is attached hereto and incorporated herein as Exhibit A. The City and the County reviewed the Fiscal Analysis but did not reach agreement on the exchange of property tax revenues. The City and the County then retained a mediator and participated in mediation; upon the completion of the mediation, no exchange of property tax revenues was agreed upon. As a third step, subdivision (e) requires that the city and the county select and pay for an arbitrator to conduct an advisory arbitration for a 30 day period. The City and the County have extended the arbitration period through December 31, 2009, provided an arbitrator is retained by September 30, 2009.

The parties stipulated to extend time for the Defendants and Respondents to respond to the Complaint and the Court entered its Order staying the proceedings through October 31, 2009. The attached agreement entitled "Property Tax Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova Relating to the Rancho Cordova Sphere of Influence Annexation" ("Property Tax Exchange Agreement") (Exhibit B attached hereto) provides that, following that Agreement's execution, the City and County shall submit a joint stipulation to the Court for entry of judgment.

AGREEMENT

Now, therefore, the City and the County agree as follows:

1. INTENT OF THE PARTIES

Notwithstanding the parties' respective legal contentions, all parties desire to resolve the dispute set forth in the Complaint without the necessity of further litigation. This Agreement, therefore, is entered into with the intent of resolving all claims in the Complaint.

The City and the County agreed to resolve the lawsuit on the following four fundamental terms:

A. The City will recover all of its costs of providing services to the Annexation Area.

B. The County will continue to receive all of its current allocation from the one percent (1%) *ad valorem* property tax rate provided in Article XIII A, section 1, subdivision (a) of the California Constitution from the Annexation Area following the annexation.

C. Following recovery of its costs of services, the City will transmit to the County 75% of the Bradley-Burns Uniform Sales and Use tax, transient occupancy tax and utility users' tax revenues (on energy and gas usage) received by the City from the Annexation Area.

D. The City's annual recovery of its costs of providing services and its sharing of sales and use tax, transient occupancy tax and utility users' tax revenues with the County be administratively simple and efficient.

Accordingly, the process for calculating the City's costs of providing services and the revenue sharing is designed to minimize the amount of administration required, and such process therefore sacrifices precision for simplicity. The parties recognize that there may be changes in the facts and/or the law that exist as of the date of this Agreement that may necessitate the interpretation or amendment of this Agreement in the future to effectuate the

fundamental intent of the parties as expressed above and set forth more herein. In particular, the parties recognize that the State of California may enact legislation, whether by the State Legislature or by the people by the initiative, or a court may issue an order that affects or changes the revenues from the Annexation Area identified in the Fiscal Analysis, including without limitation changes in the types of revenues, the percentages of any taxes or fees, the persons or entities subject to any taxes or fees or the manner in which revenues are distributed to entities. All of these changes have the potential to result in the revenue sharing process becoming inconsistent with the parties' fundamental intent. Therefore, if one of the parties believes that, because of changes in law, the revenue sharing has become inconsistent with the parties' fundamental intent, that party may request that revisions to the revenue sharing process be made to conform to the parties' intent, and, in such event, the parties shall negotiate in good faith to reach agreement on revisions, if appropriate, to the revenue sharing process.

The parties' agreement regarding the four fundamental terms is described in more detail in this Agreement, including the exhibits hereto.

II. PROPERTY TAX REVENUES

The parties' agreement that the County will retain 100% of the *ad valorem* property taxes from the Annexation Area following the effective date of the Annexation shall be implemented by adoption by City's City Council and County's Board of Supervisors of resolutions approving the attached agreement entitled "Property Tax Exchange Agreement Between the County of Sacramento and the City of Rancho Cordova Relating to the Rancho Cordova Sphere of Influence Annexation" ("Property Tax Exchange Agreement") (**Exhibit B** attached hereto) and authorizing and directing the Mayor and Board Chairperson to sign such agreement. The parties agree to adopt such resolutions no later than October __, 2009.

This Agreement does not apply to any revenue attributable to an increase in the 1% *ad valorem* property tax rate in excess of 1% as a method of generating revenue, as provided in Article XIII A, section 1, subdivision (b) or any successor provision of the California Constitution, commonly referred to as "property tax overrides." The tax revenue attributable to such an increase shall be allocated and paid to the City.

The parties acknowledge that the monies received by the City from the Vehicle License Fee Property Tax Compensation Fund as the "vehicle license fee adjustment amount" pursuant to Revenue and Taxation Code section 97.70 are not subject to this Agreement.

III. RECOVERY OF COSTS OF SERVICES AND SHARING CITY REVENUES FROM THE ANNEXATION AREA FROM SALES AND USE TAXES, TRANSIENT OCCUPANCY TAXES AND UTILITY USERS' TAXES

The parties' agreement that the City will retain revenues from the Annexation Area to cover its costs of services to the Annexation Area during each fiscal year and that the City will transfer 75% of the sales and use tax, transient occupancy tax and utility users' tax revenues (from energy and gas usage) from the Annexation Area to the County shall be implemented following the effective date of the Annexation in the manner set forth in **Exhibit C**, attached hereto and incorporated herein, entitled "Annual Steps for City to Recover Costs of Services and To Share Tax Revenues with County from the Sunrise-Folsom Annexation Area."

The parties' agreement to share certain revenues from the Annexation Area does not include property tax revenues identified in Paragraph II above, tax revenues identified in

Paragraph IV below, revenues derived from an increase in the rate of the transient occupancy tax in excess of 12% or revenues derived from a utility users' tax that broadens the services subject to such tax and/or increases the rate of such tax over the services subject to the tax and/or rate in effect as of the effective date of the annexation.

IV. AGREEMENT TO SHARE SALES AND USE TAX REVENUES

The provisions of Article XIII, Section 29(b) of the California Constitution authorize cities and counties to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to local sales and use tax law, provided that a resolution approving the contract is approved by a two-thirds (2/3) vote of both the city council and the board of supervisors. This agreement is entered into pursuant to Government Code sections 55700 to 55707 which specify the procedures under which revenues derived from the tax collected pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law provided for in Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code ("Bradley-Burns Act") and distributed by the State Board of Equalization to the City from the Annexation Area may be shared by the City with the County.

The parties' agreement that the City will share actual sales and use tax revenues received from the Annexation Area with the County after the City has received its costs of services shall be implemented after the effective date of the Annexation as set forth in this Agreement, including all exhibits, provided this Agreement is approved by resolutions adopted by a two-thirds' vote by City's City Council and County's Board of Supervisors. The parties agree to adopt such resolutions no later than October __, 2009.

This Agreement does not apply to any revenue attributable to an increase by the City following the effective date of annexation of its sales and use tax, enacted pursuant to the Bradley-Burns Act, in excess of one percent, a transactions and use tax or other tax imposed on retailers for the privilege of conducting business in the City.

V. IMPLEMENTATION OF THIS AGREEMENT

A. Effective Date of Agreement

This Agreement shall become effective when executed by both parties.

B. Integration

The terms of this Agreement are intended by the parties as a final expression of their agreement and understanding with respect to such terms as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced to vary its terms in any proceeding involving this Agreement.

C. Dispute Resolution

(1) Inadmissibility. Should any disputes arise as to the performance of this Agreement, the County and the City agree to the dispute resolution process set forth below. All conduct, testimony, statements or other evidence made or presented during the meeting described in subsection (2) below shall be confidential and inadmissible in any

subsequent arbitration proceedings brought to prove liability for any claimed breach or damages which are the subject of the dispute resolution process.

(2) Initiation of Process. The County or the City may initiate the dispute resolution process by notifying the other in writing of a potential dispute concerning the performance of this Agreement. This written notification shall include all supporting documentation, shall state what is in dispute, and shall request a meeting between the County Executive and the City Manager, or their respective designees. The purpose of this meeting shall be to ascertain whether a resolution of the disagreement is possible without third-party intervention. This meeting shall be scheduled to take place within thirty (30) working days of receipt of the written notification of the dispute. At the meeting, the respective representatives of the County and the City shall attempt to reach an equitable settlement of the disputed issue(s). The representatives may agree to conduct further meetings or other communications for up to thirty (30) days in an attempt to reach an equitable settlement.

(3) Third Party Neutral Resolution. If the initial meeting and any further meetings and communications provided for in subsection (2) above do not fully resolve the disagreement, the parties shall then within ten (10) working days each appoint a single representative who is knowledgeable and experienced in matters of the sort addressed by this Agreement, including local government finance, taxation, revenues, and accounting. Those two representatives shall then, within twenty (20) working days, agree between themselves to appoint a neutral third person who is similarly knowledgeable and experienced in local government finance, taxation, revenues, and accounting, and who is not employed by or affiliated with the City or the County (the Third Party Neutral). The Third Party Neutral shall resolve the parties' dispute. He or she shall meet with, and solicit and review such written submissions and documents as he or she deems appropriate from, the County Executive and the City Manager, or their respective designees, over a period of up to sixty (60) days from the Third Party Neutral's selection. All methods of discovery procedures authorized under the California Discovery Act, commencing at CCP §§ 2016.050 et. seq., shall be applicable to the arbitration proceeding, and all redress thereunder shall be made to the Third Party Neutral who shall make all appropriate orders consistent with relevant legal precedent. The Third Party Neutral shall have no authority to add to, delete or otherwise modify the provisions of this Agreement or rule upon the underlying validity of this Agreement or any of its provisions. The Third Party Neutral shall render a decision within twenty (20) days of the expiration of that period. The Third Party Neutral's decision shall be final and controlling between the City and the County, and shall not be subject to judicial review except that judicial review shall be available to determine if the Third Party Neutral exceeded his or her authority as defined herein. The parties shall pay any monetary award and/or comply with any other order of the Third Party Neutral within sixty (60) days of his or her decision.

(4) Costs. The parties shall equally share the Third Party Neutral's fees and expenses. Each party shall bear its own costs, expenses and attorney's fees, and no party shall be awarded such costs, expenses, or attorney's fees incurred in the dispute resolution process.

D. Construction and Interpretation

It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are

to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

E. Waiver

The waiver at any time by either party of any of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

F. Notices

Any notice, demand, request, consent, or approval that any party hereto may, or is required to, give the other shall be in writing and shall be deemed to have been received three (3) days after being deposited in the United States mail, first class postage prepaid, and addressed as follows:

TO COUNTY:	TO CITY:
County Executive	City Manager
County of Sacramento	City of Rancho Cordova
700 H Street, Room 7650	2729 Prospect Park Dr.
Sacramento, CA 95814	Rancho Cordova, CA 95670

Any party hereto shall have the right to serve any notice by personal delivery, and change the address at which it will receive such communications by giving fifteen (15) days advance notice to the other party.

G. Counterparts

This Agreement may be executed in separate counterparts.

H. Litigation Affecting The City's Ability to Collect Tax Revenues

The parties will cooperate in the defense of any action brought against the City, including the City Council and/of any City official, that challenges the City's ability to levy and/or collect the sales and use tax, transient occupancy tax and/or utility users' tax or seeks a refund of any such taxes, provided that the County is entitled to receive 75% of such tax revenues pursuant to this Agreement. If a claim is made and/or litigation is brought against the City challenging the legality of any of the taxes or claiming a refund of any such taxes, the City may place the disputed revenues that it would otherwise transmit to the County pursuant to this Agreement into an impound account until the claim and/or lawsuit is resolved.

J. Exhibits

The following exhibits are included as part of this Agreement:

- (a) Exhibit A, entitled "Fiscal Analysis";
- (b) Exhibit B, entitled "Property Tax Exchange Agreement";
- (c) Exhibit C, entitled "Annual Steps for City to Recover Costs of Services and To Share Tax Revenues with County from the sunrise-Folsom Annexation Area."

VI. AMENDMENT OF AGREEMENT

The parties agree to negotiate in good faith to amend this Agreement to address conditions imposed by LAFCO or changes in state law that substantially affect the provisions of this Agreement. The parties' negotiations shall be governed by the parties' intent as stated in Paragraph I above.

Date:

City of Rancho Cordova
Ted Gaebler, City Manager

Date:

County of Sacramento
Susan Peters, Chairperson

Date:

Sacramento County Board of Supervisors
Susan Peters, Chairperson

APPROVED AS TO FORM:

Date:

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Counsel for County of Sacramento and
Sacramento County Board of Supervisors

1286407.5

Exhibit A

**COUNTY OF SACRAMENTO
& CITY OF RANCHO CORDOVA**



SUNRISE/FOLSOM ANNEXATION FISCAL ANALYSIS
Performed for the County of Sacramento & the
City of Rancho Cordova
December 23, 2008

COUNTY OF SACRAMENTO
& CITY OF RANCHO CORDOVA

SUNRISE/FOLSOM ANNEXATION FISCAL ANALYSIS

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INTRODUCTION

The County of Sacramento ("County") and the City of Rancho Cordova ("City") have commissioned this fiscal analysis of the proposed annexation of the City's Sphere of Influence ("Study Area"). The Study Area is currently located in unincorporated Sacramento County, adjacent to the City limits. If this area is annexed, the City would replace the County as the primary provider of local municipal services. This study estimates the past and projected costs and revenues for providing municipal services to the Study Area before and after annexation to the City.

PURPOSE OF THIS STUDY

This Study provides a fiscal analysis of two scenarios for service provision to the Study Area, including a five year forecast of municipal revenues and expenditures depending upon whether the area remains unincorporated or is annexed by the City. Scenario A assumes the Study Area will remain unincorporated and within the County's jurisdiction, Scenario B assumes the area is annexed and therefore the responsibility of the City. For context and perspective, a five year history of actual expenditures by the County was also included in this analysis.

The financial evaluation is comprised of an operational budget model of the General Fund and Road Fund, the two primary funds involved in providing municipal services. This Study is limited to these reoccurring operating revenues and costs and does not account for capital expenditures or other one-time events. For example, we have accounted for recurring general maintenance of roads, but not the cost for the design and installation of infrastructure improvements. We have not taken into consideration the potential of any catastrophic or otherwise unpredictable event within the Study Area which could affect projections. RSG did not conduct an in-depth analysis pertaining to infrastructure needs, nor did we take into account state or federal monies that may be available to fund such capital improvements.

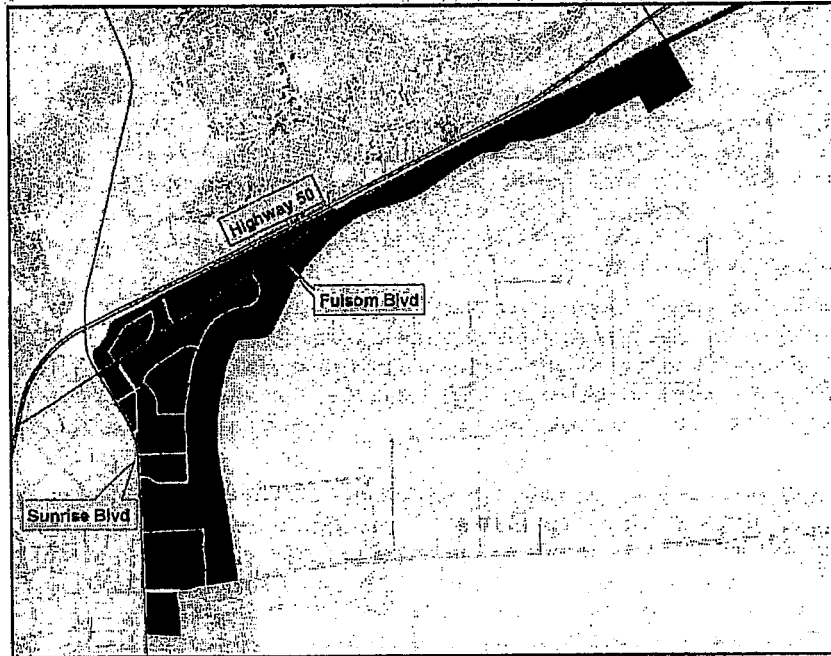
STUDY AREA DESCRIPTION

Approximately 748 acres in size, the Study Area is located immediately northeast of the City of Rancho Cordova limits and is the entirety of the City's unincorporated sphere of influence, as designated by the Sacramento County Local Agency Formation Commission ("LAFCo"). More specifically, the Study Area is located along the eastern stretch of Sunrise Boulevard, between Highway 50 and a commercial area south of White Rock Road, and along both sides of Folsom Boulevard, between Sunrise Boulevard and Nimbus Road, as shown in Exhibit 1.

The Study Area is generally developed with commercial uses, including retail, office, hotels, and industrial uses. There are few vacant parcels and no residents currently live in the Study Area. Nearby communities include Rancho Cordova, Nimbus, Fair Oaks, and Alder Creek. Mather Field lies to the south. The region directly to the southeast of Study Area is currently vacant.

STUDY AREA MAP

EXHIBIT 1



METHODOLOGY AND ASSUMPTIONS

Annexations must follow the legal requirements established by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code §56000, ("CKH Act"). As part of an annexation proceeding, cities and counties may negotiate a property tax exchange, which precipitated the need for this analysis.

It should be noted that the figures presented in this Study do not represent exact future sums. All projections are illustrative in nature and must be based on assumptions and methodologies which could alter forecasted amounts if changed. Many factors are outside local control, such as changes in the regional or national economy, natural disasters, or alterations in state or federal law. This Study makes every attempt, however, to ensure that all assumptions are sound and conservative.

The forecast of municipal revenues and expenditures incorporates the following assumptions:

Effective Date. The effective date of annexation is the day in which service responsibilities, revenues and costs would be transferred to the City. For illustrative purposes only, RSG has assumed the effective date of annexation would be July 1, 2009. Realistically, the effective date would be determined by more extensive CKH Act procedures but also the amount of public participation that is involved in the process. The effective date of annexation would ultimately depend on the successful processing of an annexation application, subject to a protest hearing, and a majority approval by the affected electorate if ordered by LAFCo.

Transition Period. A transition period is the time between the effective date of annexation and the time when a city must assume full service responsibility. A transition period can be anywhere from 3 to 12 months, depending on the services involved and a city's ability to implement its own services in the new area. For the purposes of this study to look at total annual costs upon full annexation, we have not taken into consideration a transition period during which time costs and services to the Study Area may be shared between the City and County.

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Public Services Plan. If the Study Area is annexed, Rancho Cordova would assume primary responsibility for the following municipal services: law enforcement, planning, building, code enforcement, public works/engineering, and animal control. Other services would remain the responsibility of the existing service providers, including fire protection, flood control, and utility service.

Growth Projections. The Study Area has seen a minimal amount of development in the last several years. Although no significant projects are currently under construction, four projects totaling 42 hotel rooms, 1,465 residential units, and 94,000 square feet of retail space have begun the permitting process with the County. The timetable for completion is not yet known, as these projects are all in early stages of entitlements and the ongoing recession and incapacity of financial markets are expected to delay many new projects throughout the region and nation. Consequently, the County, City, and RSG have agreed that no new development would take place during the five year forecast.

Revenues and Expenditures. The data employed in this Report was collected between July and November 2008. Pertinent fiscal data was derived in part from the revenues and expenditures of Fiscal Years 2003-04, 2004-05, 2005-06, 2006-07, and 2007-08 as presented by County staff and/or stated in the County's Adopted Annual Budget. When possible, audited figures were used. City staff also provided existing costs for municipal services, inventories of certain facilities, and feedback on certain impacts associated with the potential annexation.

Potential City costs were generally derived from 2007-08 and 2008-09 budgeted figures and staff estimates, though others were projected based upon current County service levels when necessary. Assistance and additional information was provided by both County and City staff when precise identification of costs and revenues was not possible due to record keeping limitations. It is RSG's experience that such data limitations are not uncommon and within normal levels for this type of analysis. In instances where precise figures were not available, RSG employed the best available methodologies to extrapolate estimates.

Cost estimates are conceptualized as three components: staffing, services, and capital outlay (or equipment). In the event of significant maintenance, such as road overlays, the cost of the maintenance was amortized over the estimated life of the item.

It is important to note that County departments typically responded with cost estimates that included overhead expenditures for administrative costs (e.g. finance, County Executive's office), while the City provided a separate analysis for these costs. It is equally important to note that annexation will only result in a shift of local municipal services from the County to the City. The County would continue to provide many regional services such as flood control, criminal justice systems, and health and human services and thus will continue to have costs associated with the Study Area.

Projected costs and revenues are based on a variety of specific assumptions based on historical trends, the inflation rate, and other factors described herein. The inflation factor for all most annual increases is 2.9 percent unless otherwise stated, which was derived from the ten year historical averaged Consumer Price Index for all urban consumers in the western region.

It should be noted that certain revenues and expenditures generally analyzed in fiscal impact studies have not been included here as there is no residential population. For example, certain revenue streams are generally calculated on a per capita basis, such as state subventions for gas tax, and thus are not calculated here.

GENERAL FUND REVENUES

The County's General Fund pays for most municipal operational services, including general government, law enforcement, animal control, public works/engineering, and community development (e.g. planning, building and safety, and code enforcement). The funding sources for these services are taxes from property, sales, in-lieu sales, and property transfers; fees for services; fines and forfeitures; franchise fees; and utility user taxes.

This analysis of General Fund revenue has been categorized by revenue source.



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PROPERTY TAXES

The County General Fund receives a portion of the ad valorem property taxes from the Study Area to pay for municipal and regional services. The County's share of the 2007-08 property taxes within the Study Area is approximately 37.7 percent of the general one percent property tax levy, according to County Auditor-Controller's office reports. However, actual revenues are significantly reduced due to contributions to the Educational Revenue Augmentation Fund ("ERAF"), resulting in an effective share of 17.9 percent according to the County Auditor's documented estimate for 2007-08.

Assuming the Study Area is not annexed, RSG has projected the County's share of the property taxes based upon a forecast of future assessed values assuming an annual 2.0 percent increase in secured assessed values. In effect, this assumes no new construction of any material nature, nor increases or decreases in assessed value due to resale activity or assessment appeals. As the area remains relatively built out, RSG does not anticipate a dramatic change in property values in the foreseeable future. Further, the projections have assumed no change in the unsecured roll due to their typically unpredictable nature and the fact they are not subject to Proposition 13.

Upon annexation, the City may receive a portion of the County's property tax share of the general (1 percent) tax levy for the annexed area, pending a negotiation of a property tax transfer between the parties pursuant to the CKH Act and the California Revenue and Taxation Code. The City and County may negotiate a split of this revenue, theoretically between 0 and 100 percent of the County's property tax share. Because this split is subject to future negotiations, RSG has not estimated the amount of any property taxes that could be collected by the City in this analysis.

Incidentally, if the City annexes the Study Area, the County Auditor-Controller's office would charge a property tax administrative fee equal to an estimated 1.2 percent of the gross property tax apportionment based on the 2007-08 rate. This fee is charged to most taxing entities, including the County itself.

PROPERTY TRANSFER TAXES

The County currently receives \$1.10 for every \$1,000 of property value transferred within the unincorporated area. If annexed, the revenue would be split equally between the County and the City, resulting in both entities collecting property transfer tax revenue of \$0.55 for every \$1,000 of property value transferred, typical of most incorporated communities.

The amount of property transfer tax received would depend upon the level of resale activity and property values. In recent years, the amount of property turnover in the Study Area has declined. In 2007-08, the aggregate volume of property turnover dropped to \$23.5 million, as compared to \$80.2 million in 2003-04. To present a conservative forecast that is sensitive to these recent trends, RSG has assumed an aggregate amount of property value turnover of \$22 million annually; this value is based upon 4.1 percent annual turnover of existing commercial and industrial properties. (Commercial and industrial properties in the City have approximately the same turnover rate based upon an historical analysis.) Value for public and exempt utility-owned land was not included in the turnover forecast.

SALES TAX AND IN-LIEU SALES TAX REVENUE (2004 TRIPLE FLIP REVENUE)

In 2007-08, the County received approximately \$6.1 million in sales tax, in-lieu sales tax revenue, and the supplemental pool allocated by the State. If annexed, the City would be eligible to receive 0.75 percent of the sales tax rate charged on taxable sales within the annexation boundaries. Taxable sales estimates were based on data received from County finance staff. Though it is expected that businesses will change during the forecast period, this Study looks to historical records for projecting into the future. For example, two large businesses have closed their operations within the last 18 months; however, a recreational vehicle ("RV")



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dealership has also opened. Thus, sales tax revenue is projected to grow at an annual inflationary factor of 0.11 percent based on the five year historic average change.

On March 2, 2004, the state electorate approved Proposition 57 which in part mandates the exchange of one-quarter (0.25 percent) of the previous 1.00 percent sales tax revenues to local municipalities for an equal amount of property tax revenues. These additional property tax revenues are referred to as "in-lieu sales taxes" or "triple flip revenue", and took effect on July 1, 2004; they continue until the state deficit bailout bonds are paid off in approximately 10 years, after which time it is presumed that in-lieu sales taxes would revert back to local municipalities as sales tax revenue.

TRANSIENT OCCUPANCY TAXES

Transient occupancy taxes ("TOT") result from a fee charged upon hotel room stays. Both the City and the County have a 12 percent TOT rate. The Study Area contains 5 hotels with a total of 777 rooms according to RSG's research. For the past five fiscal years, RSG obtained actual TOT receipts from the County Office of Budget and Debt Management.

The financial projection is based on conservative estimates of room rates and occupancy rates for the market area, and yield projected TOT revenues that are similar to the actual receipts in recent years. According to RSG's research, average daily room rates currently range from \$60 to \$250. To be conservative, RSG has estimated a weighted average daily room rate of \$106, which is comparable with regional hotel room averages. At \$106 per overnight stay, and approximately a 50 percent occupancy rate, revenues are similar to the actual revenues received. It should be noted that a 50 percent occupancy rate is lower than the average rate in the greater Sacramento metropolitan area, which usually hovers in the 68 percent range.

To be conservative, RSG has projected no growth in TOT between 2007-08 and 2008-09. In subsequent years, the averaged daily room rate is projected to increase 1.15 percent annually based on historical increases, but occupancy rates are not projected to change.

MOTOR VEHICLE LICENSE FEES AND PROPERTY TAX IN-LIEU

The Motor Vehicle License Fee ("VLF") is essentially a tax on the ownership of a vehicle, and is collected by the State annually. VLF revenue is then allocated to cities and counties based upon a statutory formula. In 2004, during the State's budget crisis, about 90 percent of a city's VLF revenue was replaced with property tax revenue. Under current law, most of the VLF revenue allocated to cities and all of the revenue allocated to counties increases based on assessed value growth instead of population growth in a jurisdiction. Revenue is distributed as property tax in-lieu of VLF.

Based on the Annual State Controller Report, for each \$1 million in assessed value, the City receives \$748 in property tax in-lieu revenue and the County receives \$1,057. This projection essentially credits the Study Area with that respective value, though other county-wide or city-wide factors play a role in determining the amount of in-lieu revenue the City receives. For example, if the Study Area is annexed, but the assessed value of the City as a whole were to decrease due to significant reassessments resulting in a net decrease of property values, the City would not see an increase in the in-lieu subvention, but would realize less of a loss than if the Study Area was not annexed. It should be noted that during the year an annexation occurs, the added value is not factored into the distribution of revenues, only increases in assessed value following annexation.

UTILITY USER'S TAX

Both the County and City levy identical utility user's taxes, since the City adopted the County's utility tax ordinance. The tax of 2.5 percent is charged on electric power, gas, land line telephone, cable, and sewer utilities within their jurisdiction. Consequently, ratepayers would see no change in the amount of utility user's



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taxes as a result of annexation, and the amount of the taxes collected would be identical between the jurisdictions.

Actual utility user's taxes were not available for the Study Area, nor by any other metric which RSG could extrapolate the taxes collected historically. Consequently, RSG estimated the County and City utility user's taxes based on estimates of commercial utility costs provided by the Institute for Real Estate Management, which publishes a survey of regional utility costs on a square foot basis annually, as well as other known expenditures as identified by tenants.

FRANCHISE FEES

The County currently receives franchise fees from electric power, gas, and water providers based on the terms and conditions of each franchise agreement. The County rate is currently 2 percent of the billed amount. Actual franchise fees were not available, and were estimated by RSG by estimating the per square foot costs of these utilities as described above, multiplied by the County's 2 percent franchise fee rate.

Both the County and City are members of the Sacramento Metropolitan Cable Television Commission, which pays franchise fees to its member jurisdictions based on population according to County Government Code Section 5.50.112. As there is no population within the Study Area, there will be no net benefit or loss to either the City or the County if the Study Area is annexed.

If annexed, the City would receive the franchise fees from water, electric power, gas (2 percent of billed amount), and solid waste haulers (8 percent of billed amount).

COMMUNITY DEVELOPMENT FEES

Community Development fees include planning and building fees for development and other permits. Presently, both the City and County charge fees for many of their planning and building inspection services. Per Assembly Bill 1600, a public agency cannot charge fees which exceed the cost of the service rendered. Specific community development fees are described below:

Planning Fees. These fees are generated through the current and advanced planning processes, which include applicant requested zoning code and general plan amendments, and other regulatory processes, such as plan check applications. The County and City charge fees based upon a set application fee per specific types of services. The City typically requires these fees up front in the form of a deposit. RSG reviewed common planning fees and found the City and County fee structures to be generally comparable, with neither being consistently more or less expensive than the other.

There are four discretionary permits currently being processed by the County including the development of two high-rise residential towers, a 12.5 acre mixed use development, a small hotel, and a use permit for office uses. Revenue received to date for these projects totals \$67,600. However, both the County and the City agree it is unlikely these projects will be developed in the forecast period given the current real estate economy and lack of available development financing sources.

Building Fees. These fees are generated through the plan check and building permit functions. As with Planning Fees, cities may not levy fees that exceed related service costs.

Engineering Fees. These fees are generated through such services as plan check, inspecting private project construction in the public rights of way, tentative map review and processing, performing grading inspections, and issuing encroachment permits.

The County's 2007-08 budget generally shows the Planning and Community Development Department to recover about 72 percent of costs for application processing and plan check, and even less for other services. Based on the County Budget, the Community Development Department as a whole receives only 5 percent of its funding from charges for service on average. The County's Building and Safety expenditures are 100 percent cost recovered according to County staff.



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Upon annexation, the City's Community Development fees would be charged to Study Area builders and developers in the place of the County's current fee program. According to City staff, the City's current fee schedule generally produces a 95 to 100 percent cost recovery for community development services.

BUSINESS LICENSE FEES

The County and City both collect license fees from businesses within their respective jurisdiction on an annual basis. In both cases, revenue received is based on the number and type of businesses and thus may vary from year to year based on a variety of factors. Additionally, the County and City have reported that each may revise their respective licenses fee structure. Fees collected are regulatory in nature and are not based on sales or profits realized by the businesses subject to the fee. Revenues received are used to offset a portion of departmental costs. For example, of the revenues the County currently collects, approximately 58 percent is used to offset finance department costs, 41 percent to offset community development costs, and 1 percent for County Counsel.

Currently, a general business license in the County is an average of \$50 per year, while in the City it is \$45 per year. Some businesses require specialized licenses which are more expensive, however, to be conservative, RSG has projected all businesses in the Study Area are eligible for a general license. According to County staff, the Study Area currently has 517 businesses. Thus, in 2009-10, if the Study Area is not annexed the County is projected to receive \$25,850, while the City, if the Study Area is annexed, would receive \$23,265. This value was held constant throughout the projections due to the many factors that influence these revenues.

ANIMAL LICENSE FEES

The County currently provides animal care services to the Study Area. As there are not current residents, no animal license fees are generated by the Study Area.

FINES AND FORFEITURES

Revenue from fines and forfeitures are based upon data provided by the Sheriff's Department, who is responsible for local non-traffic law enforcement in the Study Area. The California Highway Patrol provides response to traffic violations in the Study Area and does not apportion these fines with the County. Historical data was available for the past three fiscal years. In the last two fiscal years, revenues were approximately the same, about \$44,000 net of fees charged by the court system. Future projections for both the City and the County are based on the 2007-08 actual revenues received. These revenues were held constant over time, as fines are not reevaluated on a regular basis.

If annexation occurs, the City is likely to see more revenues from fines as traffic tickets and other traffic fines would be collected by the City when it takes over this service from the California Highway Patrol. RSG could not get an estimate of such revenues for the Study Area; in order to present a conservative forecast, we have deliberately not speculated on the amount of such additional fines.

STORMWATER

The County's Environmental Management Department conducts countywide stormwater pollution compliance inspections to be at all retail gasoline stations, automotive body shops, automotive repair facilities, equipment rental yards, nurseries, kennels, automotive dealers, restaurants, and general industrial facilities. An annual fee is assessed for this service. Fees are based on the type of business conducted at the site and range from \$138 to \$309 per year. There is also a charge associated with any re-inspections that are necessary. The County has provided fee revenues from the Study Area, which range from the lowest level of \$214,500 in



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2004-05 to the highest level of \$277,700 in 2006-07. Future costs to the County are based upon the most recent 2007-08 revenues of \$271,600 and inflated annually by 0.8 percent, the five year historical average, though actual revenues will be based upon the number and type of businesses in the Study Area, which may change from year to year.

CSA 1 STREETLIGHTING

The Study Area has one County Service Area 1 (CSA 1), which provides funding for street lighting. The Study Area is currently within CSA 1 Zone 1 - unincorporated, but if annexed, it would become part of CSA 1 Zone 2 - Rancho Cordova. CSA 1 currently receives revenues through a parcel tax levied at the same rates as the County. The tax is levied on commercial properties based on the amount of street frontage of each parcel in the district. Though the Zone would change, the CSA would continue to operate, collecting funds for street lighting in the same manner. Operation and maintenance of the lights is performed by the County, and the County would collect the CSA 1 parcel tax for such services. In 2007-08, revenues were \$14,100. Revenues were projected to remain stable in both forecasts as the tax rate remains stable. Though the County will continue to receive these revenues to fund operations and maintenance if annexation proceeds, the revenues were still shown in the City projection to offset the costs associated with the streetlights.

GENERAL FUND EXPENDITURES

General Fund revenue is required to cover the costs of the following operational functions:

- General Government (Elected officials, administration, attorneys, and non-departmental costs)
- Community Development
- Public Works
- Law Enforcement
- Animal Care Services
- Code Compliance

The following analysis of the General Fund expenditures has been categorized by function within the framework of this organizational structure.

GENERAL GOVERNMENT

General government costs include costs associated with the legislation and administration of municipal services. The cost of these services can be provided by directly accounting for these costs, or applying a factor on direct municipal services to account for general government costs. Neither approach is more correct than another, it is a matter of understanding how the costs are provided and reported.

The County took the approach of providing for general government costs as a part of departmental costs, so no specific costs for general government were projected in our analysis. We note this is common in fiscal studies comparing the cost of services between a county and a city.

On the other hand, the City's data response typically segregated its costs for general government, so RSG projected general government department costs for the annexation scenario based on this data. In general, little impact upon general government services is anticipated as a result of annexation as most departments will be able to support the additional functions with existing staff and supplies. As detailed later in this Report, additional expenditures will be associated with the planning department, building and safety department, public works, stormwater services, and law enforcement. However, as law enforcement, public works, and planning services are contract based, no additional general government costs are expected to be incurred. In the case of building and safety and certain stormwater expenditures, an overhead rate of 1.8 percent was

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charged upon all anticipated expenditures, equal to the current overhead rate attributable to administrative support and human resources in the general government category.

COMMUNITY DEVELOPMENT

Planning. The County Planning Department provided expenditure estimates based upon budget figures for the last five years, recommending that the costs for the Study Area be equal to the 1 percent share of the total geographic area of the County's unincorporated jurisdiction. Effectively, the County Planning Department suggested that applying the 1 percent factor to the entire Department's budget (which includes some planning functions clearly not within the Study Area) would yield a reasonably close estimate to the actual costs for planning services to the Study Area.

While specific cost accounting would provide the most accurate estimates for planning services, the unavailability of these figures should be dealt with a more discrete methodology for extrapolating these costs in the Study Area. Consequently, RSG refined the County Planning Department's 1 percent methodology, by removing any net costs associated with activities that targeted specific geographic areas outside of the Study Area, resulting in a slightly lower amount of planning costs for the Study Area, as it is reasonable to assume that special planning activities would result in higher planning costs in those areas only, not the entire County itself. However, costs for the General Plan and Housing Element remained in the projection, though these are typically considered one-time costs and not recurring expenditures.

Historical costs were thus based upon 1 percent of the countywide planning expenditures applicable to the Study Area, net of revenues. Future expenditures were based upon the 1 percent of the budgeted net expenditures in 2008-09 and inflated annually by 2.9 percent. In 2009-10, net costs are projected to be \$39,200.

For determining the City's cost for planning services, RSG took several factors into consideration, including the County's estimated costs of planning services in the area, the cost of cyclical long-term planning (e.g. the Housing Element and General Plan update), and economic trends that suggest that the City may see limited interest in development of the Study Area in the near future.

Just as the County's actual planning costs in the Study Area were not specifically identifiable, it is difficult to isolate what impact the City may see if the Study Area is annexed. RSG reviewed the County 2007-08 and 2008-09 budgets and isolated expenditures for the public counter, application processing, and plan check programs. One percent of these expenditures ranged from \$49,944 to \$48,758 respectively. However, discussions with the City's Planning Director indicate this value is likely to be high as no new projects are anticipated in the forecast period.

To maintain a balanced comparison with the County which preferred that cyclical planning costs be accounted for in this forecast, costs for the City's General Plan updates and Housing Element updates were also considered in the projection. RSG assumed a small amount of development activity in the Study Area, as well as some coordination efforts that may be required for the Folsom South Canal and implementation of the Folsom Boulevard Specific Plan. The estimated result was approximately \$20,000 in annual cost to the City for recurring planning expenditures plus \$75,000 annually for four years to cover the expense associated with the General Plan and Housing Element. Based on current operational standards, 95 percent of the \$20,000 annual expenditure is assumed to be recovered through fees.

Unless the Study Area experiences unexpected development activity, City Planning Department staff believes that given the current economy, even this estimate may be high. Consequently, the City cost projection models the \$20,000 expenditure based on an hourly rate of a contract Associate Planner, which equates to approximately 4 hours of additional work per week associated with the Study Area. This recurring cost was inflated annually by 2.9 percent, though actual costs would be dependent on changes in contractual rates with the subject planning consultant firm and modifications to the planning fee schedule to maintain a 95 percent cost recovery rate. The \$75,000 annual cost for the General Plan updates and Housing Element updates was not inflated, but assumed to be a flat \$300,000 for all work, spread over a four year period.

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Building and Safety. According to the Department of County Engineering, the Study Area has historically generated enough work for 1 to 2 Senior Building Inspectors, depending on the year's activities. The County provided a detailed analysis of annual permit applications and fees received from the Study Area, ranging from its highest point of \$306,085 (in fiscal year 2004-05) to the lowest point of \$111,960 (in fiscal year 2006-07) for typical building and safety work, with additional annual costs for development and surveyor review ranging from the highest level of \$22,600 (2005-06) to the lowest level of \$2,000 (2007-08). The County reports the department generally has 100 percent cost recovery, however, a five year historical analysis shows a median 98 percent cost recovery rate.

Future costs to the County are based upon the fully-loaded cost (salary and benefits) of 1.5 Senior Building Inspectors, with a 98 percent cost recovery rate. Costs are projected to increase by 2.9 percent annually.

If annexed, permit activity is projected to remain consistent with RSG's projections for the County based on the most recent 2007-08 levels; therefore City costs are projected based upon 1.5 Building Inspector II positions at a level C salary step. Costs are inflated annually by 2.9 percent, comparable with salary schedule increases. Based on information from City staff, Building and Safety expenditures are 100 percent cost recovered, thus no net departmental expenditure is expected.

CODE ENFORCEMENT

Code enforcement programs are either reactive (responding to complaints) or proactive (seeking out possible violations in the field). The County Planning and Community Development staff reports that code enforcement is roughly 98 percent reactive. According to the County annual budget, code enforcement program activities in the Study Area target vehicle abatement, volunteer coordination, and zoning code enforcement. County staff also estimates that there are about 12 citations in the Study Area per year.

Similar to planning expenditures, the County computed estimates of Study Area code enforcement expenditures based upon 1 percent of total net expenditures. However, RSG believes expenditures are less due to the limited number of citations estimated by the County. According to County Code Enforcement staff, the 13 code enforcement officers have issued 12,255 citations in 2008. Even assuming no new citations are issued in 2008, the Study Area makes up only 0.1 percent of code enforcement activities. Thus future expenditures were based upon 0.1 percent of the 2008-09 budgeted expenditures for applicable programs (zoning code enforcement, vehicle abatement, and illegal dumping) for a total cost of \$2,803. County Planning and Community Development staff estimates that between \$1,000 and \$1,500 of fees are collected annually. RSG estimated \$1,250 in fees per year. Projections were inflated by 2.8 percent annually.

As compared to the County, the City's code enforcement program is more proactive and therefore Study Area code enforcement activities could be greater than what is currently occurring. Overall, City staff estimates that they are approximately 52 percent proactive in all code enforcement activities; although most code enforcement activities occur in residential areas and not commercial areas like the Study Area. Only about 5 percent of all City code enforcement citations in 2007-08 were issued to commercial properties, equal to about 38 commercial citations in total throughout the entire City. According to the City's General Plan, there are about 2,262 acres of commercial land uses in Rancho Cordova. The Study Area, at 748 acres, is approximately one third of this amount. Thus, based on the current level of citation issued to the Study Area, the limited number of citations issued to commercial land uses in the City, and the visual assessment conducted by RSG, it is believed the Study Area will continue to warrant only a limited amount of code enforcement service.

Based on the City's 2007-08 annual budget, 5 percent of the Division's total expenditures is \$28,570, or \$752 per commercial citation. RSG estimates the City will issue approximately 1 citations in the Study Area per month. Costs are based on the 2007-08 per citation cost of \$752 and inflated by 2.9 percent annually. The City's cost recovery rate through fees collected is approximately 15.8 percent currently, though as the City has recently contracted with a firm to improve recovery rates for citation issues, this may improve in time. Cost for service by the City is higher than that of the County despite the same number of citations, as the

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department is more proactive and therefore spending more time patrolling and/or interacting with the community, providing a higher level of service.

STORMWATER

The stormwater program provides for the operations and maintenance of the storm drain system including pipes, inlets, manholes, and other drainage channels as well as for capital projects when the budget allows. The County currently provides for this service on a countywide basis, through funding provided by a fee schedule as described earlier. The County Department of Water Resources provided cost estimates for the Study Area based upon the comparative size of the area (1 percent of the total service area). Costs include administration, maintenance engineering, capital design, water quality management, and floodplain management. Ongoing forecasted costs to the County are based upon the most recent 2007-08 expenditures of \$267,400 and increased by 3.1 percent annually (the five year historical average).

When Rancho Cordova incorporated, it was agreed that the County would continue to collect the stormwater fee and provide stormwater utility services. Revenues collected by the County are held, budgeted, and expended as necessary. Funding is provided for operations, maintenance, and capital projects out of the fee revenue. However, residents in Rancho Cordova desire a higher level of service than the County provides and the City annually appropriates more money to fund additional work, particularly to clean retention/detention basins and other debris. The County agreed to budget an additional amount of funding for these additional expenditures, about \$300,000 per year. The City uses this money on additional labor and supplies costs.

The Study Area does contain drainage basins that the City would need to provide additional maintenance for in order to meet the higher standard of service required by the residents. As historical revenues from the Study Area do not consistently cover the historical estimated expenditures, this analysis assumes the additional maintenance cost must be born by the City.

Based on an inventory of pipes, inlets, and manholes, annexation would result in an increase of 8 percent in the City's total storm drain facilities. The forecast for additional maintenance expenditures is based upon 8 percent of \$300,000, or \$24,000 per year, and inflated annually by 2.9 percent. It should be noted that all other ongoing maintenance costs for the City are assumed to be a "wash" as they are a part of the countywide program, thus no other revenues or expenditures are forecast for the City.

ANIMAL CONTROL

As there are no residents in the Study Area, animal control concerns are expected to be limited to wildlife and strays, occasionally requiring animal care services. The County's Animal Care Department has responded to only 12 calls for service in the last three years, or an average of 4 calls per year. County staff reports that so few calls for service has a negligible impact upon staffing or expenditures, and thus no costs are recounted or projected for animal care.

The City provides animal services through the Neighborhood Services Department. City staff estimates that the typical animal services call requires approximately 15 to 30 minutes of staff time to respond to. Based on the current number of calls for service, annexation would result in up to 2 hours per year of staff time. Thus, annexation is not expected to have an impact on the number of calls for service, expenditures are expected to remain negligible, and therefore no costs are projected in the financial forecast for either the City or the County.

CSA 1 STREETLIGHTING

The Study Area currently has 218 street lights. Some funding for operation and maintenance of the street lights comes from CSA 1 as described previously, however, the costs exceed the revenue provided through



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the CSA so supplemental funding must be provided. The County currently spends \$115 per light in total. About \$65 per light is available through the CSA 1 funds. However, the County provides additional funding to supplement the CSA. According to the City's Public Works Department, total expenditures are likely to be equivalent to the County as they provide the service. The City does provide backfill funding to the CSA revenue for existing service. Thus, additional City expenditures are based upon projected County expenditures on a per light basis of \$50 per light. Costs are inflated annually by 2.9 percent for both the County and the City. Please note that historical street lighting costs were not provided, so current costs were assumed for all previous years.

LAW ENFORCEMENT

The County Sheriff currently provides service to the proposed Study Area, with the exception of traffic services which are performed by the California Highway Patrol. Should the Study Area be annexed, the Sheriff (under contract with the City) would provide all law enforcement services, including traffic. Generally speaking, service levels are expected to remain the same with the exception of traffic services, which are likely to increase. Low funding, passive patrolling of areas off highways, and staffing levels for the California Highway Patrol have resulted in minimal traffic enforcement in the Study Area; and these levels would be expected to increase if the annexation proceeds.

The County Sheriff provided a detailed summary of estimated expenditures in the Study Area based on calls for service. Over the last four fiscal years (2004-05 through 2007-08), calls for service have remained stable, ranging from 1,119 to 1,193 calls per year. Each year, burglary and burglary alarm calls are the predominate types of calls for service, accounting for about 60 percent of all calls.

Calls in the Study Area are currently handled by the East Division of the Sheriff's Department, which operates out of the same station house as the Rancho Cordova Police Department. Calls for service are handled by deputies assigned to patrol zone 71, most of which is located to the southwest of Rancho Cordova, often requiring deputies to drive through the city in order to reach the Study Area. In 2007-08, the average deputy in the East Division responded to 428 calls for service. In Rancho Cordova, the average response load is 456 calls per deputy. As levels of service are comparable between the two jurisdictions according to the Sheriff's Department, the difference in response loads is likely a result of the County deputies having to travel further distances to reach points of service.

At the current level of 456 calls per deputy in the city, the time equivalent of 2.5 officers would be required to maintain existing calls for service response rates. This is slightly lower than the County's current time equivalent of 2.7 officers. However, the nature of the contract between the City and the Sheriff's Department is such that the City will need to engage deputy staff on a full time basis, resulting in 3 additional deputies to maintain a similar workload average. Furthermore, the City will also need to provide traffic enforcement in the Study Area. It is unclear how much traffic enforcement will be necessary as the California Highway Patrol does not have available data for the Study Area. City law enforcement staff estimates traffic patrol could potentially require more than the time equivalent of 0.5 deputies, but it is possible that patrol zones and resources may be revised to ensure appropriate coverage.

Based on the existing contract between the City and the Sheriff, law enforcement expenditures are passed on directly to the City without surcharges or other additional costs. Thus, the cost to service the area will not change materially. Slightly higher costs are projected for the City if the Study Area is annexed are based upon the addition of a full three deputies instead of the roughly 2.7 equivalent deputies¹ that are currently required to serve the Study Area.

¹ Historically, the County equivalent deputy average is 3 from 2005-06 to 2007-08. The 2007-08 value is 2.7. A variety of factors influence work loads, including distance to point of service and the time required by each call for service. The seniority level (pay grade) of deputies currently serving the Study Area, as well as those that may be selected to serve the Study Area if annexed, will also influence service costs.

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Costs were analyzed in four separate categories: salaries and benefits, services and supplies, supplemental security services (crime scene investigation, property warehouse, communications bureau, etc.), and miscellaneous charges. Salaries and benefits have increased by 5 percent over the last two years, and are expected to continue to increase at that rate by the Sheriff's Department. The Sheriff's Department also believes supplies and services will increase at about the same rate, though historically the average rate has been lower, so this projection assumes a growth rate of 2.9 percent, the consumer price index. Supplemental security services and miscellaneous charges have remained stable, so values are held constant. County costs are projected based upon existing expenditures. With the exception of salaries and benefits, which were based on a mid-step deputy's salary and benefits package for three deputies, other potential City expenses were projected based upon expected County expenditures. In 2009-10, County costs are projected to be \$488,200, while those for the City if annexation occurs are projected at \$497,500.

Due to the developed, commercial nature of the study area and the lack of projected growth during the forecast time horizon, calls for service are expected to remain stable. Increases in cost are, however, likely to stem from increases in labor costs. Based on the current agreement for law enforcement services between the City and the Sacramento Sheriff's Department, all costs shall be directly passed on to the City, therefore increases in labor and equipment costs shall be the same for both the City and the County. According to the County Sheriff's staff, costs for both personnel and equipment are projected to increase annually by 5 percent, which is reflected in the fiscal projections for both the City and the County.

FIRE PROTECTION

Fire protection is provided through the Sacramento Metropolitan Fire District, which is funded primarily through a share of the 1 percent general property tax levy. No change in service will occur if the Study Area is annexed, therefore no costs are projected for either the County or the City.

PROJECTED IMPACT ON ROAD FUND

REVENUES

Gas tax revenues are apportioned according to the Streets and Highways Code, per section 2105, 2106, 2107, and 2107.5. Disbursement equations generally consider population, registered vehicles, and road miles to determine revenues received by the local jurisdiction. However, as no residents currently reside in the Study Area, and the number or road miles is minimal (and only considered in part by the allocation of funds through 2105), no gas tax revenues or highway user subventions are anticipated.

The County and the City also receive funding for roads through Measure A, a half-cent sales tax that is collected and allocated by the Sacramento Transportation Authority. About 62 percent of revenues are dedicated to identified capital improvement projects. Funding of this sort is provided directly to the jurisdiction in which the project is to be completed, and that jurisdiction must deliver the project. About 38 percent of revenues are allocated to the County and the cities in Sacramento County based upon their relative shares of total population and total road miles (weighted 75 percent and 25 percent respectively). RSG contacted the Sacramento Transportation Authority, and based upon the lack of population and the minimal amount of roads in the Study Area compared to the countywide amount, the allocation of Measure A funds is not expected to be material.

EXPENDITURES

Road expenditures can be funded through a jurisdiction's Road Fund according to the California Street and Highways Code Section 2101. Funds may be expended upon research, planning, construction, improvement,



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maintenance, and operation of public streets and highways. Costs considered in this Study include road maintenance, traffic signals, street lights, and street sweeping.

Road Maintenance. The Study Area contains a mix of roads that are entirely funded by the County currently, as well as others that are shared by the County and the City. In total, 8.8 miles (or 2,483,837 square feet) of road would become the responsibility of the City if the Study Area were annexed.

Road maintenance in the County is subject to severe budget constraints. Large scale maintenance such as slurry seals and overlays are cost intensive and therefore often deferred as long as possible. Typically, depending on weather conditions and amount of travel, roads require a slurry seal every 10 to 15 years and an overlay every 20 to 30 years. However, County staff reports that slurry seals are often performed every 20 to 25 years and overlays up to 40 years apart. In some cases, a slurry seal is never done and the road eventually requires an overlay in order to function.

Study Area road maintenance costs were extrapolated by the County based on the ratio of maintained road miles of the Study Area to the total Countywide. The Study Area road mileage accounts for 0.4 percent of the total road miles maintained by the County, thus costs were projected to equal 0.4 percent of all expenditures. Historic expenditures range from \$147,500 in 2003-04 to \$175,000 in 2007-08, and reflect an average annual cost increase of 4.3 percent. Future road maintenance costs were based upon 2007-08 estimated expenditures and assumed to continue to escalate by 4.3 percent annually.

The City currently provides a higher standard of service for roads, providing slurry seal every 10 years and overlay every 35 years with additional maintenance as necessary. Costs were projected using the current cost for these services according to City staff, which are \$0.45 per square foot for slurry seal and \$3.25 per square foot for overlay. The cost for these services is projected as an annualized set aside, thus spreading the cost to each year to account for the cyclical nature of the procedures and the various conditions of the roads and inflated annually by 2.9 percent.

Traffic Signals. The County currently maintains six traffic signals alone and six traffic signals that are shared with the City. If annexation proceeds, the City will be responsible for five new signals, take over full responsibility for six signals currently shared, and take over responsibility for one half of one other signal as shown in Exhibit 2 below.

Traffic Signals		Exhibit 2			
Intersection	Current		Post Annexation		
	County Maintained	City Maintained	County Maintained	City Maintained	
Folsom Blvd & East of Sunrise Blvd /1	All	None	None	All	
Folsom Blvd & Mercantile Dr	All	None	None	All	
Folsom Blvd & Marketplace Dr	All	None	None	All	
Folsom Blvd & Mineshaft Dr	All	None	None	All	
Folsom Blvd & West of Hazel Ave /2	All	None	None	All	
Sunrise Blvd & White Rock Rd	Half	Half	None	All	
Sunrise Blvd & Sunrise Park Dr	Half	Half	None	All	
Sunrise Blvd & Sunrise Gold Dr	Half	Half	None	All	
Sunrise Blvd & Trade Center Dr	Half	Half	None	All	
Sunrise Blvd & Folsom Blvd	Half	Half	None	All	
Sunrise Blvd & US 50 Offramp	Half	Half	None	All	
Folsom Blvd & Hazel Ave	All	None	Half	Half	

1/ Pedestrian signal, not full intersection

2/ Fire station, not full intersection

County costs for traffic signals are estimated at \$8,000 per year for maintenance, electricity, and overhead costs such as planning studies and \$9,800 per year for those signals on a coordinated system (seven of those currently maintained by the County). In 2008-09, this results in \$88,900 in expenditures. This value was inflated annually by 2.9 percent for the remainder of the forecast.



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The City contracts with the County to maintain the traffic signals as well as many other public works related operations and maintenance for an annual contract of roughly \$1 million, and so identifying individual signal believes expenditures was challenging. The Public Works Department believes that operations and maintenance may be approximately \$6,500 per traffic signal, however, it is unclear if there is a discount the City is receiving for these costs, or if the County expenditures also include a variety of overhead costs. RSG is working to solve this indiscrepancy. However, for the purposes of this draft Report, the \$6,500 per full intersection traffic signal was applied. Forecasted costs for both the County and the City are based upon an annual inflationary factor of 2.9 percent.

Street Sweeping. Street sweeping costs have been loosely estimated by both the City and the County. The County estimates an average annual cost of \$55 per curb mile. Streets are swept an average of two times per year depending on the level of activity with major corridors being swept more often. The City estimates \$66 per commercial curb mile per year, with commercial streets being swept monthly. Costs are projected at an annual inflation rate of 2.9 percent.

SUMMARY

As presented in Appendix A, the financial projections illustrate that the Study Area is a significant net revenue source for the jurisdiction it is in absent of any agreements for revenue or cost sharing. If annexation does not proceed, the County can expect a cumulative net revenue of \$50.9 million in the General Fund and a net deficit of \$1.6 million in the Road Fund between 2009-10 and 2013-14. If annexation does proceed, the City could see a cumulative net revenue of \$38.5 million in the General Fund and a net deficit of \$3.3 million in the Road Fund during the same time period. Note that no property taxes were assumed for the City by this Study as the sharing factor must be negotiated by the City and County.

Net revenues are anticipated to be lower in the City if the Study Area is annexed as some revenues will be shared with the County and additionally, the Study Area will experience a higher level of service from law enforcement, code enforcement, stormwater maintenance, and road maintenance. With no regard to any potential agreements, the following are the primary differences in revenues and expenditures that may be expected.

Revenues

- **Property Tax.** Property tax is not calculated for the City, though traditionally an annexing city would expect to receive some share of the County's share of the general property tax levy.
- **Property Transfer Tax.** Though the rate of turnover is expected to be unaffected regardless of annexation, revenues from the tax will be split between the City and the County if annexation proceeds.
- **Motor Vehicle In Lieu.** The State's new accounting system for motor vehicle license fees results in a difference between County subventions and City subventions based upon each entity's baseline value when the system was put in place.
- **Franchise Fees.** The County and City levy different franchise fees on different providers, resulting in a difference in revenues.
- **Business License Fees.** Business license fees are slightly different between the two jurisdictions.

Expenditures

- **Building and Safety.** Compensation packages vary slightly between the City and the County, resulting in slightly different expenditures, though it should be noted these particular departments have very high cost recovery rates.
- **Planning.** Planning estimates for the County were estimated based upon the size of the geographic area and not direct costs. City estimates were projected based upon analysis of the County budget



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and input from City staff. In an effort to compare apples to apples, one time costs for the General Plan and Housing Element were included in the projection. Neither projection is without its flaw, but the important item to note is that the City experiences a higher cost recovery rate for typical planning services than the County does and thus in the long term should see a smaller amount of net expenditures than the County.

- **Code Compliance.** The City maintains a higher level of service and thus has higher expenditures to account for proactive staff initiatives.
- **Stormwater.** Based on the structure of the stormwater program, the County will continue to incur revenues and expenditures regardless of annexation. The City will receive no stormwater revenues and expend only the additional maintenance costs required to maintain a higher level of service.
- **Law Enforcement.** Law enforcement costs are anticipated to be slightly higher if annexation proceeds due to the need to provide traffic enforcement services.
- **General Government.** The City is projected to see a minor increase in general government costs to account for the addition of some employees.
- **Road Maintenance.** The County's financial capabilities have limited the level of service provided for road maintenance. The level of service is expected to increase significantly if annexation proceeds.

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APPENDIX**

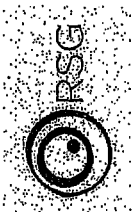
SACRAMENTO COUNTY RECURRING SERVICE REVENUES AND EXPENDITURES SUMMARY

EXHIBIT 1

	Historical County Annual Budget				Current	Annual County Operating Budget			7/1/2013	
	7/1/2003	7/1/2004	7/1/2005	7/1/2006		7/1/2009	7/1/2010	7/1/2011		7/1/2012
Revenues by Source										
Property Taxes	715,600	813,400	872,700	934,000	1,019,000	1,036,800	1,055,500	1,074,300	1,093,100	1,112,900
Property Transfer Taxes	88,300	56,300	24,000	41,800	24,500	24,500	24,500	24,500	24,500	24,500
All Sales Taxes	6,089,000	6,444,000	6,748,000	6,452,000	6,131,000	6,137,000	6,144,000	6,151,000	6,158,000	6,165,000
Transient Occupancy Taxes	1,703,500	1,730,900	1,781,100	1,836,200	1,803,700	1,824,500	1,845,500	1,866,700	1,888,100	1,909,800
MVLF in Lieu	-	-	35,800	38,700	10,500	10,800	11,000	11,200	11,400	11,600
Utility User Fees	215,100	215,100	215,100	215,100	215,100	215,100	215,100	215,100	215,100	215,100
Franchise Fees	171,100	171,100	171,100	171,100	171,100	171,100	171,100	171,100	171,100	171,100
Business License Fees	21,300	23,800	24,900	31,700	25,900	25,900	25,900	25,900	25,900	25,900
Fines and Forfeitures	N/A	N/A	55,900	43,500	44,100	44,100	44,100	44,100	44,100	44,100
Stormwater Fees	265,700	294,300	265,600	269,800	273,800	276,000	280,400	282,600	284,900	284,900
Street Lighting (CSA 1)	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100
Total	9,269,600	9,748,800	10,194,100	10,032,000	9,718,700	9,765,800	9,814,900	9,864,300	9,914,900	9,965,000
Expenditures by Department										
Net Building and Safety	10,300	17,600	264,500	26,200	5,200	5,400	5,600	5,800	6,000	6,200
Net Planning Expenditures	-	5,200	26,200	26,700	38,100	39,200	40,300	41,500	42,700	43,900
Net Code Compliance	2,500	2,900	6,500	3,600	2,000	2,100	2,200	2,300	2,400	2,500
Stormwater	244,000	214,500	224,600	277,700	275,700	284,200	293,000	302,100	311,500	321,200
Street Lighting	25,100	25,100	25,100	25,100	25,800	26,500	27,300	28,100	28,900	29,800
Law Enforcement	197,300	307,700	365,000	411,400	468,400	488,200	508,900	530,600	553,300	577,200
Total	479,200	673,000	911,900	770,700	815,200	845,600	877,300	910,400	944,800	980,800
Annual Net Revenue / (Deficit)	8,790,400	9,175,900	9,282,200	9,261,300	8,903,500	8,920,200	8,937,600	8,953,900	8,970,100	8,984,200
2009-10 To 2013-14 Cumulative Balance (Deficit)						8,920,200	17,857,800	26,811,700	35,781,800	44,766,000

SACRAMENTO COUNTY ROAD FUND SUMMARY

	Annual County Road Fund Operating Budget			7/1/2013
	7/1/2009	7/1/2010	7/1/2011	
No Revenues				
Expenditures by Type				
Road Maintenance	148,000	150,400	155,800	158,000
Traffic Signals	76,600	76,600	76,600	76,600
Street Lights	25,100	25,100	25,100	25,100
Street Sweeping	900	900	900	900
Total	250,600	253,000	258,400	260,600
Net Revenue / (Deficit)	250,600	263,000	258,400	260,600
2009-10 To 2013-14 Cumulative Balance (Deficit)				
		298,900	609,100	1,265,000



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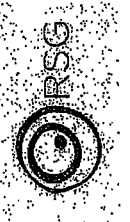
EXHIBIT 2

RANCHO CORDOVA RECURRING SERVICE REVENUES AND EXPENDITURES SUMMARY

	Transition 7/1/2008:	Current				Annual City Operating Budget			
		7/1/2008:	7/1/2007	7/1/2006	7/1/2005	7/1/2010	7/1/2011	7/1/2012	7/1/2013
Revenues by Source									
Property Taxes	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200
Property Transfer Taxes	6,137,000	6,144,000	6,151,000	6,157,000	6,164,000	6,169,000	6,165,000	6,165,000	6,165,000
All Sales Taxes	1,824,500	1,845,500	1,866,700	1,886,700	1,888,100	1,888,100	1,888,100	1,888,100	1,888,100
Transient Occupancy Taxes		7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800
MVLF In-Lieu		215,100	215,100	215,100	215,100	215,100	215,100	215,100	215,100
Utility User Fees	183,900	183,900	183,900	183,900	183,900	183,900	183,900	183,900	183,900
Franchise Fees	177,100	182,300	182,300	182,300	182,300	183,000	183,000	183,000	183,000
Com Dev, Building & Code Compliance Fees	23,300	23,300	23,300	23,300	23,300	23,300	23,300	23,300	23,300
Business License Fees	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100
Fines and Forfeitures									
Total	8,617,200	8,658,200	8,691,700	8,691,700	8,691,700	8,726,800	8,726,800	8,726,800	8,760,200
Expenditures by Department									
Building and Safety		156,300	160,800	160,800	160,800	160,800	165,500	165,500	170,300
Community Development	95,300	95,300	95,300	95,300	95,300	96,500	97,100	97,100	22,700
Code Compliance	9,600	9,600	9,600	9,600	9,600	10,200	10,500	10,500	10,800
Stormwater	25,400	26,100	26,100	26,100	26,900	26,900	27,700	27,700	28,500
Law Enforcement	497,500	518,600	518,600	518,600	540,800	540,800	564,000	564,000	588,400
Administrative/HR Support	500	3,300	3,300	3,300	3,400	3,400	3,500	3,500	3,600
Total	628,300	810,100	838,600	838,600	838,600	868,300	868,300	868,300	824,300
Annual Net Revenue / (Deficit)	7,988,900	7,848,100	7,853,100	7,853,100	7,853,100	7,858,500	7,858,500	7,858,500	7,935,900
2009-10 To 2013-14 Cumulative Balance (Deficit)	7,988,900	15,837,000	23,690,100	23,690,100	23,690,100	31,548,600	31,548,600	31,548,600	39,484,500

RANCHO CORDOVA ROAD FUND SUMMARY

	7/1/2008:	Annual City Road Fund Operating Budget	
		7/1/2010	7/1/2011
No Revenues			
Expenditures by Type			
Road Maintenance	362,500	373,100	383,900
Traffic Signals	58,500	60,200	61,900
Street Lights	26,500	27,300	28,100
Street Sweeping	1,100	1,200	1,200
Total	448,600	461,800	475,100
Net Revenue / (Deficit)	448,600	461,800	475,100
2009-10 To 2013-14 Cumulative Balance (Deficit)	448,600	910,400	1,385,500



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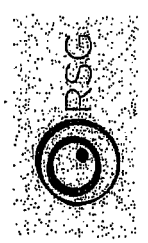
EXHIBIT 3

PROPERTY TAXES

Item Detail and Assumptions	Annual Operating Budget Year				
	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012
City Share					
Less: County Admin. Fee					
Net Property Tax					
County Share					
Less: County Admin. Fee					
Net Property Tax					
TOT					

EXHIBIT 4

Item Detail and Assumptions	Annual Operating Budget Year				
	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012
Days Per Year					
Existing Rooms					
1.2% Inflationary Increase					
Average Occupancy					
Average Room Rate					
Subtotal - Existing TOT					
Total CITY Revenue					
Total COUNTY Revenue					



COUNTY OF SACRAMENTO
& CITY OF RANCHO CORDOVA
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EXHIBIT 5

SALES TAXES

Item Detail and Assumptions	Annual Operating Budget											
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	
Prior Year Taxable Sales Plus 0.1%	608,934,700	644,369,400	674,766,300	645,246,800	612,430,200	613,104,000	613,778,414	614,453,571	615,129,470	615,806,112	616,483,499	
New Sales Outlets No increase included												
Total Taxable Sales	608,934,700	644,369,400	674,766,300	645,246,800	612,430,200	613,104,000	613,778,414	614,453,571	615,129,470	615,806,112	616,483,499	
Sales Tax Revenue at 0.75%	\$ 4,567,000	\$ 4,833,000	\$ 5,061,000	\$ 4,839,000	\$ 4,593,000	\$ 4,596,000	\$ 4,603,000	\$ 4,608,000	\$ 4,613,000	\$ 4,619,000	\$ 4,624,000	
In-Lieu Property Tax at 0.25%	1,522,000	1,611,000	1,697,000	1,613,000	1,531,000	1,533,000	1,534,000	1,539,000	1,540,000	1,541,000	1,541,000	
Total Sales Taxes	6,089,000	6,444,000	6,748,000	6,452,000	6,124,000	6,131,000	6,137,000	6,144,000	6,151,000	6,159,000	6,165,000	

EXHIBIT 6

PROPERTY TRANSFER TAXES

Item Detail and Assumptions	Annual Operating Budget											
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	
Projected Turnover General Commercial Resale Volume (in 000's)	88,300	56,300	24,000	41,800	25,800	24,500	24,500	24,500	24,500	24,500	24,500	
Total Assessed Value General Commercial Turnover Rate 4.2%	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	
Total Commercial Value (2000)	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	\$ 154,158,000	
Appreciation Rate (2009)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Appreciation Rate (2010)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Appreciation Rate (Later Yrs)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Projected Turnover Industrial Resale Volume (in 000's)	22,238	22,238	22,238	22,238	22,238	22,238	22,238	22,238	22,238	22,238	22,238	
Total Assessed Value Industrial Turnover Rate 4.2%	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	
Median Resale Price (2008)	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	\$ 381,698,185	
Appreciation Rate (2009)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Appreciation Rate (2010)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Appreciation Rate (Later Yrs)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Sales Volume Turnover	110,538	82,600	48,000	63,600	51,600	49,000	49,000	49,000	49,000	49,000	49,000	
CITY Property Transfer Taxes (Projected)	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	
COUNTY Property Transfer Taxes	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	



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EXHIBIT 7

COUNTY MISCELLANEOUS REVENUES

Item Detail and Assumptions	Annual Operating Budget										
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	Current 7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013
Business Licenses											
Current Fee	\$ 21,300	\$ 23,800	\$ 24,900	\$ 31,700	\$ 29,100	\$ 25,900	\$ 25,900	\$ 25,900	\$ 25,900	\$ 25,900	\$ 25,900
Number of Businesses	517										
Growth Rate	0.0%										
CSA 1											
Base Year Revenue (07-08)	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100
Growth Rate	0.0%										
Fines and Forfeitures											
Base Year Revenue (07-08)	\$ 44,100	\$ 43,500	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100
% to County (Less-Court Fees)	60%										
Growth Rate	0.0%										

EXHIBIT 8

CITY MISCELLANEOUS REVENUES

Item Detail and Assumptions	Annual Operating Budget										
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	Current 7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013
Business Licenses											
Base Year Revenue (08-09)	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300
Number of Businesses	517										
Growth Rate	0.0%										
CSA 1											
Base Year Revenue (07-08)	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100	\$ 14,100
Growth Rate	0.0%										
Fines and Forfeitures											
Base Year Revenue (07-08)	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100	\$ 44,100
% to City (less Court Fees)	60%										
Growth Rate	0.0%										

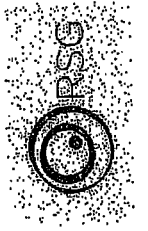


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EXHIBIT 10

COMMUNITY DEVELOPMENT & CODE COMPLIANCE

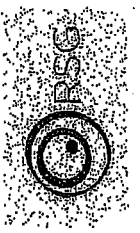
Item Detail and Assumptions	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	Current 7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013
CITY COMMUNITY DEVELOPMENT EXPENDITURES											
Planning Department Expenditures											
Salaries & Benefits											
Contract Associate Planner											
2008 Hourly Cost Associate Planner											
Hours Per Year											
Growth Rate											
Recovered Costs											
Unrecovered Cost											
Special Expenditures											
Housing Element Update and Advance Planning											
Annual Cost											
Growth Rate											
NET TOTAL Planning											
Building and Safety											
Costs											
2008 Cost											
Growth Rate											
Cost Recovery											
NET TOTAL BUILDING AND SAFETY											
Code Compliance											
Cost Per Commercial Call (2007-08)											
Estimated Citations											
Growth Rate											
Revenues Collected (Recovery Rate)											
NET CODE COMPLIANCE COSTS											
COUNTY COMMUNITY DEVELOPMENT EXPENDITURES											
Planning											
Total Net Cost											
2008 Cost											
Growth Rate											
Building and Safety											
Costs											
2008 Cost											
Growth Rate											
Revenues											
Typical Cost Recovery											
LDSIR (Dev. & Surveyor Review)											
NET Building and Safety Costs											
Code Compliance											
Total Net Cost											
Growth Rate											



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EXHIBIT 9

Item Detail and Assumptions	Annual Operating Budget											
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	Current 7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	
STORMWATER												
CITY Department Expenditures												
Supplies & Services							25,400	26,100	26,900	27,700	28,500	28,500
System Maintenance (07-08 base)												
New Cost							25,400	26,100	26,900	27,700	28,500	28,500
TOTAL EXPENDITURES												
COUNTY Department Expenditures												
Annual Expenditures	244,000	214,500	224,600	277,700	267,400	\$ 275,700	\$ 284,200	\$ 293,000	\$ 302,100	\$ 311,500	\$ 321,200	\$ 321,200
All Stormwater Services												
2008 Cost	267,400											
Growth Rate	3.1%											
Annual Revenues	265,700	294,300	265,500	269,900	271,600	273,800	276,000	278,200	280,400	282,600	284,900	284,900
All Stormwater Revenues												
2008 Revenues	271,600											
Growth Rate	0.8%											
NET TOTAL EXPENDITURES						1,900	8,200	14,800	21,700	28,900	36,300	36,300



COUNTY OF SACRAMENTO
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LAW ENFORCEMENT	EXHIBIT 11											
	Item Detail and Assumptions	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	Current 7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013
CITY Department Expenditures												
Salaries & Benefits												
3 Positions												
Deputy Sheriff												
2008 Salary	\$	62,476									412,200	454,400
Benefit/Overhead/Salary Ratio		90.0%										
Growth Rate		5.0%										
Services and Supplies	\$	50,100									54,600	56,200
Base Year Estimate												
Growth Rate		2.9%										
Support Security Services (Net of Credits) /1	\$	51,100									51,100	51,100
Base Year Estimate												
Growth Rate		0%										
Miscellaneous	\$	700									700	700
Base Year Estimate												
Growth Rate		0%										
TOTAL								\$ 497,500	\$ 518,600	\$ 540,800	\$ 564,000	\$ 588,400
COUNTY Department Expenditures												
Salaries and Benefits												
Growth Rate		5%						\$ 383,300	\$ 402,500	\$ 422,600	\$ 443,700	\$ 465,800
Services and Supplies												
Growth Rate		2.9%						\$ 53,100	\$ 54,600	\$ 56,200	\$ 57,800	\$ 59,500
Support Security Services (Net of Credits)												
Growth Rate		0%						\$ 51,100	\$ 51,100	\$ 51,100	\$ 51,100	\$ 51,100
Miscellaneous												
Growth Rate		0%						\$ 700	\$ 700	\$ 700	\$ 700	\$ 700
TOTAL		\$ 197,300	\$ 307,700	\$ 365,000	\$ 411,400	\$ 449,500	\$ 468,400	\$ 488,200	\$ 508,900	\$ 530,600	\$ 553,300	\$ 577,200

Note that Traffic Enforcement is not included in County expenditures

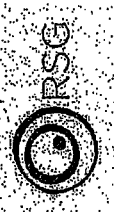


COUNTY OF SACRAMENTO
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CITY FRANCHISE FEES AND UTILITY USER TAXES

Item Detail and Assumptions	CITY					Current 7/1/2007	Annual Operating Budget			7/1/2013
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007		7/1/2010	7/1/2011	7/1/2012	
Franchise Fees										
Solid Waste (Commencial)										
Base Year Usage			\$ 160,023							
Rate			8%							
Growth Rate			0.0%							
Gas										
Base Year Usage			\$ 693,432							
Rate			2%							
Growth Rate			0.0%							
Energy										
Base Year Usage			\$7,466,008							
Rate			2%							
Growth Rate			0.0%							
Water										
Base Year Usage			\$ 392,699							
Rate			2%							
Growth Rate			0.0%							
Total Franchise Fees										
Utility User Fees										
Energy										
Base Year Usage			\$7,466,008							
Rate			2.50%							
Growth Rate			0.0%							
Gas										
Base Year Usage			\$ 693,432							
Rate			2.50%							
Growth Rate			0.0%							
Telephone										
Base Year Usage			\$ -							
Rate			2.50%							
Growth Rate			0.0%							
Cable										
Base Year Usage			\$ 53,341							
Rate			2.50%							
Growth Rate			0.0%							
Sewer										
Base Year Usage			\$ 392,699							
Rate			2.50%							
Growth Rate			0.0%							
Total UUT										

EXHIBIT 12

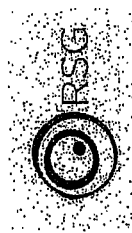


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EXHIBIT 13

COUNTY FRANCHISE FEES AND UTILITY USER TAXES

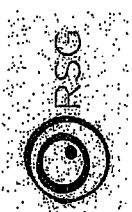
Item Detail and Assumptions	Annual Operating Budget									
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012
COUNTY										
Franchise Fees										
Energy										
Base Year Usage	149,300	149,300	149,300	149,300	149,300	149,300	149,300	149,300	149,300	149,300
Rate	\$ 7,466,008									
Growth Rate	2%									
	0.0%									
Gas										
Base Year Usage	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900
Rate	\$ 693,432									
Growth Rate	2%									
	0.0%									
Water										
Base Year Usage	7,900	7,900	7,900	7,900	7,900	7,900	7,900	7,900	7,900	7,900
Rate	\$ 392,699									
Growth Rate	2%									
	0.0%									
Total Franchise Fees County	171,100	171,100	171,100	171,100	171,100	171,100	171,100	171,100	171,100	171,100
Utility User Fees										
Energy										
Base Year Usage	186,700	186,700	186,700	186,700	186,700	186,700	186,700	186,700	186,700	186,700
Rate	\$ 7,466,008									
Growth Rate	2.50%									
	0.0%									
Gas										
Base Year Usage	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300
Rate	\$ 693,432									
Growth Rate	2.50%									
	0.0%									
Telephone										
Base Year Usage	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Rate	\$ 2,500									
Growth Rate	0.0%									
Cable										
Base Year Usage	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Rate	\$ 53,341									
Growth Rate	2.50%									
	0.0%									
Sewer										
Base Year Usage	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Rate	\$ 392,699									
Growth Rate	2.50%									
	0.0%									
Total UUT COUNTY	215,100	215,100	215,100	215,100	215,100	215,100	215,100	215,100	215,100	215,100



**COUNTY OF SACRAMENTO
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EXHIBIT 14

ROAD MAINTENANCE Item Detail and Assumptions	Annual Operating Budget											
	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	Current 7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	
CITY Department Expenditures												
Supplies & Services												
Street Light Maintenance & Operation												
Street Lights	218							27,300	28,100	28,900	29,800	
2008 Cost	115											
Growth Rate	2.9%											
Traffic Signal Maintenance & Operation												
Total Traffic Signals (Each Side)	34							60,200	61,900	63,700	65,600	
2008 Cost per One Side of Intersector	1,625											
Growth Rate	2.9%											
Annual Road Maintenance Costs								373,100	383,900	395,000	406,500	
Maintained SF	2,483,837											
Annualized Cost/SF	\$ 0.14											
Growth Rate	2.9%											
Annual Maintenance								1,200	1,200	1,200	1,300	
Street Sweeping Times Per Year	12											
Maintained Curb Miles	16											
2008 Cost	66											
Growth Rate	2.9%											
CITY TOTAL								\$ 448,600	\$ 461,800	\$ 475,100	\$ 488,800	\$ 503,200
COUNTY Department Expenditures												
Supplies & Services												
Street Lights												
Street Lights	218	25,100	25,100	25,100	25,100	25,100	25,800	27,300	28,100	28,900	29,800	
2008 Cost per Light	115											
Growth Rate	2.9%											
Traffic Signal Maintenance & Operation												
2008 Cost Including Shared Signals	76,600	76,600	76,600	76,600	76,600	76,600	78,800	83,400	85,700	88,300	90,900	
Growth Rate	2.9%											
Annual Road Maintenance Costs												
Road Costs (2007-08 Base)	148,000	150,400	155,800	158,000	175,000	182,500	190,300	198,500	207,000	215,900	225,200	
Growth Rate	4.3%											
Annual Maintenance												
Street Sweeping Times per Year	2	900	900	900	900	900	900	1,000	1,000	1,000	1,100	
Maintained CURB Miles	16											
2008 Cost per Curb Mile	28											
Growth Rate	2.9%											
COUNTY TOTAL		\$ 250,600	\$ 253,000	\$ 258,400	\$ 260,600	\$ 277,600	\$ 288,000	\$ 310,200	\$ 321,800	\$ 334,100	\$ 347,000	



**PROPERTY TAX EXCHANGE AGREEMENT
BETWEEN THE COUNTY OF SACRAMENTO AND THE CITY OF RANCHO CORDOVA,
RELATING TO THE RANCHO CORDOVA SPHERE OF INFLUENCE**

This PROPERTY TAX EXCHANGE AGREEMENT (hereinafter "Agreement") is made and executed in duplicate this _____ day of _____, 2009 by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the CITY OF RANCHO CORDOVA, a general law city (hereinafter referred to as "CITY").

RECITALS

A. On June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of full cash value; and

B. Following such constitutional amendment, the California Legislature added Section 99 to the California Revenue and Taxation Code which requires a city seeking to annex property to its incorporated territory and a county affected by such annexation to agree upon an exchange of property taxes which are derived from such property and available to the county and city following annexation of the property to the incorporated territory of the city; and

C. CITY has filed an application with the Sacramento Local Agency Formation Commission ("LAFCO"), entitled "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO-07-09)," requesting its approval of the annexation of approximately 748 acres of real property to CITY, consisting of all of the area within the CITY's sphere of influence, as designated by LAFCO and approved by the voters in November 2002 ("the Sunrise-Folsom Annexation"); and

D. COUNTY and CITY wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by the Revenue and Taxation Code in order to encourage sound urban development and economic growth; and

E. The purpose of this Agreement is to serve as a Property Tax Transfer Agreement pursuant to Section 99 of the California Revenue and Taxation Code for the Sunrise-Folsom Annexation.

COUNTY and CITY hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Annexation Area" shall mean that portion of the unincorporated area of COUNTY designated by LAFCO as the sphere of influence of CITY known as the "Sunrise-Folsom Annexation",

(b) "Annexation Date" shall mean the date specified by the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.) as the effective date of the Sphere of Influence Annexation.

(c) "Sunrise-Folsom Annexation" shall mean the annexation to the CITY as delineated in Sacramento Local Agency Formation Commission Application Control Number "LAFCO 07-09", the annexation of which to CITY is subsequently approved and completed by the Sacramento Local Agency Formation Commission as provided in the

EXHIBIT B

Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.).

(d) "Property Tax Revenue" shall mean revenue from "ad valorem real property taxes on real property", as said term is used in Section 1 of Article XIII A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, that is collected from within the Annexation Area, is available for allocation to the City and the County, and is currently allocated to the County General Fund and County Road Fund.

Section 2. Purpose of Agreement. The purpose of this Agreement is to set forth the exchange of Property Tax Revenue between CITY and COUNTY as required by Section 99 of the California Revenue and Taxation.

Section 3. Exchange of Property Tax Revenues. On and after the Annexation Date, the COUNTY and CITY shall exchange Property Tax Revenue as follows:

(a) CITY shall receive none of the Property Tax Revenues from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.1.

(b) CITY shall receive none of the annual tax increment from the Annexation Area when and as such revenues are apportioned to jurisdictions in the tax rate area by the County Auditor pursuant to Article 2 of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, including Revenue and Taxation Code section 96.5.

Section 4. Exchange by County Auditor. COUNTY and CITY agree that all of the exchanges of Property Tax Revenue required by this Agreement shall be made by the County Auditor.

Section 5. Disposition of Litigation. After CITY's City Council and COUNTY's Board of Supervisors have adopted resolutions approving this Agreement, and authorizing and directing the Mayor and Board Chairperson to sign the Agreement, and after the Mayor and Board Chairperson have signed the Agreement and the resolutions, CITY and COUNTY shall submit a joint stipulation to the Court in Sacramento Superior Court Case No. 34-2008-00002478-CU-WM-GDS initiated by CITY by its Complaint and Petition for Writ of Mandamus which names as Defendants and Respondents the County of Sacramento and the Sacramento County Board of Supervisors, and asks the Court, among other things, to issue a peremptory writ of mandamus directing the County to adopt a resolution ratifying a property tax sharing agreement for entry of judgment pursuant to the terms of this agreement. CITY and COUNTY shall each bear their own attorneys' fees in connection with the litigation of the Petition for Writ of Mandamus and Complaint for Declaratory Relief.

Section 6.

Section 6. Mutual Defense of Agreement. If the validity of this Agreement is challenged in any legal action by a party other than COUNTY or CITY, the CITY agrees that the COUNTY may defend the CITY against the legal challenge at no cost to the CITY.

Section 7. Modification. The provision of this Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by both the COUNTY and CITY.

Section 8. Reformation. COUNTY and CITY understand and agree that this Agreement is based upon existing law, and that such law may be substantially amended in the future. In the event of an amendment of state law which renders this Agreement invalid or inoperable or which denies any party thereto the full benefit of this Agreement as set forth

EXHIBIT B

herein, in whole or in part, then COUNTY and CITY agree to renegotiate the Agreement in good faith.

Section 9. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the Sunrise-Folsom Annexation and does not constitute either a master tax sharing agreement or an agreement on property tax exchanges which may be required for any other annexation to the CITY, nor does it alter, enlarge or affect any revenue sharing obligations of the City by way of incorporation on July 1, 2003.

Section 10. Entire Agreement. With respect to the subject matter hereof only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between COUNTY and CITY except as otherwise provided herein.

Section 11. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

COUNTY
County Executive
County of Sacramento
700 H Street, Room 7650
Sacramento, CA 95814

CITY
City Manager
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

Section 12. Approval, Consent, and Agreement. Wherever this Agreement requires a party's approval, consent, or agreement, the party shall make its decision to give or withhold such approval, consent or agreement in good faith, and shall not withhold such approval, consent or agreement unreasonably or without good cause.

Section 13. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the county of Sacramento, State of California, on the dates set forth above.

COUNTY OF SACRAMENTO, a political
subdivision of the State of California

By _____
Chairperson of the Board of Supervisors

(SEAL)

ATTEST: _____
Clerk of the Board of Supervisors

Approved As to Form:

County Counsel

CITY OF RANCHO CORDOVA, a general law city

By: _____
City Manager

(SEAL)

ATTEST: _____
City Clerk

Approved As to Form:

City Attorney
1283024.4

**Annual Steps for City to Recover Costs of Services and To Share Remaining Revenues
with County from the Sunrise-Folsom Annexation Area**

1. **Step 1 -- City's Cost of Services.** The City's initial cost of services ("the City Cost") for the Annexation Area will be derived from the "Expenditures by Department" identified in Exhibit 2 to the RSG Sunrise/Folsom Annexation Fiscal Analysis (the "Fiscal Analysis") report dated December 23, 2008, attached hereto, for the first fiscal year (or part thereof) following the effective date of annexation. For example, if the effective date of the annexation is July 1, 2010, for the fiscal year ending June 30, 2011, the City Cost for services for the fiscal year ending June 30, 2011 will be deemed to be \$1,271,900 (from Fiscal Analysis, Exhibit 2, under the column titled "7/1/2010"). In determining the costs of services for each year thereafter, annually every September, the City will adjust the City Cost by the annual change in the San Francisco-Oakland-San Jose Consumer Price Index for All Urban Consumers (the "CPI Index") for the month of June, except the portion identified in the Fiscal Analysis as "Law Enforcement" which shall be inflated by the June CPI Index plus one (1) percentage point. The City Cost, as so adjusted each year, shall be known as the "Adjusted City Cost."

After the second year following the effective date of annexation and every five (5) years (or less frequently) thereafter, the City may retain an independent consultant to determine the City's actual costs of services for the Annexation Area including an annualized average cost of road maintenance for slurry seals and overlays as included in the Fiscal Analysis. The actual costs, as so determined, shall become the "Adjusted City Cost" for the following year and the "Adjusted City Cost" shall thereafter be adjusted as provided above until it is again revised based on an actual determination of the City's costs of services.

2. **Step 2 -- Property Tax.** The County will retain all of the property tax from the Sunrise/Folsom annexation area (the "Annexation Area") that it receives from its allocation of the 1% *ad valorem* property tax provided for in Article XIII A, section 1(a) of the California Constitution to the County General Fund and the County Road Fund. The City will receive no allocation of the 1% *ad valorem* property tax related to the County's existing tax allocation factor from the Annexation Area.
3. **Step 3 -- Revenues Other Than Sales Tax, TOT and UUT.** The City will initially determine the total of all revenues from the Annexation Area using the "Revenues by Source" identified in Exhibit 2 to the Fiscal Analysis for the first fiscal year following the effective date of annexation with the following two exceptions. First, the "Franchise Fees" identified on Exhibit 2 shall be reduced by \$149,300, which is the amount of franchise fees for "Energy" identified on Exhibit 12; for example, with such reduction, the "Franchise Fees" from Exhibit 2 would be \$34,600 for the fiscal year ending June 30, 2010. Second, the 1% *ad valorem* property tax, sales and use taxes (Bradley-Burns Uniform Sales and Use Tax), transient occupancy taxes ("TOT"), and utility users' taxes from energy and gas ("UUT") shall be excluded. The total of all revenues from the

Annexation Area, using "Revenues by Source" identified in Exhibit 2, with the reduction to "Franchise Fees" and the exclusion of the revenues from the foregoing four taxes, shall be referred to as "Other Revenues."

For example, if the effective date of the annexation is July 1, 2010, for the fiscal year ending June 30, 2011, the annual Other Revenues will be deemed to be \$315,400 (from Fiscal Analysis, Exhibit 2 and Exhibit 12 (for UUT) under the column titled "7/1/2010"). Each year thereafter, the City will adjust \$156,300 of the Other Revenues by the CPI Index, and all the remainder of the Other Revenues shall be inflated or decreased by the CPI Index less two (2) percentage points. (The \$156,300 consists of the portion of "Com Dev. Building & Code Compliance Fees" from Exhibit 2 attributable to Building and Safety revenues; such revenues are equal to \$156,300 of Building and Safety expenditures.) The Other Revenues, as so adjusted, shall be known as the "Adjusted Other Revenues."

4. **Step 4 -- Annual "Reimbursement" of City's Cost of Providing Services.** The City will take the City Cost calculated in Step 1 above or the Adjusted City Cost for years following the first year and subtract Other Revenues calculated in Step 3 above or the Adjusted Other Revenues for years following the first year. The result of this calculation equals the remaining amount of money the City will "retain" (the "Remaining Cost") as reimbursement for its cost of providing services before the County receives any of the sales and use tax, TOT and UUT revenues.

In the example introduced above, for the year July 1, 2010 through June 30, 2011, the Remaining Cost equals \$956,500 (the \$1,271,900 in Step 1 less the \$315,400 in Step 3). The City will recover the Remaining Cost from the sales and use taxes and/or the TOT from the Annexation Area.

5. **Step 5 -- Sales and Use Tax Sharing.** Upon annexation, the City will be entitled to receive from the Annexation Area Bradley-Burns Act sales and use tax revenues which are collected from Annexation Area businesses and allocated by the State Board of Equalization (the "Sales Tax") to the City pursuant to the City's sales and use tax ordinance, which presently imposes a tax of 1%, and the City's contract with the State Board of Equalization.

Presently, due to a state financing mechanism known as the "triple flip" (Revenue and Taxation Code section 97.68), the state has effectively "borrowed" a portion of cities' sales and use tax revenues and "replaced" it with revenues transferred from the Educational Revenue Augmentation Fund ("the Sales Tax In Lieu Revenues"). The triple flip will expire at some point in the future. For the purposes of this paragraph, the parties intend to share the Sales Tax In Lieu Revenues in the same manner as Sales Taxes under this paragraph.

The City shall use the Sales Tax to pay any consultant or third party costs, if any, for costs associated with providing information to the City and County on the amount of

EXHIBIT C

Sales Tax, TOT, and/or UUT revenues that are generated from the Annexation Area or determining the actual cost of services for the Annexation Area. Following that payment, the City shall apply the Sales Tax to reimburse itself for the Remaining Cost until the Remaining Cost has been reduced to zero. Following the "repayment" of the Remaining Cost for the fiscal year, the City shall transmit to the County seventy-five percent (75%) of the Sales Tax received within 60 days after the end of each quarter. Sales Taxes from the Annexation Area will be calculated by a sales tax consultant retained by the City using actual sales tax receipt information as provided by the State Board of Equalization.

If the City increases the rates of its Bradley-Burns Act sales and use tax, imposes a transactions and use tax in the City, including the Annexation Area, or other tax imposed on retailers for the privilege of conducting business in the City, the tax proceeds from the new tax will not be subject to the revenue sharing provided for in this Agreement.

6. **Step 6 -- Transient Occupancy Tax Sharing.** Upon annexation, the Transient Occupancy Taxes ("TOT") from the Annexation Area will be collected by the City. The City shall transmit to the County seventy-five percent (75%) of the Annexation Area TOT collected from the previous quarter within 30 days after the quarter has ended. If by the end of the fourth quarter of the fiscal year the City has not been fully "reimbursed" the Remaining Cost from the Sales Tax for the fiscal year, the City shall be "reimbursed" the Remaining Cost from the County's seventy-five percent (75%) share of the TOT. The City will provide the County quarterly reports of all TOT revenues received from each establishment paying TOT in the Annexation Area. If the City increases the rate of the TOT in excess of the current rate of 12%, the City will retain 100% of the revenue associated with the tax increase.
7. **Step 7 -- Utility Users' Tax Sharing.** The UUT from the Annexation Area is collected by the utilities and paid by them to the City. The City shall transmit to the County seventy-five percent (75%) of the Annexation Area UUT from energy and gas within 30 days after the end of each quarter after receipt of such revenues by the City from the utilities. The City will provide the County quarterly reports of all UUT received from each entity paying UUT for energy and gas in the Annexation Area.

If the City enacts a utility users' tax measure which broadens the services subject to the tax beyond those taxed as of the effective date of the annexation and/or increases the tax rate, the City will retain 100% of the revenue attributable to the tax base expansion.
8. **Step 8 -- Securitization of Payments.** The County shall have the right to withhold the amounts set forth in Steps 5, 6 and 7 from the distribution of the City's share of the 1% property *ad valorem* tax collected from property within the City that is located outside the Annexation Area if the City fails to transmit the County's share of the TOT, Sales Tax, and/or energy and gas UUT to the County within 60 days following the end of each

EXHIBIT C

quarter. The amount(s) to be withheld shall equal an amount up to the amount of the last distribution by the City to the County of TOT, Sales Tax, or energy and gas UUT, as the case may be. The City shall be credited the amount withheld as payment of the County's share of the TOT, Sales Tax, and/or energy and gas UUT for the quarter and the amount withheld shall be adjusted by payment by the City to the County of any additional amount owed or refund by the County to the City of any amount withheld in excess of the amount owed by the City to the County, as the case may be. The County shall provide the City a report identifying the amount of property tax so withheld within fifteen (15) days of such withholding.

CITY OF RANCHO CORDOVA

NOV 06 2009

RESOLUTION NO. 110-2009

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BETWEEN THE CITY
OF RANCHO CORDOVA AND THE COUNTY OF SACRAMENTO REGARDING REGIONAL
HOUSING NEEDS ALLOCATION UPON ANNEXATION**

RECITALS

WHEREAS, on or about August 21, 2007 and pursuant to the Cortese-Knox-Hertzberg Act, Government Code § 56000 et seq., the City submitted to the Local Agency Formation Commission of Sacramento County ("LAFCO") an application proposing the annexation of an unincorporated territory of Sacramento County consisting of the City's sphere of influence ("Annexation Area"). LAFCO has designated the annexation application as "City of Rancho Cordova Annexation – Annexation of the Sphere of Influence (LAFCO-07-09)" ("the Annexation"). The Annexation Area is sometimes referred to as the "Sunrise-Folsom Area."

WHEREAS, lands within the Annexation Area have provided capacity for the County to accommodate future housing as described in the County's Regional Housing Needs Assessment (RHNA) allocation and as further defined within the County's adopted Housing Element; and

WHEREAS, the City and the County have met and discussed the appropriate share of the County's RHNA allocation that should be associated with the Annexation Area and would be transferred to the City upon the effective date of annexation of the Annexation Area to the City; and

WHEREAS, California Government Code Section 65584.07(d)(1) provides that a city and a county involved in land annexation may reach a mutually acceptable agreement for the transfer of a portion of the county's RHNA allocation and that such agreement shall be accepted by the council of governments that allocated the county's share; and

WHEREAS, the City and the County have reached agreement on the appropriate share of the County's RHNA allocation to be transferred from the County to the City if annexation of the Annexation Area to the City occurs and wish to memorialize such agreement pursuant to the provisions of California Government Code Section 65584.07(d).

WHEREAS, the City Manager recommends approval of the Agreement; and

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

1. The City Council of the City of Rancho Cordova adopts this Resolution "Authorizing the City Manager to Execute an Agreement Between the City of Rancho Cordova and the County of Sacramento Regarding Regional Housing Needs Allocation Upon Annexation" and authorizes and directs the City Manager to sign it in substantially the form attached as **Exhibit A**.

2. The City Council of the City of Rancho Cordova directs the City Clerk to send a copy of this resolution and said Agreement to Sacramento Area Council of Governments (SACOG) within 90 days of the effective date of the annexation.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of November, 2009 by the following vote:

AYES: McGarvey, Sander, Cooley, and Mayor Skoglund

NOES: None

ABSENT: Budge

ABSTAIN: None



Dan Skoglund, Mayor

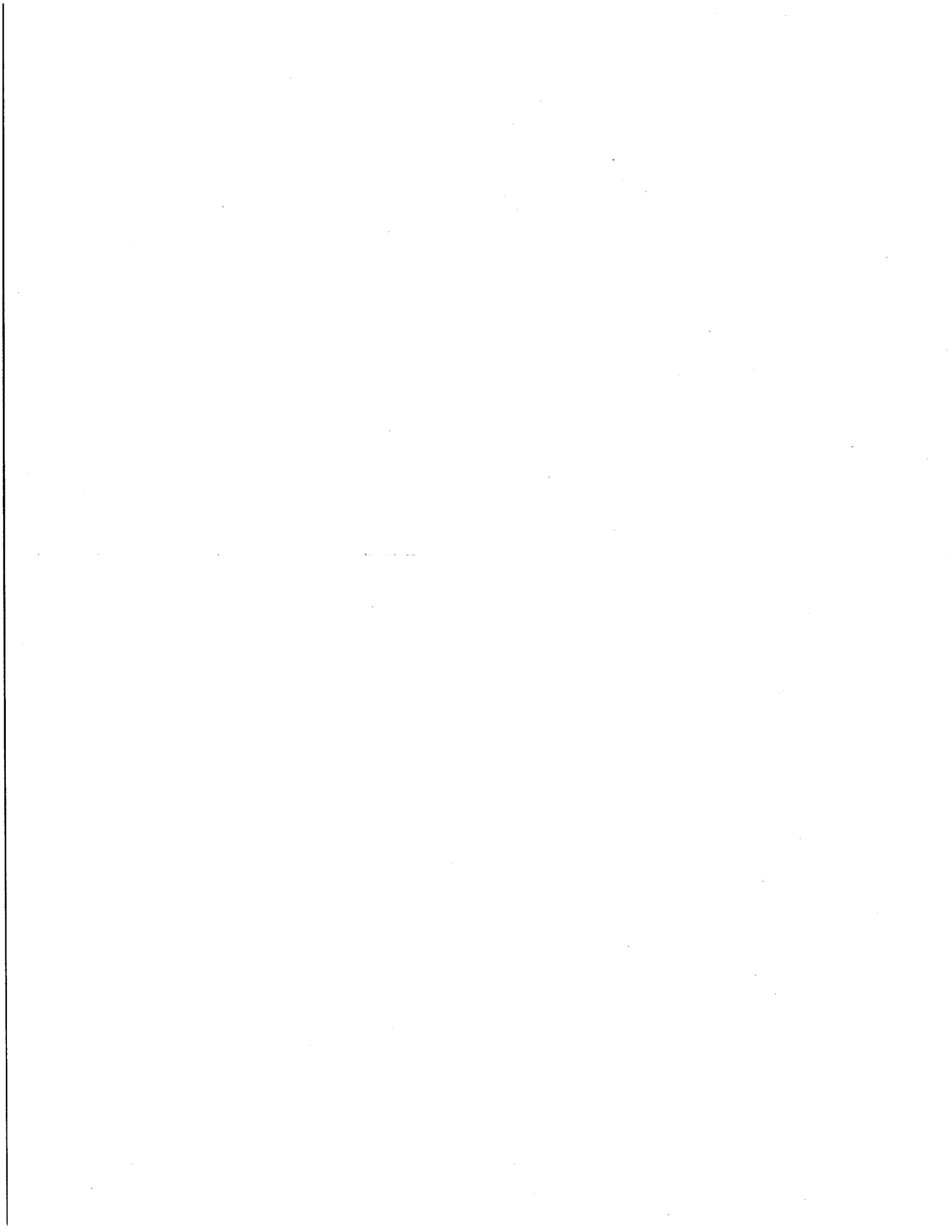
ATTEST:



Mindy Cuppy, City Clerk

EXHIBIT D

PRE-ZONING AND MAP



APN	Existing County LU Code	County Zoning	County General Plan LU	Rancho Cordova Prezone	Rancho Cordova General Pland LU	Acres
05802700040000	GAAC0A	M 1	UTOD	CMU	FBSPA	0.94
05802700240000	AJ0004	GC	COM/OFF	OPMU	FBSPA	1.06
05802700290000	AJ244A	GC	COM/OFF	OPMU	FBSPA	1.87
05802700300000	AN126A	GC	COM/OFF	OPMU	FBSPA	2.66
05802700310000	IGEDFA	LC	COM/OFF	CMU	FBSPA	1.04
05802700340000	IAEDFA	MP	UTOD	CMU	FBSPA	1.41
05802700350000	CAB00A	MP	COM/OFF	OPMU	FBSPA	1.56
05802700410000	GD0C0A	M 1	COM/OFF	OPMU	FBSPA	2.23
05802700450000	BCD00A	AC	COM/OFF	OPMU	FBSPA	0.50
05802700490000	AJ0004	GC	COM/OFF	OPMU	FBSPA	1.39
05802700500000	AJ2644	GC	COM/OFF	OPMU	FBSPA	3.64
05802700510000	AN1593	GC	COM/OFF	OPMU	FBSPA	2.32
05802700530000	IBEDFA	GC	COM/OFF	OPMU	FBSPA	0.64
05802700570000	AN1593	GC	COM/OFF	OPMU	FBSPA	0.63
05802700580000	BFC00A	M 1	UTOD	CMU	FBSPA	1.99
05802700590000	AJ129A	LC	UTOD	CMU	FBSPA	2.01
05802700600000	IBFDFA	GC	COM/OFF	OPMU	FBSPA	2.61
05802700610000	BCA00A	GC	COM/OFF	OPMU	FBSPA	1.02
06900400140000	WHC00A	Z00	INT IND	CMU	FBSPA	13.50
06900400800000	GBECO A	Z00	INT IND	M-2	FBSPA	7.76
06900400930000	GBBCO A	Z00	INT IND	M-2	FBSPA	9.17
06900900010000	FGK00A	M 2	UTOD	OIMU	FBSPA	4.98
06900900050000	GCOB0A	M 2	UTOD	CMU	FBSPA	0.47
06900900160000	GCOB02	M 2	UTOD	CMU	FBSPA	0.63
06900900210000	WHACO A	M 2	UTOD	O	FBSPA	1.35
06900900220000	GCOB0A	M 2	UTOD	CMU	FBSPA	1.78
06900900260000	GCOA0A	M 2	UTOD	CMU	FBSPA	2.10
06900900270000	GCOB0A	M 2	UTOD	CMU	FBSPA	1.63
06900900280000	GCOB0A	M 2	UTOD	CMU	FBSPA	1.20
06900900290000	GCOB02	M 2	UTOD	CMU	FBSPA	2.61
06900900310000	GL000A	M 2	UTOD	CMU	FBSPA	2.38
06900900320000	GADB0A	M 2	UTOD	OIMU	FBSPA	3.23
06900900330000	GABA0A	M 2	UTOD	CMU	FBSPA	0.49
06900900350000	IGEDFA	M 2	UTOD	CMU	FBSPA	0.50
06901200050000	GAD00A	M 2	INT IND	CMU	FBSPA	1.49
06901200060000	BDA00A	M 2	INT IND	CMU	FBSPA	2.53
06901200070000	GACA0A	M 1	INT IND	CMU	FBSPA	4.59
06901200080000	GAAB0A	M 2	INT IND	CMU	FBSPA	1.39
06901200090000	GAAB0A	M 2	INT IND	CMU	FBSPA	0.90
06901200100000	GAAB0A	M 2	INT IND	CMU	FBSPA	0.73
06901300030000	BF000A	M 2	INT IND	CMU	FBSPA	2.46
06901300040000	GADCOA	M 2	INT IND	CMU	FBSPA	2.01
06901300070000	WGCCO A	M 2	UTOD	CMU	FBSPA	0.07
06901300080000	FGK00A	M 2	UTOD	OIMU	FBSPA	5.04
06901300130000	GCKB0A	M 2	INT IND	CMU	FBSPA	2.09
06901300140000	BCB00A	M 2	INT IND	CMU	FBSPA	1.63

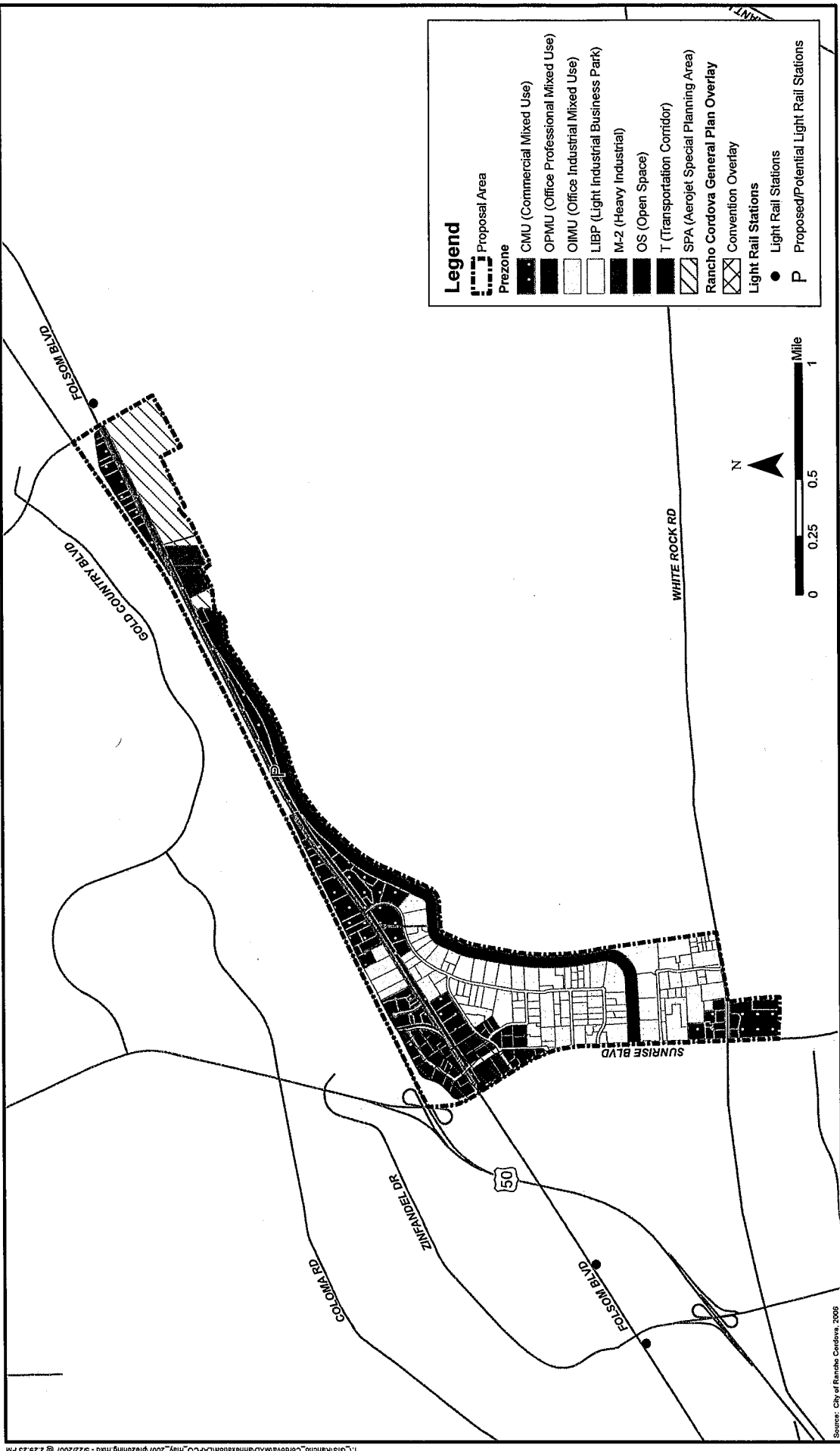
APN	Existing County LU Code	County Zoning	County General Plan LU	Rancho Cordova Prezone	Rancho Cordova General Pland LU	Acres
06901300160000	GCOA0A	M 2	UTOD	OIMU	FBSPA	2.32
06901300170000	GCOB0A	M 2	UTOD	CMU	FBSPA	2.18
06901300180000	BBA00A	M 2	INT IND	CMU	FBSPA	5.67
06901300190000	GCOA0A	M 2	UTOD	CMU	FBSPA	2.25
06901300200000	GCGC0A	M 2	UTOD	CMU	FBSPA	1.13
06901600040000	GADC02	M 1	INT IND	CMU	FBSPA	1.03
06901600050000	GADC02	M 1	INT IND	CMU	FBSPA	1.02
06901600060000	GMHCOA	M 1	INT IND	CMU	FBSPA	1.02
06901600070000	GMHCOA	M 1	INT IND	CMU	FBSPA	1.01
06901600080000	G0000P	M 1	INT IND	CMU	FBSPA	1.01
06901600110000	WGAC0A	M 1	INT IND	CMU	FBSPA	0.62
06901600120000	B0000P	M 1	INT IND	CMU	FBSPA	0.50
06901600140000	BCB00B	Z00	INT IND	CMU	FBSPA	2.20
06901600150000	GL000A	M 1	INT IND	CMU	FBSPA	4.04
06901600190000	AN125A	M 1	INT IND	CMU	FBSPA	2.08
06901600200000	BCA00E	M 1	INT IND	CMU	FBSPA	0.93
06901600210000	IGEDFA	M 1	INT IND	CMU	FBSPA	0.84
06901600220000	BDA00A	M 1	INT IND	CMU	FBSPA	2.41
07202310140000	BAA00A	M 1	INT IND	CMU	FBSPA	12.03
07202310220000	WAACAA	Z00	REC	O	FBSPA	109.67
07202310270000	WAACAA	Z00	INT IND	O	FBSPA	1.35
07202310330000	WHCC0A	SPA	INT IND	CMU	FBSPA	1.89
07202310560000	GA0002	Z00	INT IND	Aerojet SPA	FBSPA	4.37
07202310580000	GEBCOX	SPA	INT IND	Aerojet SPA	FBSPA	76.33
07202310590000	GEBCOX	Z00	INT IND	Aerojet SPA	FBSPA	4.52
07202400030000	WHCC0A	Z00	INT IND	CMU	FBSPA	1.40
07202400040000	BCB00B	GC	INT IND	OPMU	FBSPA	5.65
07202400050000	BAB00A	MP	INT IND	OPMU	FBSPA	2.67
07202400080000	BFA00A	M 1	INT IND	OPMU	SSSPA	0.52
07202400090000	BFA00A	M 1	INT IND	OPMU	SSSPA	0.84
07202400110000	GAAB0A	M 1	INT IND	OPMU	SSSPA	1.17
07202400120000	WGA00A	GC	INT IND	OPMU	SSSPA	2.57
07203400280000	WCAC0A	GC	INT IND	CMU	SSSPA	0.43
07203400330000	GAECO	M 2	INT IND	OIMU	SSSPA	4.99
07203400370000	GAGCBA	M 2	INT IND	OIMU	SSSPA	4.94
07203400530000	GMOB0A	M 2	INT IND	OIMU	SSSPA	2.07
07203400540000	GAAB0A	M 2	INT IND	OIMU	SSSPA	2.35
07203400570000	IGEDFA	M 2	INT IND	OIMU	SSSPA	0.58
07203400600000	GCAA0A	M 2	INT IND	LIBP	SSSPA	5.06
07203400660000	BFA0BA	GC	INT IND	CMU	SSSPA	1.25
07203400700000	GCGB0A	M 2	INT IND	OIMU	SSSPA	0.68
07203400760000	GAAB0A	M 2	INT IND	OIMU	SSSPA	2.97
07203400790000	BFA00A	M 2	INT IND	OIMU	SSSPA	2.43
07203400800000	GMJBOA	M 2	INT IND	LIBP	SSSPA	5.72
07203400810000	GAAB0A	GC	INT IND	CMU	SSSPA	1.39
07203400840000	GAGB0A	GC	INT IND	CMU	SSSPA	1.54

APN	Existing County LU Code	County Zoning	County General Plan LU	Rancho Cordova Prezone	Rancho Cordova General Pland LU	Acres
07203400850000	GCGBOA	M 2	INT IND	OIMU	SSSPA	0.81
07203400860000	GCGA0A	M 2	INT IND	OIMU	SSSPA	0.87
07203400870000	GAAB0A	M 2	INT IND	OIMU	SSSPA	0.68
07203400880000	GAAB0A	M 2	INT IND	OIMU	SSSPA	0.61
07203400910000	BCE00A	M 2	INT IND	OIMU	SSSPA	0.98
07203400920000	IGEDFA	M 2	INT IND	OIMU	SSSPA	0.60
07203400930000	BFC00A	GC	INT IND	CMU	SSSPA	1.17
07203400940000	BFC00A	GC	INT IND	CMU	SSSPA	1.20
07203400950000	GACBOA	M 2	INT IND	LIBP	SSSPA	11.39
07203400970000	GCJ00A	M 2	INT IND	LIBP	SSSPA	2.65
07203400980000	GCH00A	M 2	INT IND	LIBP	SSSPA	2.23
07203400990000	GCJ00A	M 2	INT IND	LIBP	SSSPA	7.28
07203401000000	GCAB0A	M 2	INT IND	OIMU	SSSPA	6.92
07203401010000	IGFEAA	M 2	INT IND	OIMU	SSSPA	4.30
07203401060000	GCGBOA	M 2	INT IND	OIMU	SSSPA	4.77
07203401070000	GCGBOA	M 2	INT IND	OIMU	SSSPA	7.56
07203401080000	IGFBFA	M 2	INT IND	CMU	SSSPA	3.46
07203401090000	GAGBOA	GC	INT IND	OIMU	SSSPA	1.20
07203401100000	GCFBOA	GC	INT IND	CMU	SSSPA	1.54
07203401110000	GAGA0A	M 2	INT IND	OIMU	SSSPA	0.76
07203401120000	GAGA0A	M 2	INT IND	OIMU	SSSPA	0.77
07203500110000	WHCC0A	ZOO	INT IND	CMU	FBSPA	9.50
07203500120000	WHCC0A	M 1	INT IND	CMU	FBSPA	6.24
07203500130000	A1G00A	M 1	INT IND	CMU	FBSPA	1.62
07203500150000	FGA00A	M 1	INT IND	OIMU	SSSPA	2.44
07203500180000	GAGA0A	M 1	INT IND	LIBP	SSSPA	5.88
07203500190000	GCFBOA	M 1	INT IND	CMU	FBSPA	0.75
07203500200000	GCFBOA	M 1	INT IND	CMU	FBSPA	4.54
07203500220000	GCGA0A	M 1	INT IND	CMU	FBSPA	3.32
07203500230000	GCGBOA	M 1	INT IND	CMU	FBSPA	3.06
07203500240000	GCGBOA	M 1	INT IND	CMU	FBSPA	2.50
07203500250000	GCGBOA	M 1	INT IND	CMU	FBSPA	2.79
07203800040000	GCAB0A	M 1	INT IND	OPMU	FBSPA	3.97
07203800050000	GLOCOA	M 1	INT IND	OPMU	FBSPA	3.47
07203800060000	GMFBOA	M 1	INT IND	CMU	FBSPA	3.40
07203800070000	GM000A	M 1	INT IND	CMU	FBSPA	3.38
07203800080000	WHCC0A	M 1	INT IND	LIBP	SSSPA	4.66
07203800090000	GCOBOA	M 1	INT IND	LIBP	SSSPA	3.59
07203800100000	GCGBOA	M 1	INT IND	LIBP	SSSPA	3.60
07203800110000	GCGBOA	M 1	INT IND	LIBP	SSSPA	3.80
07203800130000	GCOBOA	M 1	INT IND	LIBP	SSSPA	3.29
07203800220000	GDBBOA	M 1	INT IND	OPMU	SSSPA	1.10
07203800240000	GCOBOA	M 1	INT IND	LIBP	SSSPA	1.57
07203800250000	GCOBOA	M 1	INT IND	LIBP	SSSPA	1.11
07203800260000	GCOBOA	M 1	INT IND	LIBP	SSSPA	1.11
07203800270000	CAB00A	M 1	INT IND	LIBP	SSSPA	1.36

APN	Existing County LU Code	County Zoning	County General Plan LU	Rancho Cordova Prezone	Rancho Cordova General Pland LU	Acres
07203800280000	GCFBBA	M 1	INT IND	OPMU	SSSPA	1.32
07203800290000	GCFBOA	M 1	INT IND	OPMU	SSSPA	1.56
07203800300000	GCOBOA	M 1	INT IND	OPMU	SSSPA	1.10
07203800310000	GCOBOA	M 1	INT IND	OPMU	SSSPA	0.90
07203800320000	GAABOA	M 1	INT IND	OPMU	SSSPA	0.66
07203800330000	GCOAOA	M 1	INT IND	OPMU	SSSPA	0.83
07203800340000	GAB00A	M 1	INT IND	LIBP	SSSPA	7.17
07203800350000	GCFBOA	M 1	INT IND	LIBP	SSSPA	1.95
07203800360000	GCFBOA	M 1	INT IND	LIBP	SSSPA	3.32
07203800370000	GCFBOA	M 1	INT IND	OPMU	FBSPA	2.07
07203800380000	GCFBOA	M 1	INT IND	OPMU	FBSPA	1.96
07203800390000	GCFBOA	M 1	INT IND	LIBP	SSSPA	1.65
07203800400000	GCFBOA	M 1	INT IND	LIBP	SSSPA	1.68
07203900020000	GMCBOA	M 1	INT IND	CMU	FBSPA	2.87
07203900070000	GCCBOA	M 1	INT IND	CMU	FBSPA	2.37
07203900150000	GCGBOA	M 1	INT IND	OIMU	FBSPA	3.82
07203900170000	GCOAOA	M 1	INT IND	OIMU	FBSPA	1.37
07203900180000	GCCA0A	M 1	INT IND	OIMU	FBSPA	1.26
07203900210000	GCOBDA	M 1	INT IND	OIMU	FBSPA	1.89
07203900220000	GCOBOA	M 1	INT IND	OIMU	FBSPA	0.77
07203900230000	GCOBOA	M 1	INT IND	OIMU	FBSPA	0.76
07203900250000	GLOCOA	M 1	INT IND	CMU	FBSPA	6.05
07203900260000	GCFBOA	M 1	INT IND	OIMU	FBSPA	4.06
07203900280000	WHCC0A	M 1	INT IND	CMU	FBSPA	0.77
07203900300000	GCFBOA	M 1	INT IND	OIMU	FBSPA	1.68
07203900310000	GCFBOA	M 1	INT IND	OIMU	FBSPA	1.79
07203900320000	GCFBOA	M 1	INT IND	OIMU	FBSPA	4.11
07203900340000	GCFBOA	M 1	INT IND	OIMU	FBSPA	2.47
07203900350000	GCFBOA	M 1	INT IND	OIMU	FBSPA	1.88
07203900360000	GCFBOA	M 1	INT IND	OIMU	FBSPA	2.00
07203900370000	GCFBOA	M 1	INT IND	OIMU	FBSPA	0.98
07203900380000	GCOAOA	M 1	INT IND	OIMU	FBSPA	0.30
07203900400000	UNKNWN	M 1	INT IND	CMU	FBSPA	0.18
07203900410000	GCHBOA	M 1	INT IND	CMU	FBSPA	3.25
07203900420000	GDB00A	M 1	INT IND	CMU	FBSPA	4.91
07203900430000	G0000P	M 1	INT IND	OIMU	FBSPA	4.23
07203900440000	GCOBOA	M 1	INT IND	OIMU	FBSPA	1.32
07203900450000	GCFBOA	M 1	INT IND	OIMU	FBSPA	2.07
07204000040000	GCOBOA	M 1	INT IND	LIBP	SSSPA	1.09
07204000090000	GAABOA	M 1	INT IND	LIBP	SSSPA	1.21
07204000100000	GCOBOA	M 1	INT IND	LIBP	SSSPA	1.07
07204000110000	GADBOA	M 1	INT IND	LIBP	SSSPA	1.09
07204000120000		M 1	INT IND	LIBP	SSSPA	1.06
07204000220000	WGACOA	M 1	INT IND	OIMU	SSSPA	0.17
07204000240000	GMFBOA	M 1	INT IND	LIBP	SSSPA	4.09
07204000250000	GCOAOA	M 1	INT IND	LIBP	SSSPA	3.65

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07204000260000	GAAB0A	M 1	INT IND	LIBP	SSSPA	0.60
07204000270000	GACB0A	M 1	INT IND	LIBP	SSSPA	0.67
07204000280000	GAAA0A	M 1	INT IND	LIBP	SSSPA	2.13
07204300090000	GMCB02	M 1	INT IND	LIBP	SSSPA	1.70
07204300120000	GCOA0A	M 1	INT IND	LIBP	SSSPA	1.78
07204300200000	GCGB0A	M 1	INT IND	OIMU	SSSPA	1.62
07204300220000	GMHB0A	M 1	INT IND	OIMU	SSSPA	1.67
07204300260000		M 1	INT IND	OIMU	SSSPA	1.03
07204300270000	GAC00A	M 1	INT IND	OIMU	SSSPA	1.05
07204300280000	GAC00A	M 1	INT IND	OIMU	SSSPA	1.07
07204300310000	GAJB0A	M 1	INT IND	OIMU	SSSPA	1.06
07204300320000	CAA00A	M 1	INT IND	LIBP	SSSPA	1.07
07204300330000	GCHB0A	M 1	INT IND	LIBP	SSSPA	1.07
07204300360000	GM0B0A	M 1	INT IND	LIBP	SSSPA	1.05
07204300370000	GM000A	M 1	INT IND	LIBP	SSSPA	1.06
07204300380000	CAB00A	MP	INT IND	OIMU	SSSPA	2.77
07204300420000	BFE00A	M 1	INT IND	OIMU	SSSPA	0.93
07204300430000	GCFY0A	M 1	INT IND	LIBP	SSSPA	0.62
07204300440000	GCGY0A	M 1	INT IND	LIBP	SSSPA	0.61
07204300450000	GCOA0A	M 1	INT IND	LIBP	SSSPA	0.47
07204300460000	GCGY0A	M 1	INT IND	LIBP	SSSPA	0.44
07204300470000	GCOA0A	M 1	INT IND	LIBP	SSSPA	0.60
07204300480000	GCOA0A	M 1	INT IND	LIBP	SSSPA	0.70
07204300490000		M 1	INT IND	OIMU	SSSPA	0.67
07204300540000	GCHBC3	M 1	INT IND	OIMU	SSSPA	1.47
07204300550000	GCHBC3	M 1	INT IND	OIMU	SSSPA	0.97
07204300560000	GCHBC3	M 1	INT IND	OIMU	SSSPA	0.53
07204300570000	GCFY0A	MP	INT IND	LIBP	SSSPA	0.92
07204300600000	GCFB0A	MP	INT IND	LIBP	SSSPA	0.99
07204300610000	GCFY0A	MP	INT IND	LIBP	SSSPA	0.91
07204300620000	GCFY0A	MP	INT IND	LIBP	SSSPA	0.81
07204300630000	GCFY0A	MP	INT IND	LIBP	SSSPA	0.96
07204300640000	IGEDFA	M 1	INT IND	OIMU	SSSPA	0.19
07204300670000	GMFB0A	M 1	INT IND	OIMU	SSSPA	2.14
07204300680000	GM000A	M 1	INT IND	OIMU	SSSPA	3.89
07204300700000	GMCB02	M 1	INT IND	LIBP	SSSPA	1.04
07204300720000	GCOB0A	M 1	INT IND	OIMU	SSSPA	4.55
07204300730000		M 1	INT IND	OIMU	SSSPA	6.74
07204300740000	GCAA0A	M 1	INT IND	OIMU	SSSPA	2.40
07204300750000	GABOCA	M 1	INT IND	OIMU	SSSPA	0.83
07204300770000	BAB00A	MP	INT IND	OIMU	SSSPA	0.95
07204300780000	BBBOGA	MP	INT IND	OIMU	SSSPA	5.18
07204300790000	GC0002	M 1	INT IND	LIBP	SSSPA	0.73
07204300800000	GCF002	M 1	INT IND	LIBP	SSSPA	5.08
07204300810000	GABBOA	M 1	INT IND	LIBP	SSSPA	2.13
07204300820000	G0000E	M 1	INT IND	OIMU	SSSPA	0.96

APN	Existing County LU Code	County Zoning	County General Plan LU	Rancho Cordova Prezone	Rancho Cordova General Pland LU	Acres
07204300830000	GCFY0A	MP	INT IND	LIBP	SSSPA	1.99
07206200210000	GCFA0A	MP	INT IND	OPMU	SSSPA	1.81
07206200220000	GCFA0A	MP	INT IND	OPMU	SSSPA	1.89
07206300230000	GCFA0E	MP	INT IND	OIMU	SSSPA	1.81
07206300240000	GCFA0E	MP	INT IND	OIMU	SSSPA	1.97
07206700220000	BFA00A	GC	INT IND	CMU	SSSPA	1.73
07206700230000	BCE00A	GC	INT IND	CMU	SSSPA	0.98
07206700250000	GCGB0A	GC	INT IND	CMU	SSSPA	3.27
07206700260000	BBA00A	GC	INT IND	CMU	SSSPA	15.51
07212000010000	GAGB0A	M 2	INT IND	OIMU	SSSPA	0.67
07212000020000	GAGB0A	M 2	INT IND	OIMU	SSSPA	0.35
07212000030000	GCFB0A	M 2	INT IND	OIMU	SSSPA	0.33
07212000040000	GCFB0A	M 2	INT IND	OIMU	SSSPA	0.46
07212000050000	GAGB0A	M 2	INT IND	OIMU	SSSPA	0.60
07212000060000	GAGB0A	M 2	INT IND	OIMU	SSSPA	0.44
07212000070000	GAGB0A	M 2	INT IND	OIMU	SSSPA	0.57
07212000080000	GCFB0A	M 2	INT IND	OIMU	SSSPA	0.52
07212000090000	GCFB0A	M 2	INT IND	OIMU	SSSPA	0.38
07212000100000	GAGB0A	M 2	INT IND	OIMU	SSSPA	0.68
07212000110000	GAGB0A	M 2	INT IND	OIMU	SSSPA	0.53



Prezoning

Adopted July 2, 2007

City of Rancho Cordova
Planning Department



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