NEW ISSUE-FULL BOOK ENTRY **NON-RATED**

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Bond Counsel, based on an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; however, nor is such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

$12,645,000
CITY OF WEST SACRAMENTO
Community Facilities District No. 27
(Bridge District)
Special Tax Bonds

Dated: Date of Delivery **Due: September 1, as shown below**

The Community Facilities District No. 27 (Bridge District) Special Tax Bonds (the "Bonds"), are being issued by the City of West Sacramento (the "City") for its Community Facilities District No. 27 (the "District"). The Bonds are special tax obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Mello-Roos Act"), and are issued pursuant to an Fiscal Agent Agreement dated as of July 1, 2010 (the "Fiscal Agent Agreement") by and between the City and Union Bank, N.A., as fiscal agent (the "Fiscal Agent") thereunder. The Bonds are issued to (i) construct and acquire certain public facilities of benefit to the District; (ii) establish a Reserve Fund with respect to the Bonds; and (iii) to pay the costs of issuance of the Bonds. Interest on the Bonds is payable March 1, 2011, and thereafter semiannually on March 1 and September 1 of each year.

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers in the denomination of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. See "APPENDIX B - DTC AND THE BOOK-ENTRY ONLY SYSTEM." Bonds for the District have been authorized in a total amount of $125 million; the Bonds are the first series to be issued and additional bonds secured on parity with the Bonds are contemplated.

The Bonds are secured by and payable from a pledge of certain annual Special Taxes (as defined herein) to be levied by the City on real property within the boundaries of the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes, and from amounts held in certain funds under the Fiscal Agent Agreement, all as more fully described herein. Property within the District comprises undeveloped land in the City currently controlled by approximately 20 landowners planned for development in accordance with the West Sacramento Bridge District Specific Plan (the "Specific Plan"), as described herein. The Specific Plan proposes a mixed use development including up to 9 million square feet of residential and commercial building space in the District. See "THE DISTRICT." Bonds for the District are authorized in an amount not to exceed $125 million; additional bonds are expected to be issued. **Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay such Special Tax even though financially able to do so.** The City will cause to be established a Reserve Fund from proceeds of the Bonds, as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE BONDS - Redemption."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF YOLO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS DO NOT CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "SPECIAL RISK FACTORS," SHOULD BE READ IN ITS ENTIRETY.

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (955656)
2013	$190,000	4.000%	3.000%	102.845	MG5
2014	200,000	4.000	3.500	101.849	MH3
2015	210,000	4.000	4.000	100.000	MJ9
2016	215,000	4.375	4.500	99.349	MK6
2017	225,000	4.625	4.750	99.263	ML4
2018	235,000	4.850	5.000	99.020	MM2
2019	245,000	5.125	5.250	99.112	MN0
2020	260,000	5.375	5.500	99.048	MP5
2026	375,000	6.400	6.501	99.000	MV2

$1,555,000 6.375% Term Bond Due September 1, 2025; Yield: 6.480%: Price: 99.000; CUSIP†: 955656 MU4
$8,935,000 7.000% Term Bond Due September 1, 2040; Yield: 7.081%: Price: 99.000; CUSIP†: 955656 MW0

The Bonds are offered when, as and if delivered and received by the Underwriter, subject to the approval as to their legality by Kronick Moskovitz Tiedemann & Girard, a Professional Corporation, Sacramento, California, Bond Counsel. Certain legal matters will be passed upon for the City by Jones Hall, a Professional Law Corporation, San Francisco, California, as Disclosure Counsel and other legal matters by the City Attorney. It is anticipated that the Bonds will be available for delivery against payment therefor through the facilities of DTC in New York, New York, on or about September 2, 2010.

WESTHOFF, CONE & HOLMSTEDT

The date of this Official Statement is August 19, 2010.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All summaries of the documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

CITY OF WEST SACRAMENTO

Mayor and City Council
Christopher L. Cabaldon, *Mayor*
Oscar E. Villegas, *Mayor Pro Tem*
Wesley A. Beers, *Councilmember*
Mark Johannessen, *Councilmember*
William G. (Bill) Kristoff, *Councilmember*

City Staff
Toby A. Ross, *City Manager*
Evelyne Hayden, *Director of Finance/Treasurer*
Tina Gontarski, *Director of Community Development*
Robert E. Murphy, *City Attorney*
Kryss Rankin, *City Clerk*

Bond Counsel
Kronick Moskovitz Tiedemann & Girard, a Professional Corporation
Sacramento, California

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Union Bank, N.A.
San Francisco, California

Special Tax Consultant
Economic and Planning Systems
Sacramento, California

Disclosure Counsel
Jones Hall, a Professional Law Corporation
San Francisco, California

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OFFICIAL STATEMENT

$12,645,000
CITY OF WEST SACRAMENTO
Community Facilities District No. 27
(Bridge District)
Special Tax Bonds

This Official Statement, including the cover page and all Appendices hereto, is provided to furnish certain information in connection with the issuance by the City of West Sacramento for its Community Facilities District No. 27 (Bridge District) (the "**Community Facilities District**" or the "**District**") of its Community Facilities District No. 27 (Bridge District) Special Tax Bonds (the **"Bonds"**).

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Definitions of certain terms used herein and not defined herein shall have the meaning set forth in the Fiscal Agent Agreement.

INTRODUCTION

General

Creation of the District. The Bonds are being issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, *et seq*., of the Government Code of the State of California) (the **"Mello-Roos Act"**) and pursuant to an Fiscal Agent Agreement dated as of July 1, 2010 (the **"Fiscal Agent Agreement"**) between the City and Union Bank, N.A., San Francisco, California, as trustee (the **"Trustee"**) and Resolution No. 07-51 (the "**Resolution**") adopted on July 21, 2010 by the City Council of the City (the "**City Council**") which authorized the issuance of a maximum of $125 million of bonds payable from certain annual Special Taxes (as defined herein) levied on property within the District according to a methodology approved by the City.

The Bonds are payable from the annual Special Taxes described herein, which are to be levied by the City on real property within the boundaries of the District. The Bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes, and from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, including a Reserve Fund, all as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Registration of Ownership of Bonds. The Bonds shall be issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), without coupons, in the denomination of $5,000 or any integral multiple thereof and shall be dated as of and bear interest from the date of delivery thereof at the rate or rates set forth on the cover page hereof. Interest on the Bonds is payable on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing March 1, 2011. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Use of Proceeds. The Bonds are being issued to provide financing for a portion the initial cost of construction of new backbone transportation and infrastructure improvements for the first phase of development of property in the District, including new and upgraded roadway segments and supporting utilities - sewer, water, storm drainage, and commercial utilities (the **"Facilities,"** as described herein). These initial facilities will support a significant portion of development within the District, including 731 residential units which are required to be built as a condition of a grant from the State of California to the City of approximately $23 million, which comprises an additional source of funding for the initial Facilities. See "THE FACILITIES." Additional funding from other sources (described herein) is also required to reach the approximate $50.6 million cost of construction of such initial facilities. This infrastructure construction is expected to begin in late summer 2010 and estimated to be completed in early 2012. More infrastructure is required for development of all the land in the District to occur; additional bonds for the District are authorized and expected to be issued, up to the full $125 million authorized amount of District bonds. The Facilities are not security for the Bonds. Proceeds of the Bonds will also be used to establish a Reserve Fund for the Bonds (described below), and to pay cost of the issuance of the Bonds.

Source of Payment of the Bonds. The Bonds are issued upon and secured by the Special Taxes authorized to be collected as the "Land Special Tax" and "Developed Special Tax" (including Supplemental Special Tax) components of the "Annual Special Tax", but excluding the "State Reimbursement Land Special Tax" component of the Annual Special Tax, plus the "Catch-up Special Tax" (all as defined in the Rate and Method of Apportionment) (herein, the "**Special Tax**" or "**Special Taxes**"), which are authorized to be levied and collected annually on each parcel in the CFD for the purpose of financing the design, construction, and acquisition of Facilities, including any prepayments thereof and proceeds from the sale of property collected pursuant to the foreclosure provisions and proceeds from any security for payment of special taxes taken in lieu of foreclosure, applicable to each taxable parcel in the District, which shall be levied and collected according to the tax liability determined by the City

Council through the application of the approved rate and method of apportionment of a special tax for the District (the "**Special Tax Formula**") for the levy of a special tax upon taxable property in the District. Bonds for the District have been authorized in an amount not to exceed $125 million; the Bonds are the only series of bonds contemplated for the District (excluding possible refunding bonds); additional bonds are expected and may be issued when certain conditions are met, as described herein. The Special Tax Formula is set forth in APPENDIX A hereto. Interest and principal on the Bonds is payable from the annual Special Taxes to be levied and collected on such property within the District. The Special Taxes are secured by a lien on taxable parcels of land in the District and failure to pay the Special Taxes could result in proceedings to foreclose title to the delinquent property. The Special Taxes do not constitute the personal indebtedness of the owners of parcels subject to the Special Tax and no proceedings to collect directly from an owner is permitted. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Special Tax Methodology" and "APPENDIX A - RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Property within the District may in the future be subject to assessments or other special taxes in addition to the Special Taxes of the District.

The City will direct the Trustee to establish a Reserve Fund (the "**Reserve Fund**") from Bond proceeds in the amount of the Reserve Requirement, which amount is available to be transferred to the Principal Fund or Interest Fund in the event of delinquencies in the payment of the Special Taxes, to the extent of such delinquencies. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Reserve Fund." If there are additional delinquencies after depletion of funds in the Reserve Fund, the City is not obligated to pay the Bonds or supplement the Reserve Fund.

Property Subject to the Special Tax. The property within the District comprises approximately 157 gross acres (approximately 97.5 net acres subject to the Special Tax) of undeveloped land within the "Bridge District" (formerly referred to as the "Triangle Area") of the City, bordered by the Tower Bridge Gateway to the North/Northwest, approximately US 50 to the West/Southwest and the Sacramento River to the Southeast/East. The land in the District is undeveloped and projected for development in accordance with the Bridge District Specific Plan (the "**Specific Plan**"). The area is expected to be developed over several years into a mix of residential, commercial and office uses presented in the Specific Plan. The Specific Plan proposes broad mixed use development which will include up to 12.5 million square feet of residential and commercial building space, including up to 5,210 residential units; up to approximately 9 million square feet of that residential and commercial building space is projected to be located in the District. These estimates are preliminary based on the current Specific Plan and subject to change as development proceeds. Property in the District subject to the Special Tax comprises approximately 67 parcels (subject to ongoing reconfiguration) subject to the Special Tax securing the Bonds on the current County property tax roll, all of which are currently undeveloped or underdeveloped and much of which has no development plans in place. See "THE DISTRICT." Additional bonds for the District are authorized and expected to be issued in the future, subject to meeting conditions set forth in the Fiscal Agent Agreement.

Property within the District is currently owned by approximately 20 different landowners, including the City, the City's redevelopment agency and a railroad. All but one ownership entity own property allocated less than 10% of the initial Special Tax. See "THE DISTRICT" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT." All but two ownership entities voted in favor of incurring the Special Tax at the time the District was formed.

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of any of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the real property on which the Special Tax is delinquent. The unpaid Special Taxes are not required to be paid upon sale of property within the District.

Security for the Bonds. Property in the District is security for the Special Tax. The property is currently undeveloped. The City authorized the preparation of an appraisal report for the real property within the District, which sets forth a cumulative, or aggregate, value of property in the District of $141,140,000, as of June 22, 2010. The valuation assumes completion of the Improvements funded by the Bonds, a State of California grant and other funding sources described herein, and accounts for the impact of the lien of the Special Tax securing the Bonds. Additionally, as requested and authorized by the City, the valuation estimate assumes and includes the completion of approximately $50.6 million of public infrastructure, facilities and fees (if any) to be financed by the Bonds, the approximate $23 million grant from the State of California Proposition 1C Infill Housing Program and other monies, as described herein. See "THE FACILITIES." In considering the estimates of value evidenced by the appraisal, it should be noted the appraisal is based upon completion of the infrastructure as well as a number of standard and special assumptions which affected the estimates as to value. See "OWNERSHIP AND VALUE OF PROPERTY WITHIN THE DISTRICT" and Appendix B. Owners of property in the District are not personally responsible for payment of the Special Tax; in the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Act to order institution of an action in superior court to foreclose the lien therefor. See "VALUATION OF PROPERTY WITHIN THE DISTRICT." See also "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

Certain property in the District is also subject to a lien of special taxes securing bonds issued for the City's Community Facilities District No. 23 (Triangle Area) (**"CFD 23"**) as described herein. Based upon the $141,140,000 total valuation (assuming completion of approximately $50.6 million of infrastructure) and a principal amount of CFD No. 27 Bonds of $12,645,000 plus overlapping CFD No. 23 indebtedness of $6,804,050 for an aggregate bonded indebtedness of $19,449,050, the appraised value of property in the District is approximately 11.2 times the principal amount of the Bonds and 7.3 times the aggregate bonded indebtedness including the indebtedness of CFD No. 23. See "OWNERSHIP AND VALUE OF PROPERTY IN THE DISTRICT - Overlapping Liens and Priority of Lien" below.

Risks of Investment. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the Bonds.

Limited Obligation of the City. **The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except the money in the Special Tax Fund (described herein) established under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the City. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restrictions and neither the City Council, the City nor any officer or employee thereof shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds other than from the proceeds of the Special Taxes and the money in the Special Tax Fund, as provided in the Fiscal Agent Agreement.**

Summary of Information. There follows in this Official Statement, descriptions of certain provisions of the Fiscal Agent Agreement, the Bonds and certain other documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the Director of Finance of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the Fiscal Agent Agreement, approved by a resolution adopted by the City Council on July 7, 2010, and the Act.

On February 3, 2010, the City Council adopted Resolution No. 10-4 (the **"Resolution of Formation"**), which formed the District. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed $125,000,000 at a special election in the District held on the same day. The Bonds are the first series to be issued under the authorization; additional bonds are expected to be issued as development in the District proceeds. Under the provisions of the Act, since there were fewer than 12 registered voters residing within the District at a point during the 90-day period preceding the adoption of the Resolution of Formation, the qualified electors entitled to vote in the special election consisted of the landowners as of the date of the election, who cast one vote for each gross acre or portion of an acre of land owned within the District. The measure passed by greater than the required 2/3rds majority; all but two landowners voted in favor of the proposal to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within the District, for the purpose of paying for the Improvements, including repaying any indebtedness of the

District, replenishing the Reserve Fund and paying the administrative expenses of the District. See “THE DISTRICT” herein.

The Bonds are the first series of bonds to be issued for the District; additional bonds are expected to be issued. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds" below.

Description of the Bonds

Bond Terms. The Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the cover page hereof. The Bonds are being issued in the denomination of $5,000 or any integral multiple thereof.

The principal of the Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in San Francisco, California, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC.

Book-Entry Only System. The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”), and will be available to ultimate purchasers under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the Bonds. The Fiscal Agent will make payments of the principal, premium, if any, and interest on the Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX F –BOOK ENTRY SYSTEM.” below.

Calculation and Payment of Interest. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal or Redemption Price of the Bonds shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Corporate Trust Office of the Fiscal Agent, by wire transfer on each principal and mandatory redemption payment date to “Cede & Co.” or its registered assign, as sole registered Owner. Interest on the Bonds will be payable semiannually on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing March 1, 2011 by check mailed by first class mail on each Interest Payment Date and upon the written request of any Owner of $1,000,000 or more in aggregate principal amount of Bonds who has provided the Fiscal Agent with wire transfer instructions on or before the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date, by wire transfer on each Interest Payment Date to the Owner thereof as of the close of business on the record date; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC. See “APPENDIX F – BOOK ENTRY SYSTEM” below.

Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Dated Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX F – BOOK ENTRY SYSTEM" below.

Redemption

Optional Redemption. The Bonds are subject to redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part (in such maturities as may be specified by the City and at random within a maturity) on any date, at the following redemption prices (computed upon the principal amount of Bonds called for redemption):

Redemption Period (Both Dates Inclusive)	Redemption Price
Beginning September 1, 2017 and on March 1, 2018	102%
September 1, 2018 and on March 1, 2019	101
September 1, 2019 and Interest Payment Dates thereafter	100

Mandatory Redemption From Prepayments. The Bonds are subject to redemption by the City prior to their respective stated maturities, as a whole or in part on any Interest Payment Date from prepayments of the Special Taxes, at the following redemption prices (computed upon the principal amount of Bonds called for redemption):

Redemption Period (Both Dates Inclusive)	Redemption Price
Any Interest Payment Date Beginning March 1, 2011 and on or before March 1, 2017	103%
September 1, 2017 and on March 1, 2018	102
September 1, 2018 and on March 1, 2019	101
September 1, 2019 and Interest Payment Dates thereafter	100

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 2025 and September 1, 2040, are subject to redemption prior to their stated maturity, in part, at random from amounts deposited into the respective Sinking Account in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption, without premium, but which amounts will be proportionately reduced by the principal amount of all Term Bonds of such maturity optionally redeemed:

Term Bonds of 2025

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2021	$275,000
2022	290,000
2023	310,000
2024	330,000
2025 (maturity)	350,000

Term Bonds of 2040

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2027	$395,000
2028	425,000
2029	455,000
2030	485,000
2031	520,000
2032	555,000
2033	595,000
2034	635,000
2035	680,000
2036	730,000
2037	780,000
2038	835,000
2039	890,000
2040 (maturity)	955,000

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially level debt service, as a result of any prior partial optional redemption or mandatory redemption of the Bonds.

Redemption Procedure by Fiscal Agent. The Fiscal Agent is required to mail notice of redemption, not fewer than thirty (30) nor more than sixty (60) days prior to the redemption date, (i) to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register and (ii) to the original underwriter or other first purchaser of the Bonds designated for redemption.

Such notice will state (a) the date of such notice, (b) the Series designation of the Bonds, (c) the date of issue of the Series of Bonds, (d) the redemption date, (e) the Redemption Price, (f) the place or places of redemption (including the name and appropriate address or addresses of the Fiscal Agent), (g) the CUSIP number (if any) of the maturity or maturities, and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and (b) state that from and after such redemption date interest thereon shall cease to accrue, and (c) require that such Bonds be then surrendered at the address or addresses of the Fiscal Agent specified in the redemption notice. Neither the City nor the Fiscal Agent shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the City nor the Fiscal Agent shall be liable for any inaccuracy in such numbers.

Failure by the Fiscal Agent to give notice to the Information Service or any one or more of the Securities Depositories or failure of any Owner to receive notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. A certificate by the Fiscal Agent that notice of redemption has been given as herein provided shall be conclusive as against all parties to whom such notice was given and no such party shall be entitled to show that he or she failed to receive notice of redemption. Failure by the Fiscal Agent to mail notice to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed. Upon surrender of any Bond redeemed in part only, the City will execute and the Fiscal Agent shall authenticate and deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds of the same Series of authorized denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption are deposited in the Interest Fund, Principal Fund or Prepayment Fund, as applicable (i) the Bonds so to be redeemed shall become due and payable at the Redemption Price specified in such notice, (ii) interest on such Bonds shall cease to accrue, (iii) such Bonds shall cease to be entitled to any benefit or security under this Fiscal Agent Agreement, and (iv) the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by Fiscal Agent at the Redemption Price.

Transfer or Exchange of Bonds

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of Bonds will be made in accordance with DTC procedures. See "Appendix F" below. Bonds may be exchanged for an equivalent aggregate principal amount of Bonds of other authorized denominations of the same Series, tenor, and maturity, upon surrender of the Bonds for exchange at the Corporate Trust Office. Upon surrender of Bonds for exchange, the City shall execute and the Fiscal Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive. All Bonds surrendered upon any exchange or transfer provided for in this Fiscal Agent Agreement shall be promptly cancelled by the Fiscal Agent and thereafter disposed of. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same security and benefits under this Fiscal Agent Agreement, as the Bonds surrendered upon such transfer or exchange. Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form approved by the Fiscal Agent, that is duly executed by the Owner or by his attorney duly authorized in writing. No service charge shall be made for any transfer or exchange of Bonds, but the Fiscal Agent shall require the Bondholder requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. The Fiscal Agent shall not be required to transfer or exchange (i) Bonds of any Series during the period established by the Fiscal Agent for the selection of Bonds of such Series for redemption or (ii) any Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

Debt Service and Coverage

The annual debt service on the Series Bonds, based on the interest rates and maturity schedule set forth on the cover of this Official Statement, is set forth below:

CITY OF WEST SACRAMENTO
Community Facilities District No. 27 (Bridge District)
Special Tax Bonds
Debt Service Schedule

Year Ending September 1	Principal	Interest	Total
2011	---	$828,016.05	$828,016.05
2012	---	830,322.50	830,322.50
2013	$190,000	830,322.50	1,020,322.50
2014	200,000	822,722.50	1,022,722.50
2015	210,000	814,722.50	1,024,722.50
2016	215,000	806,322.50	1,021,322.50
2017	225,000	796,916.25	1,021,916.25
2018	235,000	786,510.00	1,021,510.00
2019	245,000	775,112.50	1,020,112.50
2020	260,000	762,556.25	1,022,556.25
2021	275,000	748,581.25	1,023,581.25
2022	290,000	731,050.00	1,021,050.00
2023	310,000	712,562.50	1,022,562.50
2024	330,000	692,800.00	1,022,800.00
2025	350,000	671,762.50	1,021,762.50
2026	375,000	649,450.00	1,024,450.00
2027	395,000	625,450.00	1,020,450.00
2028	425,000	597,800.00	1,022,800.00
2029	455,000	568,050.00	1,023,050.00
2030	485,000	536,200.00	1,021,200.00
2031	520,000	502,250.00	1,022,250.00
2032	555,000	465,850.00	1,020,850.00
2033	595,000	427,000.00	1,022,000.00
2034	635,000	385,350.00	1,020,350.00
2035	680,000	340,900.00	1,020,900.00
2036	730,000	293,300.00	1,023,300.00
2037	780,000	242,200.00	1,022,200.00
2038	835,000	187,600.00	1,022,600.00
2039	890,000	129,150.00	1,019,150.00
2040	955,000	66,850.00	1,021,850.00
Total	$12,645,000	$17,627,679.80	$30,272,679.80

The following table shows the debt service coverage for the Bonds based on the Maximum Annual Special Tax of the District.

CITY OF WEST SACRAMENTO
Community Facilities District No. 27 (Bridge District)
Special Tax Bonds
Debt Service Coverage

Year Ending Sep. 1	Debt Service	District Admin. (1)	Total Revenue Requirement	Maximum Special Tax (2)	Coverage
2011	$828,016	$50,000	$878,016	$1,691,655	192.7%
2012	830,323	50,000	880,323	1,725,488	196.0
2013	1,020,323	50,000	1,070,323	1,759,998	164.4
2014	1,022,723	50,000	1,072,723	1,795,198	167.3
2015	1,024,723	50,000	1,074,723	1,831,102	170.4
2016	1,021,323	50,000	1,071,323	1,867,724	174.3
2017	1,021,916	50,000	1,071,916	1,905,078	177.7
2018	1,021,510	50,000	1,071,510	1,943,180	181.3
2019	1,020,113	50,000	1,070,113	1,982,043	185.2
2020	1,022,556	50,000	1,072,556	2,021,684	188.5
2021	1,023,581	50,000	1,073,581	2,062,118	192.1
2022	1,021,050	50,000	1,071,050	2,103,360	196.4
2023	1,022,563	50,000	1,072,563	2,145,428	200.0
2024	1,022,800	50,000	1,072,800	2,188,336	204.0
2025	1,021,763	50,000	1,071,763	2,232,103	208.3
2026	1,024,450	50,000	1,074,450	2,276,745	211.9
2027	1,020,450	50,000	1,070,450	2,322,280	216.9
2028	1,022,800	50,000	1,072,800	2,368,725	220.8
2029	1,023,050	50,000	1,073,050	2,416,100	225.2
2030	1,021,200	50,000	1,071,200	2,464,422	230.1
2031	1,022,250	50,000	1,072,250	2,513,710	234.4
2032	1,020,850	50,000	1,070,850	2,563,985	239.4
2033	1,022,000	50,000	1,072,000	2,615,264	244.0
2034	1,020,350	50,000	1,070,350	2,667,570	249.2
2035	1,020,900	50,000	1,070,900	2,720,921	254.1
2036	1,023,300	50,000	1,073,300	2,775,339	258.6
2037	1,022,200	50,000	1,072,200	2,830,846	264.0
2038	1,022,600	50,000	1,072,600	2,887,463	269.2
2039	1,019,150	50,000	1,069,150	2,945,212	275.5
2040	1,021,850	50,000	1,071,850	3,004,117	280.3
Total	$30,272,680	$1,500,000	$31,772,680	$68,627,194	

(1) Estimated.
(2) Per Attachment 1 of the Rate, Method of Apportionment.

SOURCES AND USES OF FUNDS

A summary of the sources and uses of funds associated with the sale of the Bonds follows:

Estimated Sources of Funds:	
Principal Amount of Bonds	$12,645,000.00
Less: Original Issue Discount	(109,558.20)
Total	$12,535,441.80
Estimated Uses of Funds:	
Deposit to Community Facilities Fund	$11,000,000.00
Deposit to Reserve Fund	1,024,722.50
Costs of Issuance [(1)]	510,719.30
Total	$12,535,441.80

(1) Includes fees of Bond Counsel, Disclosure Counsel, and the Trustee, costs of printing the Official Statement, Underwriter's discount and other costs of issuance.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are limited obligations and not general obligations of the City, payable solely from the Special Taxes and the funds pledged therefor under the Fiscal Agent Agreement. Neither the faith and credit of the City nor of the State or any political subdivision thereof is pledged to the payment of the Bonds. Notwithstanding any other provision of the Fiscal Agent Agreement, the City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in the payment of the Special Tax, provided, however, the City is not prevented, in its sole discretion, from so advancing funds.

Although the Special Tax as described herein will be levied against taxable parcels within the District, it does not constitute a personal indebtedness of the owners of property within the District. There is no assurance that the property owners will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. See "SPECIAL RISK FACTORS."

THE CITY HAS NO OBLIGATION TO REPLENISH THE RESERVE FUND AS DESCRIBED HEREIN EXCEPT FROM SPECIAL TAXES, INCLUDING DELINQUENT SPECIAL TAXES THAT ARE PAID OR COLLECTED FROM FORECLOSURE SALES.

Limited Obligation

The Mello-Roos Act was enacted by the Legislature of the State of California (the **"State"**) to provide an alternative method of funding certain public capital facilities and services, especially in developing areas of the State. Once duly established, a community facilities district is a legally constituted governmental entity with defined boundaries, with the governing board or legislative body of the local agency acting on its behalf. Subject to approval by a two-thirds vote of the district's qualified electors voting, and compliance with the provisions of the Mello-Roos Act, a legislative body of a local agency may issue bonds for the district and may levy and collect a special tax within such district to repay such indebtedness.

The Bonds are special, limited obligations of the City, payable and secured by the Special Tax and certain amounts held in funds under the Fiscal Agent Agreement. The Bonds do not constitute a charge against the general credit of the City, and under no circumstances is the City obligated to pay principal of or redemption premiums, if any, or interest on the Bonds except from the Special Taxes and other moneys pledged thereto under the Fiscal Agent Agreement. Neither the State of California nor any public agency (other than the City) is obligated to pay the principal of or redemption premiums, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the City, the State of California or any public agency thereof is pledged to the payment of the principal of or redemption premiums, if any, or interest on the Bonds. The payment of the principal of or redemption premiums, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the City, the State of California or any public agency (other than the City, to the limited extent set forth in the Fiscal Agent Agreement).

The Bonds

The District was established and bonded indebtedness in an amount not to exceed \$125,000,000 was authorized pursuant to provisions of the Mello-Roos Act and approved by at least 2/3^{rds} of the qualified landowner electors of the District. All but 2 of the owners of the property in the District voted in favor of the levy of the Special Taxes.

The Bonds are secured by and payable from a pledge of the Special Taxes levied by the City on real property within the boundaries of the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes, and from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, all as more fully described herein. The Special Tax Formula and the amount of the Special Taxes that can be collected within the District is described in Appendix A. See also “Special Tax Methodology” below. The Special Taxes will, subject to the maximum Special Tax limit, be levied in an annual amount sufficient to pay the debt service on the Bonds, plus administrative costs. See “Special Taxes” and “Payment of the Bonds” below.

Collection of Special Taxes

Pursuant to the Act and the Special Tax Formula for the District, special taxes sufficient to meet annual debt service on the District Bonds will be billed by the County to the owner of each taxable parcel within the District to which the issue of Bonds relates. The special taxes billed against each parcel each year represent pro rata shares of the total principal and interest coming due that year, based on the percentage which the special tax against that parcel bears to the total of special taxes in connection with the financing.

The City has no obligation to advance funds to a Special Tax Fund except to the extent that delinquent Special Taxes are paid or proceeds from foreclosure sales are realized. The City has covenanted to cause the institution of judicial foreclosure proceedings following a delinquency, and thereafter to diligently cause prosecution to completion of such foreclosure proceedings upon the lien of delinquent unpaid special taxes as set forth herein. See "Covenant to Commence Foreclosure" below. The City is not required to bid at the foreclosure sale.

Special Tax Fund

The City agrees and covenants that, at each time that Special Taxes are received, it will transfer the Annual Special Taxes (as defined in the Fiscal Agent Agreement) received to the Fiscal Agent; provided that, if the City determines, on or before any Interest Payment Date, that the Fiscal Agent will have sufficient money in the Special Tax Fund on such date to pay principal and interest due on the next payment date, the City may, from the Annual Special Taxes received, deposit into the Community Facilities Fund the amount needed to pay its budgeted Administrative Expenses for the period prior to the next Interest Payment Date or to reimburse the City for the payment of unbudgeted Administrative Expenses during the prior six-month period (taking into account in such determination the amounts available in the Community Facilities Fund for such purpose). The Fiscal Agent shall deposit any portion of such Special Taxes that represents prepaid Special Taxes into the Prepayment Fund. The Fiscal Agent shall deposit all other Special Taxes received into the Special Tax Fund, which fund the Fiscal Agent shall establish and maintain. All money in the Special Tax Fund shall be held by the Fiscal Agent in trust and shall be disbursed, allocated and applied solely to the uses and purposes set forth in the Fiscal Agent Agreement.

Under the Fiscal Agent Agreement, the Fiscal Agent is required to transfer from the Special Tax Fund for deposit to the following funds the following amounts in the following order of priority: (i) on or before each Interest Payment Date to the Interest Fund an amount, such that the amount in the Interest Fund equals the interest due on the Bonds on the next Interest Payment Date, (ii) on or before each Principal Payment Date to the Principal Fund an amount such that the amount in the Principal Fund equals the principal (including any sinking payment) due on the Bonds on the next Principal Payment Date, (iii) an amount determined by the City to be required pay its budgeted Administrative Expenses for the period prior to the next Interest Payment Date (taking into account in such determination the amounts available in the Community Facilities Fund for payment of Administrative Expenses); (iv) on or before each Interest Payment Date, to the Bond Reserve Fund the amount required to restore the balance in the Bond Reserve Fund to an amount equal to the Bond Reserve Requirement, and (v) on September 5 of each year, to the City for deposit into the Community Facilities Fund all money remaining in the Special Tax Fund.

Bond Reserve Fund

A reserve fund (the **"Reserve Fund"**) for the Bonds is established by the Fiscal Agent Agreement, to be held by the Fiscal Agent for the benefit of the owners of the Bonds. Upon delivery of the Bonds, the amount on deposit in the Reserve Fund will be established by depositing certain proceeds of the Bonds in the amount of the "Reserve Requirement", which is as of any date of calculation, the least of (i) Maximum Annual Debt Service as of such date, (ii) 125% of average Annual Debt Service on all Bonds Outstanding as of such date and (iii) 10% of the original principal amount of the Bonds.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund and other moneys in the Reserve Fund will remain therein until the balance exceeds the Bond Reserve Requirement.

All amounts in the Bond Reserve Fund shall be used and withdrawn by the Fiscal Agent for the purpose of making up any deficiency in the Interest Fund or the Principal Fund and for the payment of the final principal and interest payment of Bonds. If Special Taxes are prepaid, an amount equal to the Reserve Fund Credit as such term is defined in the Special Tax Formula shall be transferred to the Prepayment Fund.

The Fiscal Agent shall transfer any amounts in the Bond Reserve Fund in excess of the Bond Reserve Requirement on March 1 and September 1 of each year, in accordance with instructions from the City, either to the City for deposit into the Community Facilities Fund or to the Rebate Fund.

THE CITY HAS NO OBLIGATION TO REPLENISH THE BOND RESERVE FUND EXCEPT TO THE EXTENT THAT DELINQUENT SPECIAL TAXES ARE PAID OR PROCEEDS FROM FORECLOSURE SALES ARE REALIZED.

THE CITY HAS NO OBLIGATION TO REPLENISH THE BOND RESERVE FUND EXCEPT FROM SPECIAL TAXES, INCLUDING DELINQUENT SPECIAL TAXES THAT ARE PAID OR COLLECTED FROM FORECLOSURE SALES.

In lieu of depositing money in the Bond Reserve Fund, the City may deliver to the Fiscal Agent an irrevocable letter of credit issued by a financial institution having unsecured debt obligations rated in one of the two highest Rating Categories of Moody's and Standard & Poor's, subject to the terms of the Fiscal Agent Agreement.

Special Taxes

The Bonds and the interest thereon are secured and payable from a pledge of all proceeds of the Special Tax to be levied and collected on all the property within the District subject to the Special Tax (including any prepayments thereof and proceeds, if any, of any foreclosure actions brought following a delinquency in the payment of the Special Tax) and from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement. This pledge constitutes a first lien on the Special Taxes and amounts in such funds and shall be valid and binding from and after delivery by the Fiscal Agent of the Bonds, without any physical delivery thereof or further act. The pledge to the payment of Bonds is without priority or distinction of one over the other and the Special Taxes and other amounts constitute a trust fund for the security and payment of the interest on and principal of the Bonds; but nevertheless out of Special Taxes and other amounts certain amounts may be applied for administrative expenses. The pledge of Special Taxes and other amounts herein made shall be irrevocable until all of the Bonds are no longer Outstanding.

The "Special Taxes" as used herein refers to the special taxes of the District which are pledged to pay the Bonds. The Special Tax Formula provides for the payment of special taxes which are "one-time" special taxes, as well as a contingent annual special tax defined as the "State Reimbursement Land Special Tax," all of which are not pledged to payment of the Bonds. The special taxes pledged to payment of the Bonds are defined in the Special Tax Formula as the "Land Special Tax" and "Developed Special Tax" (including Supplemental Special Tax) components of the "Annual Special Tax", but specifically exclude the "State Reimbursement Land Special Tax" component of the Annual Special Tax, plus the "Catch-up Special Tax" (all as defined in the Rate and Method of Apportionment), the "State Reimbursement Land Special Tax" is a contingent tax levied only if the State grant (described herein) must be repaid because the required housing units have not been constructed according to the State requirements.

Authorized facilities for the District are divided into three categories: (i) regional facilities are authorized facilities eligible for funding from the Regional One Time Special Tax; (ii) Bridge

District Facilities are facilities eligible for funding from the Annual Special Tax, Bridge District One Time Special Tax, and the Public Agency Acquisition One Time Special Tax; and (ii) Other Expenses of the Community Facilities District. The Bonds are issued upon and secured only by the special taxes described in the preceding paragraph; the "One Time Special Tax" may be used to pay Bond debt service, but it is not pledged for payment of the Bonds.

The amount of Special Taxes that the District may levy in any fiscal year, and from which principal and interest on the Bonds may be paid, is limited by the maximum rates approved by the qualified electors within the District which are set forth as the "Land Special Tax", "Developed Special Tax" and the "Supplemental Special Tax" in the Special Tax Formula. Before the issuance of the Bonds, the City may adjust the Undevelopable Land Area for Original Parcels and thereby adjust the Land Special Tax for Original Parcels. The Land Special Tax for Original Parcels is shown in Attachment 1 of the "Rate and Method of Apportionment of the Special Tax" attached hereto as Appendix A.

Once Bonds are issued the City will collect up to the Maximum Annual Special Tax. Under the Special Tax Formula, Special Taxes will be levied annually in an amount, not in excess of the Maximum Annual Special Tax, sufficient to pay the **"Annual Costs"** which are, in the first priority, for any fiscal year, the total of (i) the total amount of bond principal, interest and scheduled sinking fund payments to be paid from the Special Tax collected during the fiscal year; (ii) Administrative Expenses for such fiscal year (as defined in the Special Tax Formula); (iii) any amounts needed to replenish the Bond Reserve Fund to the level required under the Fiscal Agent Agreement; (iv) an amount equal to the amount of delinquencies in payments of Special Taxes levied in the previous Fiscal Year and/or anticipated for the current Fiscal Year, less collections from prior delinquencies; and (v) less any available earnings on the Reserve Fund, Special Tax funds, or any other available revenues of the CFD or the City that may be used to fund Annual Costs. The Annual Special Taxes may be used, after payment of debt service, to fund the total costs of (vi) Authorized Facilities funded on a Pay-As-You-Go Basis (vi) reimburse the West Sacramento Redevelopment Agency for tax increment revenues generated outside of the Bridge District but used for Authorized Facilities benefiting the Bridge District, and (viii) reimburse the State of California any Proposition 1C – Housing and Emergency Shelter Trust Fund Act of 2006 grants that must be repaid because the required housing units have not been constructed and that have been allocated by the Administrator to the Bridge District. See "APPENDIX A - RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX."

The Special Taxes will be billed and collected for the City by the County of Yolo in the same manner and at the same time as ad valorem property taxes are collected and, except as otherwise provided in the Mello-Roos Act and the foreclosure covenant contained in the Fiscal Agent Agreement, will be subject to the same penalties and the same collection procedure, sale, and lien priority in case of delinquency as is provided for ad valorem property taxes. Bridge District One-Time Special Taxes are collected by the City and *may* be used to fund Annual Costs, as needed. Because each annual Special Tax levy is limited to the Maximum Annual Special Tax rates authorized by the qualified electors within the District as set forth in the Special Tax Formula, no assurance can be given that, in the event of Special Tax delinquencies, the foregoing amount will in fact be collected in any given year. See "SPECIAL RISK FACTORS - Insufficiency of Special Taxes" herein.

The Special Tax Formula apportions the Annual Costs among the taxable parcels of property within the District according to the rate and methodology set forth in the Special Tax Formula. The Special Taxes are exempt from the property tax limitation of Article XIIIA of the California Constitution, pursuant to Section 4 thereof as a "special tax" authorized by a two-thirds vote of the qualified electors. The City is authorized to levy the Special Taxes pursuant to the Mello-Roos Act in an amount determined according to a methodology approved by the qualified electors. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Special Tax Methodology" below. See also "APPENDIX A - RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX."

Special Tax Methodology

The Special Tax will be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate as described in the Special Tax Formula set forth in "APPENDIX A - RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Before the issuance of the Bonds, the City may adjust the Undevelopable Land Area for Original Parcels and thereby adjust the Land Special Tax for Original Parcels.

After the issuance of the Bonds, the Special Tax Formula apportions the Annual Costs to determine the Annual Special Tax to be levied among the parcels of property within the District subject to the annual Special Tax. The Annual Costs are described in the preceding section captioned "Special Taxes."

The City will determine in each fiscal year the Special Tax by assigning certain classifications to each parcel in the District, based on the criteria set forth in the Special Tax Formula, and calculating the tax rate applicable to such parcel according to the Special Tax Formula. The Special Tax Formula provides that for purposes of determining the Special Tax, each parcel shall be classified as:

1. Tax-Exempt or Taxable;
2. An Original Parcel or a Successor Parcel; and
3. Each Taxable Parcel further classified as a Fully Developed Parcel, Partially Developed Parcel, Taxable Public Parcel, or Undeveloped Parcel.
4. Each Development Project located on a Fully Developed Parcel or Partially Developed Parcel is further classified as Single-Family, Multifamily, Residential Condominium, Nonresidential Use, Nonresidential Condominium, Mixed Use Condominium, or Mixed Use.

As development occurs the security for the repayment of principal and interest on bonds will shift to developed parcels which will be levied the annual Developed Special Tax. The Maximum Annual Special Tax consists of the Land Special Tax and Developed Special Tax for a Development Project. (as defined in the Special Tax Formula). The Developed Special Tax by land use will be the amount shown in Attachment 2 to the "Rate and Method of Apportionment of Special Tax," attached hereto as Appendix A. A parcel that is developed in phases may be subject to the levy of both the Developed Special Tax and Land Special Tax until it becomes a Fully Developed Parcel.

The City will maintain a file of each current County Assessor's Parcel Number within the District and its Maximum Annual Special Tax by component. As development takes place, the classifications assigned to parcels subject to such development will change. The Special Tax attributable to such parcel will likewise change in accordance with the new classification(s) assigned. The City's file will show the Maximum Annual Special Tax on all Original and Successor Parcels and a brief description of the process used to reassign the Special Tax each time a Successor Parcel was created, including any adjustments due to change in use, Land Area, and Building Area, as defined in the Special Tax Formula. An "Original Parcel" is any parcel in the District at the time the District was formed. A "Successor Parcel" is defined in the Special Tax Formula as a taxable parcel created by Subdivision (as defined in the Special Tax Formula) of an Original or other Successor Parcel. Once created, a Successor Parcel will be treated in the same manner as an Original Parcel in the creation of any additional Successor Parcels from such Successor Parcel. The creation of Successor Parcel(s) eliminates the Original Parcel from which it was created.

Additional Bonds

Under the Fiscal Agent Agreement, the City may issue bonds (**"Additional Bonds"**) payable from the proceeds of the Special Tax and secured on a parity with the Outstanding Bonds for the purpose of providing funds to finance or refinance the costs of any Facilities (or to reimburse the City for the payment of such costs), including payment of costs incidental to or connected with the Facilities, or for the repayment of funds advanced to or for the District. The Additional Bonds may only be issued upon compliance by the City with the provisions of the Fiscal Agent Agreement, which include the following:

<u>No Default</u>. No Event of Default shall have occurred and then be continuing.

<u>Bond Reserve Fund</u>. The issuance of Additional Bonds shall require that the balance in the Bond Reserve Fund, forthwith upon the receipt of the proceeds of the sale of such Additional Bonds, be increased, if necessary, to an amount at least equal to the Bond Reserve Requirement with respect to all Bonds to be considered Outstanding upon the issuance of such Additional Bonds.

<u>Principal Amount</u>. The aggregate principal amount of Bonds issued hereunder shall not exceed the amount authorized pursuant to the Law and shall not exceed any other limitation imposed by law or by any Supplemental Fiscal Agent Agreement.

<u>Value-to-Lien Ratio</u>. The aggregate fair market value of all Taxable Property (and the then existing private improvements thereon) on the date of the adoption of the Supplemental Fiscal Agent Agreement authorizing the issuance of such Additional Bonds (based on either the assessed valuations thereof as contained in the most recent equalized assessment roll of Yolo County or an MAI appraisal), shall be equal to at least four (4) times the sum of (i) the aggregate principal amount of all bonds to be outstanding after the issuance of such Additional Bonds, plus (ii) the aggregate principal amount of all outstanding special assessment bonds that are payable from special assessments levied on the Taxable Property, plus (iii) the proportion of the aggregate principal amount of all outstanding bonds issued under the Mello-Roos Community Facilities Act of 1982 (other than the Bonds) that are payable from special taxes to be levied on the Taxable Property.

<u>Annual Debt Service Coverage Ratio</u>. The amount of Annual Special Taxes (as defined in the Fiscal Agent Agreement) that may be levied in each Fiscal Year following issuance of the Additional Bonds by application of the Rate and Method of Apportionment shall be no less than one hundred ten percent (110%) of Annual Debt Service in the Bond Year that commences in such Fiscal Year with respect to the Bonds and Additional Bonds to be Outstanding.

<u>No Prop 1C Reimbursement Liability</u>. The City shall no longer be subject to any liability for reimbursement to the State for grant funds received pursuant to Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006.

Payment Dates. If and to the extent deemed practical in the reasonable judgment of the City with regard to the type of bond to be issued, the principal payments of such Additional Bonds shall be due on September 1 in each year in which principal is to be paid and, if the interest on such Additional Bonds is to be paid semiannually, such interest payments shall be due on March 1 and September 1 in each year, as appropriate.

Priority of Lien of Special Taxes

The Special Tax and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same are paid. Such lien is co-equal to and independent of the lien for general taxes and any other lien imposed under the Mello-Roos Act and all fixed special assessment liens imposed upon the same property, but has priority over all private liens.

Any mortgage on the land within the District would, by law, be subordinate to the lien for unpaid Special Taxes. Nevertheless, increased debt could reduce the ability or desire of the owners of property in the District to pay the annual Special Taxes levied against their respective property. If additional special tax or assessment debt is issued to pay for improvements within or of benefit to the land within the District, additional liens could be imposed upon the property within the District to repay such debt on a parity with the lien of the Special Taxes. See “SPECIAL RISK FACTORS - Other Public Debt.”

Pursuant to the Mello-Roos Act, the Special Taxes will be billed by the County to the owner of each parcel within the District and collected semiannually by the County. Upon receipt by the County and transferal to the City, Special Taxes are to be transferred to the Trustee and deposited into the Special Tax Fund. From the Special Tax Fund, moneys are to be transferred to the Redemption Account and used to pay principal and interest payments on the Bonds as they become due. Pursuant to the Fiscal Agent Agreement, payment of the principal of and interest on the Bonds is secured by moneys in the Redemption Account of the Special Tax Fund.

The City has no obligation to advance funds to the Redemption Account of the Special Tax Fund except from moneys in the Reserve Fund, or from Special Taxes, including delinquent Special Taxes that are paid or collected from foreclosure sales. Additionally, the City has covenanted to cause the institution of judicial foreclosure proceedings following a delinquency, and thereafter to diligently prosecute to completion foreclosure proceedings upon the lien of delinquent unpaid Special Taxes as set forth herein. See “Covenant to Commence Superior Court Foreclosure” below. The City is not required to bid at the foreclosure sale.

Yolo County Tax Loss Reserve

The County of Yolo and the other political subdivisions within its boundaries operate under the provisions of Sections 4701 through 4717, inclusive, of the Revenue and Taxation Code of the State of California, commonly referred to as the **“Teeter Plan,”** with respect to property tax collection and disbursement procedures. These sections provide an alternative method of apportioning secured taxes whereby agencies levying taxes through the County roll may receive from the County 100% of their taxes at the time they are levied. The County treasury’s cash position (from taxes) is insured by a special tax loss reserve fund accumulated from delinquent penalties.

The Board of Supervisors may discontinue the procedures under the Teeter Plan altogether, or with respect to any tax or assessment levying agency in the County if the rate of secured tax and assessment delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

The Special Taxes for the District are intended to be collected pursuant to the procedures described above. Thus, so long as the County maintains its policy of collecting taxes pursuant to said procedures and the City meets the Teeter Plan requirements, the City will receive 100% of the annual special taxes levied without regard to actual collections in the District. There is no assurance, however, that the County Board of Supervisors will maintain its policy of apportioning taxes pursuant to the aforementioned procedures.

Covenant to Commence Superior Court Foreclosure

A potential source of funds to pay debt service on the Bonds is the proceeds received following a judicial foreclosure sale of land within the District resulting from a landowner's failure to pay any Special Tax levied upon such land when due. Pursuant to Section 53356.1 of the Mello-Roos Act, in the event any Special Tax is not paid when due, the City may order the institution of a court action to foreclose the lien thereof. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory, however, the City has covenanted in the Fiscal Agent Agreement that it will annually review the public records of Yolo County relating to the collection of the Special Taxes in order to determine, by a date not later than August 1 of each year, the amount of Special Taxes collected and the amount thereof delinquent in the prior Fiscal Year.

<u>Individual Delinquencies</u>. If the City determines on the basis of such review that the Special Tax with respect to any single parcel of Taxable Property is delinquent by more than two thousand five hundred dollars ($2,500), then the City shall send a notice of delinquency and a demand for immediate payment thereof to the owner of the parcel by August 15. If the delinquency is not cured by November 1, the City will institute, prosecute, and pursue foreclosure proceedings to judgment and sale in order to enforce the lien of the delinquent installments of Special Taxes against such property owner's parcel(s).

<u>Aggregate Delinquencies</u>. If the City determines on the basis of such review that (1) the amount of Special Taxes received was less than ninety-five per cent (95%) of the amount of Special Taxes levied in the Fiscal Year or (2) there were ten (10) or fewer owners of Taxable Property, then, by September 5, the City shall send a notice of delinquency and a demand for immediate payment thereof to each owner of a parcel with respect to which the Special Tax is delinquent. If a delinquency with respect to a parcel is not cured by November 1, the City will institute, prosecute, and pursue foreclosure proceedings to judgment and sale in order to enforce the lien of the delinquent installments of Special Taxes against the parcel.

If the proceeds of a foreclosure sale are insufficient to pay all of the delinquent Special Taxes, those proceeds received, up to the full amount of the Annual Special Taxes, shall be deemed to be Annual Special Taxes, and any remaining proceeds shall be deemed to be State Reimbursement Land Special Taxes.

See "RISK FACTORS - Bankruptcy and Foreclosure" herein.

THE DISTRICT

Location and Description

The District is comprised of land which is a part, but not all, of the land within the City's "Bridge District Specific Plan" (the "**Specific Plan**") originally adopted by the City in June 1993 as the "Triangle Area Specific Plan," and subsequently amended and renamed as of November 18, 2009. See "The Bridge District Specific Plan" below. The land in the District is all of the currently undeveloped or underdeveloped land in the Specific Plan area.

The Specific Plan land area is locally referred to as the **"Bridge District"**, located directly across the Sacramento River from downtown Sacramento. It was previously referred to locally as the "Triangle Area" because it roughly forms a triangle bounded by State Route 275, Highway 50 and the Sacramento River (although it also includes a small parcel south of Highway 50). The river is a key amenity to the development plan for the area and the existing Tower Bridge over it at the northern edge of the Bridge District connects the Bridge District with the City of Sacramento's downtown urban core via State Route 275, which has locally been renamed the Tower Bridge Gateway. The Tower Bridge and Pioneer Bridge (Highway 50) over the Sacramento River gives the current Specific Plan its name.

The Bridge District has direct freeway access via on- and off-ramps to Highway 50 (also locally known as "Business 80") and State Route 275 and is situated in the vicinity of nearby access to the regional interstate transportation system via Business 80, Interstate 80, Interstate 5 and Highway 50. Arterial streets adjacent to the Bridge District are Jefferson Boulevard (Highway 84) and West Capitol Avenue (Highway 40) both of which give access to other areas of West Sacramento and surrounding communities.

The City of West Sacramento is in Yolo County, approximately 85 miles northeast of San Francisco, and is directly west of the City of Sacramento across the Sacramento River. The City, incorporated on January 1, 1987, is a general law city operating under the council-manager form of government. As of January 2010, the population of the City was estimated to be 48,426 and the population of the adjacent County of Sacramento was estimated to be 1,445,327. West Sacramento encompasses approximately 22 square miles. The deep water Port of Sacramento is located within the City boundaries, providing direct shipping access to the San Francisco Bay and the Pacific Ocean. The City is served by a transcontinental railroad. Interstate 80, one of the nation's principal east-west freeways, traverses the City and connects with Interstate 5, a north-south freeway that extends to Canada and Mexico, in the vicinity of the District and immediately east of the Sacramento River. See APPENDIX C - "THE CITY OF WEST SACRAMENTO AND YOLO COUNTY."

The Bridge District Specific Plan

Land in the District comprises approximately 157 gross acres, all of which are undeveloped (or developed with deteriorated improvements to be demolished) and within the 188-acre Bridge District Specific Plan. Of the 157 gross acres, the net area subject to the Special Tax securing the Bonds is approximately 97.5 acres. The land in the District is all of the currently undeveloped or underdeveloped land in the Specific Plan area.

The information provided below is speculative, having been taken primarily from the Specific Plan, and has not been provided by the owners of property in the District. While the City expects development in the District to be consistent with the Specific Plan, no assurance *can be given that development will ultimately match the projections and currently approved land uses set forth in the Specific Plan.*

The Specific Plan sets forth defines the policies, regulations and guidelines specific to development of this segment of the Specific Plan area. The purpose of the Specific Plan is to ensure that development and redevelopment in the area occur in a manner which is orderly and is consistent with the goals and aspirations of the City. The Specific Plan is available for viewing on the City's website (*www.cityofwestsacramento.org*) by following the links to >Departments>Redevelopment> Documents & Reports.

Nearby land uses include a residential community to the north (the Broderick area) a commercial area to the west, West Capitol Avenue; and an industrial and residential area to the south along Jefferson Boulevard and South River Road. The Bridge District itself has been in a state of physical decline for some years. Excluding recent redevelopment, the existing character of the area is one of transition from under-used industrial land and economically obsolete buildings, including a few active businesses, to the mixed uses contemplated by the Specific Plan. There is no significant vegetation in the interior of the area. Along the river edge there are intermittent groves of canopy trees and ground cover, all neglected and misused for many years, providing little habitat for riparian species. The Specific Plan's overall development mission for the area is to provide a planned, waterfront oriented urban core for the City, complementing established residential and commercial districts within the City with a balanced mix of uses. The City projects that the Specific Plan provides an opportunity to address multiple real estate markets simultaneously and to accommodate a range of land uses within the area by providing for office-commercial, retail-commercial, service-commercial, residential, commercial-lodging, industrial, government and institutional uses. This broad array of uses and activities is said to be essential to the establishment of an urban waterfront district and community center with vitality and a place that will enjoy accelerated development activity as a result of accommodating a wide range of market needs.

A key feature of the Bridge District is the high elevation of many properties which are close to the Sacramento River. Instead of an abrupt levee, which characterizes many waterfront properties in the Sacramento region, the broad bluff behind the river bank provides an opportunity to develop buildings of an urban scale which can capitalize on views across and along the Sacramento River. Plans for the Waterfront sub-area (described below) clearly take advantage of this asset. Accordingly, street level uses and landscape designed to attract strollers, shoppers and restaurant patrons is envisioned in the Specific Plan. The topography generally slopes up from a low point in the western extremity to a bluff above the Sacramento River in the eastern part of the site, providing an opportunity to extend visibility of the waterfront environment into the core of the Bridge District. The view of Downtown Sacramento across the river is expected to provide an attractive visual setting for future development.

Development Vision. The Specific Plan was prepared to implement the City's intent to convert the Bridge District from industrial uses to designated uses consistent with the adopted City General Plan. The recited vision of the Specific Plan is to have the Bridge District become "a place of civic significance for West Sacramento which establishes it as a river city."

The Bridge District is proposed to consist of a mixed-use development which may include up to 12.5 million square feet of residential and commercial building space, including up to 5,210 residential units, on approximately its 188 gross acres. The Specific Plan designates development locales as a composite of four distinct but interdependent neighborhoods; the Waterfront, the Core, the Pioneer and the Tower. Each neighborhood is planned to have a unique character and a responsibility to reinforce those of the others. All are encouraged to accommodate a mix of office, residential, ancillary retail and public uses. Hotels may also be developed in some areas. Each sub-area would accommodate uses differently, thus each would develop its own image and quality while providing for diversity within the area. Landscape and open space is planned to play an important role in establishing the character of this urban core. The waterfront itself will be largely devoted to public access and its qualities will be extended into the heart of the area via the east-west streets and associated view corridors. The extension of waterfront greenery is expected to be particularly evident in the River Walk Promenade area. Unlike a sub-urban mixed use development, which is typically controlled and developed by a single organization, the Specific Plan provides an opportunity for a variety of developers to work on land parcels of differing sizes, values, uses, activities and physical characteristics.

The land in the District is proposed for the development of approximately 9,000,000 square feet of both high density for-rent and for-sale residential and commercial (retail and office) development on approximately 157 gross acres of land. The near to mid-term potential of the property is for mixed-use development. With the financing plan in place, Phase I infrastructure development is scheduled to begin this year, as described herein.

The Designated Neighborhoods. In the Specific Plan, the Bridge District is subdivided into four distinct but integrated neighborhoods of differing urban character and development intensity; the "Core," the "Tower," the "Pioneer" and the "Waterfront" areas; all are encouraged to accommodate a mix of office, residential, retail/commercial and public uses. Hotels may also be developed in some areas. A total of up to 12.5 million square feet of occupied building is programmed for the Bridge District, including up to 5,210 residential units. Of the total occupied building area, 12 million square feet is allocated on a neighborhood basis by type of use (i.e. commercial vs. residential) pursuant to the regulations identified in Implementation Strategy. The remaining 0.5 million square feet is banked as a density incentive accessed through a "Density Bank" mechanism. Neighborhood allocations of the 12 million square feet buildout are shown in following table, and are subject to change in the future.

	Development Intensity			**Maximum 100% Development Program**		**Expected 77% Development Program**	
Neighborhood	**Net Land Building Area (sqft)**	**Average Floor to Area Ratio**	**Total Land Building Area (sqft)**	**Commercial (sqft)**	**Residential (units)**	**Commercial (sqft)**	**Residential (units)**
Core	860,933	2.82	2,427,295	1,645,295	782	1,316,236	626
Pioneer	970,547	2.73	2,650,000	1,900,000	750	1,520,002	598
Tower	2,175,043	1.37	2,972,705	954,705	2,018	763,764	1,616
Waterfront	927,074	4.26	3,950,000	2,500,000	1,450	1,999,987	1,160
Density Bank			500,000	290,000	210		
Total	**4,933,597**	**2.53**	**12,500,000**	**7,290,000**	**5,210**	**5,599,989**	**4,000**

Core Facility Areas. The Specific Plan envisions the 188-acre Bridge District as the "urban core" and "focus of West Sacramento". Central to this vision is the development of facilities that provide public benefit and civic identity. These facilities are incorporated in the Implementation Strategy as the "Riverwalk Promenade and Plaza," the "Grand Street Corridor," the "Ballpark Drive Corridor" and the "Tower Bridge Gateway Corridor," all as briefly described below.

- River Walk Promenade and Plaza: This open space, pedestrian, and bikeway corridor will provide public access along the length of the Sacramento riverfront as well as an array of recreational and civic facilities. The promenade paths lead to a diamond shaped plaza to be located at the east end of Grand, a regional day and night destination.

- Grand Street Corridor: This corridor connects the City civic center area with the River Walk Promenade. This corridor is envisioned to include “green” unique botanical landscape treatments, civic design features, and public amenities along its length.

- Ballpark Drive Corridor: This corridor is envisioned to connect the interior of the Bridge District with the River Walk Promenade. This corridor is planned to include civic streetscape treatments and public amenities while preserving views of Tower Bridge.

- Tower Bridge Gateway Corridor: This corridor is a front door arterial which connects the Bridge District (and the City of West Sacramento in general) with the City of Sacramento urban core via the existing Tower Bridge. This corridor will include special civic streetscape design features and monuments marking entry into the city and sub-areas that are served by it. This corridor is intended to serve as a grand entry to the city and design treatments and landscaping will reinforce its linkages with the Bridge District. Specific design guidelines for Tower Bridge Gateway will be developed by the City and adjacent property owners in the future and amended into the Specific Plan upon adoption.

Completed Development in the Specific Plan Area. The land in the District is all of the currently undeveloped or underdeveloped land in the Specific Plan area. Land in the District comprises approximately 157 gross acres of the 188-acre Bridge District Specific Plan; the 31 acres not included is developed. As such, other than two new developments occurring within the last 10 years, the Bridge District is largely undeveloped other than with old improvements to be demolished

The two developed areas of the Bridge District are not included in the District. The first developed area was Raley Field, a minor league baseball park (and supporting facilities) completed in 2000 on the 17-acre site of old warehouses and railyards, which is home to the Triple AAA baseball team the Sacramento Rivercats. Several of the vacant parcels located in the District are presently used for parking on game days, but as development in the District progresses plans for a permanent parking facility will be put in place. The second area to develop is the 187-unit “Ironworks at the Triangle” residential development currently being marketed by Regis Homes west of the ballpark, which opened in 2006 and includes completed and sold homes. The project was shut down in 2009 and reopened with new models, lower prices and redesigned homes in early 2010. The project currently offers four different home plans featuring two to three bedrooms and two to two-and-one-half baths in a contemporary setting. *Both of these developed areas are outside of the District and therefore not subject to the Special Tax.*

The Initial 5-year Implementation Plan for New Development. The Bonds are being issued to facilitate a portion of the financing needed to construct infrastructure for significant initial development of the Bridge District, including development of 731 residential units which must be constructed as a condition to the receipt of an approximate $23 million grant from the State of California for such infrastructure construction. The grant is funded on an ongoing progress payment arrangement, which has already begun, and in the event certain construction components of the 731 units have not been completed by certain dates, the City is obligated to reimburse the State for grant moneys advanced. See "Current Conditions and the 2014 Plan" below.

The Specific Plan includes an "Implementation Strategy" which serves as the technical blueprint by which the Bridge District will be redeveloped from industrial uses to residential and commercial uses. It summarizes buildout assumptions, backbone facilities, financing strategies, and a five year capital improvement program for the 2009 to 2014 period (the **"2014 Plan"**). Urban or "smart growth" infrastructure standards for circulation, neighborhood parks, and utilities design are included. The City considers the Implementation Strategy as a living document that will be periodically updated (approximately every five years) to reflect current conditions, technical refinements, and implementation priorities. As such, regular updates of parts of it (primarily the appendices) will be completed on an ongoing basis by the city department responsible for the specific program, infrastructure and or regulatory content, provided the update does not constitute a substantive or policy change. Current conditions and activities are summarized as follows:

- De-industrialization: These efforts include relocation of industrial tenants (now almost complete), demolition of industrial buildings (now in progress), and removal/relocation of rail (now in progress).

- Pre-Development Planning: These efforts include preliminary engineering, design, and financing studies necessary to implement the Specific Plan. The current Implementation Strategy includes the result of these studies as well as key assumptions, plans, and strategies.

- Urban Standards: These efforts include proposed changes in city regulations, standards and investments that support a higher density, sustainable development model including transit and structured parking.

- The Early Development: Current planning efforts are focused on catalyzing redevelopment of the Bridge District area east of the Union Pacific rail line. This area requires significant backbone infrastructure and amenity improvements to support initial private development projects.

Early development projects in the Bridge District will be pioneering, higher risk, and will sell/rent at discounted prices relative to comparable projects in the City of Sacramento's downtown, midtown, and railyard neighborhoods (its primary market competitors). Establishing a critical development mass in the Bridge District is a paramount near-term objective as it is foreseen to mitigate risk, stimulate demand and create value to support additional development.

Zoning in the District. All Land in the District is zoned for Waterfront ("**WF**"), which allows for a mixture of commercial, office residential and retail uses in accordance with the development regulations set forth in the Specific Plan. Such uses can be developed on adjoining properties in mixed-use developments within single properties. The majority of existing uses do not conform with this designation, but the plan makes provision for the continued operation of active non-conforming businesses through early stages of redevelopment in the District. The purpose of the waterfront (WF) zone is to allow for high-intensity mixed uses which capitalize on the city's river frontage. Much of this area will be redeveloped from prior industrial development and mixed use projects may remain in this zone.

After completion of a master development plan, many properties will be rezoned to other specific use zones such as apartment (R-4), high rise residential (HRR), water-related commercial (WRC) or commercial water-related (C-W).

- The purpose of the apartment (R-4) zone is to provide for high-density multifamily residential units, and similar and compatible uses in specifically identified locations within the city.

- Te High Rise Residential (HRR) designation provides for multifamily residential units, group quarters, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of 25.1 to 50.0 units per gross acre. The HRR designation is intended for future use in areas along the Sacramento River.

- The Water-Related Commercial (WRC) designation provides for marinas, boat docks, campgrounds, and retail and service uses which are oriented principally to waterways, public and quasi-public uses, and similar and compatible uses. This designation is applied only to areas along the Sacramento River which are either currently used for or are proposed for such uses.

- The purpose of the commercial water-related (C-W) zone is to provide specifically planned, integrated commercial land uses related to the waterfront and to historical restoration where appropriate with public and private recreation facilities and integrated public and private open space. A specific plan shall be required, and all private uses shall be regulated as conditional uses.

Infrastructure and Public Utilities Development. The District has infrastructure and public utilities in place to service the current uses of the parcels within the District. However, to fully meet the development potential of the Specific Plan, the Development will require construction of new or upgraded infrastructure to allow greater density. See "THE FACILITIES." Proceeds of the Bonds and other moneys will provide the approximately $50 million needed for Phase I infrastructure.

Upon completion of Phase I infrastructure, off-site improvements will consist of 18.6 acres of roadways, bikeways, walkways and associated rights of way. Roadways include through streets, which will serve as the backbone of the Bridge District street grid, some of which have been designed to accommodate a proposed streetcar line and other public transit, and access street, which will break large blocks of development into smaller blocks intended to provide for pedestrian friendly mobility.

Five Year (2009-2014) Capital Improvement Program

The proposed initial development program for the area is based on the carrying capacity of the proposed infrastructure and is subject to market conditions. The program corresponds with current zoning, providing for a combination of residential, commercial and retail development as the market develops for each. As such, current visions and projections will change over time. Notwithstanding the need to integrate flexibility into the projections for the area, the City has some certainty with regard to financing infrastructure for initial implementation of the 2014 Plan, which financing includes proceeds of the Bonds.

This CIP focuses on constructing certain public backbone infrastructure and amenities necessary to support the 2014 Plan. Improvements include new or upgrade construction of streets, municipal utilities (i.e., water, sewer, and drainage), parks, and other associated infrastructure and amenities. The Facilities authorized to be financed by bonds of the District (including the Bonds) are a portion of these improvements. These improvements are intended to serve the sites adjacent to the improvements and to catalyze initial and future redevelopment of the Bridge District.

The five-year CIP is driven by an approximate $23 million grant awarded to the Bridge District as part of the state of California Proposition 1C funding program. This grant was secured by the commitment of 731 residential units (198 affordable) and approximately $28 million in local government and private infrastructure investments. The grant requires construction to be completed by certain dates. The grant is funded on an ongoing progress payment arrangement, which has already begun, and in the event certain construction components of the 731 units have not been completed by certain dates, the City is obligated to reimburse the State for grant moneys advanced. See "Current Conditions and the 2014 Plan" above. Proceeds of the Bonds will provide a portion of the five-year CIP funding to facilitate meeting the timing condition of the grant.

The following table summarizes the current five-year capital improvement program ("CIP") to implement the 2014 Plan.

City of West Sacramento
Bridge District Specific Plan
Capital Improvement Program Financing Summary for 2014 Plan

	Source of Funds						
Improvement	**Prop. IC**	**Prop. 50**	**Tax Increment**	**CFD 23**	**CFD 27**	**Other**	**Total**
Proposition 1C City Admin/Mgmt	$ 650,000	$ 0	$ 0	$0	$0	$ 0	**$ 650,000**
Transportation and Circulation							
Roadways and Sidewalks	12,035,000	0	2,212,000	285,000	5,253,021	2,883,200 (1)	**22,668,221**
Transit and Other Circulation	0	0	0	0	700,000	0	**700,000**
Total Transportation and Circulation	***12,035,000***	***0***	***2,212,000***	***285,000***	***5,953,021***	***2,883,200***	***23,368,221***
Municipal Utilities							
Water	860,800	0	75,000	215,200	0	5,000,000 (2)	**6,151,000**
Sanitary Sewer	3,957,000	0	0	357,000	0	0	**4,314,000**
Storm Drainage	1,895,200	0	100,000	373,800	2,000,000	0	**4,369,000**
Joint Trench	252,500	0	0	252,500	0	0	**505,000**
Total Municipal Utilities	***6,965,500***	***0***	***175,000***	***1,198,500***	***2,000,000***	***5,000,000***	***15,339,000***
Park and Other Public Spaces							
Riverfront Promenade	0	1,727,741	3,330,951	0	2,940,828	0	**7,999,520**
Neighborhood Parks	1,500,000	0	0	0	0	500,000 (3)	**2,000,000**
Total Parks and Public Spaces	***1,500,000***	***1,727,741***	***3,330,951***	***0***	***2,940,828***	***500,000***	***9,999,520***
TOTAL BACKBONE FACILITIES	**21,150,500**	**1,727,741**	**5,717,951**	**1,483,500**	**10,893,849**	**8,383,200**	**49,356,741**
Parking and Density Incentives	1,260,000	0	0	0	0	0	**1,260,000**
BACKBONE + SUPPLEMENTAL	**22,410,500**	**1,727,741**	**5,717,951**	**1,483,500**	**10,893,849**	**8,383,200**	**50,616,741**
Maximum Prop. 1C	**23,081,000**						

(1) Source is Traffic Impact Fee Fund; to be advanced by tax increment.
(2) Advanced by Water Enterprise Fund; to be repaid by CFD 27.
(3) Source is Park Impact Fee Fund.

The Implementation Strategy requires the city and property owners to perform a number of additional actions subsequent to the approval of the Specific Plan. These include, but are not limited to the following:

- Develop and adopt architectural guidelines and sustainability measures and seek appropriate LEED designations.

- Complete comprehensive parking ordinances and implementation of the structured parking financing program including in-lieu fees.

- Implement financing mechanisms including adoption of the street car financing, parking enterprise fund, community financing district and community services district.

- Complete right-of-way and park acquisitions and dedications, deed covenants and easements.

- Determine timing of west side rail relocation or creation of at-grade crossing for infrastructure improvements west of Fifth Street.
- Implement “urban” fees and standards including: 1) General Plan amendments for noise, light, residential density, heights and levels of service; 2) “density bank” processes; 3) design guidelines for Tower Bridge Gateway.

- Develop Bridge District Transportation Demand Management (TDM) plan.

Current Conditions and the 2014 Plan

The following table provides a development and investment summary for expected buildout, land status existing as of March 2009, and the 2014 Plan. At buildout the Bridge District is currently expected to have approximately 9.6 million square feet of development, roughly split between residential and commercial development. This development program will require an estimated $135 million in infrastructure and amenity improvements to be financed in part by the District. See “Five Year (2009-2014) Capital Improvement Plan” below.

City of West Sacramento
Bridge District Specific Plan
Buildout Expectations

Development Program	Expected Buildout (1)	March 2009 Condition (2)	2014 Plan (stand alone) (3)	2014 Condition	2015+ (remaining)
Total Net Building Land Area (sqft)	4,933,597	4,933,597	4,933,597	4,933,597	4,933,597
Developed Buildable Land Area (sqft)	4,933,597	366,200	1,003,600	1,369,800	3,563,797
Percent Developed	*100%*	*7%*	*20%*	*28%*	*72%*
Residential Units	4,000	196	731	927	3,073
Commercial Building Area (sqft)	5,599,989	131,000	35,000	166,000	5,433,989
Total Building Area	***9,599,989***	***366,200***	***912,200***	***1,278,400***	***8,321,589***
Effective Floor to Area Ratio	***1.95***	*1.00*	*0.91*	*0.93*	*2.34*
Investment (in 2009 dollars)					
Backbone Infrastructure & Amenities	$135,358,705	$0	$49,196,741	$49,196,741	$86,161,964
As percent of total	*100%*	*0%*	*36%*	*36%*	*64%*

(1) As defined in the Specific Plan; assumes an average if 1,000 square feet per residential unit.
(2) Includes approved residential units that are part of the Ironworks development (average size of 1,200 square feet). Raley Field is equivalent to 130,000 square feet of commercial building area. Does not include existing industrial and related uses that will ultimately be relocated.
(3) Assumes an average of 1,200 square feet per residential unit.

Currently, the Bridge District includes 187 approved residential units completed or under construction in the Iron Works project and the Raley Field ballpark (constituting 131,000 square feet of commercial space), none of which is in the District; the District comprises all of the Specific Plan area other than these two developments. Approximately $4 million of investment in pre-construction design, engineering and environmental documentation has been committed to backbone improvements for the area to date. The 2014 Plan includes 731 residential units and requires approximately $50.6 million in additional backbone and supplemental improvements, to be funded in part from proceeds of the Bonds and the State grant (conditioned upon construction of the 731 units, as described below). Residential development and facility improvements for the 2014 Plan are clustered in three locations which will serve as “bookends” for future infill development. Additional private development projects and facility investments are currently being evaluated for potential inclusion in the 2014 Plan or later plans.

The 731 Units and the State Grant Money. The approximate $50.6 million in backbone and supplemental improvements which comprise the 2014 Plan area, also referred to as “Phase I” of the Bridge District Specific Plan, are expected to commence development by fall of 2010. Such infrastructure is expected to be completed in 2012. The Bonds are being issued to generate proceeds which will be used to finance a portion of the cost of the $50.6 million of required infrastructure, the construction of which is time-sensitive due to conditions of the State grant requiring construction of portions of the 731 units by certain dates. Additional financing for the initial infrastructure will be provided by proceeds of an approximate $23 million grant from the State of California (Proposition 1C funding). The grant is funded on an ongoing progress payment arrangement, which has already begun, and in the event certain construction components of the 731 units have not been completed by certain dates, the City is obligated to reimburse the State for grant moneys advanced. The State grant requires that construction of an initial affordable-unit project be completed by September 2012, with certain other construction completed by September 2013 and the entire 731 units by September 2015. Legislation is pending to extend these dates. See “THE FACILITIES.”

In the event the grant money is required to be reimbursed, the Special Tax Formula provides a taxing mechanism to generate moneys for the reimbursement. In such case, the City would levy the State Reimbursement Land Special Tax on all undeveloped parcels until the amount of the disbursed grant is repaid. The State Reimbursement Land Special Tax is $1.10 per square foot. The base year maximum State Reimbursement Land Special Tax is $4,577,634. The special tax is increased by 2% each year. If all land remained undeveloped, the City estimates it would take approximately 5 years to repay the full amount of the grant. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Taxes" and " – Special Tax Methodology." Pursuant to the Rate and Method of Apportionment of the Special Tax, if the maximum repayment obligation exceeds that amount that, when added to the principal amount of all Bonds outstanding that are secured by an Annual Special Tax levied under the Act or by a special assessment on the property subject to the State Reimbursement Land Special Tax, equals one-third of the value of such property, then reduce the maximum repayment obligation to that amount. The property values used for this purpose may be based on either assessed valuations shown on the most recent equalized assessment roll of the County of an MAI fair market appraisal performed by an appraiser selected by the City and applying the standards and methods for appraisals in the City's Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act.

The 731 units are required to include 198 affordable units as an additional condition of the grant. The 731 units are to be built on land in the District and all except 70 affordable units will be subject the Special Tax. The current build-out plan for the 731 units is that Smart Growth Investors will develop 386 market rate units in the Pioneer neighborhood (portions of APNs 058-330-001, -002, -003, -005, -006, 058-350-005, -006) the Unger ownership is expected to develop 100 market rate units, Bridge Housing (not yet an owner) is likely (per an arrangement with the City not yet finalized) to develop 70 affordable units in the Pioneer neighborhood, and the City will seek a master developer for the remaining 175 units (118 affordable and subject to a Special Tax) referred to by the City as the "Delta Lane" project in the Tower neighborhood. The City has not yet released the intended request for proposals regarding this development. No plans for any of the 731 units have been submitted or approved by the City; the type of units are currently unknown and may include apartments as well as for-sale units. No timeline for construction is currently available; the City expects timing and development planning to come into focus as infrastructure development is proceeding and the mandated State deadlines become more certain. The following table names the ownership entities the City expects to develop the 731 units.

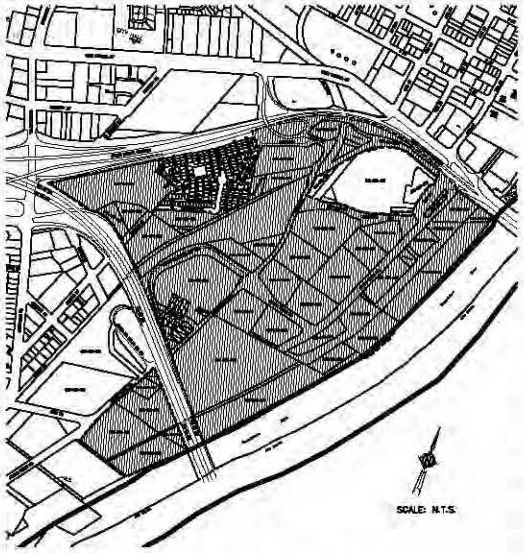
Ownership	**Number of Units**
Smart Growth Investors	386
Unger	100
Bridge Housing *	70
City (Select Developer per RFP process)	175
Total	**731**

* Not currently an owner, but Bridge has executed documentation to acquire the land for the 70 units by dedication from Smart Growth Investors; the development by Bridge will assist Smart Growth Investors meet its affordable housing requirements.

Beyond the 2014 Plan. After the 2014 Plan is implemented, the Bridge District is expected to have capacity for approximately 8.3 million square feet of remaining development and require $86 million in remaining backbone investments. The remaining development in the District is expected to be consistent with the Specific Plan, however few owners have submitted plans for development. Accordingly, the timing, extent and type of future development cannot be determined or accurately projected at this time. According to a current cash flow model prepared for the City, there will be approximately 2.3 million square foot of development by the time a second series of bonds for the District is required, which is currently projected to be in 2022. The 731 units are critical to the present initial infrastructure financing because of the matching State grant.

Maps

The maps on the following pages show the boundary of the District and the 2014 Plan area.



VICINITY MAP

SCALE: N.T.S.

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF WEST SACRAMENTO ON THIS_____OF_____, 200___.

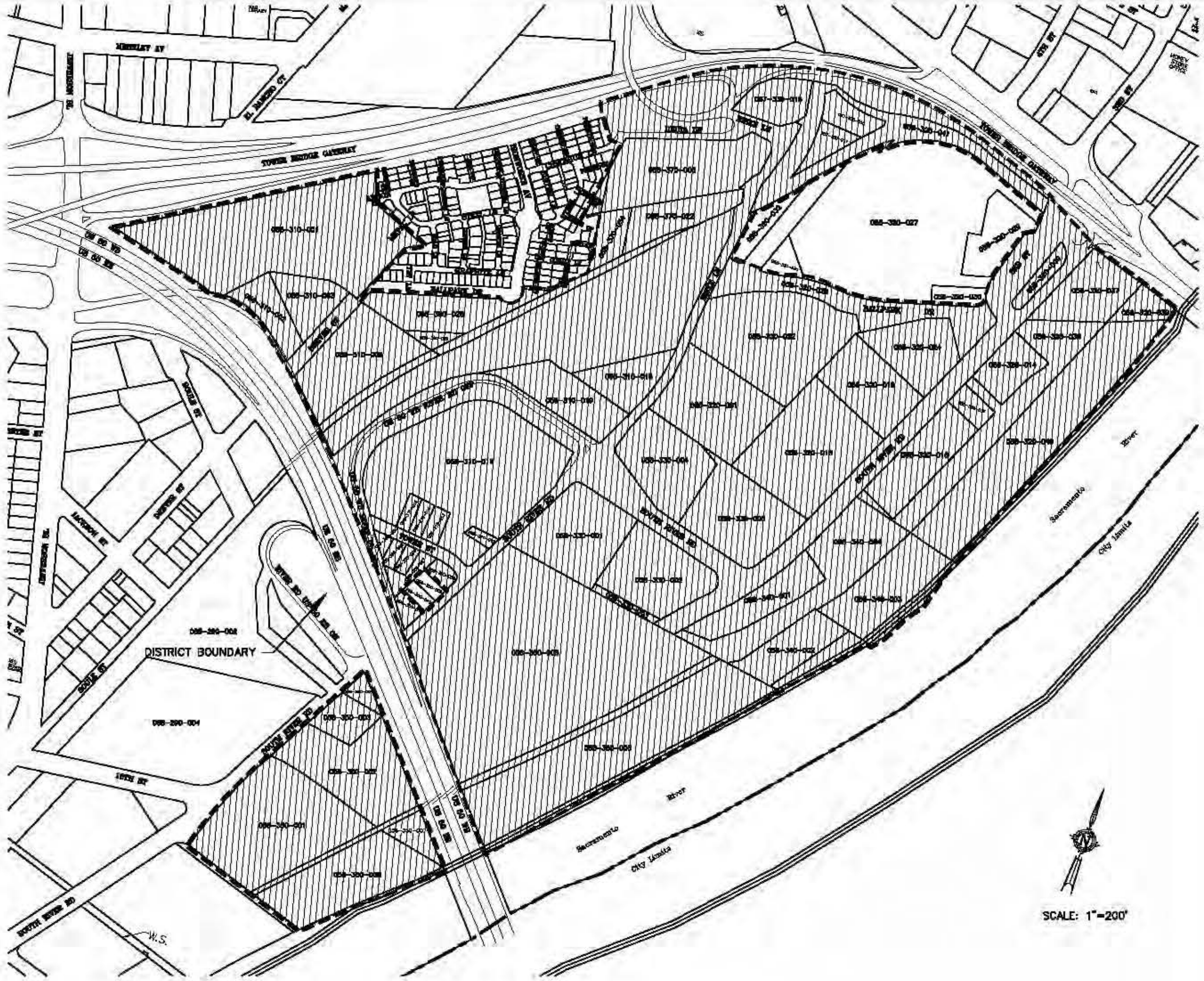
KRYSS RANKIN
CITY CLERK
CITY OF WEST SACRAMENTO

I HEREBY CERTIFY THAT THE WITHIN MAP WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO, AT A REGULAR MEETING THEREOF, HELD ON THE_____DAY OF_____, 200___, BY ITS RESOLUTION No._____.

KRYSS RANKIN
CITY CLERK
CITY OF WEST SACRAMENTO

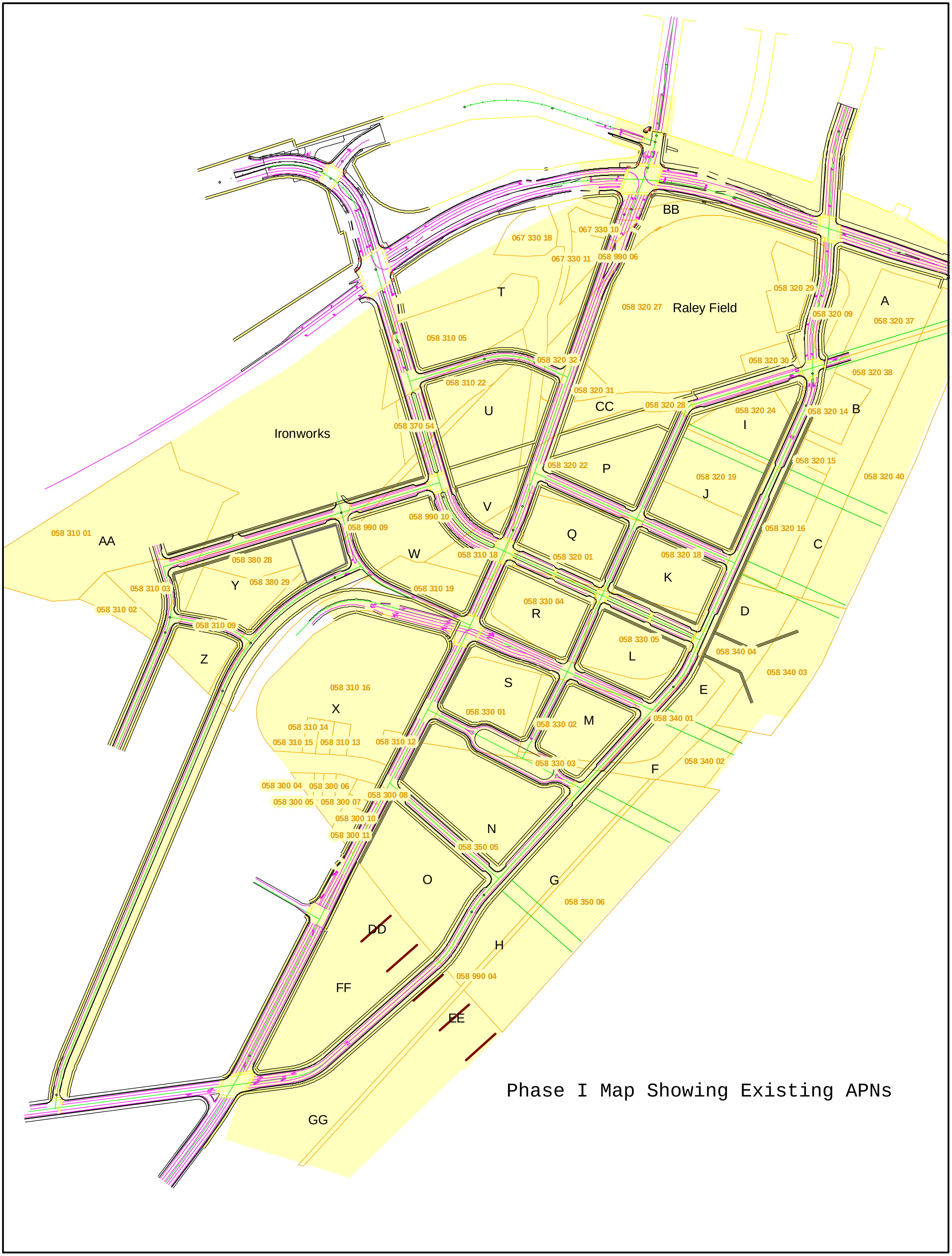
FILED THIS___DAY OF_____, 200___, AT THE HOUR OF ___O'CLOCK ___M., IN BOOK___AT PAGE____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF YOLO, STATE OF CALIFORNIA.

FREDDIE OAKLEY
COUNTY RECORDER
COUNTY OF YOLO

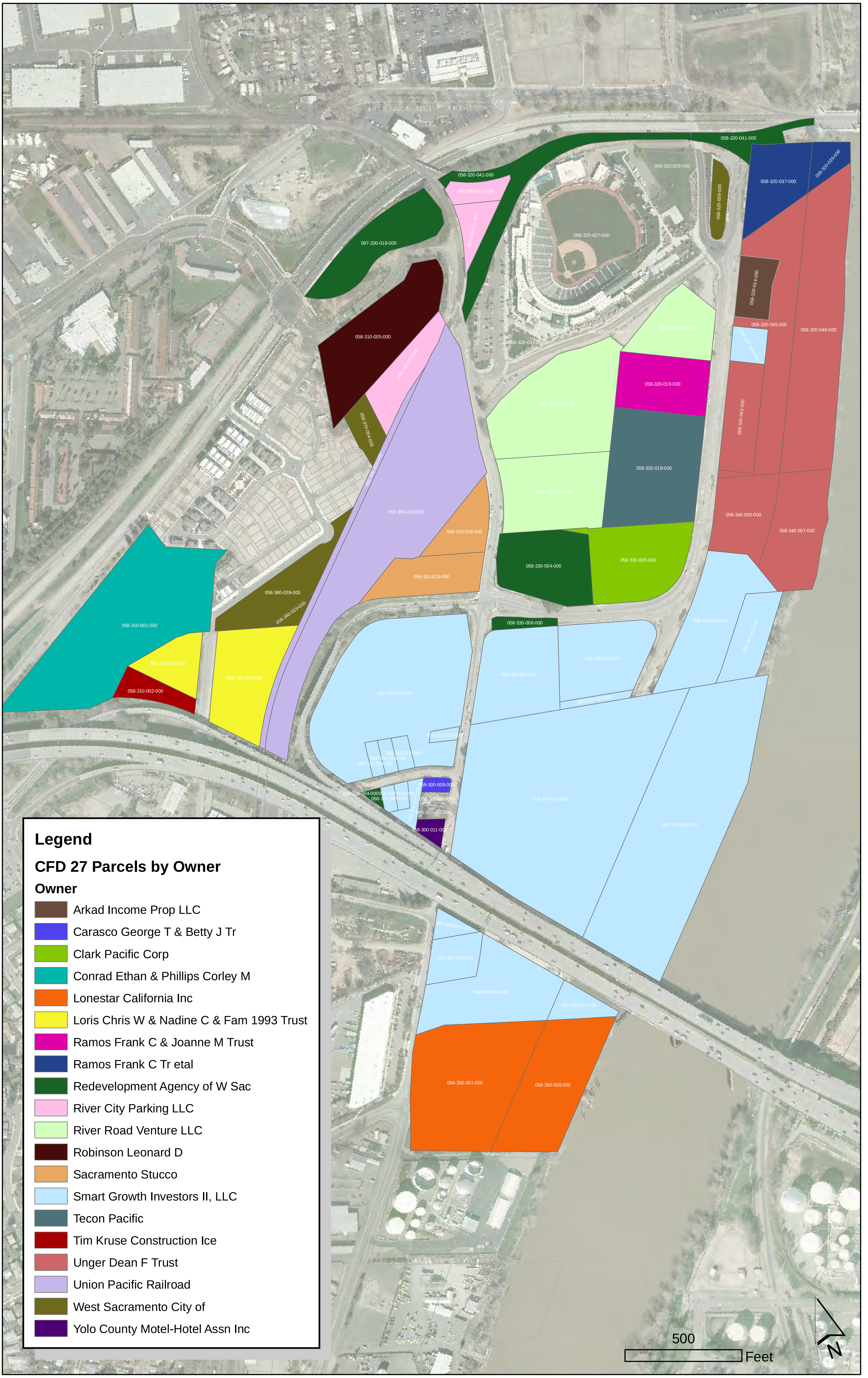


**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT No. 27
CITY OF WEST SACRAMENTO,
COUNTY OF YOLO
STATE OF CALIFORNIA**

SHEET 1 OF 1



Phase I Map Showing Existing APNs



Legend
CFD 27 Parcels by Owner
Owner
Arkad Income Prop LLC
Carasco George T & Betty J Tr
Clark Pacific Corp
Conrad Ethan & Phillips Corley M
Lonestar California Inc
Loris Chris W & Nadine C & Fam 1993 Trust
Ramos Frank C & Joanne M Trust
Ramos Frank C Tr etal
Redevelopment Agency of W Sac
River City Parking LLC
River Road Venture LLC
Robinson Leonard D
Sacramento Stucco
Smart Growth Investors II, LLC
Tecon Pacific
Tim Kruse Construction Ice
Unger Dean F Trust
Union Pacific Railroad
West Sacramento City of
Yolo County Motel-Hotel Assn Inc
500
Feet
N

Flood and Earthquake Zone

Flood. The City is bordered by the Sacramento River and lies within the natural flood plain of the river and is therefore dependent upon a levee system and wetlands area for flood protection. The flood control system consists of levees and the Yolo and Sacramento Bypasses, which divert water flood flows around the City to the west. The City reports that the Bridge District is considered a high ground area that makes it less likely to feel the impacts of a City-wide flood event.

The Sacramento River Flood Control Project, authorized by the Flood Control Act of 1917, was established to build the levee system, although many of its levees had been constructed by local interests prior to its enactment and were subsequently upgraded and incorporated into the project. The levees of the Sacramento River Flood Control System protect an estimated 1.7 million people of which more than 330,000 are protected by the approximately 110 miles of the system located in the Sacramento urban areas. Until recently it was the belief of the City that the levee system along these waterways met and exceeded the level of protection necessary to protect the City from at least a 200-year flood. However, a recent change in FEMA flood standards has caused FEMA to reevaluate its previous designations of flood protection to cities along the Sacramento River Delta. See "RISK FACTORS – Levees and Flood Risk" regarding certain risks related to the potential failure of levees in the area or reclassification of flood protection designations.

Based on recently completed preliminary levee evaluation studies initiated by the West Sacramento Area Flood Control Agency ("WSAFCA") and the City, evidence exists that the levee system surrounding the City currently does not provide the minimum level (100-year) of flood protection, required by FEMA. A designation by FEMA of sub 100-year flood protection would impact the City in two ways:

- First, property owners in the City would be required to purchase mandatory flood insurance at higher rates than the current preferred rates.

- Second, a sub 100-year flood protection would impact new development. If FEMA designates the City as an AE zone, finished floor elevations would be required to be at or above the flood level, which for much of West Sacramento would mean floor elevations of about 15 feet, however the Bridge District is higher ground and the impact would be less- estimated to be about 2 feet. If FEMA designates West Sacramento as an AR zone, finished floor elevations would be required to be 3 feet above the ground in most of the City (less within the Bridge District), which would likely impact feasibility but not necessarily preclude development from occurring.

A series of levee improvements are needed to provide a level of flood protection to the City consistent with FEMA requirements to protect the community from a 100-year flood and meet the City's standards of protecting the community from a minimum 200-year flood event. The City through its membership in the West Sacramento Area Flood Control Agency has participated in a program to finance levee upgrades through assessment districts formed in 1995 and 2007 to fund the local cost share of the West Sacramento Project, which is part of the federal Sacramento Metro Area project for flood control authorized by the Water Resources Development Act (WRDA) of 1992. The 1995 assessments were superceded by the 2007 assessments and in 2008 WSAFCA issued $10 million of bonds secured by the 2007 assessments, which assessment amounts are allowed to increase by up to 2% each year. All of the parcels in the City, totaling approximately 15,600 parcels, are subject to the 2007 assessments. WSAFCA may, and expects to, issue additional bonds secured by the 2007 assessments having parity with the lien of the WSAFCA bonds. See "Overlapping Debt and Priority of Lien."

Seismic. According to the Seismic Safety Commission, land within the District is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California. Zone 4 is assigned to areas of major faults. Zone 3 is assigned to areas with more moderate seismic activity. In addition, the land is not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology. Earthquake faults are prevalent in northern California and no assurance can be given that such designation is an indication that land within the District is not subject to the possibility of substantial damage in the event of an earthquake.

Environmental Approvals

The Specific plan and the West Sacramento Triangle Specific Plan Environmental Impact Report ("**EIR**") provide the basic authority for the development of 7 million square feet of commercial space and 5,000 dwelling units within the Bridge District upon satisfaction of the requirements set forth in the Specific Plan, without further environmental review. The final EIR for the Specific Plan was certified by the City Council and Planning Commission on June 17th and 30th, 1993. The approval of the EIR eliminated the need to prepare multiple specific plans, each with its own EIR, so long as the sub-area planning requirements of the Specific Plan have been satisfied. Accordingly, these environmental approvals support the subsequent subdivision of the land within the District and development of the land uses thereon as contemplated by the City and landowners within the District.

THE FACILITIES

The District has been formed to finance infrastructure improvements necessary for new development within the District to proceed. Authorized facilities are divided into three categories: (i) regional facilities are authorized facilities eligible for funding from the Regional One Time Special Tax; (ii) Bridge District Facilities are facilities eligible for funding from the Annual Special Tax, Bridge District One Time Special Tax, and the Public Agency Acquisition One Time Special Tax; and (ii) Other Expenses of the Community Facilities District. The Bonds are issued upon and secured only by the special taxes authorized to be collected as the "Land Special Tax" and "Developed Special Tax" (including Supplemental Special Tax) components of the "Annual Special Tax", and exclude the "Bridge District One Time Special Tax" and the Public Agency Acquisition One Time Special Tax, as well as the State Reimbursement Land Special Tax (all as defined in the Special Tax Formula). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Taxes."

These authorized facilities for the District are as follows:

Regional Facilities. Authorized Regional Facilities include eligible facilities under the following City of West Sacramento Development Impact Fee programs, as amended:

- Child Care Impact Fee.
- City Hall Facilities Development Fee.
- Corporation Yard Facilities Development Fee.

- Fire Facilities Development Fee.
- Police Facilities Development Fee.
- Water Impact Fees (Connection Fees).
- Sewer Impact Fees (Connection Fees)—Citywide.
- Bridge District Facilities
- Roadway Improvements

Bridge District Facilities. *Roadway Facilities.* Authorized facilities include roadway related improvements necessary to meet the needs of development within the Bridge District as identified in the Bridge District Specific Plan: Eligible roadway improvements include, but are not be limited to: purchase of right of way; roadway design; project management; bridge crossings; clearing and grubbing; grading and paving; joint trenches and underground utilities; curbs, gutters and sidewalks; medians; street lights and signalization; bus turnouts; signs and striping; erosion control; median and parkway landscaping; entry features and monuments; and other improvements related thereto.

Transit Improvements. Authorized facilities include any and all transit improvements, facilities and equipment necessary to meet the needs of development within the Bridge District.

Authorized facilities for the streetcar systems include the following equipment and improvements: purchase of right of way; streetcars; streetcar tracks; streetcar loading/unloading platforms; streetcar electrical and mechanical equipment; all other equipment and facilities necessary for the construction of the streetcar system or similar type of transit system. Authorized facilities for streetcar can include any of the above listed improvements should they be part of a streetcar, trolley, light rail, or other type of transit system.

Authorized facilities for bus transit include the following equipment and improvements: right of way acquisition; buses; bus shelters; signage; and all other required equipment, facilities and improvements.

Additional authorized facilities for transit include facilities identified in a transit management plan for development within the Bridge District.

Water System Improvements. Authorized facilities include any and all water facilities designed to meet the needs of development within the Bridge District. These facilities include, but may not be limited to: purchase of right of way, water storage tanks, pump stations, water distribution facilities including waterlines and appurtenances, gate valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto.

Drainage System Improvements. Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development within Bridge District. These facilities include, but may not be limited to: purchase of right of way; pipelines and appurtenances, temporary drainage facilities, detention/retention basins; water quality basins; drainage pretreatment facilities; pump stations; and other improvements related thereto.

Wastewater System Improvements. Authorized facilities include any and all wastewater facilities designed to meet the needs of development within the Bridge District. These facilities include, but may not be limited to: purchase of right of way; pipelines and appurtenances; manholes; tie-ins to existing interceptor and collection lines; and other improvements related thereto.

Park Improvements. Authorized facilities include any and all improvements to parks and parkland acquisition designed to meet the needs of development located within the Bridge District. Park Improvements include Neighborhood Park Improvements, Distributed Neighborhood Recreational Elements, and Civic Corridors as defined and identified in the Bridge District Specific Plan, as amended.

Riverfront Improvements. Authorized facilities include all land acquisition and improvements to Riverwalk Promenade and Plaza located within the Bridge District. Authorized Riverfront Improvements include: purchase of Promenade right of way, purchase of Plaza and Pavilion land; interim pathways; interim Main Street Plaza patio construction; Main Street Plaza improvements, restrooms, flood engineering, flood improvements, rip rap and levee toe improvements; Promenade flat work, landscaping, monuments, signage and interpretive features; Promenade equipment and furnishings; lookout piers; park amenities (including tot lots, bocce ball, picnic tables, etc), floating piers and gangways, and/or other features as identified as part of the design of the Riverfront Improvements.

Other Public Improvements Serving the Bridge District. Authorized facilities include reimbursements to the City or Bridge District third party landowners for costs incurred in constructing the District authorized facilities serving the needs of the Bridge District.

Authorized facilities include reimbursements to the State of California or Bridge District third party landowners of Proposition 1C – Housing and Emergency Shelter Trust Fund Act of 2006 grant funds (spent on authorized CFD 27 facilities) that must be repaid in the event the required housing units were not constructed as required by the State.

Authorized facilities include reimbursement to the West Sacramento Redevelopment Agency for tax increment revenues generated outside of the Bridge District but used for Authorized Facilities benefiting the Bridge District.

Authorized facilities include relocation of the rail lines within the Bridge District.

Other Expenses of the District. In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation and environmental remediation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the creation of the Mello-Roos CFD; issuance of bonds; determination of the amount of taxes, collection of taxes; payment of taxes; or costs otherwise incurred in order to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities serving the Bridge District; and any other expenses incidental to the formation and implementation of the CFD and to the construction, completion, inspection and acquisition of the authorized facilities.

The City expects to use proceeds of the Bonds primarily to finance a portion of the cost of the Phase I infrastructure as described under the caption "THE DISTRICT – Five Year (2009-2014 Capital Improvement Program" above. The estimated total cost of such infrastructure is approximately $50 million. In addition to Bond proceeds, the City was awarded a grant for financing of Bridge District infrastructure from the Proposition 1C Infill Incentive, which was approved by California voters in 2006. The amount of grant money from the Proposition 1C Infill Incentive is approximately $23 million. See "Current Conditions and the 2014 Plan" above. The remainder of the approximate $50 million cost will be paid from other available moneys of the City.

OWNERSHIP AND VALUE OF PROPERTY WITHIN THE DISTRICT

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance that the present single owner or any subsequent owners have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bondowner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Land in the District is presently comprised of 60 parcels subject to the Special Tax. The City owns 5 parcels totaling 6.90 acres, which collectively comprise 0.50 acre of taxable land area and the City's redevelopment agency owns 5 parcels totaling 15.20 acres, which collectively comprise 9.29 acres of taxable land area. Additionally, the Union Pacific Railroad owns 2 parcels totaling 12.91 acres, which collectively comprise 8.32 acres of taxable land area.

None of the owners of any parcels in the District have approved development plans from the City. Development in the District will be allowed according to the Specific Plan upon processing and approval by the City of proposals submitted by owners or developers. No assurance can be given at this time as to the timing or extent of development in the District, except that the City expects the 731 residential units described under the caption "THE DISTRICT" above to be completed as required to meet the conditions of the State grant of a portion of the infrastructure funding required for initial development in the District to occur.

Several of the parcels in the District are improved with asphalt paving and light industrial buildings judged to be near the end of their economic lives. Additionally, the buildings will be demolished in the preliminary stages of site development. According to the Appraisal, the value of the land as vacant exceeds the value of the properties as currently improved. Thus, the existing improvements are not considered to add any contributory value to the properties as a whole. Furthermore, demolition costs are nominal and would be a part of overall site development.

The following table summarizes property ownership interests in the District. Property controlled by one owner is associated with 41.48% of the Special Tax allocation and no other owner is associated with greater than 10%.

City of West Sacramento
CFD No. 27 (Bridge District)
Effective Land Special Tax and Allocation of Special Tax and Bonds

Owner	Number of Parcels	Taxable Land Area (Acres)	Effective Annual Land Special Tax [1]	% of Total Special Tax	Allocable Share of Bonds
Arkad Income Prop LLC	1	0.92	$9,340	0.95%	$120,462
Carasco, George T. & Betty J. Tr.	1	0.15	1,538	0.16	19,835
Clark-Pacific Corp / Tecon Pacific	2	4.78	48,224	4.92	621,964
Conrad, Ethan & Phillips, Corley M. Tr.	1	7.50	75,701	7.72	976,349
Lonestar California Inc.	2	5.30	53,542	5.46	690,545
Loris, Chris W. & Nadine C. & Fam. 1993 Tr.	2	3.46	34,952	3.56	450,786
Ramos, Frank C. et al.	3	3.26	32,988	3.36	425,464
Redevelopment Agency of W. Sac.	5	8.98	90,733	9.25	1,170,219
River City Parking LLC	3	2.23	22,560	2.30	290,967
River Road Venture LLC [2]	3	5.89	59,523	6.07	767,687
Robinson, Leonard D.	1	2.91	29,355	2.99	378,615
Sacramento Stucco	2	1.67	16,826	1.72	217,006
Smart Growth Investors II Inc. [2]	20	33.44	337,682	34.44	4,355,209
Tim Kruse Construction Inc.	1	0.73	7,391	0.75	95,320
Unger, Dean F. Tr.	5	6.83	68,930	7.03	889,025
Union Pacific Railroad	2	8.32	84,029	8.57	1,083,748
West Sacramento, City of	5	0.50	5,075	0.52	65,453
Yolo Co. Motel-Hotel Assn. Inc.	1	0.20	2,043	0.21	26,347
Total	**60**	**97.09**	**$980,431**	**100.00%**	**$12,645,000**

(1) Source: EPS.
(2) Part of the "Fulcrum" ownership, as described herein.

"Fulcrum" Ownership (Smart Growth Investors II Inc. and River Road Venture LLC). The parcels in the "Fulcrum" ownership (Smart Growth Investors II Inc. and River Road Venture LLC) are mostly owned by the Friedman family and various affiliated entities and are being developed by Fulcrum Property, a California Corporation. The Fulcrum ownership affiliates expect to build 386 of the 731 residential units planned for Phase I. No development plans have been created for the 386 units or any other property under the Fulcrum ownership. See "THE DISTRICT – Current Conditions and the 2014 Plan" above.

Fulcrum Property and its sister companies are owned and controlled by the Friedman family and have become leaders in the design and development of successful, community-oriented projects. Fulcrum Property Corporation is a commercial real estate investment firm engaged in the acquisition, redevelopment and management of anchored shopping centers, office buildings and mixed use developments. Fulcrum Management Group manages or co-manages over 2.5 million square feet of Northern California shopping centers, including Arden Fair Mall, Rocky Ridge Town Center, Market Square, Washington Square & Davis Commons, and over 800,000 square feet of office building space. Fulcrum Property attributes its success to careful site selection, excellent design and the correct mix of tenants. Fulcrum Property's attention to these details has resulted in numerous industry awards, including the International Council of Shopping Centers Design Award for Best Center Renovation in 1991 (Arden Fair Mall) and 1996 (Market Square @ Arden Fair) and Best New Center in 1997 (Rocky Ridge Town Center). Rocky Ridge also received the Gold Nugget, Award of Merit in 1997.

The Appraisal

General. Seevers Jordan Ziegenmeyer, Rocklin, California (the "**Appraiser**") prepared an appraisal report dated June 22, 2010, with a date of value of June 7, 2010. The Appraisal report (the "**Appraisal**") was prepared at the request of the City.

The Appraisal is set forth in APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The complete Appraisal is on file with the City and is available for public inspection at the City offices at 1100 West Capitol Avenue, West Sacramento, California 95691 or from the Underwriter during the initial marketing period. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications which are set forth in the Appraisal.

Value Estimates. The Appraisal valued the cumulative value (based on ownership) of the fee simple estate of the taxable property in the District to estimate the hypothetical (in light of the fact that the improvements financed by the Bonds and other monies were not in place as of the date of valuation) market value of the property, assuming completion of the improvements to be financed by the Bonds, as well as public infrastructure, facilities and fees (if any) to be financed by a grant from the State of California Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which the Appraisal indicates is approximately $50.6 million. The valuation accounts for the impact of the lien of the Special Tax and represents the market value of all the land in the District, subject to the hypothetical condition all public infrastructure, facilities and fees (if any) to be financed by the City of West Sacramento Community Facilities District No. 27 Bonds and other sources are in place. The properties appraised exclude property in the District designated for public and quasi public purposes not subject to the lien of the Special Tax securing the Bonds. The following estimates represent the hypothetical market values, in accordance with the definitions, certifications, assumptions and significant factors set forth in the Appraisal, as of June 7, 2010, for each ownership entity, as well as the cumulative, or aggregate, value of the District, which is not equivalent to the market value of the District, which is shown as follows:

Ownership	Conclusion of Market Value*
Arkad Income Properties	$2,420,000
Carasco George T & Betty J Tr.	400,000
Clark-Pacific Corp	3,800,000
Conrad Ethan & Phillips Corley M Tr.	9,800,000
Lonestar California Inc.	6,930,000
Loris Chris W & Nadine C & Fam 1993 Tr.	4,520,000
Ramos Frank C. & Joanne M Tr.	3,380,000
Ramos Frank C et al	3,730,000
Redevelopment Agency of W. Sac.	13,630,000
River City Parking LLC	5,240,000
Robinson Leonard D	6,330,000
Sacramento Stucco	3,630,000
Yolo Co Motel-Hotel Assn Inc.	530,000
Smart Growth Investors II Inc.	31,900,000
River Road Venture LLC	5,630,000
Tecon Pacific	6,600,000
Tim Kruse Construction Inc.	1,910,000
Unger Dean F Tr.	18,580,000
Union Pacific Railroad	10,870,000
West Sacramento City Of	1,310,000
Cumulative (Aggregate) Value	$141,140,000

* Assuming Completion of Phase I Infrastructure.

The appraisal methodology used in the Appraisal is based on the sales comparison approach to estimate the value for the various land components. The aggregate value of Smart growth Investors II Inc. and River Road Venture LLC, which are held by related entities, was then integrated into a discounted cash flow analysis. The approaches to value were conducted as set forth below. See also "Assumptions and Limiting Conditions" below.

Hypothetical Condition. The improvements to be financed by the Bonds were not in place as of the date of inspection; thus, the estimate of market value assumes the completion of the public infrastructure improvements to be financed by the West Sacramento Community Facilities District No. 27 bond issuance. In addition, as requested and authorized, the valuation estimate also considers the completion of public infrastructure, facilities and fees (if any) to be financed by a grant from State of California Proposition 1C Infill Housing Program (estimated by the Appraiser to be approximately $23 million) and other grant monies, the total of which is approximately $50.6 million. According to the City of West Sacramento, no additional equity contributions will be required from the property owners for infrastructure improvements beyond the obligation to pay the Special Tax securing the bonds associated with West Sacramento Community Facilities District No. 27, with the exception of an obligation to construct 731 housing units by 2014 to fulfill the requirements of the State of California Proposition 1C Infill Housing Program grant. The estimate of value also accounts for the impact of the lien of the Special Tax securing the Bonds. The value estimate is subject to a hypothetical condition, defined by USPAP as "that which is contrary to what exists but is supposed for the purposes of analysis." It is a hypothetical condition in light of the fact the construction of the proposed infrastructure and facilities has not yet commenced.

Aggregate Value. The retail value for the property represents estimates of what an end user would pay for a property under conditions requisite to a fair sale. The aggregate retail value is the sum of the market values for the applicable property groupings. This value estimate excludes all allowances for carrying costs and is not equal to the market value of all the subject properties.

Market Value, Bulk Value. The bulk sale value represents the most probable price, in a sale of certain parcels within District, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value. The discounted value of the property represents the market value of a property in the District.

Assumptions and Limiting Conditions. In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, some of which include the following. See "APPENDIX B – THE APPRAISAL."

- The value estimates assume the completion of the public facilities to be financed by the Bonds, but not any Additional Bonds. See "THE IMPROVEMENTS."

- The Appraiser has also assumed that there is no hazardous material on or in the property that would cause a loss in value. Should future conditions and events reduce the level of permitted development or delay the completion of any projected development, the value of the undeveloped land would likely be reduced from that estimated by the Appraiser. See "APPENDIX B — THE APPRAISAL" hereto for a description of certain assumptions made by the Appraiser. Accordingly, because the Appraiser arrived at an estimate of current market value based upon certain assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

- The Appraiser has also assumed issues surrounding on-going levee repairs and maintenance will not impact the development of the subject properties. See "APPENDIX B — THE APPRAISAL" hereto for a description of certain assumptions made by the Appraiser.

Limitations of Appraisal Valuation. Economic and other factors beyond the property owners' control, such as economic recession, deflation of land values, acts of terrorism, or the complete or partial destruction of taxable property caused by, among other possibilities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the District. See "SPECIAL RISK FACTORS – Property Values." Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel.

Special taxes are levied on each parcel within the District and only the respective individual parcel is responsible for such Special Taxes. No assurance can be given that the foregoing valuation estimate can or will be maintained during the period of time that the Bonds are outstanding in that the City has no control over the market value of the property within the District or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See "Overlapping Liens and Priority of Lien" below.

For a description of certain risks that might affect the assumptions made in the Appraisal, see "SPECIAL RISK FACTORS" herein.

Value to Lien Ratios

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of a special tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent special tax. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Covenant to Commence Superior Court Foreclosure" and "BONDOWNERS' RISKS - Bankruptcy and Foreclosure." Reductions in District property values due to a downturn in the economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of the Special Taxes.

The Appraisal sets forth the hypothetical value, assuming completion of all Phase I infrastructure and subject to the Special Tax lien, of all taxable property within the District to be $141,140,000 subject to the limiting conditions stated therein. (See "The Appraisal" above and Appendix B hereto.) The principal amount of the Bonds is $12,645,000. Consequently, such estimated value, subject to the Special Tax lien, of the real property within the District, is approximately 11.2 times the principal amount of the Bonds and 7.3 times the principal amount of the Bonds and the bonds related to CFD 23.

Parcels in the District are subject to an additional lien of special taxes of the City's Community Facilities District No. 23 (Triangle Area) (**"CFD 23"**) which special taxes provide payment for Special Tax Bonds issued in July 2007 in the original principal amount of $7,000,000 and are currently outstanding in the amount of $6,804,050. The maximum bond authorization for CFD 23 is $7,000,000 and no additional bonds for CFD 23 are allowed to be issued. See "Overlapping Liens and Priority of Lien" below. CFD 23 was formed and bonds were issued to facilitate the costs necessarily incurred to remove a portion of railroad tracks located within the CFD 23 area, the presence of which complicated the development process of the land.

In comparing the aggregate estimated value of the real property within the District shown in the Appraisal and the principal amount of the Bonds, it should be noted that only the Assessor's parcel of real property upon which there is a delinquent special tax can be foreclosed upon. All of the real property within the District cannot be foreclosed upon as a whole to pay delinquent special taxes of a given period. Individual parcels may be foreclosed upon to pay delinquent special taxes levied against such parcels only. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR."

The principal amount of the Bonds will not be allocated pro-rata among the parcels within the District; rather, the annual special taxes for the District will be billed annually for each parcel within the District. Upon sale of parcels, the buyer typically acquires the property subject to the unpaid portion of any special taxes and assessments levied against the parcel purchased. Special taxes and assessments are not required to be removed from the property and are not required to be, but may be, paid off in full upon transfer of property or upon development of the property.

The Appraisal also sets forth the estimated bulk sale discounted value, subject to the Special Tax lien, of all taxable property within the District held by each ownership entity. Using an allocation of the principal amount of the Bonds to each ownership entity based on the effective land Special Tax, the estimated value to lien ratio by ownership is shown below.

City of West Sacramento
CFD No. 27 (Bridge District)
Effective Land Special Tax, Appraised Value & Value-to-Debt Ratio

Owner	Share of CFD 27 Debt	Share of CFD 23 Debt (1)	Total CFD Debt	Appraised Value (2)	Value-to-Debt Ratio
Arkad Income Prop LLC	$120,462	$152,595	$273,057	$2,420,000	8.9 : 1
Carasco, George T. & Betty J. Tr.	19,835	10,813	30,648	400,000	13.1 : 1
Clark-Pacific Corp	227,440	0	227,440	3,800,000	16.7 : 1
Conrad, Ethan & Phillips, Corley M. Tr.	976,349	312,828	1,289,177	9,800,000	7.6 : 1
Lonestar California Inc.	690,545	0	690,545	6,930,000	10.0 : 1
Loris, Chris W. & Nadine C. & Fam. 1993 Tr.	450,786	150,132	600,918	4,520,000	7.5 : 1
Ramos, Frank C. et al.	425,464	274,506	699,970	7,110,000	10.2 : 1
Redevelopment Agency of W. Sac.	1,170,219	147,556	1,317,775	13,630,000	10.3 : 1
River City Parking LLC	290,967	41,372	332,339	5,240,000	15.8 : 1
River Road Venture LLC (3)	767,687	466,373	1,234,060	5,630,000	4.6 : 1
Robinson, Leonard D.	378,615	136,302	514,917	6,330,000	12.3 : 1
Sacramento Stucco	217,006	150,384	367,390	3,630,000	9.9 : 1
Smart Growth Investors II Inc. (3)	4,355,209	2,527,482	6,882,691	31,900,000	4.6 : 1
Tecon Pacific	394,523	0	394,523	6,600,000	16.7 : 1
Tim Kruse Construction Inc.	95,320	32,896	128,216	1,910,000	14.9 : 1
Unger, Dean F. Tr.	889,025	1,594,245	2,483,270	18,580,000	7.5 : 1
Union Pacific Railroad	1,083,748	745,680	1,829,428	10,870,000	5.9 : 1
West Sacramento, City of	65,453	43,668	109,121	1,310,000	12.0 : 1
Yolo Co. Motel-Hotel Assn. Inc.	26,347	17,218	43,565	530,000	12.2 : 1
TOTAL	**$12,645,000**	**$6,804,050**	**$19,449,050**	**$141,140,000**	**7.3 : 1**

(1) Source: EPS.
(2) Source: Seevers, Jordan, Ziegenmeyer, appraisal dated 6/22/10.
(3) Part of the "Fulcrum" ownership, as described herein.

See also “Overlapping Liens and Priority of Lien” below.

Overlapping Liens and Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

CFD 23 and West Sacramento Area Flood Control Agency Bonds. Most parcels in the District are subject to an additional lien of special taxes of the City's Community Facilities District No. 23 (Triangle Area) which special taxes provide payment for Special Tax Bonds issued in July 2007 in the original principal amount of $7,000,000. Additionally, all of the parcels in the District are subject to the lien of an assessment for flood control services and bonds issued by the West Sacramento Area Flood Control Agency in 2008 in the original principal amount of $10,000,000. The maximum bond authorization for CFD 23 is $7,000,000 and no additional bonds are allowed to be issued. WSAFCA expects to issue additional bonds secured by the assessments presently securing its bonds; the assessment amounts are allowed to increase by up to 2% each year.

Overlapping Bonded Debt Table. Set forth below is an overlapping debt table showing the existing authorized indebtedness payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The City has not reviewed the data for completeness or accuracy and makes no representations in connection therewith.

City of West Sacramento
CFD No. 27 (Bridge District)
Summary of Overlapping Debt
As of July 6, 2010

2009-10 Local Secured Assessed Valuation: $42,050,179

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 7/1/10	
Los Rios Community College District	0.028%	$ 55,948	
Washington Unified School District	0.756	495,020	
City of West Sacramento Community Facilities District No. 23	-	-	(1)
City of West Sacramento Community Facilities District No. 27	**100.**	**-**	(2)
West Sacramento Area Flood Control Agency (Estimate)	0.755	74,292	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$625,260	

OVERLAPPING GENERAL FUND DEBT:	% Applicable (3)	Debt 7/1/10	
Yolo County Certificates of Participation	0.085%	$ 3,047	
Yolo County Board of Education Certificates of Participation	0.085	6,361	
Los Rios Community College District Certificates of Participation	0.010	651	
Washington Unified School District Certificates of Participation	0.419	296,003	
City of West Sacramento General Fund Obligations	0.418	113,893	
TOTAL OVERLAPPING GENERAL FUND DEBT		$419,955	
COMBINED TOTAL DEBT		$1,045,215	(4)

(1) Overlapping debt information to be provided by Economic and Planning Systems (EPS).
(2) Excludes Mello-Roos Act bonds to be sold.
(3) Based on redevelopment adjusted assessed valuation of $14,315,611.
(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2009-10 Local Secured Assessed Valuation:
Direct Debt .... -%
Total Direct and Overlapping Tax and Assessment Debt.................... 1.49%
Combined Total Debt.................................... 2.49%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: $0

Private liens may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

Property Tax Status

The County operates what is commonly referred to as the “Teeter Plan” with respect to property tax collection and disbursement procedures. The plan provides an alternative method of apportioning secured taxes whereby the District is eligible to annually receive from the County 100% of the Special Taxes levied. The Special Taxes are expected to be collected pursuant to the Teeter Plan procedures, however the County may elect to discontinue the Teeter Plan at any time. So long as the plan is in effect and certain requirements are met, the City is eligible to receive 100% of the annual Special Taxes levied on the County tax roll without regard to actual collections. For information on foreclosing to collect delinquent Special Taxes, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Covenant to Commence Superior Court Foreclosure"

SPECIAL RISK FACTORS

Property Values

A land value determined by a county assessor or an appraiser is an opinion with respect to the market value, and is generally based upon a sales comparison approach, which determines the value of the subject property by comparing it to sales of comparable property, adjusted for differences between the subject and the comparable property. No assurance can be given that if a parcel with delinquent special taxes is foreclosed, any bid will be received for such property or, if a bid is received, that such bid will be equal to the value determined by the county assessor or an appraiser, or that it will be sufficient to pay delinquent special taxes.

Natural Disasters**.** The value of the parcels in the District in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in the District and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding the District, like those in much of California, may be subject to earthquakes or other unpredictable seismic activity, however, the District is not located in a seismic special studies zone.

Other natural disasters could include, without limitation, landslides, floods, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the parcels may well depreciate.

Legal Requirements**.** Other events that may affect the value of a parcel include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures. Final development in the District may also be adversely affected by the application of laws protecting endangered or threatened species.

Hazardous Substances**.** Any discovery of a hazardous substance detected on property within the District would affect the marketability and the value of some or all of the property in the District. In that event, the owners and operators of a parcel within the District may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws. California laws with regard to hazardous substances are also applicable to property within the District and are as stringent as the federal laws. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels be contaminated by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within the District resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel within the District that is realizable upon a foreclosure sale.

Current Market Conditions Increasing Risk of Mortgage Default

During calendar years 2003 and into 2008, many persons financed the purchase of new homes using mortgage loans that featured adjustable interest rates and “creative” loan structures, such as interest only payments, negative amortization of principal, and introductory “teaser” rates. Interest only payments on loans allow the borrower to pay interest only for an initial period (e.g., five years), and negative amortization of principal results in lower monthly mortgage payments, but an increasing mortgage loan balance. Teaser rates are mortgage interest rates that start low and are subject to being reset at higher rates on a specified date or upon the occurrence of specified conditions. Largely as a result of such loans and reduced underwriting standards associated with loans made during that time period, there has been a significant increase in foreclosures and decrease in home prices nationwide. The area in and near the District has been negatively affected by the housing downturn and has experienced higher than average mortgage loan defaults and foreclosure rates, reflecting the fact that homeowners with limited economic resources may be unable or unwilling to pay higher mortgage payments as well as assessments and ad valorem tax payments when due. This circumstance has additionally been negatively impacted by the current general downturn in the United States economy, which includes significantly high unemployment rates both nationwide and in the area of the District.

Continued declines in the housing sales volume and pricing market could result in an increase in the Special Tax delinquency rate in the District and possible depletion of the Reserve Fund. If there were significant delinquencies in Special Tax collections in the District and the Reserve Fund was depleted, there could be a default in the payment of principal of and interest on the Bonds. In the event the owners of property within the District experience a decline in income or an increase in mortgage interest rates, or both, they may be less able to pay their Special Taxes when due.

Levees and Flood Risk

The City is encircled by waterways which could experience uncontrolled flood events. The Sacramento River borders the City to the north and east; the Deep Water Shipping Channel bisects the City, joining with the Sacramento Bypass and the Yolo Bypass, forming the western boundaries of the City. Until recently it was the belief of the City that the levee system along these waterways met and exceeded the level of protection necessary to protect the City from at least a 200-year flood. The definition of a flood event is typically calibrated to the 100-year flood. A 100-year flood is “the flood elevation that has a 1-percent chance of being equaled or exceeded each year.” The 100-year flood is sometimes referred to as the 1% flood, since there is a 1% chance of it occurring in any year. 10-year floods have a 10% chance of occurring in any given year; 50-year flood, 2% chance; 100-year, 1%; 200-year, 0.5%; 500-year, 0.2%; and 1000-year, 0.1%.

A recent change in FEMA flood standards has caused FEMA to reevaluate its previous designations of flood protection to cities along the Sacramento River Delta. Based on recently completed preliminary levee evaluation studies initiated by the West Sacramento Flood Control Agency (WSFCA) and the City, evidence exists that the levee system surrounding the City currently does not provide the minimum level (100-year) of flood protection, required by FEMA. A designation by FEMA of sub 100-year flood protection would impact the City in two ways:

- First, property owners in West Sacramento would be required to purchase mandatory flood insurance at higher rates than the current preferred rates.

- Second, a sub 100-year flood protection would impact new development. If FEMA designates the City as an AE zone, finished floor elevations would be required to be, at or above, the flood level, which for much of West Sacramento is 15 feet, however the Bridge District is higher ground and the impact would be less- estimated to be about 2 feet. If FEMA designates West Sacramento as an AR zone, finished floor elevations would be required to be 3 feet above the ground in most of the City (less within the Bridge District), which would likely impact feasibility but not necessarily preclude development from occurring.

A series of levee improvements are needed to provide a level of flood protection to the City consistent with FEMA requirements to protect the community from a 100-year flood and meet the City's standards of protecting the community from a minimum 200-year flood event. The City is proposing fees and voter-approved assessments to assist in paying for these levee improvements.

Bankruptcy and Foreclosure Delays

The payment of Special Taxes and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax, as discussed in the section entitled "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Covenant for Superior Court Foreclosure", may be limited by bankruptcy, insolvency, or other laws generally affecting creditors rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to crowded local court calendars or legal delaying tactics.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of such foreclosure proceedings, the Special Tax will generally be on parity with the other taxes, assessments and charges. Although the Special Tax will generally have priority over non-governmental liens on a taxed parcel, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy.

Regardless of the priority of the Special Tax over non-governmental liens on taxed parcels, the exercise by the City of the foreclosure and sale remedy may be forestalled or delayed by bankruptcy, reorganization, insolvency, or other similar proceedings of the owner of a taxed parcel. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period. Delays in the exercise of remedies could result in periodic Special Tax collections which, in conjunction with amounts in the Reserve Fund, may be insufficient to pay debt service on the Bonds when due. Further, should remedies be exercised under the bankruptcy law against the taxed parcels, the preference the bankruptcy law gives the payment of taxes may not be applicable to payment of the Special Tax. Thus, general taxes and other claims (including certain claims of private parties) may be preferred over the Special Tax claim, even though they would not be if the bankruptcy law were not applicable.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Covenant to Commence Superior Court Foreclosure

A potential source of funds to pay debt service on the Bonds is the proceeds received following a judicial foreclosure sale of land within the District resulting from the landowner's failure to pay any Special Tax levied upon such land when due, Pursuant to Section 53356.1 of the Mello-Roos Act, in the event any Special Tax or installment thereof is not paid when due, the City may order the institution of a court action to foreclose the lien thereof. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Covenant to Commence Superior Court Foreclosure."

Prior to July 1, 1983, the statutory right of redemption from such a Judicial foreclosure sale was limited to a period of one year from the date of sale. Legislation effective July 1, 1983 amended this statutory right of redemption to provide that before notice of sale of the foreclosed parcel can be given following court judgment of foreclosure, a redemption period of 120 days must elapse. Furthermore, if the purchaser at the sale is the judgment creditor (here, the City) an action may be commenced by the delinquent property owner within six months after the date of sale to set aside such sale. The constitutionality of the aforementioned legislation which repeals the one-year redemption period has not been tested and there can be no assurance that, if tested, such legislation will be upheld. In the event such Superior Court foreclosure or foreclosures are necessary, there may be a delay in payments to Bondowners pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale; it is also possible that no bid for the purchase of the applicable property would be received at the foreclosure sale. Significant delays may also result from bankruptcy filings. See "RISK FACTORS - Bankruptcy and Foreclosure Delays" above.

Parity Taxes and Special Assessments

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all Special Taxes and special assessments and is co-equal to and independent of the lien for general property taxes upon the same property regardless of when they are imposed. The Special Taxes have priority over all existing and future private liens imposed on the property.

Insufficiency of Special Taxes

The Mello-Roos Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or device, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Mello-Roos Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property, to the extent necessary to cover outstanding debt, is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Mello-Roos Act have not been tested in the courts. If the federal government or another non-taxable entity successfully takes the position that property owned by it or in which it has a security interest and subject to the Special Tax becomes exempt from taxation, the Special Tax will be reallocated to the remaining taxable properties within the District, subject to the limitation of the maximum authorized rate of levy on each parcel. This could result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax.

Tax Delinquencies

Under provisions of the Act, the Special Taxes will be billed to the properties within the District on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for nonpayment, as do regular property tax installments. Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax payments in the future.

The annual Special Tax will be billed and collected in two installments payable without penalty by December 10 and April 10. In the event such Special Taxes are not timely paid, moneys available to pay debt service on the Bonds becoming due on the subsequent respective March 1 and September 1 may be insufficient, except to the extent moneys are available in the Reserve Fund.

In the event of non-payment of Special Taxes, funds in the Reserve Fund, if available, may be used to pay principal of and interest on the Bonds. If funds in the Reserve Fund for the Bonds are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the Bond holders pursuant to the Fiscal Agent Agreement. However, if the levy of the Special Tax against property within the District at the maximum Special Tax rates, together with other available funds, is insufficient to pay principal and interest on the Bonds and replenish the Reserve Fund, it is possible that the Reserve Fund will be depleted and principal and interest on the Bonds will not be paid on a timely basis. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Covenant for Superior Court Foreclosure," for a discussion of the provisions which apply, and procedures which the City is obligated to follow, in the event of delinquency in the payment of Special Taxes.

Imposition of State Reimbursement Component of Special Tax

The Bonds are issued upon and secured only by the special taxes authorized to be collected as the "Land Special Tax" and "Developed Special Tax" (including Supplemental Special Tax) components of the "Annual Special Tax", and exclude the "State Reimbursement Land Special Tax" component of the Annual Special Tax. The Special Tax Formula provides for the payment of special taxes which are "one-time" special taxes, as well as a contingent annual special tax defined as the "State Reimbursement Land Special Tax," all of which are not pledged to payment of the Bonds. The "State Reimbursement Land Special Tax" is a contingent tax levied only if the Proposition 1C State grant (described herein) must be repaid because the required housing units have not been constructed according to the State requirements. In the event the State Reimbursement Land Special Tax is imposed on some or all of the property in the District, the ability of the owners of property incurring such a levy to pay the Special Taxes securing the Bonds may be adversely affected because the total annual special tax on their property would increase. An owner is not allowed to pay only the Special Tax securing the Bonds and not the State Reimbursement Land Special Tax if it is imposed. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

No General Obligation of the City

The Bonds are not general obligations of the City but are limited obligations of the City and the District payable solely from the proceeds of the Special Tax and certain funds held under the Fiscal Agent Agreement, including amounts deposited in the Reserve Fund and investment income thereon, and the proceeds, if any, from the sale of property in the event of a foreclosure. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." Any tax for the payment of the Bonds will be limited to the Special Tax to be collected within the jurisdiction of the District.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement.

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS

Article XIIIA of the California Constitution, commonly known as "Proposition 13," provides that each county will levy the maximum ad valorem property tax permitted by Proposition 13 and will distribute the proceeds to local agencies in accordance with an allocation formula based in part on pre-Proposition 13 ad valorem property tax rates levied by local agencies.

Article XIIIA limits the maximum ad valorem tax on real property to 1% of "full cash value", which is defined as the County Assessor's valuation of real property as shown an the 1975-76 tax bill under full cash value, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect increases of no more than 2% per year or decreases in the consumer price index or comparable local data, or declining property value caused by damage, destruction or other factors.

Article XIIIA exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and requires a vote of two-thirds of the qualified electorate to impose Special Taxes or any additional *ad valorem*, sales, or transaction taxes on real property. In addition, Article XIIIA requires the approval of two-thirds of all members of the State Legislature to change any State laws resulting in increased tax revenues. On June 3, 1986, California voters approved an amendment to Article XIIIA of the California Constitution to allow local governments and school District to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. If any such voter-approved debt is issued, it may be on a parity with the lien of the Special Tax on the parcels within the District.

State and local government agencies in the State, and the State itself are subject to annual appropriation limits, imposed by Article XIIIB of the State Constitution. Article XIIIB prohibits government agencies and the State from spending "appropriations subject to limitation" in excess of the appropriations limits imposed. "Appropriations subject to limitation" are authorizations to spend "proceeds of taxes," which consist of tax revenues, certain state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed the Cost reasonably borne by such entity in providing the regulation, product or service. No limit is imposed on appropriations of funds which are not "proceeds of taxes" such as debt service on indebtedness existing or authorized before January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, reasonable user charges or fees and certain other non-tax funds.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of Owners of the Bonds to provide certain financial information and operating data relating to the District by not later than the next March 31^{st} after the end of the City's fiscal year (presently June 30) in each year commencing with its report for the 20010-11 fiscal year (the **"City Annual Report"**) and to provide notices of the occurrence of certain enumerated events. The City will also include certain information concerning owners of property in the District assigned 20% or more of the Annual Special Tax for so long as such property owner(s) are responsible for such percentage of the Special Taxes.

The City Annual Report will be filed by the City with each Nationally Recognized Municipal Securities Information Repository. Each notice of a material event is required to be filed with the Municipal Securities Rulemaking Board. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the **"Rule"**). The specific nature of the information to be provided by the City in the Annual Report is summarized in "APPENDIX E - Proposed form of Continuing Disclosure Agreement."

The City has had no instance in the previous five years in which it failed to comply in all material respects with any previous continuing disclosure obligation under the Rule.

UNDERWRITING

The Bonds will be purchased by Westhoff, Cone & Holmstedt as underwriter (the **"Underwriter"**), under a Purchase Contract pursuant to which the Underwriter agrees to purchase all of the Bonds for a purchase price of $12,345,766.80 (representing the principal amount of the Bonds, less an Underwriter's discount of $189,675.00 and less an original issue discount of $109,558.20).

The initial public offering prices stated on the cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks, banks acting as agents and others at prices lower than said public offering prices.

LEGAL MATTERS

Legal matters incident to the issuance, sale and delivery of the Bonds are subject to the approving opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix D to this Official Statement, and the final opinion will be made available to registered Owners of the Bonds at the time of delivery. Fees payable to Bond Counsel, as well as to Jones Hall, a Professional Law Corporation, as Disclosure Counsel, are contingent upon the sale and delivery of the Bonds. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

TAX MATTERS

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Bond Counsel, based upon an analysis of existing statutes, regulations, rulings, and court decisions, and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. Bond Counsel is also of the opinion that interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; however, nor is such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount." The accrual of original issue discount, to the extent properly allocable to a Beneficial Owner, is treated as interest on the Bonds that is excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of that maturity is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to that maturity date on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of the Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment at maturity) of the Bonds. Beneficial Owners of Bonds sold with original issue discount should consult their own tax advisors with respect to the tax consequences of ownership of their Bonds, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium for bonds, like the Premium Bonds, the interest on which is excludable from gross income for federal income tax purposes. However, a purchaser's basis in a Premium Bond and, under Treasury Regulations, the amount of tax-exempt interest received will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Internal Revenue Code of 1986 (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Although Bond Counsel expects to render an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service ("IRS"), including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds, or obligations that present similar tax issues, will not affect the market price or liquidity of the Bonds.

CONCLUDING INFORMATION

Absence of Litigation

At the time of delivery of and payment for the Bonds, the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or regulatory agency, against the City affecting its existence or the titles of its officers or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or in any way contesting or affecting the validity or enforceability of the Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its City with respect to the Bonds or any action of the City contemplated by any of said documents.

Rating

The Bonds are not rated. No application has been made or is anticipated to be made to any rating agency for the assignment of a municipal bond credit rating on the Bonds.

Miscellaneous

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representatives of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with Bondowners.

The execution and delivery of this Official Statement by the City have been duly authorized by the City.

CITY OF WEST SACRAMENTO

By: /s/ Evelyne Hayden
Finance Director

APPENDIX A

SPECIAL TAX FORMULA

COMMUNITY FACILITIES DISTRICT NO. 27
(BRIDGE DISTRICT)
CITY OF WEST SACRAMENTO, CALIFORNIA

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RESOLUTION OF FORMATION (RES. 09-87) – APPROVED DECEMBER 16, 2009

RESOLUTION OF FORMATION (RES. 10-4) – APPROVED FEBRUARY 3, 2010

LAND OWNER ELECTION – MAY 4, 2010

RESOLUTION CERTIFYING ELECTION (RES. 10-29), 1ST READING OF ORDINANCE 10-10 LEVYING THE SPECIAL TAX, RESOLUTION CONCERNING THE APPLICABILITY OF DEVELOPMENT IMPACT FEES (RES. 10-30) – APPROVED MAY 19, 2010

FINAL ADOPTION OF ORDINANCE 10-10 – JUNE 2, 2010

EFFECTIVE DATE OF CFD NO. 27 – JULY 3, 2010

Community Facilities District No. 27 (Bridge District) City of West Sacramento, California

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

Table of Contents

SECTION I—GENERAL INFORMATION

I.1. Basis of the Special Tax

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 (Act) applicable to Taxable Parcels in the Community Facilities District No. 27 (Bridge District) (CFD) of the City of West Sacramento (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate, as described in this document.

I.2. Special Tax Programs

The CFD consists of the following Special Tax programs.

I.2.a. Annual Special Tax Program

The Annual Special Tax will be levied and collected along with the secured property taxes to fund the annual costs of CFD bond debt service, CFD administration, and to the extent possible, to directly fund Authorized Facilities on a "pay-as-you-go" basis. The Annual Special Tax Program consists of four taxation components:

- Land Special Tax for Undeveloped Parcels or Partially Developed Parcels.
- Developed Special Tax for parcels with residential and nonresidential structures.
- Supplemental Special Tax that may be added to the Developed Special Tax to off-set a portion of the Bridge District One-Time Special Tax.
- Catch-up Special Tax that may be levied on Parcels that annex to the CFD.
- State Reimbursement Land Special Tax that may be levied to fund a potential reimbursement due to the State of California for failure to meet required conditions of the Proposition 1C – Housing and Emergency Shelter Fund Act of 2006 grants.

The Annual Special Tax Rate is increased by 2 percent annually. This program is defined and implemented under the provisions of **Sections II** and **III**.

I.2.b. Bridge District One-Time Special Tax Program

The Bridge District One-Time Special Tax revenue will primarily be used to fund the construction of Bridge District Authorized Facilities on a "pay-as-you-go" basis. If needed, special tax revenues from this program may be used to fund all Annual Costs items including debt service on CFD Bonds.

The calculation of the Bridge District One-Time Special Tax will be based on the Building Area and Developed Land Area derived from the building permit application or other Development Records.

The Bridge District One-Time Special Tax will be collected before the Final Inspection for a Development Project.

The One-Time Special Tax is subject to automatic annual increases and periodic Special Tax adjustments. This program is defined and implemented under the provisions of **Sections II** and **IV**.

I.2.c. Regional One-Time Special Tax Program

The Regional One-Time Special Tax revenue will fund the construction of regional Authorized Facilities on a pay-as-you-go basis. It is a substitute funding mechanism for many of the City's Development Impact Fees.

Calculation of the Regional One-Time Special Tax will be based on the Building Area and Developed Land Area derived from the building permit application or other Development Records.

The Regional One-Time Special Tax will be collected before the Final Inspection for a Development Project.

The Regional One-Time Special Tax is subject to annual increases at the same rate as the associated citywide development impact fee programs. This program is defined and implemented under the provisions of **Section II** and **V**.

I.2.d. Public Agency Acquisition One-Time Special Tax Program

This one-time special tax program is intended to collect the amount of property tax increment that otherwise would have been paid by a private property owner building a similar structure. The special tax revenue will primarily be used fund the construction of Bridge District Authorized Facilities on a "pay-as-you-go" basis. If needed, special tax revenues from this program may be used to fund all Annual Costs items including debt service on CFD Bonds.

The amount to be collected will be approximately equal to the net present value of property tax increment that otherwise would have been collected and used to fund Authorized Facilities serving the Bridge District.

The Public Agency One-Time Special Tax will be calculated and collected as a lump sum payment before the transfer of title of a taxable parcel to a tax-exempt public agency.

The first 2,000,000 building square feet of Public Agency office space will be exempt from payment of the Public Agency Acquisition One-Time Special Tax. **The City may at its sole discretion exempt additional Public Agency office space from the payment of the Public Agency Acquisition One-Time Special Tax.**

This program is defined and implemented under the provisions of **Section VI**.

I.3. Overview of Rate, Method of Apportionment, and Manner of Collection of Special Tax Report

The Rate, Method of Apportionment, and Manner of Collection of Special Tax (RMA) is divided into the following sections:

Section I—General Information and Definitions.

Section II—CFD Administrative Tasks Related to Subdivisions and Development Projects.

Section III—Annual Special Taxes Assignment, Levy, Termination, Prepayment, Manner of Collection.

Section IV—Bridge District One-Time Special Tax Assignment and Manner of Collection.

Section V—Regional One-Time Special Tax Assignment and Manner of Collection.

Section VI—Public Agency Acquisition One-Time Special Tax Assignment and Manner of Collection.

I.4. Termination of the Special Tax

The Special Tax will be levied and collected for as long as it is needed to pay Annual Costs; however, in no event shall the Special Tax be levied on any Parcel in the CFD after Fiscal Year 2068–2069.

Each Development Project on a Taxable Parcel will be subject to the Developed Special Tax for a maximum of 40 years, or until the termination of the CFD, whichever comes first.

When all Authorized Facilities and other Annual Costs incurred by the CFD have been paid, the Special Taxes under each of the Special Tax programs shall cease to be levied. The City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. In addition, the Notice of Cessation of Special Tax shall identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

I.5. Appeals

The Administrator or designee has the authority to make necessary administrative adjustments to the RMA to remedy any portions of the RMA that require clarification.

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may appeal the levy of the Special Tax by notifying the Administrator by letter or e-mail. If the Administrator determines that the tax should be modified or changed, the Administrator will approve corrections to the levy of the Special Tax as to that Parcel and, if applicable, provide a refund or credit against future Special Taxes.

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

I.6. General Definitions

The following definitions apply to all of the CFD special tax programs:

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

"**Administrator**" means the City Finance Director or his or her designee.

"**Administrative Expenses**" means the actual or reasonably estimated costs related to the administration of the CFD, including these:

a. Costs of computing Special Taxes and preparing annual Special Tax collection schedules (whether by the City or any designee thereof or both).

b. Costs of collecting the Special Taxes (whether by the County, the City, or otherwise).

c. Costs of remitting the Special Taxes to the Trustee.

d. Costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Bond Indenture.

e. Costs to the City, CFD, or any designee thereof of complying with arbitrage rebate requirements.

f. Costs to the City, CFD, or any designee thereof of complying with City, CFD, or obligated persons disclosure requirements.

g. Costs associated with preparing Special Tax disclosure statements.

h. Costs incurred in responding to public inquiries regarding the Special Taxes.

i. Costs to the City, CFD, or designee thereof related to any appeal of the Special Tax.

j. Costs associated with the release of funds from an escrow account, if any.

k. Costs to the City for the issuance of bonds authorized by this CFD that are not recovered through the bond sale proceeds.

l. Amounts estimated to be advanced or advanced by the City for any other administrative purposes, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

m. Costs associated with the review and updates of financing plans, engineering and planning studies, and the recalculation of the Special Tax rates.

"**Annexation Parcel**" means a Parcel that annexes into the CFD after initial formation. An Annexation Parcel is subject to the Catch-Up Special Tax as well as any other Special Taxes assigned a Parcel by the Administrator.

"**Annual Costs**" means, for any Fiscal Year, the total of these:

First priority for funding:

a. Debt Service to be paid from Special Taxes.

b. Administrative Expenses for such Fiscal Year.

c. The amount needed to replenish the reserve fund for the Bonds to the level required under the Bond Indenture.

d. The amount needed to fund current special tax delinquencies from previous Fiscal Years and anticipated delinquencies for the current Fiscal Year. Collections from prior delinquencies should be used to offset the amount needed for current and future delinquencies if available.

e. Less any available earnings on the reserve fund, Special Tax funds, or any other available revenues of the CFD or the City that may be used to fund Annual Costs.

Second Priority for funding (listing does not indicate any priority among items):

f. Authorized Facilities Funded on a Pay-As-You-Go Basis.

g. Reimbursement to the West Sacramento Redevelopment Agency for tax increment revenues generated outside of the Bridge District but used for Authorized Facilities benefitting the Bridge District.

h. Reimbursement to the State of California any Proposition 1C – Housing and Emergency Shelter Trust Fund Act of 2006 grants that must be repaid because the required housing units have not been constructed and that have been allocated by the Administrator to the Bridge District.

"**Annual Special Tax**" means the Land Special Tax, the Developed Special Tax, and the State Reimbursement Land Special Tax that may be levied and collected each Fiscal Year.

"**Annual Special Tax Escalation Factor**" means a factor of 2.0 percent that will be applied annually to the Develop Special Tax Rate and the Land Special Tax Rate beginning the Fiscal Year following the Base Year.

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

"**Authorized Facilities Funded on a Pay-As-You-Go-Basis**" means, for any Fiscal Year, Authorized Facilities constructed or acquired on a Pay-As-You-Go Basis from available Special Tax revenues instead of Bond proceeds.

"**Base Year**" means Fiscal Year 2009-2010.

"**Bond(s)**" means bond(s) issued or other indebtedness incurred by the City for the CFD under the Act.

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

"**Bridge District**" means that area located within the boundaries of the Bridge District Specific Plan.

"**Bridge District One-Time Special Tax**" means a Special Tax collected by the City before the Final Inspection of a Development Project or other Development Approval in the case of a Public Agency Development Project. The Bridge District One-Time Special Tax is calculated using the provisions of **Section IV.3**.

"**Bridge District One-Time Special Tax Rate**" means the rate shown in **Attachment 3** (as adjusted) that is used to calculate the Bridge District One-Time Special Tax for a Development Project. The Bridge District One-Time Special Tax Rate is adjusted each Fiscal Year after the Base Year by the One-Time Special Tax Escalation Factor, and periodically by the Periodic Adjustment Process described in **Section IV.3**.

The Bridge District One-Time Special Tax Rate has three Tax Categories. The Tax Category changes are based on the Cumulative Building Area in the CFD.

"**Bridge District One-Time Tax Escalation Factor**" means a factor by which the Bridge District One-Time Special Tax may be increased each Fiscal Year after the Base Year. The Bridge District One-Time Special Tax will be increased in proportion to the increase in the *Engineering News Record*–Construction Cost Index (ENR-CCI 20 city average) from March to March of the previous year.

"**Building Footprint**" means the square footage of the first floor of a Development Project, including the first floor of structured Parking Facilities.

"**Building Area**" means the measurement of the habitable area contained within the perimeter of each individual building, or the covered and enclosed area contained within the perimeter of the structure for a Development Project with a Development Approval after January 1, 2010.

For residential structures, the calculation will not include any carport, walkway, garage, overhang, patio, detached accessory structure or similar area ("assessable area" under Government Code section 65995(b)(1)).

For commercial structures the calculation of the building area will not include storage areas, parking structures, unenclosed walkways, or utility areas ("chargeable covered and enclosed space" under Government Code section 65995 (b)(2)).

For mixed use structures, the residential and commercial parts of the building will be calculated separately based on the definitions above.

For a Residential, Nonresidential, or Mixed Use Condominium unit, the Building Area is the habitable square footage of the unit specified in the Development Plan for the unit.

The Building Area measurement shall be determined in accordance with the standard practice of the City in calculating structural parameters.

The Building Area will be adjusted as a result of a Development Approval for expansion of Development Project.

"**Catch-Up Special Tax**" means an amount of Special Tax that must be paid by an Annexation Parcel before such Taxable Parcel being annexed into the CFD. The Catch-Up Special Tax for an

Annexation Parcel is equal to the amount of Annual Special Tax that would have been levied against such Taxable Parcel if it had been included in the CFD at formation, plus an additional ten (10) percent.

"**CFD**" means the Community Facilities District No. 27 (Bridge District).

"**City**" means the City of West Sacramento, California.

"**Condominium Structure**" means a residential, commercial, or mixed use structure consisting of two or more units that share common walls and are offered as for-sale units, including such structures that met the statutory definition of a condominium contained in Civil Code Section 1351.

"**Council**" means the City Council of the City.

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

"**County Assessor's Parcel**" means the Assessor's Parcel Number for any parcel of land in the CFD as recorded by the County Assessor on the County equalized tax roll.

"**Cumulative Building Area**" means the total Building Area of all Development Projects in the CFD.

"**Debt Service**" means the total amount of bond principal, interest, and the scheduled sinking fund payments of the Bonds.

"**Density Adjustment**" means the amount of additional Bridge District One-Time Special Tax calculated in **Section IV.1 Step 5** for a Development Project that did not achieve the Target FAR.

"**Developed Special Tax**" means the maximum amount of Annual Special Tax that can be levied on a Taxable Parcel calculated by summing the Development Project Special Tax assigned to each Development Project on the Parcel.

"**Developed Special Tax Rate**" means the maximum amount of Special Tax per square foot of Building Area that is used to determine the Developed Special Tax for a Development Project. The rate for the Base Year is shown in **Attachment 2**. This rate is increased by the Annual Special Tax Escalation Factor in each Fiscal Year following the Base Year.

The Developed Special Tax Rate is recorded and maintained separately for each Development Project within a Taxable Parcel.

The Developed Special Tax Rate for single-family units and condominiums is higher than other Development Projects because the common areas of a Condominium Structure are excluded from the Building Area calculation for each condominium unit and single-family units do not have common areas.

The Developed Special Tax Rate may be increased if a property owner chooses to add a Supplemental Special Tax Rate to the Developed Special Tax Rate in accordance with **Section II.2.c**.

"**Development Approval**" means a building permit issued by the City. A Development Project by any other public agency that does not require building permit by the City is considered to have received Development Approval upon a request by such agency to connect to City provided water or sewer services.

"**Development Impact Fees**" means the citywide development impact fees for water, fire facilities, sewer, corporation yard, city hall addition, police facilities, and child care impact fees. In lieu of collecting these fees, the City will levy the Regional One Time Special Tax on each Development Project.

"**Development Project**" means a Residential, Nonresidential, or Mixed Use structure of which a Development Approval for construction has been approved by the City.

"**Development Project Special Tax**" means the maximum amount of Annual Special Tax assigned to a Development Project. The Development Project Developed Special Tax is derived by multiplying the Developed Special Tax Rate times the Building Area assigned to each Development Project at Final Inspection.

"**Development Records**" means various City or other agency reports, studies or permits that provide information about the development status of a Parcel or Development Project. Such records may consist of Development Plans, Bridge District Specific Plan, tentative maps, parcel maps, final subdivision maps, building permits, or records of survey that have been approved or recorded.

"**Development Plan**" means a condominium plan, apartment plan, site plan, building permit application or other development plan that identifies such information as the type of structure, acreage, habitable square footage, or number of units approved for a Development Project.

"**Estimated Building Area**" means the estimated total Building Area that could be built on a Parcel. The Estimated Building Area for a Partially Developed Parcel is the total Building Area shown for all Development Projects and the development potential of remaining Undeveloped Land Area.

"**FAR**" means the floor-to-area ratio for a Development Project. The FAR is determined by dividing the Building Area by the Developed Land Area for such Development Project. The FAR used for CFD calculations excludes structured parking.

"**Final Inspection**" means the last building inspection required as part of the inspection process whereby all required agency approvals are completed.

"**Fully Developed Parcel**" means a Developed Parcel where the Undeveloped Land Area has been set to zero (0) as a result of the Parcel's Development Project. The Administrator shall determine when a Taxable Parcel is classified as a Fully Developed using available Development Records.

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

"**Land Area**" refers to the combination of Total Land Area, Developed Land Area, Undeveloped Land Area, and Public Use Land Area of a Parcel. Each subcategory is defined below.

"**Total Land Area**" means the total square footage of a Parcel.

"**Developed Land Area**" means the developed square footage calculated for a Development Project in **Section IV.1** or as otherwise assigned by the Administrator. Developed Land Area also means the total amount of Developed Land Area for all Development Projects on a Parcel. Any Land Area which was developed with a building prior to January 1, 2010 is to be defined as Undeveloped Land Area for the purposes of the CFD.

"**Public Use Land Area**" means that portion of a Taxable Parcel that is identified as an area to be used for public uses (roads, parks, etc.) which are intended to be dedicated for public use as part of a future Subdivision of the Parcel.

"**Undeveloped Land Area**" means the remaining amount of square footage for a Taxable Parcel after Developed Land Area and Public Use Land Area are deducted from Total Land Area. The Undeveloped Land Area represents the remaining developable portion of the site after reductions for required dedications for public use and reductions for the Developed Land Area assigned to prior Development Projects on the Parcel. The Undeveloped Land Area for each Parcel shown in **Attachment 1** may be verified and updated by the Administrator after formation of the CFD and prior to the first sale of Bonds.

"**Land Special Tax**" means the maximum amount of Annual Special Tax that may be assigned to a Taxable Parcel based on its Undeveloped Land Area.

"**Land Special Tax Rate**" means the maximum amount of Annual Special Tax per Undeveloped Land Area used to determine the Land Special Tax for a Taxable Parcel. The Land Special Tax Rate (as shown in **Attachment 2**) is increased by Tax Escalation Factor in each Fiscal Year after the Base Year.

"**Maximum Annual Developed Special Tax Revenue**" means the sum of the maximum Developed Special Tax that could be levied in a Fiscal Year on all Developed and Partially Developed Parcels.

"**Maximum Annual Special Tax**" means the maximum amount of the Developed Special Tax and Land Special Tax that could be levied in a Fiscal Year on a Taxable Parcel.

"**Mixed Use Parcel**" means a Taxable Parcel with a designation of land uses for both Nonresidential Use and Residential Use.

"**Mixed Use Condominium**" means a Condominium Structure which includes both Residential Condominium Units and Nonresidential Condominium Units.

"Multifamily or Multifamily Residential Use" means any Parcel or Development Project designated and/or developed for more than one residential dwelling unit per parcel. Such uses may consist of apartments, condominiums, townhomes, time-share units, row houses, duplexes or triplexes.

"**Nonresidential Condominium**" means a Nonresidential unit included as part of a Condominium Structure.

"**Nonresidential or Nonresidential Use**" means land uses designated for commercial, retail, office, industrial, manufacturing or other similar land uses on Taxable Parcels.

"**Office Use**" means a land designated for office uses for the purposes of assigning the Regional One-Time Special Tax Rate in **Attachment 4**.

"**One-Time Special Tax Adjustment**" means the amount that will be subtracted from the Bridge District One-Time Special Tax as a result of adding the Supplemental Special Tax Rate to the Developed Special Tax Rate for a Development Project using the provisions of **Section II.2.c**.

"**Original Parcel**" means a Taxable Parcel identified in **Attachment 1** at formation of the CFD.

"**Parking Facility**" means that portion of a Development Project designated for parking or a Stand Alone Parking Structure.

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

"**Partially Developed Parcel**" means a Parcel that has one or more Development Projects for Residential or Nonresidential Uses, but still has further development capacity, as determined by the Administrator.

"**Pay-As-You-Go Basis**" means the use of annual and one-time Special Tax revenues to directly fund the construction of Authorized Facilities.

"**Periodic Adjustment Process**" means the process set forth in **Section IV.3** to make periodic adjustments to the Bridge One-Time Special Tax Rate.

"**Prepayment**" means the complete fulfillment of a Parcel's Special Tax obligation, as determined by following the procedures in **Section III.6**.

"**Prop IC Affordable Housing Units**" means affordable housing units planned for development on Original Parcel 058-330-001-000 whose construction are partially or fully funded with grant revenues made available to the City from the Proposition 1C—Housing and Emergency Shelter Trust Fund Act of 2006. It is anticipated that there will be approximately 70 such units constructed. If the project is built on another Parcel, the project will retain its tax-exempt status.

"**Public Agency**" means the Federal Government, State of California, Yolo County, Washington Unified School District, or other special districts.

"**Public Agency Acquisition One-Time Special Tax**" means a Special Tax that is applied to Taxable Parcels acquired by a Public Agency in lieu of the projected tax increment revenue that would have been received by the City if the Parcel was a Taxable Parcel. The Public Agency Acquisition One-Time Special Tax is determined using the provisions of **Section VI**.

"**Regional One-Time Special Tax**" means a Special Tax collected by the City before the Final Inspection. The Regional One-Time Special Tax is determined using the provisions of **Section V**.

"**Regional One-Time Special Tax Rate**" means the rate shown in **Attachment 4** (as adjusted) that is used to calculate the Regional One-Time Special Tax for a Development Project. The Regional One-Time Special Tax Rate is increased by the Regional One-Time Special Tax Escalation Factor in each Fiscal Year following the Base Year.

"**Regional One-Time Tax Escalation Factor**" means a factor by which the Regional One-Time Special Tax is increased each year. In calculating this factor, the Administrator will apply the percentage adjustment imposed by the City for each subject Development Impact Fee to each component of the Regional One Time Special Tax as indicated on **Attachment 4**.

"**Residential Condominium Unit**" means a residential unit included as part of a Condominium Structure.

"**Residential or Residential Use**" means that portion of a Development Project designated for residential use, such as single-family residential units, residential condominiums, townhouses, or apartments.

"**Retail Use**" means Nonresidential Uses designated for retail and commercial uses used in assigning the Regional One-Time Special Tax Rate in **Attachment 4**.

"**Residential Condominium**" means a residential unit included as part of a Multifamily Residential Condominium Project. Townhomes, row house, and similar residential units that have a unique APN will be treated as Residential Condominiums for the purposes of levying the Developed Special Tax.

"RMA" means the Rate and Method of Apportionment of the Special Tax.

"**Single-Family or Single-Family Unit**" means a residential unit on a Parcel designated for one single-family residential unit per Parcel.

"**Special Tax(es)**" mean(s) any annual or one-time special tax levied or otherwise collected hereunder on Taxable Parcels in the CFD.

"**Special Tax Ordinance**" is an ordinance or resolution of the City Council authorizing the annual levy and collection of the Special Tax.

"**Stand Alone Parking Parcel**" means Parcel for which the planned use is for a parking structure. Stand Alone Parking Parcels may have a limited amount of commercial uses. This classification of Parcel is subject to the Bridge District One-Time Special Tax, but is exempt from the Annual Special Tax. The limited commercial uses in the structure will be exempt from the Annual Special Tax whether the structure is publicly- or privately-owned.

"**State Reimbursement Land Special Tax**" means the maximum amount of Annual Special Tax that may be assigned to a Taxable Parcel based on its Undeveloped Land Area to fund the reimbursement to the State of California any Proposition 1C – Housing and Emergency Shelter Trust Fund Act of 2006 grants that must be repaid as a result of non-funded local matching revenues being made available. The State Reimbursement Land Special Tax may only used to fund Annual Costs item h.

"**State Reimbursement Land Special Tax Rate**" means the maximum amount of Annual Special Tax per Undeveloped Land Area used to determine the State Reimbursement Land Special Tax for a Taxable Parcel. The State Reimbursement Land Special Tax Rate (as shown in **Attachment 2**) is increased by Tax Escalation Factor in each Fiscal Year after the Base Year.

"**Subdivision**" or "**Subdivided**" means a division of a Parcel into two or more Parcels through the Subdivision Map Act process. A Subdivision may also include the merging of two or more Parcels to create new Parcels.

"**Successor Parcel**" means a Parcel created by the Subdivision of an Original Parcel or a Successor Parcel.

"**Supplemental Special Tax Rate**" means an additional annual Special Tax rate that may be added to the annual Developed Special Tax Rate for a Development Project. The amount of the Supplemental Special Tax Rate is calculated using the provisions of **Section II.3.c**. The Supplemental Special Tax Rate increase is subject to the Annual Special Tax Escalation Factor.

"**Target FAR**" The Target FAR for a Nonresidential Development Project is 2.0. The Target FAR for Residential Development Project is 1.5. The Target FAR for a mixed used project is calculated based on the proportional amount of residential and nonresidential Building Area in the Development Project.

"**Tax Category**" means the three categories of Bridge District One-Time Tax shown in **Attachment 3** and for the Regional One-Time Special Tax shown in **Attachment 4**.

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

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

"**Taxable Public Parcel**" means a Parcel that is used in the same way as private Taxable Parcels that are designated for Residential Use, Nonresidential Use, or Mixed Use. Taxable Public Parcels are subject to the Annual Special Tax and the Bridge District, Regional, and Public Agency Acquisition One-Time Special Taxes.

"**Tax-Exempt Parcel**" means a Parcel not subject to the Annual Special Tax. Tax-Exempt Parcels include (i) Tax-Exempt Public Parcels, (ii) Parcels with Prop 1C Affordable Housing Units, (iii) Parcels owned by the City of West Sacramento, and (iv) any Parcel for which the Annual Special Tax has been fully prepaid under **Section III.6**.

Certain privately owned Parcels also may be exempt from the levy of Annual Special Taxes including common areas owned by homeowner's associations or property owner associations, wetlands, detention basins, water quality ponds, and open space, as determined by the Administrator.

"**Tax-Exempt Public Parcel**" means any Parcel owned by a Public Agency that is, or is intended to be, publicly owned, as designated in any final map, that normally is exempt from the levy of general ad valorem property taxes under California law, including public streets, schools, parks, public drainage ways, landscaping, wetlands, greenbelts, and open space. Tax-Exempt Public Parcels do not include Parcels that are used in the same way as a private Taxable Parcel for Residential Uses or Nonresidential Uses.

"**Trustee**" means a national banking association organized and existing under the laws of the United States.

"**Undeveloped Parcel**" means a Taxable Parcel that is not a Fully Developed Parcel or Partially Developed Parcel. Undeveloped Parcels are subject to the Land Special Tax.

SECTION II—CFD ADMINISTRATIVE TASKS RELATED TO ASSIGNING SPECIAL TAXES

The periodic administrative tasks required to assign Special Taxes to Taxable Parcels are discussed in this section. With each Subdivision of Parcels or new Development Project the Administrator must review available Development Records in order to assign the applicable Special Taxes.

II.1. Administrative Actions Required with Subdivisions

As Original Parcels and Successor Parcels are Subdivided into Successor Parcels the Administrator must reassign and record all components of the Land Area, Land Special Tax, Development Projects, and the Building Area and Development Project Special Tax for each Development Project for each new Successor Parcel.

II.1.a. Assignment of Land Area

Original Parcels are assigned a Total Land Area, Undeveloped Land Area, Developed Land Area, and Public Use Land Area at CFD formation. The Land Area and Land Special Tax for each Original Parcel are shown in **Attachment 1** as of formation of the CFD. The Land Area for each category shown in **Attachment 1** is an estimated amount as of the formation of the CFD. The Administrator may update the Land Area for each category and the Land Special Tax for each Parcel based on the most current Development Records prior to the first Bond sale The revised Land Special Tax will be based on the updated Undeveloped Land Area times the Land Special Tax Rate. **Attachment 1** will be updated as a result of these revisions to the Land Area and Land Special Tax for each Parcel.

As Taxable Parcels are Subdivided or combined, the Administrator will assign the Total Land Area, Undeveloped Land Area, Developed Land Area, and Public Use Land Area to all Successor Parcels using available Development Records.

II.1.b. Assignment of Land Special Tax to Successor Parcels

As Original Parcels and Successor Parcels are Subdivided into new Successor Parcels, the Land Special Tax for shall be reassigned to new Successor Parcels in the following manner:

Step 1: Sum the Land Special Tax for all Parcels Being Subdivided.

Step 2: Sum the Undeveloped Land Area of the all Parcels Being Subdivided.

Step 3: Divide the Undeveloped Land Area for each Successor Parcel that is a Taxable Parcel by the total Land Square Area in *Step 2*.

Step 4: Multiply the percentage calculated for each Successor Parcel in *Step 3* by the amount summed in Step 1 to derive the Land Special Tax for each Successor Parcel.

Step 5: The Administrator shall review the Land Special Taxes computed for each Successor Parcel. If the Administrator determines that there is a disproportionate amount assigned to one or more Successor Parcels compared to the Successor Parcel's development potential, the Administrator may reassign all or a portion of the Land Special Tax for such parcel to the remaining Successor Parcels on a proportionate basis.

Step 6: Assign the Land Special Tax calculated in *Step 4* or as adjusted by *Step 5* to each Successor Parcel.

II.1.c. Assignment of Development Projects, Building Area, Development Project Special Tax, and Developed Special Tax

As Taxable Parcels are Subdivided or combined, the Administrator will assign the Building Area, Development Project Special tax, and Developed Special Tax to each Successor Parcel based on the Development Projects that are located on the Successor Parcel using available Development Records. The Development Project Special Tax is applied to the Taxable Parcel in the Fiscal Year following the Final Inspection for a Development Project.

II.1.d. Other Information

All other information related to computing the Special Taxes for the Successor Parcels must be updated in the records created for the Successor Parcels.

II.2. Administrative Actions Required with Development Projects

As Development Projects are processed, the Administrator must obtain and record the Building Area for all structures identified in the Development Plan. In addition, the Administrator must update all applicable Land Area estimates.

II.2.a. Assignment of Building Area to Developed Parcels or Partially Developed Parcels

The Building Area for a Development Project is assigned using available Development Records. The Administrator should keep separate records for each Development Project on a Taxable Parcel.

II.2.a.i. Residential Uses

Residential Uses may be single-family or multifamily. The Building Area for such uses is derived from the Development Plan.

For a Residential Condominium unit, the Building Area is the square footage of the unit specified in the Development Plan for the unit.

II.2.a.ii. Nonresidential Uses

The Building Area for Nonresidential Uses is derived from the Development Plan.

For a Nonresidential Condominium unit, the Building Area is the square footage specified in the Development Plan for the unit.

II.2.a.iii. Mixed Use

The Building Area for a Mixed Use Development Project is the total of the areas designated for Residential Uses and Nonresidential determined using **Section II.2.a.i** and **II.2.a.ii**.

II.2.b Assignment of Undeveloped Land Area and Developed Land Area for Partially Developed Parcels

The Administrator must recompute the Developed Land Area and Undeveloped Land Area for a Partially Developed Parcel each time a new Development Project is processed. The calculation is specified in **Section IV.1**. As a result of that calculation, the Land Area components are updated in the Parcel record.

II.2.c. Addition of the Supplemental Special Tax Rate to the Developed Special Tax Rate

A property owner may request that the Administrator calculate a Supplemental Special Tax Rate that is added to the Developed Special Tax Rate for a Development Project in order to reduce the amount of the Bridge District One-Time Special Tax. The request must be submitted to the Administrator before the issuance of a building permit.

The One-Time Special Tax Adjustment is determined by the Administrator using the steps below based on a Supplemental Special Tax Rate (in multiples of $0.10 not to exceed $1.00) selected by the property owner and approved by the Administrator.

Before the assignment of the Supplemental Special Tax Rate, the Administrator must calculate the overall tax burden of property taxes, property tax overrides, all direct charges placed upon the Parcel, the Developed Special Tax, plus the selected Supplemental Special Tax Rate to determine if the overall tax burden is consistent with City policies for land secured debt.

Step 1: Multiply the selected Supplemental Special Tax Rate times the Building Area for the Development Project.

Step 2: Multiply the amount in *Step 1* by 10. This is the amount of the reduction of the Bridge District One-Time Special Tax.

The Administrator will use the calculations above to reduce the Bridge District One-Time Special Tax in the procedures described in **Section IV.**

The Administrator must record the adjusted Developed Special Tax Rate (prior Developed Special Tax Rate plus Supplemental Special Tax Rate as selected above) and the calculated reduction in the Bridge District One-Time Special Tax.

II.3. Administrative Actions for Annexation Parcels

A Parcel that is annexed to the CFD after formation is considered an Annexation Parcel. The Administrator will determine and assign the Land Area and if applicable, the Building Area for any Development Projects located on the Annexation Parcel. The Administrator must also determine if the Annexation Parcel is subject the Catch-Up Special Tax. The Administrator will create a parcel record with all relevant information.

II.3.a. Calculation of the Catch-Up Special Tax

Annexation Parcels will be required to pay a Catch-Up Special Tax before annexation to the CFD. The amount of the Catch-Up Special Tax is equal to the amount of Annual Special Tax that would have been levied against the Annexation Parcel had it been within the boundaries of the CFD at formation.

The Administrator will use the following step to calculate the Catch-Up Special Tax:

Step 1: Determine the Annexation Parcel's development status in each Fiscal Year from CFD formation through annexation and compute the Undeveloped Land Area and Building Area for each Fiscal Year.

Step 2: Determine the Land Special Tax Rate and Developed Special Tax Rate levied against Taxable Parcels each Fiscal Year before annexation.

Step 3: For each Fiscal Year, calculate the Land Special Tax and Developed Special Tax by multiplying the Land Area and Building Area from *Step 1,* by the tax rates determined in *Step 2*. Add the Land Special Tax and Developed Special Tax to arrive at the Annual Special Tax assigned to the Parcel.

Step 4: Sum the results for each Fiscal Year and then add ten (10) percent to determine the full amount of the Catch-Up Special Tax.

II.4. Other Administrative Tasks

II.4.a. Annually Update the Special Taxes

Before July 1 each Fiscal Year, the Administrator will adjust the Special Tax rates for each Special Tax Program using to the specified escalation factors.

II.4.b. Periodic Update of the Bridge District One-Time Special Tax

The Administrator will conduct a periodic update of the Bridge District One-Time Special Tax as described in **Section IV.3**.

II.4.c. Conversion of a Tax-Exempt Parcel to a Taxable Parcel

If a Tax-Exempt Parcel is converted to a Taxable Parcel, it shall become subject to the Special Tax programs. The Administrator will record the Land Area, and if applicable, the Building Area of the Parcel. The Taxable Parcel will become subject to the Annual Special Tax in the following Fiscal Year.

The Taxable Parcel may be subject to the payment of the Bridge District One-Time Special Tax and Regional One-Time Special Tax, if the Parcel has existing structures and the appropriate one-time special taxes were not paid for the structure(s) built after the formation of the CFD.

II.4.d. Taxable Parcel Acquired by a Public Agency

A Taxable Parcel that is acquired by a public agency after the CFD is formed will remain subject to the Annual Special Tax unless the Special Tax obligation is satisfied pursuant to Section 53317.5 of the Government Code.

The Public Agency may prepay the Annual Special Tax based on the provisions for **Section III.6** before the close of escrow on the Taxable Parcel.

The Public Agency or the property owner selling the parcel to the Public Agency will be required to pay the Bridge District One-Time Special Tax and the Regional One-Time Special Tax based on the provisions of **Section IV** and **Section V** before the close of escrow on the Taxable Parcel. The Special Taxes will be based on the Undeveloped Land Area of the subject Parcel.

The Administrator will determine whether or not a Taxable Parcel acquired by a public agency will be subject to the Public Land Acquisition One-Time Special Tax, according to **Section VII**.

SECTION III—ANNUAL SPECIAL TAX ASSIGNMENT, LEVY, TERMINATION, PREPAYMENT, MANNER OF COLLECTION

III.1. Classification of Parcels

Before July 1 of each Fiscal Year the Administrator will classify Parcels within the CFD using the Definitions above, and the steps that follow:

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

III.1.b. Each Taxable Parcel to be classified as an Original Parcel or Successor Parcel.

III.1.c. Each Taxable Parcel further classified as a Fully Developed Parcel, Partially Developed Parcel, Taxable Public Parcel, or Undeveloped Parcel.

III.1.d. Each Development Project located on a Fully Developed Parcel or Partially Developed Parcel is further classified as Single-Family, Multifamily, Residential Condominium, Nonresidential Use, Nonresidential Condominium, Mixed Use Condominium, or Mixed Use.

III.2. Assignment of the Annual Special Tax to Taxable Parcels

Each Fiscal Year the Administrator will assign the Annual Special Tax to Taxable Parcels within the CFD using the Definitions above, and the steps that follow. The Annual Special Tax is increased each Fiscal Year following the Base Year by the Annual Special Tax Escalation Factor.

III.2.a. Assignment of the Land Special Tax to Undeveloped Parcels and Partially Developed Parcels

Increase the Land Special Tax assigned to each Taxable Parcel by Annual Special Tax Escalation Factor.

III.2.b. Assignment of the Development Project Special Tax to Development Projects and the Developed Special Tax to Taxable Parcels

Assign the Development Project Special Tax to each Development Project in a Taxable Parcel, by multiplying the Developed Special Tax Rate times the Building Area. The Base Year Developed Special Tax Rate is shown in **Attachment 2**. It will be increased by the Annual Special Tax Escalation Factor and may also be adjusted by the addition of the Supplemental Special Tax Rate for specific Development Projects under **Section II.2.c**. The Developed Special Tax is first applied to a Taxable Parcel in the Fiscal Year following the Final Inspection for a Development Project.

Assign the Developed Special Tax to each Taxable Parcel by summing the Development Project Special Tax for all Development Projects in a Parcel.

III.2.c. Assignment of the Maximum Annual Special Tax

The Maximum Annual Special Tax for a Taxable Parcel is the sum of the Developed Special Tax and the Land Special Tax calculated in **Sections III.2.a** and **III.2.b**.

III.2.d. Assignment of the State Reimbursement Land Special Tax to Undeveloped and Partially Developed Parcels

The maximum annual State Reimbursement Land Special Tax is determined by multiplying the Undeveloped Land Area of the Parcel times the State Reimbursement Land Special Tax (shown in **Attachment 2** and as increased by the Annual Special Tax Escalation Factor).

III.3. Setting the Annual Special Tax Levy for Taxable Parcels

Each Fiscal Year, The Administrator shall calculate the Special Tax Levy for each Taxable Parcel as follows:

Step 1: Compute the Annual Cost excluding these:

- Facilities funded on a Pay-As-You-Go Basis (Annual Cost item f).
- Reimbursement for tax increment revenues advanced to the Bridge District (Annual Cost item g).

Step 2: Compute the Maximum Annual Developed Special Tax Revenue.

Step 3: If the special tax revenue from *Step 2* is greater than the amount calculated in *Step 1*, go to *Step 4*.

If the special tax revenue from *Step 2* is less than the amount calculated in *Step 1*, go to *Step 5*.

Step 4: **This step is used when there is no Land Special Tax required:**

a. Increase Annual Costs from *Step 1* by amounts for Authorized Facilities Funded on a Pay-As-You-Go Basis (Annual Cost item f) or reimbursements for tax increment revenues advanced to the Bridge District (Annual Cost item g) until the Annual Costs equals the Maximum Developed Special Tax Revenue from *Step 2*.

b. Levy the maximum Developed Special Tax on all Developed and Partially Developed Parcels.

c. If the City determines that Annual Special Taxes are no longer required to fund Authorized Facilities on a Pay-As-You-Go Basis and the City determines that there is no longer a requirement to reimburse tax increment revenues advanced to the Bridge District, then the Administrator shall proportionately reduce the Developed Special Tax on each Taxable Parcel until the Special Tax revenues are equal to the Annual Costs calculated in *Step 1*.

Go to *Step 6*.

Step 5: **This step is used when both a Land Special Tax and a Developed Special Tax is required.**

a. Levy the maximum Developed Special Tax on all Developed and Partially Developed Parcels.

b. Determine the amount of Land Special Tax required by subtracting the Maximum Annual Developed Special Tax Revenue (*Step 2*) from the Annual Costs (*Step 1*).

c. Levy the Land Special Tax proportionately on each Partially Developed Parcel and Undeveloped Parcel until the Land Special Tax revenue equals the amount calculated in *Step 5.b*. or until 100 percent of the Land Special Tax is levied.

Step 6: The Special Taxes calculated in *Step 4* or *Step 5* are the amounts to be included in the Tax Collection Schedule for all Taxable Parcels assigned a Special Tax levy. If a State Reimbursement Land Special Tax is to be levied under the provisions of **Section III.7**, add the amount determined in **Section III.**7 to the amounts included under this step in the Tax Collection Schedule.

III.4. Submitting the Annual Special Tax Levy for Taxable Parcels

Using the provisions of the Special Tax Ordinance, the Tax Collection Schedule determined in **Section III.3** will be approved for placement on the Secured Property Tax Roll for the Fiscal Year. The Tax Collection Schedule may be levied and collected under the provisions of **Section III.5**.

III.5. Manner of Collection of the Special Tax

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

III.6. Prepayment of the Annual Special Tax

A property owner may permanently satisfy the Annual Special Tax for a Development Project on a Parcel by Prepayment as permitted under Government Code Section 53344. Prepayment is permitted only under the following conditions:

- The City determines that the Prepayment of the Special Tax does not jeopardize its ability to make timely payments of Debt Service on outstanding Bonds.

- The landowner prepaying the Special Tax on a Parcel has paid any delinquent Special Tax and penalties on that Parcel before Prepayment.

The Prepayment amount shall be established by following the steps below.

III.6.a. Full Prepayment of the Annual Special Tax for a Development Project

Step 1: Determine the Developed Special Tax for the Development Project for which the Special Tax is to be prepaid using the provisions of **Section III.2.b**.

Step 2: Increase the Developed Special Tax by 2 percent for the remaining period for which the Parcel is subject is subject to the Special Tax (up to 40 years or the termination of the CFD, whichever is lesser).

Step 3: Using a discount rate equal to the most current yield for the 30-Year Treasury Constant Maturity calculate the net present value of the revenue stream determined *Step 2*. If this yield is no longer available, the Administrator will select a yield rate from a most comparable type of security.

Step 4: Add the administrative cost of processing the Prepayment to the amount calculated in *Step 3*.

Step 5: The amount in *Step 4* is the amount of the Full-Prepayment of the Annual Special Tax for the Development Project.

III.6.b. Full Prepayment of the Annual Special Tax for an Undeveloped Parcel or the undeveloped area of a Partially Developed Parcel

Step 1: Determine the Undeveloped Land Area of the Taxable Parcel

Step 2: Determine the Target FAR for the Taxable Parcel based upon the authorized land use.

Step 3: Multiply the result form *Step 1* times the result of *Step 2* to determine the Estimated Building Area for a potential Development Project for the prepaying Parcel.

Step 4: Determine the Developed Special Tax for the Development Project for which the Special Tax is to be prepaid by multiplying the Estimated Building Area by the Developed Special Tax Rate.

Step 5: Increase the Developed Special Tax by 2 percent for a period of 40 years or until the termination of the CFD, which ever is the lesser.

Step 6: Using a discount rate equal to the most current yield for the 30-Year Treasury Constant Maturity calculate the net present value of the revenue stream determined in *Step 5*. If this yield is no longer available, the Administrator will select a yield rate from a most comparable type of security.

Step 7: Add the administrative cost of processing the prepayment to the amount calculated in *Step 3*.

Step 8: The amount in *Step 7* is the amount of the Full-Prepayment of the Annual Special Tax obligation.

For each Development Project approved for the Taxable Parcel following the Prepayment of the Annual Special Tax, the Administrator must verify that the total amount of Building Area is less the Building Area calculated for the Prepayment of the Annual Special Tax above. If the cumulative Building Area for such Development Projects exceeds the Estimated Building Area calculated above, the new Development Project will be subject to the Annual Special Tax or an additional Prepayment will be required.

III.7. Setting the Annual Special Tax Levy of the State Reimbursement Land Special Tax

In the event the conditions of the State of California Proposition 1C – Housing and Emergency Shelter Trust Fund Act of 2006 grant are not met and the City is required to reimburse the State for any grant funds, the Administrator will calculate the State Reimbursement Land Special Tax using the provisions below.

Step 1: Determine the outstanding amount of Proposition 1C – Housing and Emergency Shelter Trust Fund Act of 2006 grant reimbursements required to be paid by the City and allocated by the Administrator to the Bridge District by doing the following:

a) Identify the total amount of the Proposition 1C – Housing and Emergency Shelter Trust Fund Act of 2006 grant received.

b) Determine the amount of regional infrastructure funded by the Proposition 1C grant that is attributed to development outside of the Bridge District.

c) Subtract the results of (b) from (a) to determine the maximum repayment obligation to be collected from the State Reimbursement Land Special Tax within the Bridge District.

d) Identify the Proposition 1C housing obligation. At the time this RMA was adopted, the housing obligation was 731 units (198 affordable and 533 market rate).

e) Identify the number of Proposition 1C housing units completed in accordance with the grant requirements.

f) Identify the number of Proposition 1C units not completed by subtracting the results from (e) from the results of (d).

g) Calculate the percentage of Proposition 1C housing units not complete by dividing the number in (f) by the number in (d).

h) Multiply the results of (g) by the results of (c) to determine the maximum repayment obligation.

i) Review the grant agreements and/or reimbursement agreements (including any future agreements following the adoption of CFD 27) executed between the City and the State to identify any adjustments to the maximum repayment obligation as defined in those documents.

j) If the maximum repayment obligation exceeds that amount that, when added to the principal amount of all Bonds outstanding that are secured by an Annual Special Tax levied under the Act or by a special assessment on the property subject to the State Reimbursement Land Special Tax, equals one-third of the value of such property, then reduce the maximum repayment obligation to that amount. The property values used for this purpose may be based on either assessed valuations shown on the most recent equalized assessment roll of the County of an MAI fair market appraisal performed by an appraiser selected by the City and applying the standards and methods for appraisals in the City's Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act.

Step 2: Compute the maximum annual State Reimbursement Land Special Tax revenue for each Undeveloped Parcel and Partially Developed Parcel by doing the following.

a) Using the grant agreements and/or reimbursements agreements (including any future agreements following adoption of CFD 27), identify the number of years over which to repay the State. If the grant agreement and/or reimbursement agreements (including any future agreements following adoption of CFD 27) does not specify a repayment schedule, the Administrator will determine an appropriate repayment period.

b) Divide the results of *Step 1* (the maximum repayment obligation) by the results of (a) in *Step 2* to determine the annual installment for the maximum repayment obligation.

c) Identify the maximum State Reimbursement Land Special Tax Rate for the Fiscal Year the Special Tax is being levied (identified in **Attachment 2** escalated in accordance with the Annual Special Tax Escalation Factor).

d) Identify the number of Proposition 1C housing units actually constructed in zone 1 (Zones are identified in the map in **Attachment 5**.)

e) Identify the number of Proposition 1C housing units required to be built in zone 1. Below is the Proposition 1C housing obligation for each zone as of December 2009. The obligations may be modified in accordance with the Proposition 1C grant requirement and with approval of the City and each property owner either increasing or reducing his or her obligation.

a. Zone 1 = 386 units
b. Zone 2 = 100 units
c. Zone 3 = 175 units

d. Zone 4 = 0 units
e. Zone 5 = 70 units (but exempt from the Annual Special Tax)

f) Identify the number of Proposition 1C housing units not constructed in zone 1 by subtracting the results of (d) from the results of (e).

g) Divide the results of (f) by the results of (e) to determine the percent not completed for zone 1.

h) Adjust the maximum State Reimbursement Special Tax Rate for zone 1 by multiplying the results of (g) by the results of (c).

i) Repeat (d), (e), (f), and (g) for zones 2 and 3.

j) Multiply the adjusted maximum State Reimbursement Land Special Tax Rates determined in (h) and (i) by the Undeveloped Land Area in each zone to determine the maximum State Reimbursement Land Special Tax for such zone. Sum the maximum State Reimbursement Land Special Taxes for zones 1, 2, and 3.

k) Multiply the Undeveloped Land Area in zones 4 and 5 by the State Reimbursement Land Special Tax Rates determined in (c) to determine the maximum State Reimbursement Land Special Tax for such zones.

l) Add the results of (j) to the results of (k) to determine the total maximum Statement Reimbursement Land Special Tax for CFD 27.

m) If the total maximum State Reimbursement Land Special Tax determined in (l) is less than or equal to the annual installment determined in (b), levy the total maximum annual State Reimbursement Land Special Tax for each Undeveloped Parcel and Partially Developed Parcel using the rates determined in (h) and (i) by zone.

n) If the maximum State Reimbursement Land Special Tax determined in (l) is greater than the annual installment determined in (b), proportionally reduce the maximum annual State Reimbursement Land Special Tax for each Undeveloped Parcel and Partially Developed Parcel until the total State Reimbursement Land Special Tax for CFD 27 is just equal to the annual installment determined in (b).

Step 3: Levy the amount of State Reimbursement Land Special Tax from *Step 2*. Add this amount to the amount determined in **Section III.3** *Step 6*.

SECTION IV—BRIDGE DISTRICT ONE-TIME SPECIAL TAX ASSIGNMENT AND MANNER OF COLLECTION

IV.1. Assignment of the Bridge District One-Time Special Tax

The Administrator will calculate the Bridge District One-Time Special Tax for a Development Project using the following steps.

Step 1: **Collect current information from the Parcel record**

Determine the current Undeveloped Land Area, Developed Land Area, and Building Area from the Parcel record prior to adjustments for the new Development Project.

Step 2: **Collect information necessary for the Special Tax calculation from the Development Plan for the new Development Project.**

Determine the Building Area, the Building Footprint, and Developed Land Area.

If the Developed Land Area estimate is not available, the Administrator may apply a factor of 1.2 to the Building Footprint to estimate the Developed Land Area.

Step 3: **Determine if the new Development Project makes the Parcel a Fully Developed Parcel or a Partially Developed Parcel and finalize the Developed Land Area.**

If the Development Plan shows that the Parcel will become a Fully Developed Parcel, the Developed Land Area for the tax calculation will be set equal to the current Undeveloped Land Area in the Parcel record prior to the adjustment for the new project.

If the Development Plan shows that there remains capacity for additional Development Projects, then the Developed Land Area from *Step 2* will used for the tax calculation.

In determining if the Parcel is a Partially Developed Parcel, Administrator will evaluate whether or not a structure meeting the design standards and density requirements for the Bridge District could be constructed on the remaining Undeveloped Land Area of the Parcel.

Step 4: **Determine the Bridge District One-Time Special Tax Rate using the appropriate Tax Category from Attachment 3.**

If Building Area from *Step 1,* when added to the Cumulative Building Area, causes the Development Project to overlap into a higher Tax Category, then the Administrator will compute the Bridge District One-Time Special Tax using the tax rates from both Tax Categories on a proportional basis.

Step 5: **Determine if the Project is subject to the Density Adjustment Factor**

Compute the FAR for the new Development Project by dividing the Building Area from *Step 2* by the Developed Land Area set for the Parcel in *Step 3*.

Determine the Target FAR for the Development Project based on the Land Use identified in the Development Plan.

Residential Target FAR = 1.5 Nonresidential Target FAR = 2.0.

Mixed Use FAR is based on a proportional calculation.

Subtract the Project FAR from the Target FAR.

If the result is negative, the Density Adjustment Factor is zero (0).

Target FAR (1.5) – Project FAR (1.8) = -0.3 --- Adj. Factor = 0

If the result is positive, the Density Adjustment Factor is the result.

Target FAR (1.5) – Project FAR (1.3) = 0.2 --- Adj. Factor = .2

Determine the current Fiscal Year's annual Developed Special Tax based on the Development Project's land use.

Step 6: **Determine if there is a reduction in the Bridge District One-Time Special Tax for the Development Project because of the authorization of a Supplemental Special Tax Rate from Section II.2.c.**

Step 7: **Compute the Bridge District One-Time Special Tax.**

7.1 Multiply the Developed Land Area from *Step 3*
times the Bridge District One-Time Special Tax Rate from *Step 4*.

7.2 Multiply the Density Adjustment Factor from *Step 5*
times 10 (ten)
times the Developed Special Tax Rate from *Step 5*
times the Developed Land Area from *Step 3*.

7.3 The sum of the results from *Step 7.1* and *Step 7.2*
less any reduction from *Step 6*
equals the Bridge District One-Time Special Tax.

Step 8: **Update the Parcel record with this:**

Set the Parcel Classification as a Developed Parcel or a Partially Developed Parcel. Adjust the Building Area information for the Parcel to reflect the addition for the new Development Project. Update the Developed Land Area and Undeveloped Land Area to account for the new Development Project. Record the Bridge One-Time Special Tax levy.

IV.2. Manner of Collection of the Bridge District One-Time Special Tax

The Bridge District One-Time Special Tax will be due and payable before Final Inspection of a Development Project.

The Administrator will calculate the amount of the Bridge District One-Time Special Tax before Final Inspection of a Development Project.

The Administrator will notify the department of the City responsible for collecting Bridge District One-Time Special before the Final Inspection of the amount to be collected. Notification shall be a written or electronic notification that includes the Development Application identification number or reference, the County Assessor's Parcel for the Parcel.

A preliminary estimate of the amount of the Bridge District One-Time Special Tax will be calculated before Final Inspection upon request of the applicant.

IV.3. Determination of the Periodic Adjustment Factor for the Bridge District One-Time Special Tax Rate

1. Engineering Adjustments

If there is a change in costs for utilities, roads, and streetcar compared to what was assumed in the Hearing Report for CFD 27 or the Bridge District Specific Plan, the amount of the Bridge District One Time Special Tax Rate can be modified to reflect the cost changes. Changes in cost can be based on actual cost of construction or updated engineering estimates for the utilities, roads, and street car/transit improvements. The increase or decrease in costs will be applied to the Bridge One Time Special Tax rates on a percentage basis to preserve CFD 27's share of the cost for those facilities. In no way shall the amount of an increase yield more than $1.5 million for street cars/transit.

Process

1. **Commence Study.** Following construction of the first phase of infrastructure, the Administrator can, either internally or through the use of a consultant, update the roadways, utilities, and streetcar costs/funding plan and determine whether a modification to the Bridge One-Time Special Tax Rates is necessary.

2. **Consultation.** At commencement of the study identified in number one, the remaining property owners of undeveloped land will be notified in writing by the Administrator. The Administrator is required to consult with the notified property owners throughout the course of the study. Consultation can include soliciting input, presentations, meetings, or other forms of consultation as determined by the Administrator.

3. **Publish Study.** The Administrator will publish a report summarizing the analysis, conclusions and recommendations of the study identified in number one and notify the property owners of its availability. No formal action may be taken with respect to the recommendations in the study for at least fifteen (15) days.

4. **Council Consideration.** If it is determined to be necessary, the adjusted Bridge District One Time Special Tax rates will be brought to the Council for consideration and approval. This will occur no sooner than 90 days following the commencement of the study as identified in number one.

5. **Future Periodic Engineering Adjustments.** City staff can repeat steps one through four every 3 years from that point forward.

2. Periodic Feasibility Adjustments

Description: Increases to the Bridge One Time Special Tax Rate to reflect improved financial and market feasibility related to the development of product consistent with the Bridge District Specific Plan. In 2009 when the CFD 27 special tax rates were prepared, the financial and market feasibility of developing real estate product consistent with the Bridge District was uncertain. In response to this uncertainty, the CFD 27 special tax rates were reduced to improve feasibility. A Periodic Feasibility Adjustment should be made, as needed, when land values can support such an adjustment, to increase the Bridge One-Time Special tax to fund required infrastructure serving the Bridge District.

Rate / Methodology: Periodically, the City may review the feasibility of development within the Bridge District to capture the additional revenue originally anticipated from CFD 27 to fund the backbone and supplemental infrastructure program for the Bridge District.

Process:

1. **Commence Study.** Following the construction of 5.5 million square feet of development (measured from the date CFD 27 is formed), the Administrator can do these:

   a. Hire an independent consultant to evaluate these:

      - Conduct Land Value Test – The Bridge District One-Time Special Tax can only be increased if estimated land value for undeveloped land in the Bridge District is greater than $20 per square foot, compounded from December 2009 by 5% each year. If the land values test fails, the Periodic Feasibility Adjustment would be terminated for the current Fiscal Year.

      - Financial and market feasibility of developing product consistent with the Specific Plan.

      - Remaining Authorized Facilities to be built.

   Provide a recommendation on whether the CFD 27 rate structure should be increased or decreased.

   b. Based on the analysis conducted in 1(a), the City Council has authority to increase the Bridge One Time Special Tax Rate. Any increase in the One Time Special Tax Rate would be effective to development that occurs after 6.0 million square feet is built (measured from the date CFD 27 is formed).

2. **Consultation.** At commencement of the study identified in number one, the remaining undeveloped property owners will be notified in writing by the Administrator. The

Administrator is required to consult with the undeveloped property owners throughout the course of the study. Consultation can include soliciting input, presentations, meetings, or other forms of consultation as determined by the Administrator.

3. **Publish Study.** The Administrator will publish a report summarizing the analysis, conclusions and recommendations of the study identified in number one and notify the remaining undeveloped property owners of its availability. No formal action may be taken with respect to the recommendations in the study for at least fifteen (15) days.

4. **Council Consideration.** If it is determined to be necessary, the adjusted CFD 27 rates will be brought to the Council for their consideration. This will occur no sooner than 90 days following the commencement of the study as identified in number one.

5. **Future Periodic Feasibility Adjustments.** The City can repeat steps one through three every three years following a completed Periodic Feasibility Adjustment process..

SECTION V—REGIONAL ONE-TIME SPECIAL TAX CALCULATION AND MANNER OF COLLECTION

V.1. Classification of Parcels

Development Projects are classified as Residential Use, Office Use, or Retail Use or Mixed Use for the purpose of assigning the Special Tax in this section.

V.2. Assignment of the Regional One-Time Special Tax

The Regional One-Time Special Tax is assigned to a Development Project by multiplying the Developed Land Area for the Development Project determined in **IV.1** times the appropriate category of Regional One-Time Special Tax Rate, as shown in **Attachment 4**, and as adjusted by the Regional One-Time Tax Escalation Factor.

For a Mixed Use Parcel, the Administration will first calculate the proportionate shares of the Building Area of the various uses, and then proportionately allocate the Developed Land to Residential Use, Office Use or Retail. The Administrator will calculate the Regional One Time Special Tax by multiplying the assigned Developed Land Area for Residential Use, Office Use and Retail Use by the appropriate Regional One Time Special Tax Rate.

V.3. Manner of Collection of the Regional One-Time Special Tax

The Regional One Time Special Tax will be due and payable before Final Inspection.

The Administrator will notify the department of the City responsible for collecting Development Impact Fees before the issuance of building permits that certain specified Development Impact Fees will not be collected because they will be paid through the collection of the Regional One-Time Special Tax. Notification shall be a written or electronic notification that includes the Development Application identification number or reference, the County Assessor's Parcel for the Parcel.

The Administrator will calculate the amount of the Regional District One-Time Special Tax using the provisions of **Section V.2** before Final Inspection or other payment date approved by the Administrator for collection of the Special Tax. The Administrator will notify the department of the City responsible for collecting the Regional One-Time Special Tax of the amount to be collected. Notification shall be a written or electronic notification that includes the Development Application identification number or reference, the County Assessor's Parcel for the Parcel.

A preliminary estimate of the amount of the Bridge District One-Special Tax will be calculated at an earlier time upon request of the applicant.

SECTION VI—PUBLIC AGENCY ACQUISITION ONE-TIME SPECIAL TAX CALCULATION AND MANNER OF COLLECTION

VI.1. Calculation of the Special Tax

If a Public Agency acquires a Parcel which meets the definition of a Taxable Public Parcel, a Public Agency Acquisition One-Time Special Tax must be paid to the City before the transfer of title to the land. The first 2,000,000 building square feet of Public Agency building space will be exempt from payment of the Public Acquisition One-Time Special Tax. **The City Council may at is sole discretion exempt additional Public Agency building space from the payment of the Public Acquisition One Time Special Tax.**

The Administrator will calculate the Special Tax using the following steps:

Step 1: Determine the Undeveloped Land Area of the Parcel.

Step 2: Multiply the amount from *Step 1* times the Average FAR to assign an Estimated Building Area for the Parcel.

Step 3: Multiply the amount from *Step 2* times $300 adjusted by ENR-BCI (20 city average). The Administrator may periodically adjust this amount through a review of at least three comparable projects, constructed in the prior three years.

Step 4: Multiply the amount from *Step 3* times 0.0054.

Step 5: Assign the value from *Step 4* to the following Fiscal Year. Increase this amount by 2 percent for each Fiscal Year through the Fiscal Year 2036-2037.

Step 6: Determine the net present value of this revenue stream using a discount rate equal to the current interest rate of a 30-Year Treasury Note to determine the Tax Increment One-Time Special Tax.

VI.2. Collection of the Special Tax

Before the transfer of title of the Parcel to a Public Agency, the Administrator will calculate the Public Agency Acquisition One-Time Special Tax using the procedures in **Section VI.1**. The Administrator will submit a demand letter to the escrow officer for the land transfer with instructions to collect the amount of the Special Tax before the close of escrow.

Attachment 1
West Sacramento CFD No. 27 (Bridge District)
CFD Parcels and Assignment of Base Year Land Special Tax (FY 2009-2010)

LAND AREAS SUBJECT TO REVISION PRIOR TO BOND SALE

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Developed Land Area	Undeveloped Land Area [2] [4]	Public Land Area	Tax-Exempt Parcels	Base Year Land Special Tax [5]	Percent of Total	Taxable Acres
							$0.40 per SF		
ARKAD INCOME PROP LLC	058-320-014-000	40,287.24	0.00	40,287.24	0.00	0.00	$16,115	0.95%	0.92
CARASCO GEORGE T & BETTY J TR	058-300-008-000	7,440.01	0.00	6,634.58	805.43	0.00	$2,654	0.16%	0.15
CLARK-PACIFIC CORP/TECON PACIFIC	058-330-005-000	140,617.53	0.00	76,067.78	64,549.75	0.00	$30,427		1.75
	058-320-018-000	189,235.65	0.00	131,950.40	57,285.25	0.00	$52,780		3.03
	Subtotal	**329,853.18**	**0.00**	**208,018.18**	**121,835.00**	**0.00**	**$83,207**	4.92%	4.78
CONRAD ETHAN & PHILLIPS CORLEY M TR	058-310-001-000	338,649.10	0.00	326,539.48	12,109.62	0.00	$130,616	7.72%	7.50
LONESTAR CALIFORNIA INC	058-350-001-000	234,135.73	0.00	145,167.71	88,968.02	0.00	$58,067		3.33
	058-350-008-000	165,004.21	0.00	85,787.07	79,217.14	0.00	$34,315		1.97
	Subtotal	**399,139.94**	**0.00**	**230,954.78**	**168,185.16**	**0.00**	**$92,382**	5.46%	5.30
LORIS CHRIS W & NADINE C & FAM 1993 TRUST	058-310-003-000	48,901.23	0.00	36,882.97	12,018.26	0.00	$14,753		0.85
	058-310-009-000	132,030.71	0.00	113,881.98	18,148.73	0.00	$45,553		2.61
	Subtotal	**180,931.94**	**0.00**	**150,764.95**	**30,166.99**	**0.00**	**$60,306**	3.56%	3.46
RAMOS FRANK C & JOANNE M TR	058-320-019-000	93,657.63	0.00	67,651.22	26,006.41	0.00	$27,060	1.60%	1.55
RAMOS FRANK C TR ETAL	058-320-037-000	81,490.81	0.00	72,253.09	9,237.72	0.00	$28,901		1.66
	058-320-039-000	25,725.31	0.00	2,394.82	23,330.49	0.00	$958		0.05
	Subtotal	**107,216.12**	**0.00**	**74,647.91**	**32,568.21**	**0.00**	**$29,859**	1.77%	1.71
REDEVELOPMENT AGENCY OF W SAC	058-300-004-000	4,132.45	0.00	3,146.59	985.86	0.00	$1,259		0.07
	058-320-041-000	127,904.97	0.00	69,415.44	58,489.53	0.00	$27,766		1.59
	058-330-004-000	117,267.54	0.00	85,953.89	31,313.65	0.00	$34,382		1.97
	058-330-006-000	12,774.00	0.00	1,558.00	0.00	11,216.00	$623		0.04
	067-330-018-000	397,906.02	0.00	231,306.11	166,599.91	0.00	$92,522		5.31
	Subtotal	**659,984.98**	**0.00**	**391,380.03**	**257,388.95**	**11,216.00**	**$156,552**	9.25%	8.98
									0.00
RIVER CITY PARKING LLC	058-310-022-000	60,225.09	0.00	38,045.34	22,179.75	0.00	$15,218		0.87
	067-330-010-000	40,506.51	0.00	33,661.96	6,844.55	0.00	$13,465		0.77
	067-330-011-000	28,515.35	0.00	25,606.73	2,908.62	0.00	$10,243		0.59
	Subtotal	**129,246.95**	**0.00**	**97,314.03**	**31,932.92**	**0.00**	**$38,926**	2.30%	2.23
RIVER ROAD VENTURE LLC	058-320-001-000	143,519.83	0.00	80,911.71	62,608.12	0.00	$32,365		1.86

Prepared by EPS 8/26/2010

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Attachment 1
West Sacramento CFD No. 27 (Bridge District)
CFD Parcels and Assignment of Base Year Land Special Tax (FY 2009-2010)

LAND AREAS SUBJECT TO REVISION PRIOR TO BOND SALE

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Developed Land Area	Undeveloped Land Area [2] [4]	Public Land Area	Tax-Exempt Parcels	Base Year Land Special Tax [5]	Percent of Total	Taxable Acres
							$0.40 per SF		
	058-320-022-000	209,806.52	0.00	111,688.40	98,118.12	0.00	$44,675		2.56
	058-320-024-000	81,984.94	0.00	64,155.71	17,829.23	0.00	$25,662		1.47
	Subtotal	**435,311.29**	**0.00**	**256,755.82**	**178,555.47**	**0.00**	**$102,702**	6.07%	5.89
ROBINSON LEONARD D	058-310-005-000	164,787.93	0.00	126,626.13	38,161.80	0.00	$50,650	2.99%	2.91
SACRAMENTO STUCCO	058-310-018-000	50,526.36	0.00	28,462.08	22,064.28	0.00	$11,385		0.65
	058-310-019-000	74,297.95	0.00	44,115.71	30,182.24	0.00	$17,646		1.01
	Subtotal	**124,824.31**	**0.00**	**72,577.79**	**52,246.52**	**0.00**	**$29,031**	1.72%	1.67
SMART GROWTH INVESTORS II INC	058-300-005-000	6,440.26	0.00	5,254.87	1,185.39	0.00	$2,102		0.12
	058-300-006-000	6,366.38	0.00	6,366.38	0.00	0.00	$2,547		0.15
	058-300-007-000	13,007.70	0.00	0.00	13,007.70	0.00	$0		0.00
	058-310-012-000	6,435.20	0.00	5,716.47	718.73	0.00	$2,287		0.13
	058-310-013-000	10,009.91	0.00	10,009.91	0.00	0.00	$4,004		0.23
	058-310-014-000	8,852.68	0.00	8,852.68	0.00	0.00	$3,541		0.20
	058-310-015-000	8,334.60	0.00	8,334.60	0.00	0.00	$3,334		0.19
	058-310-016-000	369,462.52	0.00	352,462.78	16,999.74	0.00	$140,985		8.09
	058-320-044-000	23,522.50	0.00	19,028.38	4,494.12	0.00	$7,611		0.44
	058-330-001-000	130,037.87	0.00	50,836.62	44,957.25	34,244.00	$20,335		1.17
	058-330-002-000	119,658.85	0.00	94,433.26	25,225.59	0.00	$37,773		2.17
	058-330-003-000	10,121.12	0.00	5,061.77	5,059.35	0.00	$2,025		0.12
	058-340-009-000	143,437.59	0.00	126,050.04	17,387.55	0.00	$50,420		2.89
	058-340-002-000	59,535.83	0.00	20,280.62	39,255.21	0.00	$8,112		0.47
	058-350-002-000	140,549.91	0.00	107,967.48	32,582.43	0.00	$43,187		2.48
	058-350-003-000	40,873.60	0.00	31,145.52	9,728.08	0.00	$12,458		0.72
	058-350-004-000	13,535.84	0.00	7,444.38	6,091.46	0.00	$2,978		0.17
	058-350-005-000	619,137.04	0.00	422,187.71	196,949.33	0.00	$168,875		9.69
	058-350-006-000	479,335.44	0.00	154,221.64	325,113.80	0.00	$61,689		3.54
	058-350-007-000	28,250.79	0.00	20,951.31	7,299.48	0.00	$8,381		0.48
	Subtotal	**2,236,905.63**	**0.00**	**1,456,606.42**	**746,055.21**	**34,244.00**	**$582,643**	34.44%	33.44
TIM KRUSE CONSTRUCTION INC	058-310-002-000	31,880.74	0.00	31,880.74	0.00	0.00	$12,752	0.75%	0.73
UNGER DEAN F TR	058-320-042-000	69,260.40	0.00	55,778.34	13,482.06	0.00	$22,311		1.28
	058-320-045-000	157,561.36	0.00	135,619.74	21,941.62	0.00	$54,248		3.11
	058-320-046-000	255,741.42	0.00	48,602.70	207,138.72	0.00	$19,441		1.12
	058-340-007-000	116,104.22	0.00	6,738.02	109,366.20	0.00	$2,695		0.15

Attachment 1
West Sacramento CFD No. 27 (Bridge District)
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LAND AREAS SUBJECT TO REVISION PRIOR TO BOND SALE

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Developed Land Area	Undeveloped Land Area [2] [4]	Public Land Area	Tax-Exempt Parcels	Base Year Land Special Tax [5]	Percent of Total	Taxable Acres
							$0.40 per SF		
	058-340-005-000	78,843.60	0.00	50,595.02	28,248.58	0.00	$20,238		1.16
	Subtotal	**677,511.00**	**0.00**	**297,333.82**	**380,177.18**	**0.00**	**$118,934**	7.03%	6.83
UNION PACIFIC RAILROAD	843-57-6-1	39,169.12	0.00	36,740.16	2,428.96	0.00	$14,696		0.84
	843-57-6C-28	523,088.43	0.00	325,721.80	197,366.63	0.00	$130,289		7.48
	Subtotal	**562,257.55**	**0.00**	**362,461.96**	**199,795.59**	**0.00**	**$144,985**	8.57%	8.32
WEST SACRAMENTO CITY OF	058-320-009-000	20,991.97	0.00	10,006.87	10,985.10	0.00	$4,003		0.23
	058-320-028-000	160,699.50	0.00	0.00	160,699.50	0.00	$0		0.00
	058-370-054-000	27,858.68	0.00	11,883.73	15,974.95	0.00	$4,753		0.27
	058-380-028-000	80,884.79	0.00	0.00	80,884.79	0.00	$0		0.00
	058-380-029-000	10,231.81	0.00	0.00	10,231.81	0.00	$0		0.00
	Subtotal	**300,666.75**	**0.00**	**21,890.60**	**278,776.15**	**0.00**	**$8,756**	0.52%	0.50
YOLO CO MOTEL-HOTEL ASSN INC	058-300-011-000	10,616.33	0.00	8,810.64	1,805.69	0.00	$3,524	0.21%	0.20
	Totals	**6,831,168.62**	**0.00**	**4,229,136.32**	**2,556,572.30**	**45,460.00**	**$1,691,654.53**	**100.00%**	**97.09**

"att_1"

[1] From the Yolo County Assessor.
[2] CFD Parcels shown in Attachment 1 at formation of the CFD are Original Parcels. As Original Parcels are Subdivided, Successor Parcels will be recorded in Attachment 1 with new land area assignments and calculation of the Land Special Tax.
[3] Provided by the City.
[4] Taxable land square feet includes the parcels to be taxed initially in the CFD. Parcels with no taxable square feet may become subject to the Special Tax at a future date.
[5] Land square foot times $0.40 is used to calculate the Land Special Tax.

Attachment 2
West Sacramento CFD No. 27 (Bridge District)
Annual Special Taxes - Base year 2009-2010

Annual Special Taxes [1]	Annual Special Tax Rate Base Year 2009-10	Unit of Measure Per Square Foot
Land Special Tax Rate	$0.40	Per Undeveloped Land Area
Developed Special Tax Rate		
Apartments	$0.50	Per Building Area
Single Family Units	$0.55	Per Building Area
Residential Condominiums	$0.55	Per Building Area
Non-Residential Use	$0.50	Per Building Area
Non-Residential Condominium	$0.55	Per Building Area
Mixed Use	$0.50	Per Building Area
Mixed Use Condominium	$0.55	Per Building Area
State Reimbursement Land Special Tax Rate [2]	$1.10	Per Undeveloped Land Area

"att_2"

[1] Increased by the Tax Escalation Factor in each Fiscal Year after the Base Year 2009-2010.

[2] Only collected if the City is required to reimburse to the State of California any Proposition 1-C Housing and Emergency Shelter Trust Fund Act of 2006 for failure to meet the requirements of the grant.

Attachment 3
West Sacramento CFD No. 27 (Bridge District)
Bridge District One-Time Special Tax - Base Year 2009-2010

	Bridge District One-Time Special Tax Base Year 2009-2010 Tax Rates [1,2] Tax Category		
	Tier 1	**Tier 2**	**Tier 3**
Cumulative Building Area	**< 1.0 Million**	**1.0 Mil - 6.0 Mil**	**> 6.0 Million**
Rate per Square Foot of Developed Land Area for a Development Project	**$1.54**	**$7.68**	**$9.22**

"att_3"

[1] Base year rates are increased by the annual escalation factor and through the periodic adjustment process

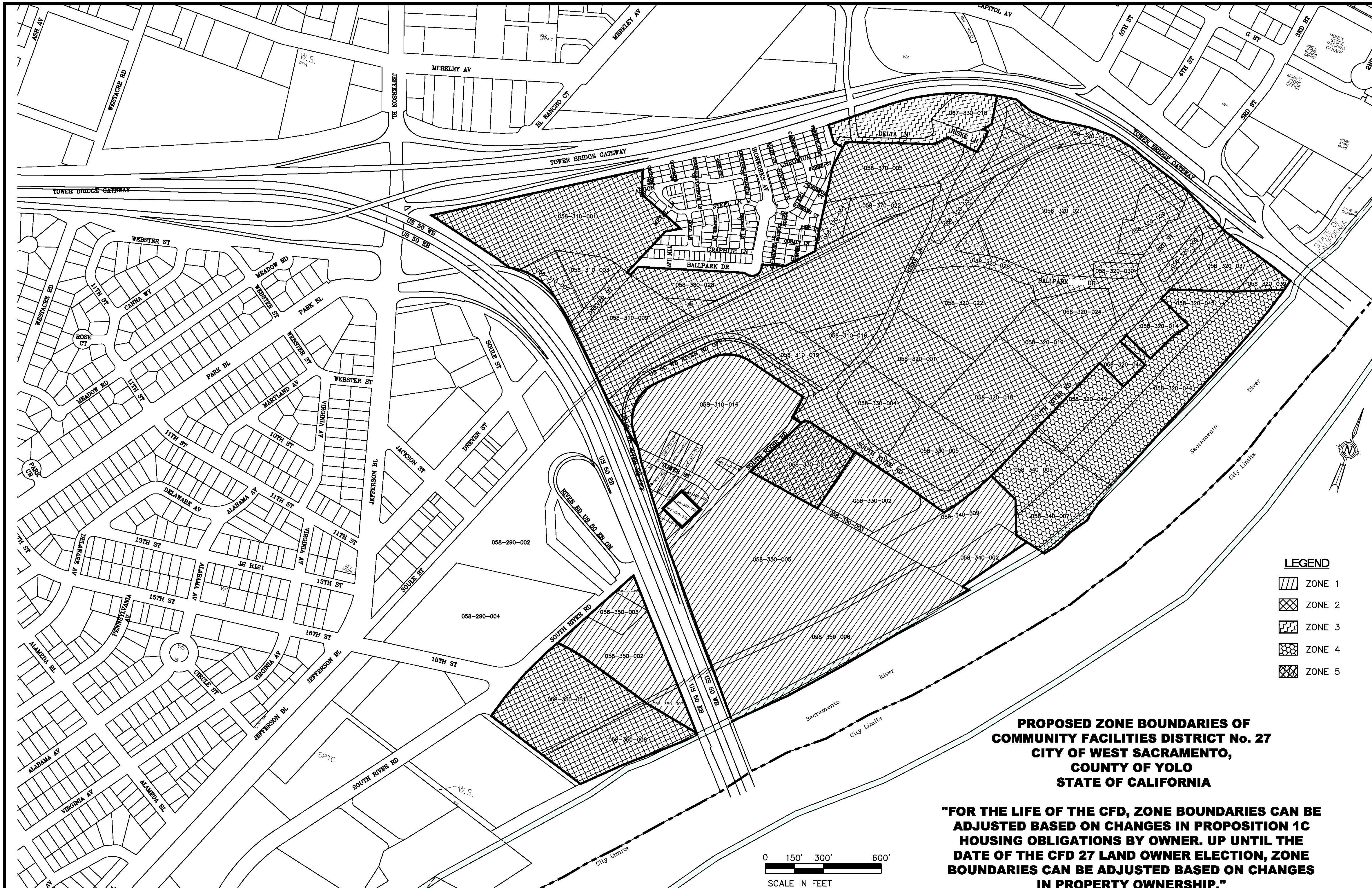
[2] If a Development Project does not meet the Target FAR a Density Adjustment tax may be added.

Attachment 4
West Sacramento CFD No. 27 (Bridge District)
Regional One-Time Special Tax - Base Year 2009-2010 [1]

	Residential Use			Office Use			Retail Use		
Regional One-Time Special Tax	Tax Category			Tax Category			Tax Category		
	Tier 1	**Tier 2**	**Tier 3**	**Tier 1**	**Tier 2**	**Tier 3**	**Tier 1**	**Tier 2**	**Tier 3**
Cumulative Building Area	**< 1.0 Million**	**1.0 Mil - 6.0 Mil**	**> 6.0 Million**	**< 1.0 Million**	**1.0 Mil - 6.0 Mil**	**> 6.0 Million**	**< 1.0 Million**	**.0 Mil - 6.0 Mi**	**> 6.0 Million**
City Fee Program	*Per Developed Land Area [2]*			*Per Developed Land Area [2]*			*Per Developed Land Area [2]*		
Water	$1.81	$1.81	$1.81	$0.31	$0.31	$0.31	$0.31	$0.31	$0.31
Sewer Collection	$0.00	$2.67	$2.67	$0.00	$0.78	$0.78	$0.00	$0.78	$0.78
Police Facilities	$0.00	$1.00	$1.00	$0.00	$1.84	$1.84	$0.00	$1.10	$1.10
Fire Facilities	$0.80	$0.80	$0.80	$1.67	$1.67	$1.67	$1.01	$1.01	$1.01
Corporation Yard	$0.00	$1.01	$1.01	$0.00	$1.85	$1.85	$0.00	$1.11	$1.11
City Hall Addition	$0.00	$0.56	$0.56	$0.00	$1.02	$1.02	$0.00	$0.62	$0.62
Childcare Facilities	$0.00	$0.40	$0.40	$0.00	$0.62	$0.62	$0.00	$0.96	$0.96
Total	**$2.61**	**$8.25**	**$8.25**	**$1.98**	**$8.09**	**$8.09**	**$1.32**	**$5.89**	**$5.89**

"att_4"

[1] The Regional One-Time Special Tax Rate is increased by the Regional One-Time Tax Escalation Factor in each Fiscal Year after the Base Year.
[2] Per square foot of Developed Land Area.



PROPOSED ZONE BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT No. 27
CITY OF WEST SACRAMENTO,
COUNTY OF YOLO
STATE OF CALIFORNIA

"FOR THE LIFE OF THE CFD, ZONE BOUNDARIES CAN BE ADJUSTED BASED ON CHANGES IN PROPOSITION 1C HOUSING OBLIGATIONS BY OWNER. UP UNTIL THE DATE OF THE CFD 27 LAND OWNER ELECTION, ZONE BOUNDARIES CAN BE ADJUSTED BASED ON CHANGES IN PROPERTY OWNERSHIP."

SHEET 1 OF 1

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APPENDIX B

THE APPRAISAL

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Self-Contained Appraisal

West Sacramento Community Facilities District No. 27 (Bridge District)
Along the west banks of the Sacramento River,
Between the Tower Bridge and Pioneer Bridge
West Sacramento, California 95691

Date of Report: June 22, 2010

Prepared For:

Ms. Evelyne Hayden
Director of Finance
City of West Sacramento
1110 West Capitol Avenue
West Sacramento, California 95691

Prepared By:

Kevin K. Ziegenmeyer, Appraiser
Eric A. Segal, Appraiser

Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation

June 22, 2010

Ms. Evelyne Hayden
Director of Finance
City of West Sacramento
1110 West Capitol Avenue
West Sacramento, California 95691

RE: West Sacramento CFD No. 27 (Bridge District)
Along the west banks of the Sacramento River,
Between the Tower Bridge and Pioneer Bridge
West Sacramento, California 95691

Dear Ms. Hayden:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has prepared a Self-Contained Appraisal Report pertaining to the fee simple interest in the above referenced property. The appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004). As a Self-Contained Appraisal Report, this document is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP.

The appraised properties within the boundaries of West Sacramento Community Facilities District No. 27 (Bridge District), formerly called the Triangle, comprise a portion of the Triangle Specific Plan Area of West Sacramento and are proposed for the development of approximately 9,000,000 square feet of both high density for-rent and for-sale residential and commercial (retail and office) development on approximately 157.87 acres of land. The District consists of numerous Assessor's parcels held by 19 different ownerships. The subject property is located along the west banks of the Sacramento River, south of the Tower Bridge and north of the Pioneer Bridge, within the city of West Sacramento, Yolo County, California. As of the date of value, the subject consisted of vacant land and land improved with buildings at the end of their economic lives, adding no contributory value to the land.

We have been requested to provide an estimate of market value, by ownership, and cumulative, or aggregate value, of the subject property assuming all public infrastructure, facilities and fees (if any) to be financed by the City of West Sacramento Community Facilities District No. 27 Bonds are in place.

In addition, as requested and authorized, the valuation estimate will also consider the completion of public infrastructure, facilities and fees (if any) to be financed by a grant from State of California Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which is approximately $50.6 million. The estimate of value will also account for the impact of the lien of the Special Tax securing the Bonds. The value estimate is subject to a hypothetical condition, defined by USPAP as "that which is contrary to what exists but is supposed for the purposes of analysis." **It is a hypothetical condition in light of the fact the construction of the proposed infrastructure and facilities has not yet commenced**.

As a result of the analysis, our opinion of market value, by ownership, and cumulative, or aggregate, value of the District (based on a hypothetical condition) as of June 7, 2010, in accordance with the definitions, certifications, assumptions and significant factors set forth in the attached document, is:

Ownership	Conclusion of Market Value*
Arkad Income Prop LLC	$2,420,000
Carasco George T & Betty J Tr.	$400,000
Clark-Pacific Corp	$10,400,000
Conrad Ethan & Phillips Corley M Tr.	$9,800,000
Lonestar California Inc.	$6,930,000
Loris Chris W & Nadine C & Fam 1993 Tr.	$4,520,000
Ramos Frank C & Joanne M Tr.	$3,380,000
Ramos Frank C et al	$3,730,000
Redevelopment Agency of W. Sac.	$13,630,000
River City Parking LLC	$5,240,000
Robinson Leonard D	$6,330,000
Sacramento Stucco	$3,630,000
Yolo Co Motel-Hotel Assn Inc.	$530,000
Smart Growth Investors II Inc.	$31,900,000
River Road Venture LLC	$5,630,000
Tim Kruse Construction Inc.	$1,910,000
Unger Dean F Tr.	$18,580,000
Union Pacific Railroad	$10,870,000
West Sacramento City Of	$1,310,000
Cumulative (Aggregate) Value	*$141,140,000*

* Assuming Completion of Phase I Infrastructure

The value estimates assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimate is also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, for their own self-interest, and assuming neither is under duress.

We hereby certify the property has been inspected and we have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the property.

This letter must remain attached to the report, which contains 127 pages, plus related exhibits and Addenda, in order for the value opinion contained herein to be considered valid.

Thank you for the opportunity to work with your office on this assignment.

Sincerely,

Kevin K. Ziegenmeyer, Appraiser
State Certification No.: AG013567
Expires: June 4, 2011

Eric A. Segal, Appraiser
State Certification No.: AG026558
Expires: February 18, 2011

/jab

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Appraised Property:	The properties are situated within the boundaries of City of West Sacramento Community Facilities District (CFD) No. 27 subject to the Lien of the Special Tax securing the Bonds.
Location:	Along the west banks of the Sacramento River, south of the Tower Bridge and north of the Pioneer Bridge, within the city of West Sacramento, Yolo County, California
Assessor's Parcel Number(s):	The CFD consists of numerous Assessor's parcels held by 19 different ownerships. Please refer to the *City of West Sacramento Bridge District Community Facilities District Hearing Report and Financing and Cash Flow Analysis*, prepared by Economic & Planning Systems, Inc., appended hereto for a complete list of Assessor's parcel numbers situated within the boundaries of the District.
Owner(s) of Record:	The aforementioned ownerships are listed in the *City of West Sacramento Bridge District Community Facilities District Hearing Report and Financing and Cash Flow Analysis*, prepared by Economic & Planning Systems, Inc., appended hereto.
Zoning:	According to the City of West Sacramento Planning Department, the land situated within the boundaries of CFD 27 are zoned WF, Water Front, which is discussed in detail in the *Property Identification and Legal Data* section of this report.
Flood Zone:	Shaded Zone X – Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood.
Earthquake Zone:	Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)
Land Area:	157.87± gross acres; 97.51± taxable net acres
Current Use:	Vacant land
Date of Inspection:	June 7, 2010
Effective Date of Value:	June 7, 2010

Date of Report: June 22, 2010

Property Rights Appraised: Fee simple estate

Conclusion of Market Value by Ownership and Cumulative, or Aggregate Value, of the Subject Property Assuming all Public Infrastructure, Facilities and Fees (if any) to be Financed by the City of West Sacramento Community Facilities District No. 27 Bonds are in Place:

Ownership	Conclusion of Market Value*
Arkad Income Prop LLC	$2,420,000
Carasco George T & Betty J Tr.	$400,000
Clark-Pacific Corp	$10,400,000
Conrad Ethan & Phillips Corley M Tr.	$9,800,000
Lonestar California Inc.	$6,930,000
Loris Chris W & Nadine C & Fam 1993 Tr.	$4,520,000
Ramos Frank C & Joanne M Tr.	$3,380,000
Ramos Frank C et al	$3,730,000
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River City Parking LLC	$5,240,000
Robinson Leonard D	$6,330,000
Sacramento Stucco	$3,630,000
Yolo Co Motel-Hotel Assn Inc.	$530,000
Smart Growth Investors II Inc.	$31,900,000
River Road Venture LLC	$5,630,000
Tim Kruse Construction Inc.	$1,910,000
Unger Dean F Tr.	$18,580,000
Union Pacific Railroad	$10,870,000
West Sacramento City Of	$1,310,000
Cumulative (Aggregate) Value	*$141,140,000*

* Assuming Completion of Phase I Infrastructure

The cumulative, or aggregate, value conclusion is subject to the *General and Extraordinary Assumptions, Limiting Conditions and Significant Factors* referenced in this report.

INTRODUCTION

Property Description and History

The appraised property, within the boundaries of West Sacramento Community Facilities District No. 27 (Bridge District), formerly called the Triangle, comprises a portion of the Triangle Specific Plan Area of West Sacramento and is proposed for the development of approximately 9,000,000 square feet of both high density for-rent and for-sale residential and commercial (retail and office) development on approximately 157.87 acres of land. The District consists of numerous Assessor's parcels held by 19 different ownerships, which are subject to the lien of the Special Tax. The subject properties are located along the west banks of the Sacramento River, south of the Tower Bridge and north of the Pioneer Bridge, within the city of West Sacramento, Yolo County, California. As of the date of value, the subject consisted of vacant land and land improved with buildings at the end of their economic lives, adding no contributory value to the land.

The subject properties are designated as being outside of the 100-year floodplain. However, as part of a national effort to update all Flood Insurance Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-evaluating the level of protection provided by all existing flood protection systems in the country. The federal and state safety guidelines have recently changed, with the new criteria affecting communities protected by levees. As an example, in January 2007 FEMA revised its flood-risk maps to show the Natomas area of the city of Sacramento as a Special Flood Hazard Area. If West Sacramento is remapped into a flood zone as a result of new federal guidelines, flood insurance would become mandatory for all property owners with federally guaranteed mortgage loans. Further details regarding this issue are provided in the *Property Identification and Legal Data* section of this report.

Certain of the subject properties have transferred ownership within the last three years. Assessor parcels 058-300-05, -06 and -07 were each purchased from separate sellers on January 31, 2008, with the sale prices negotiated together. Assessor parcel 058-300-05 (7,032 square feet of land based on a land area of 7,032 square feet at the time of sale, which was since revised) was sold by John and Katharine Kalafatich for $145,000 ($20.62 per square foot); Assessor parcel 058-300-06 (7,028 square feet at the time of sale (since revised) was sold by Tamara Lewis for $142,500 ($20.28 psf); and Assessor parcel 058-300-07 was sold by James and Francis McDonald for $300,000, or approximately $20.83 psf, based on a land area of 14,405 square feet at the time of sale (since revised). Each parcel contained older single-family residences. The buying entity (Smart Growth Investors II LLC) was motivated to purchase the properties for parcel assemblage. These transactions were arm's length, cash transactions with no unusual contingencies.

The balance of the subject properties have not transferred ownership within the past three years and to the best of our knowledge, none of the subject properties are currently being marketed for sale.

Type and Definition of Value

The purpose of this appraisal is to estimate the market value of the subject properties assuming the completion of the primary infrastructure and facilities to be financed by the West Sacramento Community Facilities District No. 27 Bond issuance. In addition, as requested and authorized, the valuation estimate will also consider the completion of public infrastructure, facilities and fees (if any) to be financed by a grant from State of California Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which is approximately $50.6 million. The estimate of market value, by ownership, and cumulative, or aggregate, value of the District, which is not equivalent to the market value of the District as a whole, will also account for the impact of the Lien of the Special Tax securing the Bonds.

Market value is defined as follows:

Market value: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

Refer to the *Glossary of Terms* in the Addenda to this report for a definition of *hypothetical condition* and *aggregate value*.

[1] Code of Federal Regulations, Title 12, Section 34.42 (55 Federal Register 34696, Aug. 24, 1990; as amended at 57 Federal Register 12202, Apr. 9, 1992; 59 Federal Register 29499, June 7, 1994).

In light of the fact the proposed improvements to be financed by the District bonds were not in place as of our date of inspection, the value estimate is subject to a hypothetical condition, defined as "that which is contrary to what exists but is supposed for the purposes of analysis."[2]

Client, Intended User and Intended Use of the Appraisal

The client and intended user of this appraisal report is the City of West Sacramento. The appraisal report is intended for use in bond underwriting.

Property Rights Appraised

The value estimate derived herein is for the fee simple estate, defined as follows:

Fee Simple Estate: absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.[3]

The rights appraised are subject to the *General and Extraordinary Assumptions, Limiting Conditions and Significant Factors* contained in this report and to any exceptions, encroachments, easements and rights-of-way recorded. Primary among the assumptions in this analysis is the premise that the value estimate reflects the completion of the public facilities to be financed by the Bonds. The estimate of market value, by ownership, and cumulative, or aggregate, value of the District, which is not equivalent to the market value of the District as a whole, will also account for the impact of the Lien of the Special Tax securing the Bonds.

Appraisal Report Format

This report documents a Self-Contained Appraisal Report, intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal report has also been conducted in accordance with the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004).

Dates of Inspection, Value and Report

An inspection of the subject property was completed on June 7, 2010, which represents the effective date of market value subject to the hypothetical condition the proposed infrastructure improvements to be financed by the District bonds and other monies are in place. This appraisal report was completed and assembled on June 22, 2010.

[2] The Uniform Standards of Professional Appraisal Practice, 2010/2011 ed. (Appraisal Standards Board), 3.
[3] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 78.

Scope of Work

The appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an "appraisal assignment," as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions or conclusions be that of a disinterested third party.

Several legal and physical aspects of the subject property were researched and documented. A physical inspection of the properties was completed and serves as the basis for the site description contained in this report. Interviews were conducted with Ms. Katy Jacobson, senior redevelopment program manager, with the City of West Sacramento Redevelopment Agency, regarding the Phase I infrastructure improvements to be financed with the aforementioned CFD Bond proceeds and other monies. The sales history was verified by consulting public records. We contacted the City of West Sacramento Planning Department regarding zoning and entitlements, and the City of West Sacramento Redevelopment Agency regarding the Triangle Plan Area. The earthquake zone, flood zone and utilities were verified with applicable public agencies. Property tax information for the current tax year was obtained from the Yolo County Treasurer-Tax Collector's Office.

Data relating to the subject's neighborhood and surrounding market areas were analyzed and documented. This information was obtained through personal inspections of portions of the neighborhood and market areas, newspaper articles, real estate conferences and interviews with various market participants, including property owners, property managers, brokers, developers and local government agencies.

In this appraisal the highest and best use of the subject property as though vacant and as improved, based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity) was determined.

We have been requested to provide an estimate of market value, by ownership, and cumulative, or aggregate value, of the subject property assuming all public infrastructure, facilities and fees (if any) to be financed by the City of West Sacramento Community Facilities District No. 27 Bonds are in place. In addition, as requested and authorized, the valuation estimate will also consider the completion of public infrastructure, facilities and fees (if any) to be financed by a grant from State of California Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which is approximately $50.6 million. The estimate of value will also account for the impact of the lien of the Special Tax securing the Bonds. The value estimate is subject to a hypothetical condition, defined by USPAP as "that which is contrary to what exists but is supposed for the purposes of analysis." It is a hypothetical condition in light of the fact the construction of the proposed infrastructure and facilities has not yet commenced. The sales comparison approach was

employed to analyze several comparable land transactions in the subject's market area and surrounding areas, leading to an estimate of market value. Due to the fact the subject properties are appraised as vacant land, the cost and income capitalization approaches were not applicable. In light of the fact several components of the subject properties are held by related ownership, Smart Growth Investors II Inc. and River Road Venture LLC, a discounted cash flow analysis was employed to derive the market value of this component of the subject properties.

The individuals involved in the preparation of this appraisal include Messrs. Kevin K. Ziegenmeyer and Eric A. Segal, Appraisers. Mr. Segal inspected the subject property; collected and confirmed data related to the subject, comparables and the neighborhood/market area; analyzed market data; and prepared a draft report with a preliminary estimate of value. Mr. Ziegenmeyer also inspected the subject property, offered professional guidance and instruction, reviewed the draft report and made necessary revisions.

This appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004).

EXTRAORDINARY ASSUMPTIONS, SIGNIFICANT FACTORS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Significant Factors

1. It is assumed that there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit development of the subject property. If, at some future date, items are discovered that are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion(s) of value stated herein.

2. As part of a national effort to update all Flood Insurance Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-evaluating the level of protection provided by all existing flood protection systems in the country. The federal and state safety guidelines have recently changed, with the new criteria affecting communities protected by levees. If West Sacramento is remapped into a flood zone as a result of new federal guidelines, flood insurance would become mandatory for all property owners with federally guaranteed mortgage loans.

   FEMA has offered Provisionally-Accredited Levee (PAL) status to the levees that protect the area. The City, the West Sacramento Area Flood Control Agency, Reclamation District 900, Reclamation District 537, and the State Department of Water Resources have evaluated the offer and recently submitted a proposal detailing a plan to offer floodplain management mitigations on an accelerated timeline. In November 2008, FEMA is scheduled to issue preliminary Flood Insurance Rate Maps for the City of West Sacramento. There are two scenarios that result from whether or not the PAL offer is ultimately accepted:

   a. If the PAL offer is declined, the preliminary maps will likely show the City of West Sacramento as not being protected from 100-year floods. The final flood maps would most likely become effective in November 2009, which would trigger flood insurance requirements.
   b. If the PAL offer is accepted, the preliminary maps will still show the area as being protected from 100-year flood by provisionally-accredited levees. The final flood maps would show the same, and flood insurance requirements and premiums would not change with provisionally-accredited levees.

   It is noted that provisionally-accredited levees are temporary; they have a maximum lifespan of two years. It is unknown at this time what a second map change would be, or the corresponding impacts of that map change. It is also possible that FEMA could remap part of the City into the floodplain and leave the rest of the City outside the floodplain. Other possibilities are also under review. It is specifically assumed the aforementioned issues surrounding on-going levee repairs and maintenance will not impact the development of the subject properties.

Hypothetical Conditions

1. The estimate of market value assumes the completion of the public infrastructure improvements to be financed by the West Sacramento Community Facilities District No. 27 bond issuance. In addition, as requested and authorized, the valuation estimate will also consider the completion of public infrastructure, facilities and fees (if any) to be financed by a grant from State of California

Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which is approximately $50.6 million. According to the City of West Sacramento, no additional equity contributions will be required from the property owners for infrastructure improvements beyond the obligation to pay the Special Tax securing the bonds associated with West Sacramento Community Facilities District No. 27, with the exception of an obligation to construct 731 housing units by 2014 to fulfill the requirements of the State of California Proposition 1C Infill Housing Program grant. The estimate of value will also account for the impact of the lien of the Special Tax securing the Bonds. The value estimate is subject to a hypothetical condition, defined by USPAP as "that which is contrary to what exists but is supposed for the purposes of analysis." It is a hypothetical condition in light of the fact the construction of the proposed infrastructure and facilities has not yet commenced.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

2. No responsibility is assumed for matters of law or legal interpretation.

3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

4. The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.

5. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

6. It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

7. It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.

8. It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

9. It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.

10. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the

subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.

12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.

13. Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers • Jordan • Ziegenmeyer.

14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers • Jordan • Ziegenmeyer. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this report in its entirety for bond purposes.

15. The liability of Seevers • Jordan • Ziegenmeyer and its employees/subcontractors for errors/ omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.

16. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.

17. An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed typical easements do not have an impact on the opinion (s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion (s) of value.

18. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser.

19. The appraiser is not qualified to determine the existence of mold, the cause of mold, the type of mold or whether mold might pose any risk to the property or its inhabitants. Additional inspection by a qualified professional is recommended.

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have performed appraisal services with respect to portions of the subject property during the three years prior to the date of value noted in this report.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made an inspection of the property that is the subject of this report.
- Eric A. Segal, Appraiser, provided significant real property appraisal assistance in the preparation of this report. This assistance included inspecting the property, collection and confirmation of data, and the analyses necessary to prepare a draft report with a preliminary estimate of value.
- I certify that my State of California general real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information.

______________________________ June 22, 2010

KEVIN K. ZIEGENMEYER, APPRAISER DATE

State Certification No.: AG013567 (Expires: June 4, 2011)

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have not performed any service with respect to the subject property during the three years prior to the date of value noted in this report.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
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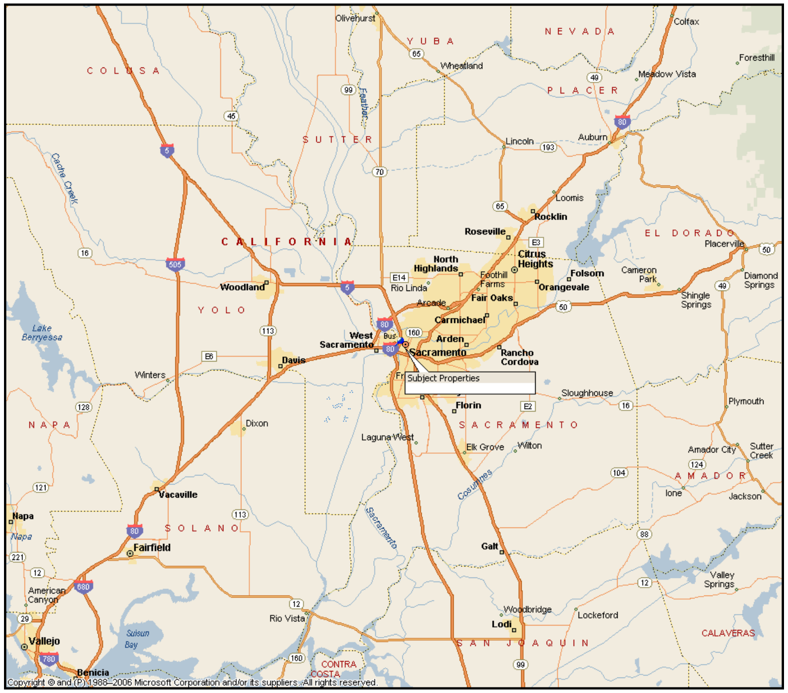
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this appraisal.
- I certify that my State of California general real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information.

__________________________ June 22, 2010

ERIC A. SEGAL, APPRAISER DATE

State Certification No.: AG026558 (Expires: February 18, 2011)

SACRAMENTO METROPOLITAN AREA REGIONAL OVERVIEW



Introduction

The Sacramento Area is comprised of the six counties of Sacramento, Placer, El Dorado, Yolo, Yuba and Sutter. Located in the north-central part of the state of California, the Sacramento Area has proven to be one of the fastest-growing markets among major metropolitan areas in the United States. In order to provide a closer look at the region's progressive growth and its outlook for the next few years, we will present information on geographical, social, demographic, economic and environmental influences within the region. In the final section, we will summarize the impact these forces have on the overall desirability and competitiveness of the region.

The six-county region encompasses approximately 6,561 square miles, from the Sacramento River Delta in the west to the Sierra Nevada mountain range in the east. At the center of the region is Sacramento County, which encompasses approximately 996 square miles near the middle of the

Central Valley. The county's largest city, Sacramento, is the seat of government for the County, as well as the State Capital. Surrounding Sacramento are several smaller towns and communities, including college towns, tourist destinations, suburban communities and agricultural centers. The city of Sacramento is located approximately 385 miles north of Los Angeles, 500 miles south of Oregon, 85 miles northeast of San Francisco, 105 miles west of South Lake Tahoe, and 135 miles southwest of Reno, Nevada.

Geography & Climate

The geography, climate and seismic conditions in the region play an important role in the quality of life. The topography of the region ranges from relatively flat land along the valley floor, to steep mountain terrain in the eastern portion of the area. Elevations range from 15 feet below sea level near the Sacramento-San Joaquin River Delta, to 10,000 feet above sea level at the summit of the Sierra Nevada's. The American and Sacramento Rivers are the two major waterways in the region. The American River flows west along the southern part of the Sacramento Area, joining the Sacramento River just northwest of Sacramento's Central Business District. The Sacramento River traverses south along the western side of the city of Sacramento.

The region's climate is fairly mild, with moderate rainfall in winter, virtually none in summer, and a relatively comfortable temperature range year-round. However, temperatures can reach over 100°F in the summer on the valley floor, and heavy rain and snowfall can occur during winter months in the northeastern part of the region in the mountainous areas of Placer and El Dorado Counties. Sacramento's climate is warm and dry in the summer with an average daytime high temperature of 93°F, and a comfortable 58° at night. During Sacramento's winter, daytime high temperatures are typically between 53° and 60°. During the rainy season from November through April, an accumulation of about 18 inches of rain is normal.

The region has relatively stable seismic conditions, especially compared to the San Francisco Bay Area and Southern California. Sacramento and adjoining cities rank among the lowest in the state for the probability of a major earthquake. Most of the region is not located within an Alquist-Priolo Earthquake Fault Zone. Yolo County is the only county with an Earthquake Fault Zone, located in a small portion of the northwest part of the county known as Jericho Valley. The Dunnigan Hills fault, located 19 miles northwest of the city of Sacramento, is the closest known active fault mapped by the California Division of Mines and Geology. The closest branches of the seismically active San Andreas Fault system are the Antioch fault (42 miles southwest) and the Green Valley/Concord fault (45 miles southwest).

Recreation & Culture

The Sacramento Area appeals to a diverse range of interests, offering innumerable recreational and cultural opportunities. The American River Parkway offers 5,000 acres of recreation area along both sides of the river for 30 miles. Some of the destinations along the parkway are Discovery Park, Goethe Park, Nimbus Fish Hatchery, CSUS Aquatic Center, and Folsom Lake State Recreation Area. The parkway includes walking, biking and horseback riding trails, as well as picnic and beach areas. The Sacramento-San Joaquin Delta has over 1,000 miles of waterways. The rivers and lakes within the Sacramento Area offer boating, fishing and water-skiing opportunities. In addition, numerous parks and golf courses are located throughout the region.

Other recreational opportunities are available within a few hours drive of the Sacramento Area. To the west are the San Francisco Bay Area, the Napa Valley wine country, the coastal redwood forests, and the beaches of the Pacific Ocean. To the east are Lake Tahoe and the Sierra Nevada Mountains, which are home to more than a dozen snow-skiing resorts. Legalized casino gambling is available in Nevada, as well as several Indian casinos in the Sacramento region.

Cultural attractions in the region include the Old Sacramento Historic District, California State Railroad Museum, Towe Auto Museum, Crocker Art Museum, Historic Governor's Mansion, Sutter's Fort State Historic Park and Sacramento Zoo. Sacramento is home to the Sacramento Opera Association, Sacramento Ballet, Sacramento Theatre Company, Sacramento Philharmonic Orchestra and Sacramento Traditional Jazz Society. Annual events in Sacramento include the California State Fair, the Music Circus and the Sacramento Jazz Jubilee.

In terms of sports entertainment, the region is home to three professional athletic teams and numerous college teams. Sacramento acquired a National Basketball Association (NBA) franchise, the Kings, in 1985. The Kings play their home games in the 17,300-seat Arco Arena. The region is also home to the Sacramento River Cats, a triple-A minor league baseball team. The area often hosts regional, national and even international sporting events.

Population

The Sacramento Area is among the fastest-growing metropolitan areas in the United States, with growth of 20% between 1990 and 2000. The following table shows recent population growth in the six-county region.

POPULATION TRENDS

County	2004	2005	2006	2007	2008	2009	%/Yr
Sacramento	1,345,646	1,368,333	1,386,185	1,402,728	1,418,763	1,433,187	1.3%
Placer	296,735	307,987	318,026	326,107	333,766	339,577	2.9%
El Dorado	169,926	172,987	175,530	177,379	178,860	180,185	1.2%
Yolo	185,266	188,207	191,072	194,864	198,326	200,709	1.7%
Yuba	65,122	67,165	69,260	70,555	71,803	72,900	2.4%
Sutter	86,407	88,762	91,316	93,687	95,306	96,554	2.3%
Total	**2,149,102**	**2,193,441**	**2,231,389**	**2,265,320**	**2,296,824**	**2,323,112**	**1.6%**

Source: California Department of Finance

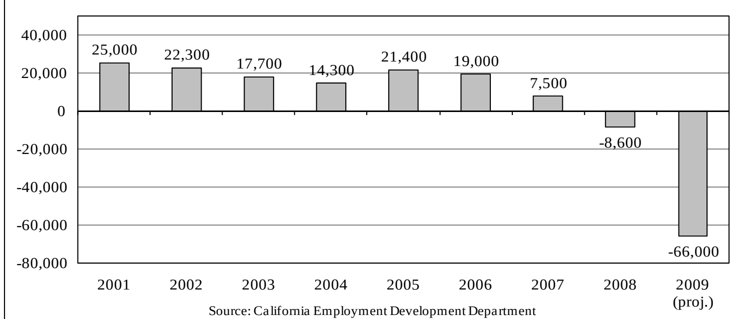
The region's population grew by an average annual rate of 1.6% between 2004 and 2009. Placer County has led the region with growth of 2.9% per year. Most of this growth has occurred in the cities of Roseville, Rocklin and Lincoln. Much of the region's growth is attributed to in-migration of residents from other California and U.S. areas.

The population in the region is expected to continue growing. According to the California Department of Finance, the population in the Sacramento Area is projected to increase to about 3 million people by 2020. The region's growth is expected to outpace the growth of nearly all other metropolitan areas in California, as well as the state as a whole.

Employment Growth

Historically, the Sacramento Area has been one of the more stable employment centers in California, with a significant number of jobs in State government. However, employment has declined over the past couple of years in both the private and public sectors. The following chart exhibits annual employment changes in the region over the past several years.

EMPLOYMENT GROWTH - SIX-COUNTY REGION



Source: California Employment Development Department

Job growth in the region was relatively steady in the years 2001 through 2006, with slower growth seen in 2007. In 2008 and 2009, the region experienced a net loss in the number of jobs. The current weak performance is being driven by declines in housing-related sectors (such as construction, finance and insurance), retail trade and State government. Nearly every major sector, with the exception of Educational & Health Services, saw a reduction in jobs in 2009.

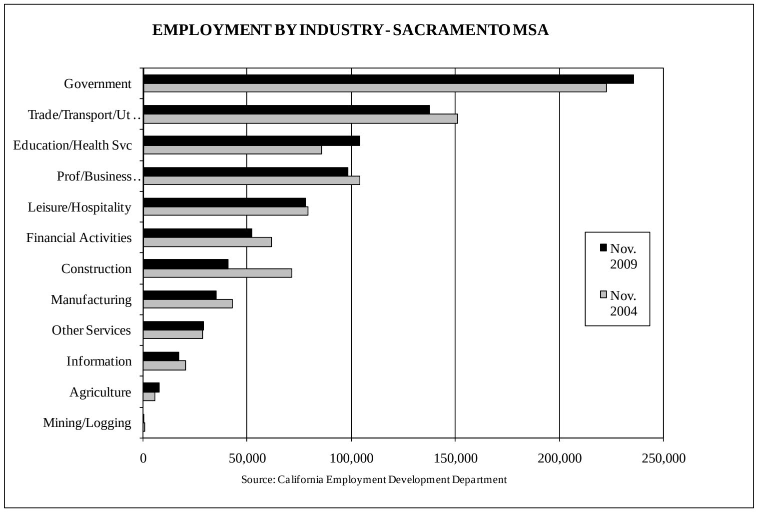
The unemployment rate in the six-county Sacramento region was 12.8% in November 2009, compared to 12.3% for the state of California and 10.0% for the nation. Most areas within the state and nation, including Sacramento, saw rising unemployment rates in 2001 and 2002, stabilization in 2003, declines in 2004 through 2006, and increases in 2007 through 2009. It is noted Sutter and Yuba Counties have relatively high unemployment rates of 19.4% and 17.9%, respectively.

The Center for Strategic Economic Research publishes the Sacramento Region Business Forecast on a quarterly basis. The forecast for Third Quarter 2009 predicts the six-county region's rate of job losses will begin to improve over the next 12 months. The Center forecasts total job loss of about 39,000 jobs for the 12 months ending in September 2010. However, "the recovery back to positive growth on a consistent basis will likely be lengthy," according to the forecast.

Employment by Industry

The local economy has transitioned from a government and agricultural center to a more diverse economy, where the business services and trade sectors comprise nearly half of regional employment. Growing industries in the region include healthcare, technology, clean energy and life sciences. In 2005, Sacramento was one of the few places considered for a statewide stem cell research center. The region is also a western hub for data processing, customer call centers and other corporate back office support activities.

The following chart compares the region's employment by industry in 2004 and 2009. During this five-year period, only a few sectors showed positive job growth: Agriculture (+32.8%), Educational & Health Services (+21.6%), Government (+5.9%) and Other Services (+1.1%). The largest decline by far was in Construction, with a 42.6% decline in employment.



Government continues to be a significant employer in the Sacramento region. In fact, government entities, including universities and school districts, account for about 28% of total employment in the region (down only slightly from 30% in 1990). The largest government employers are the State of California and Sacramento County. The region's largest non-government employers are listed in the following table.

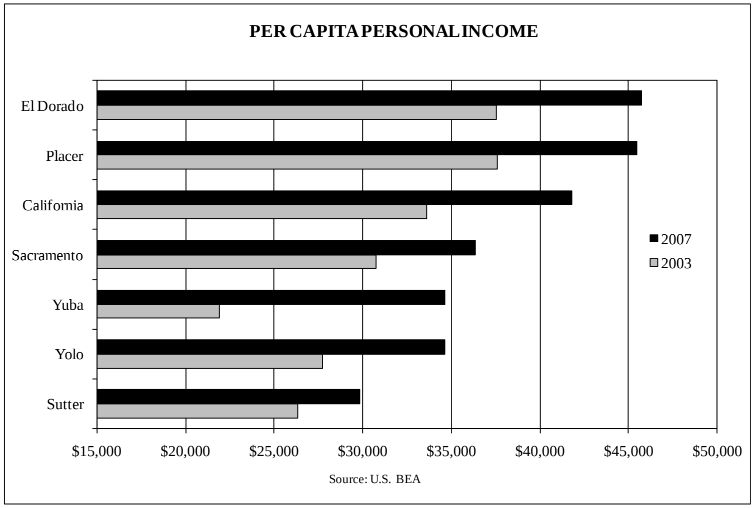
TOP 10 PRIVATE EMPLOYERS

Company	Industry	Year Est. in Area	Employees
Kaiser Permanente	Healthcare	1965	10,081
Mercy/Catholic Healthcare West	Healthcare	1896	8,279
Sutter Health Sacramento Sierra	Healthcare	1923	7,314
Intel Corp.	Semiconductors	1984	6,000
Wells Fargo & Co.	Financial Services	1852	3,690
Raley's	Retail grocery	1935	3,401
PRIDE Industries	Manuf. and logistics	1966	2,841
Health Net of California	Healthcare	1978	2,512
Cache Creek Casino Resort	Casino resort	1985	2,460
Hewlett-Packard Co.	Computer hardware	1979	2,000-3,000

Source: Sacramento Business Journal, Book of Lists 2009

Personal Income

The following chart shows per capita personal income trends by county for the six counties within the Sacramento region, as well as the state of California. Year 2007 data is the most recent available as of early 2010.



As indicated in the chart above, El Dorado and Placer Counties exhibit the highest personal income levels in the region. This is attributed in part to the large degree of high-tech employment in those areas, and a significant amount of in-migration of high-income households from the Bay Area. Personal incomes in these counties trail those in only four other counties in the state: Marin, San Mateo, Contra Costa and Santa Clara. Sutter and Yuba Counties have the lowest incomes in the Sacramento region, related to significant agricultural employment in these areas.

Education & Healthcare

The educational institutions in the region produce a well-educated community and stable work force. The Sacramento region offers a number of alternatives in terms of higher education. Two large universities, the University of California Davis and Sacramento State University, are located in the region and are recognized throughout the nation. Seven community colleges are located within the greater Sacramento region, including Sierra College, American River, Cosumnes River, Sacramento

City, Woodland Community College and Yuba College. Several private colleges are located in the area, as well as satellite campuses of colleges headquartered elsewhere. The region also contains numerous vocational schools. At least two additional private universities are planning to open in the Sacramento area in the future.

The Sacramento region has become a hub for general and specialized healthcare in Northern California and the Central Valley. There are currently 28 major medical centers within the six-county region, operated by providers such as Kaiser Permanente, UC Davis Health System, Shriners, Mercy/Catholic Healthcare West and Sutter Health System. Several of the larger medical organizations are expanding their facilities or have plans to do so. Kaiser is constructing a new women and children's health center in Roseville. Sutter is also completing a large expansion at its Roseville facility. The UC Davis Medical Center in Sacramento recently completed a $40 million education building for medical students.

Transportation

A significant strategic advantage of the Sacramento region is its proximity to large markets and its transportation accessibility to these markets provided by extensive highway, rail, water and air systems.

The Sacramento region has over 800 miles of maintained state highways. The hub of freeways in the region makes the Sacramento Area a good center for freight distribution. U.S. Highway 50, Interstate 80, and the Capital City Freeway are the principal routes for commuters living in the densely populated eastern suburbs. Commuters from the north and south of Sacramento travel on Interstate 5 and State Highway 99. State Highways 65 and 70 link Yuba and Sutter Counties with the rest of the Sacramento Area. Interstate 5 provides a direct route to Redding, Oregon and Washington to the north and Los Angeles to the south. Interstate 80 permits travel to Nevada and Utah to the east and the San Francisco Bay Area to the west. Lake Tahoe and Nevada are reachable within a couple hours on U.S. Highway 50, which originates in Sacramento. State Highway 99 provides access to the San Joaquin and upper Sacramento Valleys.

Traffic congestion has intensified throughout the region in recent years along with population growth and the development of new suburban communities. Funding has been a challenge on both the State and Federal levels; however, several projects are proposed in the coming years. One major project completed in 2005 involved improving and reconfiguring the Douglas Boulevard/Sunrise Avenue interchange on Interstate 80 in Roseville. Another project in the planning pipeline is the 15-mile Placer Parkway, which would provide a new east-west route between State Highway 99/70 in Sutter County and State Highway 65 in Roseville. A bypass of State Highway 65 around the city of Lincoln is also planned.

The main public transit system in the Sacramento Area is operated by Sacramento Regional Transit (RT), with additional service provided by other local public and private transit operators. Regional Transit covers a 418-square mile service area that is serviced by 258 buses and 76 light rail vehicles, transporting over 27 million passengers annually. Light Rail began operation in 1987 along a two-pronged route linking Downtown Sacramento with populous suburbs to the east and north. In 2003 and 2004, RT completed extensions to the Meadowview area in South Sacramento and Sunrise Boulevard in Rancho Cordova to the east. In 2005, an eastward extension to the city of Folsom was completed. This route added seven new light rail stations and four park-and-ride lots, providing a viable transportation alternative for commuters on the Highway 50 corridor. During the next 20 years, RT plans to extend toward Elk Grove to the south, Natomas and the Sacramento International Airport to the north, Roseville to the east and Davis to the west.

The Sacramento region has access to a number of railroads. The north-south and east-west main lines of the Union Pacific Railroad intersect in Sacramento and, as a result of the merger of Union Pacific and Southern Pacific in 1996, Sacramento has access to the Burlington Northern Santa Fe Railway. Union Pacific's major freight classification facility for Northern California, Nevada and Oregon is located in Roseville. A $140 million upgrade to handle additional traffic volume was completed over the past few years. Amtrak provides daily passenger service in all directions from Sacramento. The Capital Corridor system provides high-speed commuter rail service from Roseville to San Jose.

Water transport is also available in the region. The Port of Sacramento is a deep-water port located 79 miles northeast of San Francisco in the city of West Sacramento, serving ocean-going vessels handling a variety of cargo types. The 30-foot depth of the channel, along with extensive rail and truck cargo handling facilities, make the Port highly productive for long distance shipping. The Port is equipped for handling bulk cargo and a number of agricultural and forest products. The Port has experienced shrinking revenue and net losses for several years; however, two cement companies will be adding operations at the Port, which should help offset declining revenue.

Finally, the region benefits from several air transport facilities. Most notably, Sacramento International Airport is served by 14 carriers – Alaska, Aloha, America West, American, Continental, Delta, Frontier, Hawaiian, Horizon, JetBlue, Mexicana, Northwest, Southwest and United/United Express. In 2004, Sacramento International opened a multi-story, 5,300-stall parking garage. Over 10 million passengers traveled through Sacramento International Airport during 2005. Besides the International Airport, the region is also served by several smaller facilities, including Sacramento Executive Airport, Lincoln Regional Airport, Yuba County Airport, Sutter County Airport, and Mather Airport (formerly Mather Air Force Base). Sacramento International and Mather Airport processed over 260 million pounds of airfreight in 2005.

Environment

As development in the region expands, various environmental issues exist, including water supply, air quality, flood control, endangered habitat/species, and open space preservation. Numerous environmental organizations are constantly addressing these issues as they pertain to the Sacramento region, and land developers face increasing time and costs due to environmental constraints.

The Sacramento Area benefits from abundant water resources. Purveyors draw surface water from the American, Sacramento and Feather Rivers, and pump groundwater from underground sources in the Sacramento Valley. The Sierra Nevada snowfields, about 70 miles east of Sacramento, normally provide a plentiful water supply during the dry summer months. According to the California Department of Water Resource's California Water Plan, approximately 30% of the Sacramento River Region is irrigated with groundwater. Nevertheless, water supply and quality issues continue to be environmental concerns in the area. The significant rate of growth that has occurred over the last decade has notably increased the demand for water, and the delivery of water to southern portions of the state continues to be a hot political and environmental issue. The future impact on all users depends on the natural replenishment of the water sources by geological factors, as no new dams are anticipated in the near future.

Air quality continues to be a concern in the Sacramento Valley. The region is designated a severe ozone "non-attainment area" by the U.S. Environmental Protection Agency (EPA). This non-attainment area includes all of Sacramento County and parts of El Dorado, Placer, Solano, Sutter and Yolo Counties. During the summer, the region fails to meet both the State and Federal health standards for ozone on a number of days. Because the Sacramento Valley is shaped like a bowl, smog presents a critical problem in the summer, when an inversion layer traps pollutants close to the ground, causing unhealthy air quality levels. However, in the past decade, air quality has improved in the Sacramento region. Factors contributing to the improvement include cleaner cars, smog check requirements, vapor recovery nozzles on gas dispensers, reformed gas, statewide regulation on the amount of solvents in consumer products, and Federal regulations on solvents contained in painting products. In addition, policymakers have taken steps to improve and expand public transportation systems in the region.

Another environmental concern in the area is flooding, in light of Sacramento's location along two major rivers with several creeks and tributaries. Major floods occurred in multiple areas in 1986 and 1997. Most flood-prone areas are concentrated in western Sacramento County and eastern Yolo County, where the American and Sacramento Rivers converge. The Sacramento Area Flood Control Agency (SAFCA) was established in 1989 to coordinate a regional effort to finance, implement and maintain facilities necessary to provide flood protection. Many proposed improvements were approved and funded by the SAFCA Assessment District, established in June 1996. A large portion of these improvements was completed in 1998, which resulted in a new flood designation outside the 100-year flood zone for most areas in northern Sacramento County. As a result of significant improvements to river and creek levees, in early 2005 the Federal Emergency Management Agency (FEMA) revised flood maps to designate the American River floodplain outside the 100-year flood zone. This area includes most of eastern and central Sacramento County. As a result, property owners in these areas are no longer required to maintain flood insurance. In 2006, another new map declared neighborhoods in the southern portion of the county out of the 100-year floodplain as well.

Despite the above improvements, the region continues to face flood concerns. In early 2007, FEMA announced it would revise its flood-risk maps to show North Natomas (northern Sacramento County) as a Special Flood Hazard Area. The action came in response to a ruling in 2006 by the U.S. Army Corps of Engineers, which found that Natomas levees no longer meet a minimal 100-year flood protection standard. FEMA has also designated that no new growth will be approved for the Natomas area until further levee repairs are made. Flood insurance is currently required for properties in Natomas with federally backed mortgages or home-equity loans. SAFCA and the U.S. Army Corps of Engineers are working on several construction projects to improve Natomas levees. According to an October 2009 update from the City of Sacramento, 100-year flood protection for Natomas is expected to be reached in the 2014 time frame.

Ongoing and future flood control projects include raising Folsom Dam by seven feet; installing new gates on Folsom Dam; constructing a new bridge over the American River just below Folsom Dam; and completing major levee-strengthening work already under way. The remaining work involving Folsom Dam will likely take more than a decade to complete, but will result in SAFCA's ultimate goal of 200-year flood protection for the entire region.

With rapid increases in development in the past few years, there has been growing concern regarding the protection of endangered habitats and species and the conservation of open space. Most development projects in the region, particularly in Placer and Yolo Counties, face opposition from various special interest groups. With regard to endangered habitats and species, development in the region is subject to Federal and State laws concerning this issue. The region contains an extensive list of endangered species and a significant amount of environmentally sensitive land, including vernal pools, wetlands, woodlands and grasslands. In 2002, the U.S. Fish and Wildlife Service proposed designating 154,000 acres in Sacramento and Placer counties as critical habitat for endangered species living in vernal pools. However, in August 2005, the Bush administration issued a revised rule exempting large portions of both counties where developers intend to build. As a result, only 37,098 acres in Sacramento County were designated as critical habitat. Most of this acreage is in the county's rural, southeastern corner, which is not currently planned for development. Placer County, meanwhile, was largely removed from the critical habitat category, with only 2,580 acres affected.

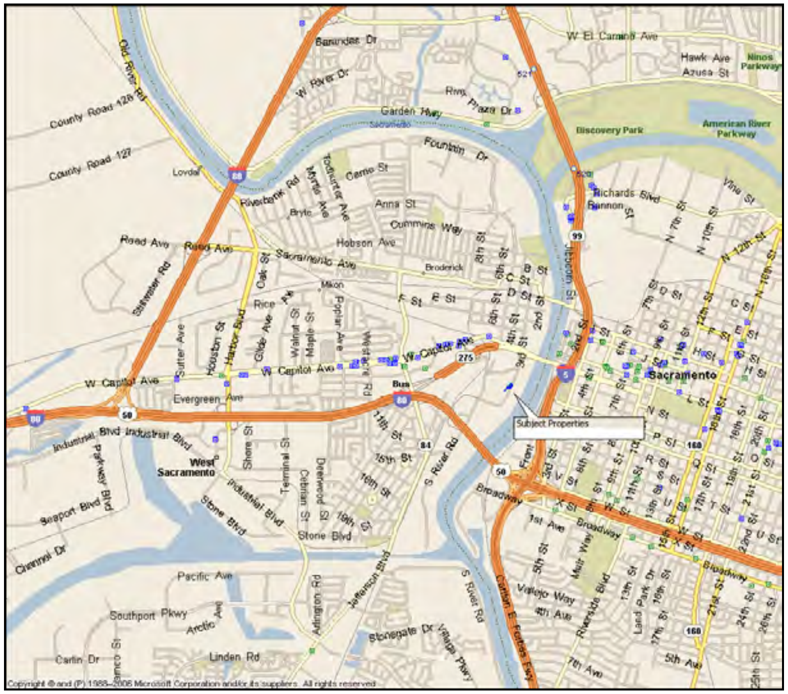
Summary

The Sacramento region is an integral part of California and the U.S. in terms of population, employment, government and economic productivity. The region has established itself as one of the most stable economies in the state. Several geographical, social and economic advantages have induced businesses and residents to relocate to the Sacramento region from other parts of the state and nation.

Between 2004 and 2006, the local economy expanded with large gains in the housing market and relatively strong job growth. However, the housing market began a rapid decline in late 2005, and most sectors of the commercial real estate market began to deteriorate in 2007. Like most metropolitan areas in the state and nation, the Sacramento region has been severely affected by the recent recession and financial crisis. Job losses were significant in 2009 and the region's unemployment rate was estimated at 12.8% at the end of the year. Employment is expected to decline further in 2010, although the rate of decline is expected to slow.

Beyond the current downturn, the long-term outlook for the region is good. Characterized by a diverse economy, mild climate, seismic stability, good water supply, ample recreational and cultural opportunities and expansive transportation systems, Sacramento has secured a locational advantage over similar sized markets. Further, the region remains relatively affordable compared to the Bay Area and Southern California. The combination of these resources and advantages provides a productive environment for business and a satisfying living environment for residents.

CITY OF WEST SACRAMENTO OVERVIEW



Introduction

The city of West Sacramento, incorporated in 1987, is located at the confluence of the American and Sacramento Rivers in eastern Yolo County, just west of Downtown Sacramento. Its city limits span a 23.3 square mile land area, extending to the Sacramento River and River Bank Road on the north, the Sacramento River on the east, Shangri-La Slough on the south, and the Yolo Bypass on the west. The city's population was about 47,782 in the year 2009.

West Sacramento is essentially a peninsula bounded by two rivers and a Deep Water Ship Channel. Located within the natural floodplain of the Sacramento River, the area is reclaimed, protected by levees and characterized by a pattern of open ditches and canals. The Deep Water Ship Channel bisects the city in an east-west direction, separating the Southport area from the northern areas of

city. The northern part of the city is made up of established residential neighborhoods, industrially developed areas, and the Port of Sacramento. The southern part of the city, referred to as Southport, was historically comprised of farmland, but is in the process of transitioning into new residential and supporting commercial developments.

Demographics

West Sacramento has an estimated population of 47,302 persons (as of 2010) and has grown at a fairly rapid rate of 4.19% from 2000 through 2009. This compares to an average growth rate of only 1.7% for Yolo County over the same time period. Most of the population influx in West Sacramento has occurred in the Southport area, particularly in the Bridgeway Island master-planned community.

According to Site To Do Business (STDB), as of January 2010 West Sacramento's median household income was $46,544, which was lower than the state median of $60,992. According to DataQuick Information Services, the median resale home price in West Sacramento was $235,000 as of 2010, which was about 21% lower than 2009. Prices have continued to fall among most active subdivisions as the housing market contracts region-wide.

Many of West Sacramento's residents work in the neighboring city of Sacramento, but West Sacramento itself does offer thousands of jobs. Major employers in the area include the U.S. Post Office, the State of California Department of General Services, United Parcel Service, Raley's, and Washington Unified School District. Many diverse companies have chosen West Sacramento as their corporate headquarters, including Raley's, California Fuel Cell Partnership, Brown Construction, Miyamoto International, Rex Moore Electrical Engineers and Farmers Rice Cooperative.

Transportation

West Sacramento has one of the most comprehensive transportation networks on the West Coast, with a deep-water port, two interstate highways, major north-south and east-west rail lines and a commercial airport nearby. Interstate 80 travels east-west through the city and provides access to Yolo and Solano Counties to the west, before continuing to the San Francisco Bay Area. To the east, I-80 links with Sacramento and Placer Counties and ultimately the Sierra Nevada Mountains and the State of Nevada. Just east of West Sacramento, I-80 links with several other major highways in the region, including Interstate 5, the Capital City Freeway, U.S. Highway 50 and State Highway 99.

The Port of Sacramento in West Sacramento is a full-service deepwater operating port that offers an advantageous geographic location with modern, flexible bulk and general cargo handling facilities. The Port terminal has over 100 acres of ground space, an extensive conveyor system and storage for one million tons of cargo (one quarter of which is fully covered). Additionally, it is equipped with dedicated rice and grain elevators and associated systems plus a wide array of multi-use facilities. It offers convenient access to highway connections, local and continental railroad systems, as well as the Sacramento International Airport. The rapidly growing Sacramento area and its increasing role as a warehousing and distribution center for Northern California offers future potential for the Port. In addition to offering terminal area sites for appropriate tenant use, the Port is working aggressively to develop channel-side port-owned properties. Since opening in 1963, the Port has consistently increased cargo volume.

In recent years, the Port has experienced significant financial struggles as a result of a soft economy, stiff competition from the Port of Stockton and rising cargo handling costs. The Port has been using cash reserves and real estate sales to cover losses. In late 2006, SSA Marine was named the new port operator until the term expires in 2016.

Land Uses – Residential

Much of the northern part of the city is made up of existing residential development, which dates back to the early 1940s. Dwellings in this area include single-family homes, duplexes, apartments, mobile homes and government housing. Some new development has occurred in the neighborhood, starting in 2003 with Metro Place, a mixed-use project with 44 single-family homes, 10 work/live lofts and four apartments. In 2004 the Lighthouse Marina residential development began to take shape. The Grupe Co. of Stockton purchased the 220-acre site, including the former Lighthouse Golf Course and surrounding vacant lots, and developed a community called The Rivers with over 1,000 homes, parks and an elementary school.

In the southern portion of West Sacramento, the Southport and Bridgeway Lakes master-planned communities have seen significant residential growth in recent years. The City expects this area to meet the majority of its future housing needs. The Southport Framework Plan, which was adopted in May 1995, calls for 16,000 homes and a total population of 40,000 residents in Southport at full build-out.

Areas targeted for future residential development include the West Capitol Avenue corridor; the Raley's Landing area along the Sacramento River waterfront across from Old Sacramento; and the 188-acre Triangle Area, bounded by the Sacramento River, Business 80 and State Highway 275. Since the Raley Field baseball stadium was built in 2000, the City has targeted the surrounding industrial neighborhood for redevelopment with residential and commercial uses.

Land Uses – Retail

Existing commercial projects are scattered throughout the city, primarily along thoroughfares like West Capitol Avenue, Jefferson Boulevard, Harbor Boulevard and Reed/Sacramento Avenue. West Capitol Avenue contains numerous older motels and strip centers, and the City has targeted this corridor for redevelopment. Most commercial developments in West Sacramento are neighborhood centers, strip centers and freestanding buildings.

Until recently, the city was lacking in regional shopping centers and large retail stores, instead depending on neighboring cities and counties to provide these shopping opportunities. Planning efforts addressing the need for a regional commercial project have focused on the 92-acre Riverpoint Marketplace, located within the southeast quadrant of Reed Avenue and Interstate 80. IKEA, the Swedish furniture chain, opened its 265,000 square foot store in 2006, followed by Wal-Mart and Home Depot stores in 2007.

The Southport Framework Plan has designated core commercial sites within each proposed village. The Southport Town Center was constructed within the past decade on 20 acres at Jefferson and Lake Washington Boulevards. With 275,000 square feet of space anchored by Nugget Market and Target, this is the primary retail center for the Southport area.

In the Triangle Area in northeastern West Sacramento, a partnership of Sacramento's Friedman family and the Rumsey Band of Wintun Indians plans to build 200,000 square feet of retail space in conjunction with high-density housing and office space along the waterfront. This project is expected to take about 10 years to fully construct. The developer intends most of the retail space to be occupied by restaurants and entertainment-oriented establishments that would benefit from the waterfront location.

Land Uses – Industrial

Industrial development continues to be the backbone of West Sacramento's economy. From the Port of Sacramento to major trucking operations, the city has historically attracted heavy industrial users.

The Riverside Commerce Center, situated west of Interstate 80 and south of Reed Avenue, represents one of the city's largest industrial developments. This project has 450,000 square feet of industrial space and 350,000 square feet of office space, and has been developed since 1997. Major tenants in the park include Corinthian College, a vocational school; Jackson Laboratory, a biotechnology company; and Cingular Wireless. Other major industrial developments in West Sacramento include a 150,000 square foot distribution facility developed by Pacific Bell; a headquarters and storage area for Teneco Tractors; and a training facility for the California Highway Patrol.

Future industrial development is expected to be concentrated in the Southport Industrial Park. This 672-acre site is designed for heavy and light industrial uses along with offices and some supporting commercial development.

Land Uses – Office

West Sacramento has seen an increase in areas zoned for office or business park usage and in the number of businesses interested in these sites. Several large complexes exist along Industrial Boulevard, which are being utilized by an increasing number of small, service-oriented businesses. In addition, the Koll Company recently developed the Riverside Center on the west side of Interstate 80 along Reed Avenue. This center is a 173-acre master-planned business park. The California State Teachers Retirement System (CalSTRS) recently completed building a 19-story headquarters in the Raley's Landing area.

Within the area known as Raley's Landing, just across the Sacramento River from Old Sacramento, Panattoni Development Co. and Signature Properties have proposed to develop over 800,000 square feet of office space in conjunction with residential and retail uses.

In the Triangle Area in northeastern West Sacramento, a partnership of Sacramento's Friedman family and the Rumsey Band of Wintun Indians plans to build 1.5 million square feet of office space in conjunction with high-density housing and retail space along the waterfront. This project is expected to take about 10 years to fully construct.

Southport Business Park is another newly constructed office center intended for office development in West Sacramento. The City is hoping this business park will stimulate property taxes and jobs in the area by attracting biotech, technology and R&D operations.

In the northern part of the city, the 400,000 square foot Ziggurat Building is leased to the State Department of General Services (DGS), which has brought more than 1,200 State employees to West Sacramento. In 2003, West Sacramento constructed a new City Hall on West Capitol Avenue, and a new community center is currently under construction along West Capitol Avenue with an estimated completion date of September, 2010.

Growth & Development

West Sacramento has experienced significant residential and commercial growth in recent years. Its proximity to Downtown Sacramento and the availability of developable land create propitious conditions for development. Over the past several years, City leaders have endeavored to change the city's industrial image and attract new residential and commercial projects. The table below depicts building permit activity in the city of West Sacramento for the past few years.

BUILDING PERMITS – WEST SACRAMENTO

	2004	2005	2006	2007	2008	2009
Single-family Units	1,036	1,011	330	291	62	88
Multifamily Units	364	92	216	170	5	77
Total	1,400	1,103	546	461	67	165

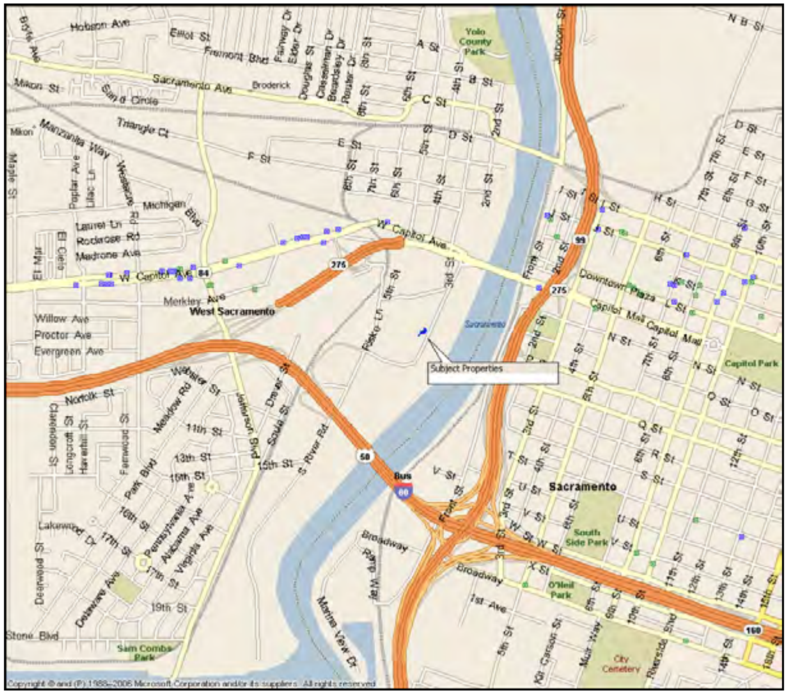
Source: U.S. Census, SOCDS Building Permits Database

As indicated in the table, single-family residential building permit activity was very strong in West Sacramento prior to 2006, with significant declines seen in the past four years as the regional housing market has been contracting. A few multifamily developments received permits in the years 2003 through 2007. In 2009 building permits showed an increase after almost no new multifamily permits being released in 2008.

Conclusion

In the past several years, West Sacramento has been transitioning from a mostly industrial and agricultural city to a residential community with expanding employment and commercial services. The city offers relatively affordable land, excellent transportation linkages and proximity to Downtown Sacramento. Like most of the region and nation, West Sacramento is currently experiencing a downturn in the residential and commercial real estate markets. However, the city's long-term outlook is positive. City leaders are continually working to reach a balance between the needs of industry and the concerns of the growing residential population.

NEIGHBORHOOD OVERVIEW



Introduction

This section of the report provides an analysis of the observable data that indicates patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as "a group of complementary land uses; a congruous grouping of inhabitants, buildings or business enterprises."[4]

Neighborhood Boundaries

The boundaries of a neighborhood identify the physical area that influences the value of the subject property. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods.

[4] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 133.

The subject properties are located in the northeastern portion of the city of West Sacramento. The neighborhood boundaries generally correspond to the Sacramento River to the north and east, the Sacramento River Deep Water Ship Channel to the south and Interstate 80 to the west.

Demographics

According to Site To Do Business, which provides demographic trending based on Census data, the 2010 population in the neighborhood, which includes all persons in the 95691 zip code, is 33,423 persons, with a median age of 38.9 years and an average household size of 2.59 persons. The median household income in the zip code is $52,320.

Transportation

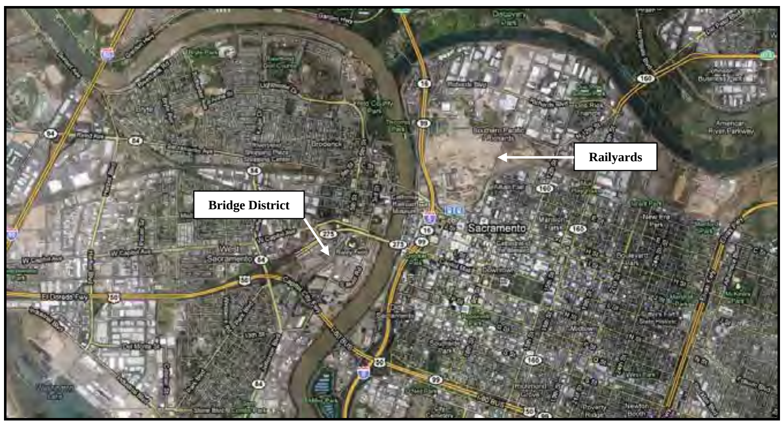
The subject properties (Bridge District) are located within the Triangle Specific Plan Area, which is bound to the north and west by State Route 275, generally to the south by U.S. Highway 50 (Business Interstate 80) and to the east by the Sacramento River. Interstate 5 is located ¼ mile to the east, just beyond the Sacramento River. All of these transportation corridors are instrumental in facilitating traffic flow to and from the immediate area. Interstate 5 is the region's primary north-south transportation corridor, linking the subject with Natomas, Woodland and Redding to the north and Elk Grove, Stockton and Los Angeles to the south. Interstate 80 is the primary east-west route through Sacramento, providing direct access to Davis, Vacaville and Fairfield before terminating in the city of San Francisco to the west and Natomas, Roseville and Rocklin to the east. Traveling east from Sacramento, Interstate 80 and U.S. Highway 50 climb into the foothill communities and traverse the Sierra Nevada Mountains. Public transportation in the immediate area is limited to bus service.

State Route 275 is a connector freeway that connects U.S. Highway 50 to the southwest and downtown Sacramento. Within the subject neighborhood, West Capitol Avenue and Jefferson Boulevard are the primary thoroughfares. West Capitol Avenue, located north of the subjects, extends through the neighborhood on an east-west axis, while Jefferson Boulevard, located to the west, extends on a north-south axis.

Air travel in the region is provided by the Sacramento International Airport, located approximately ten miles north of the neighborhood. A number of smaller (municipal) airports are located throughout the region. Train service is available by an Amtrak station located one mile northeast of the neighborhood, in downtown Sacramento. Amtrak extends west from Sacramento to the East Bay area of San Francisco, where it connects with the Bay Area Rapid Transit (BART). Amtrak provides service to points westbound by bus. Amtrak utilizes rail lines owned and maintained by the Union Pacific Railroad, which continues to move freight through the area. Certain of the industrial uses in the subject neighborhood utilized (or continue to utilize) rail spurs.

Land Uses

The subject properties are located in a transitioning area of West Sacramento that includes a mix of land uses, including newer and older residential, industrial, retail and office uses. The subject properties are located in an area concentrated with industrial uses, which, historically, have dominated land uses along the west bank of the Sacramento River, south of the Tower Bridge (State Route 275). These industrial uses extend south to the Sacramento Deep Water Ship Channel. South of U.S. Highway 50, these industrial uses are bordered to the west primarily by mature single-family residences. North of (Business) Interstate 80, land uses are more diverse, with retail buildings, offices and residences situated along West Capitol Avenue.



The subject neighborhood is located immediately west of the Sacramento Central Business District (CBD). With the exception of the Railyards project just north of downtown, which is undergoing environmental remediation and is planned for significant residential and commercial development, there are few large redevelopment sites located so close to the CBD. This location and the river amenity enhance the desirability of the subject location.

The 188+-acre Triangle Specific Plan Area is part of a larger urbanized area used historically for rice milling and other industrial operations. Most industrial properties in the Specific Plan area have been in a state of physical decline for a number of years, where many buildings are either at or near the end of their economic lives. The existing character of the area is one of under-used industrial land and economically obsolete buildings, but includes a few active businesses. Five warehouses located on the southern portion of the subject properties are being utilized as storage facilities, and two warehouses in the northern portion of the subject properties near Raley Field are vacant.

Several concrete building pads from demolished industrial buildings are located in the central portion of the Triangle Specific Plan Area and on certain subject parcels. These pads, along with unimproved land elsewhere in the Specific Plan, are currently leased as seasonal parking for Raley Field. The majority of the subject properties are bounded on the east by the Sacramento River and on the south by U.S. State Highway 50. A roughly five-acre portion of the subject properties is located south of U.S. Highway 50, adjacent to the Sacramento River riparian corridor, and extends to the existing Cemex cement terminal property line. South of U.S. Highway 50, existing land uses are mainly nonconforming industrial and heavy commercial and are subject to transitional polices in the City's General Plan.

Within the Triangle Specific Plan Area, two projects have been approved: Raley Field (a minor league baseball ballpark) and Ironworks (a residential subdivision). Raley Field was completed in 2000 and Ironworks is currently under construction. Some Ironworks units have transferred ownership to individual homebuyers, and home sales are continuing. Several other projects within the Specific Plan are being considered by the City of West Sacramento, including the construction of an entertainment venue at Raley Field and the Waterfront Promenade. The latter project would include an extension of the City's Riverwalk Park promenade south of the Tower Bridge along the west bank of the Sacramento River, adjacent to the subject properties.

Besides these projects, most of the residential properties in the area were constructed more than 20 years ago, though new single-family residential development exists south and west of the subject. The primary commercial arterial through the city of West Sacramento is West Capitol Avenue, (approximately ½ mile north of the subject properties), where there are a number of older motels and blighted commercial buildings. However, with the completion of the new city hall (within the last five years) on West Capitol and the continued push to revitalize the corridor, it is anticipated many older structures will be demolished to accommodate new development.

In regard to neighborhood services, located approximately one mile west of the subject properties is a Safeway Shopping Center (northeast corner of West Capitol Avenue and Jefferson Boulevard). This center includes Blockbuster Video, Kragen Auto Parts, Payless Shoes, Rite Aid, Big Lots, and Papa Murphy's Pizza. Also along West Capitol Avenue, there are restaurants, several motels, auto repair facilities, a Raley's Supermarket, Bank of America, a mobile home park, and the Country West Shopping Center at the southwest corner of Harbor Boulevard and West Capitol Avenue. This center features Dollar Tree, Goodwill, Discount Cigarettes, and a pharmacy. Traveling east along West Capitol Avenue, there are several motels, the West Sacramento City Hall Building, a Yolo County Library, a bowling alley, and several restaurants.

For all practical purposes, the city of West Sacramento can generally be divided into two distinct areas of growth and development. The area north of the deep-water channel is comprised primarily of older residential, commercial and industrial uses, while the area south of the channel (Southport) and outside the subject neighborhood is made up mostly of newer residential housing and large tracts of vacant agricultural land. The City of West Sacramento, in conjunction with local area landowners, has targeted the majority of the land south of the deep-water channel as an area of future growth. Land previously used for agricultural purposes is being developed for mixed uses including single-family residential, commercial and light industrial.

Within the southern portion of the city there are a number of significant developments, including the Southport Industrial/Residential Project. It is predicted that the 672-acre Southport Business Park will attract biotech, technology, and research and development operations. Currently 1,394,000 square feet of warehouse buildings have been constructed in the Southport Industrial Park. A 66,000 square foot office building has also been constructed. Several other uses including a mini-storage, glass company, produce warehouse and trailer storage facility occupy the development.

West Sacramento has also become a key area for investment and other economic activity, triggered by the opening of Raley Field, home of the Sacramento River Cats. The combination of Raley Field, the Tower Bridge and the former Money Store building has given West Sacramento a city skyline, long sought by civic leaders. The former Money Store Building has been leased to the Department of General Services (DGS), with over 1,200 state employees now located in the West Sacramento Area. DGS is the first major state agency to locate in West Sacramento. In addition, West Sacramento is home to the California Fuel Cell Partnership. The partnership includes top auto manufacturers, energy providers, and government agencies. The facility employs approximately 100 people and provides a fleet of 70 fuel cell passenger cars and buses. Additionally, the California State Teachers Retirement System (CalSTRS) completed a 19-story headquarters in the Raley's Landing area in 2009, making it the tallest building in on the West Sacramento skyline.

Noteworthy commercial development in the area includes 700,000 square feet of planned retail space at Reed Avenue and Interstate 80 (two miles west of the subject properties), with a portion already completed. This development currently includes IKEA, a Swedish furniture store, a Wal-Mart Super Center and Home Depot. IKEA opened in the Spring of 2006; the latter two stores opened in 2007.

Other Noteworthy Urban Infill Developments (Proposed)

In addition to the previously described subject properties (Bridge District) in West Sacramento, across the Sacramento River in the city of Sacramento is the 240-acre Railyards site. The Railyards Specific Plan, approved by the City of Sacramento in December 2007, is located just north of Downtown Sacramento and once served as the western terminus of the 1860s Transcontinental Railroad. Acquired from Union Pacific Railroad by Thomas Enterprises, the Railyards is approved to be developed into 1.3 million square feet of retail space, restaurants and mixed-use high-density housing; 2.9 million square feet of office space, theaters, fine arts venues, parks, hotels, museums and historic buildings. As much as 12,000 residential units will be constructed amongst 29 acres of parks and open space.

Across the Sacramento River from the subject property is the Docks Area Project. The Docks Area Specific Plan focuses on the planning and design standards for the redevelopment of approximately 29 acres of land located along the Sacramento River, bound by Capitol Mall to the north, Front Street to the east, Interstate 80 to the south and the river to the west. This project is approved for high-density, mixed use developments to include housing and retail, as well as a riverfront parkway/promenade with parks and open space.

Community Uses

The community uses in the neighborhood are somewhat limited due to the strong industrial presence that remains in West Sacramento, but this is starting to change as residential development and redevelopment continues. Raley Field is the most notable community landmark in the Triangle Specific Plan Area. The Sacramento River, including the new River Walk Park and Promenade, is another prominent spot for recreational activities. West Sacramento is served by the Washington Unified School District, with a total of 13 schools, including one high school, River City High School. Two major public universities, University of California, Davis and California State University, Sacramento, are located within 10 miles of the subject property. In addition, the Sacramento area offers four community colleges.

Conclusion

In summary, the City of West Sacramento appears poised to dramatically change the image and direction of the city over the next 50 years. The projects currently underway and those in the planning stages are primarily focused on utilizing the water amenity of the Sacramento River in developing master-planned residential communities and other uses. The immediate area surrounding the subject properties consists of residential and industrial uses, and within the Triangle Specific Plan Area, dense urban uses are planned that will complement the network of major highways in the area and the Sacramento CBD.

RETAIL MARKET OVERVIEW

Introduction

The retail sector of the economy has been negatively affected by several conditions over the past couple years, namely declining home values, tight credit and rising unemployment. Retailers have been hurt by lower sales as well as difficulty obtaining loans for new inventory in light of the recent financial crisis. Locally, recent store closings have included Sam's Club (North Natomas location), Gottschalks, Mervyns, Linens 'n Things, Shoe Pavilion, Circuit City and Office Depot. Sacramento's average retail vacancy rate has been climbing since early 2006, with a dramatic rise seen in the first quarter of 2009. As of the first quarter of 2010, the region's average vacancy rate was 14.9%, up slightly from 14.6% in the previous quarter and up from 11.9% a year earlier (first quarter of 2009). The current vacancy rate is the highest figure observed in many years. Net absorption of retail space in the region has been negative for seven consecutive quarters.

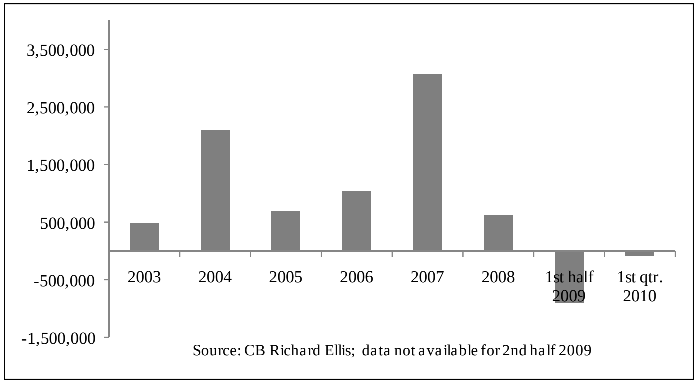
Although unemployment remains high and the economy faces continuing challenges, the Sacramento retail market is beginning to show signs of stabilization. Net absorption in the first quarter of 2010 was about negative 83,000 square feet, which is a very small number in comparison to the region's inventory of over 46 million square feet of retail space. The unemployment rate in the area has been fairly stable in recent months and there have been signs of improvement in consumer confidence. Some retailers have recently opened new stores or announced expansion plans in the region, including Burlington Coat Factory in south Sacramento, Target and Forever 21 in Davis, Best Buy in Woodland, and movie theatre operators in both Folsom and Rocklin. Discount stores and grocery stores have also fared relatively well in this economy.

It is noted the vacancy and absorption statistics utilized for this analysis are based on surveys by CB Richard Ellis (properties over 20,000 square feet, excluding regional malls) and Colliers International (properties over 50,000 square feet, excluding regional malls). Market conditions may not be similar for smaller retail properties. In fact, multiple brokerage firms have reported a softening in both rental rates and absorption for smaller retail projects, particularly in high-growth areas with significant new construction. Anchored centers remain the most resilient product in the market and are more likely to maintain stabilized occupancy levels compared to unanchored centers.

Vacancy & Absorption

The following chart shows annual net absorption figures for the past few years.

Sacramento Retail Market Net Absorption (SF)

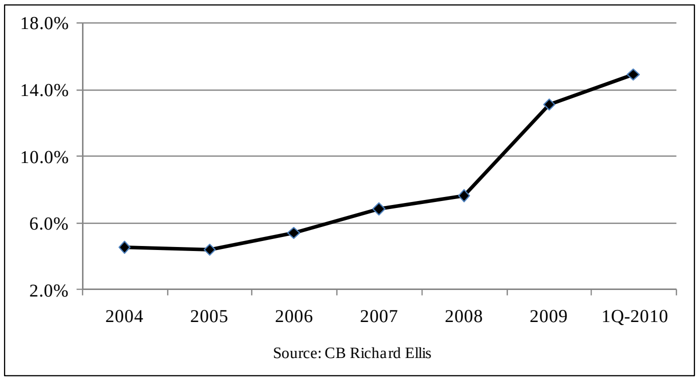


Net absorption in the Sacramento retail market for the year 2008 was about 630,000 square feet, down significantly from over 3 million square feet in 2007, according to CB Richard Ellis. For the year 2008, the submarkets achieving the strongest levels of absorption were Roseville/Rocklin, Folsom/El Dorado Hills and Lincoln.

Although net absorption was positive for the year 2008 due to relative strength in the earlier part of that year, net absorption was negative for the year 2009. In the first half of 2009, net absorption was approximately negative 900,000 square feet. Net absorption data for the second half of 2009 was not published by CB Richard Ellis due to a change in their database. Various brokers have reported that the region's net absorption was negative in both the third and fourth quarters. Colliers International reported net absorption of negative 1.1 million square feet for the region in 2009.

The following chart summarizes the recent history of retail vacancy in the Sacramento region (annual averages).

Sacramento Retail Market Vacancy



According to surveys by CB Richard Ellis, the overall retail market vacancy rate in the Sacramento Region was just under 12% in the first and second quarters of 2009, and then rose to 14.2% during the third quarter of 2009, 14.6% in the fourth quarter, and 14.9% in the first quarter of 2010. Another local brokerage, Colliers International, reported a 13.0% vacancy rate for Sacramento as of September 30, 2009.

The following table summarizes recent vacancy rates by submarket and by type of property.

	Total Inventory (Million SF)	4Q 2009 Vacancy Rate	1Q 2010 Vacancy Rate	1Q 2010 Net Absorption
By Submarket:				
Arden/Watt/Howe	3.7	9.8%	11.3%	(3,217)
Auburn/Loomis	1.2	14.4%	13.8%	7,075
Carmichael	1.3	11.5%	12.2%	(8,430)
Citrus Heights/Fair Oaks	4.5	17.4%	16.6%	36,357
Folsom/El Dorado Hills	5.3	9.6%	10.0%	(21,566)
Greenhaven/Pocket	0.4	16.6%	17.3%	(2,892)
Hwy 50/Rancho Cordova	3.0	25.7%	23.7%	60,379
Laguna/Elk Grove	4.5	16.3%	15.0%	58,338
Lincoln	1.2	12.5%	11.9%	7,349
North Highlands	2.3	11.7%	12.7%	(23,651)
North Natomas	2.4	12.7%	15.9%	(126,959)
Roseville/Rocklin	8.1	16.7%	17.1%	(50,361)
South Natomas	0.6	3.2%	4.9%	(10,726)
South Sacramento	5.4	17.2%	18.3%	(3,925)
West Sacramento/Davis	2.5	9.4%	9.5%	(936)
Market Total	**46.5**	**14.6%**	**14.9%**	**(83,165)**
By Property Type:				
Neighborhood Centers	13.4	14.8%	14.8%	(94,334)
Community Centers	14.4	15.0%	15.0%	47,857
Regional/Power Centers	7.6	10.9%	10.9%	18,284
Specialty/Lifestyle/Mixed	1.6	18.5%	18.6%	(23,961)
Strip Centers	4.0	20.3%	20.5%	4,129
Freestanding Buildings	5.6	12.9%	12.9%	(35,140)
Market Total	**46.5**	**14.6%**	**14.9%**	**(83,165)**

Source: CB Richard Ellis (centers over 20,000 SF, excluding regional malls)

Lease Rates

In recent quarters, lease rates have generally been flat or declining in most submarkets. Asking lease rates for in-line space in newly constructed retail centers are typically between about $1.50 and $2.50 psf/month (triple net). In response to lower tenant demand, many landlords are lowering rental rates and/or providing longer periods of free rent or higher improvement allowances to new tenants. It has been reported some landlords are renegotiating rental rates with existing tenants to keep them from walking away from their leases. Many of these situations are verbal agreements as opposed to executed lease amendments.

Under current market conditions, lease rates for space within anchored retail centers have been the most stable; while smaller, unanchored properties have been the most adversely affected. In most areas, lease rates are expected to be flat to declining over the next 12 months.

New Construction

Construction activity has been slowing in recent quarters in response to softening retail market conditions. In the first quarter of 2010, the only notable project to come online was Palladio at Broadstone, located in Folsom. This center has about 670,000 square feet and the only tenant so far is Cinema West Theatre. There is currently only one retail property over 20,000 square feet under construction in the region, with about 38,000 square feet in the Citrus Heights/Fair Oaks submarket. For the remainder of 2010, it is expected new construction will be very limited with the exception of a few small, tenant-driven projects.

Looking Ahead

The coming year is expected to be one of stabilization for the Sacramento area retail market. With no significant changes expected in employment, population or the supply of retail space, little change is expected in retail vacancy rates. Vacancy rates are expected to remain relatively high (well over 10%) in the region and most submarkets, and net absorption will likely be close to zero or slightly negative for the year 2010. Over the next 12 months, lease rates are projected to be flat or declining for most product types and locations. We expect to continue seeing long lease-up times and significant landlord concessions for available space. Well-located anchored centers are expected to fare the best, while smaller unanchored properties will pose a greater challenge for property owners.

For much of the past year, there has been speculation among market participants that a wave of foreclosures among commercial properties would be coming much as it had in the residential sector. However, we are now seeing signs that the commercial markets may not see an abrupt wave of foreclosures and plummeting values, but rather a much longer and slower correction. This is because of “pretend and extend” practices, an increase in note sales, the return of the commercial mortgage backed-securities market, and an increase in refinancing and loan workouts. Some troubled assets are likely to return to the marketplace, but on a more limited and gradual basis than was once expected. While commercial real estate values may see further declines, they should not be as significant as those already seen from 2007 through 2009.

OFFICE MARKET OVERVIEW

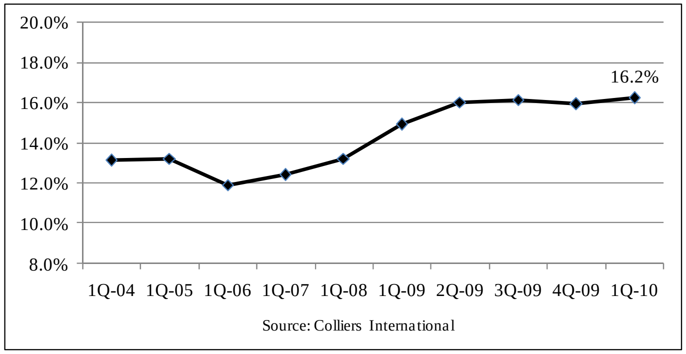
The Sacramento office market has contracted over the 2008-2010 period amid high unemployment, tight credit conditions and a large inventory of new office buildings. These factors contributed to a regional vacancy rate in the range of about 15-16% throughout 2009. In the first quarter of 2010, vacancy was 16.2%, up from 15.9% in the previous quarter and 14.9% a year prior (first quarter of 2009). Net absorption in the region for the year 2009 was approximately 178,000 square feet. During the first quarter of 2010, net absorption was estimated at negative 145,000 square feet. In 2009 the strongest absorption levels were seen in the submarkets of Downtown and Folsom, while most other suburban areas showed a net loss of occupied space over the year. (The data presented in this overview is based on quarterly surveys published by Colliers International, which tracks all buildings over 5,000 square feet except government-owned properties.)

Many housing-related sectors have experienced severe job losses over the past couple years, including construction, financing, insurance and other related industries. These losses have been somewhat tempered by employment in healthcare, education and government, but looking forward there are many uncertainties regarding government employment due to the State’s budget difficulties. The State, which represents the largest regional user of office space by far, has already implemented staff reductions and furloughs, and it is possible more significant layoffs could be necessary in the coming years.

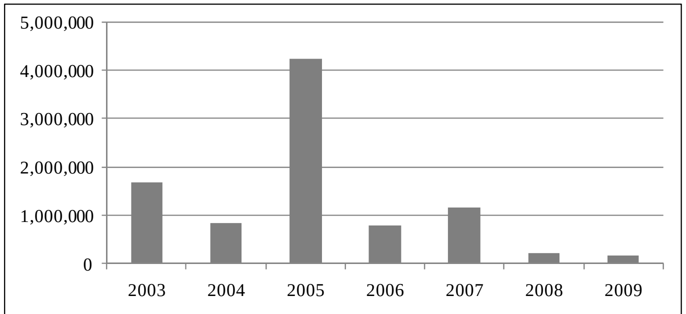
Vacancy & Absorption

The following charts summarize vacancy and net absorption in the region over the past several years.

Sacramento Office Market Vacancy



Sacramento Office Market Net Absorption (SF)



Source: Colliers International

Office vacancy in the region rose from 2000 through 2004, declined in 2005, and then climbed from 2006 through early 2009. From the second quarter of 2009 to date, vacancy has been relatively flat at about 16%. In terms of annual net absorption, 2005 was a very strong year, followed by fairly strong absorption in 2006 and 2007, and then a sharp decline in 2008 and 2009. For the year 2009, net absorption was only about 178,000 square feet.

For the year 2009, absorption was negative in the suburban submarkets (-399,000 square feet) but positive in the Downtown area (577,000 square feet). Among the suburban submarkets, Folsom was an exception as this area recorded positive net absorption of office space. Among property classes, absorption in 2009 was positive 292,000 square feet for Class-A properties, negative 106,000 square feet for Class B, and negative 8,000 square feet for Class C.

The following table shows recent vacancy and absorption by submarket and also by class/quality.

Submarket	Total Inventory (Million SF)	4Q 2009 Vacancy Rate	1Q 2010 Vacancy Rate	Year 2009 Net Absorption	1Q 2010 Net Absorption
Auburn/Lincoln	1.4	15.0%	14.6%	(18,103)	6,174
Campus Commons	1.6	17.9%	17.8%	43,068	2,358
Carmichael/Fair Oaks	1.8	12.8%	13.3%	14,029	(7,859)
Citrus Heights/Orangevale	1.6	18.9%	19.6%	36,887	(11,608)
Davis/Woodland	1.8	15.1%	14.8%	12,404	5,654
East Sacramento	1.9	12.6%	11.8%	(112,181)	138,304
El Dorado	1.9	18.5%	19.1%	(9,245)	(10,008)
Elk Grove	1.4	27.9%	29.4%	32,067	(21,298)
Folsom	4.7	14.3%	13.2%	128,294	55,953
Highway 50 Corridor	16.0	15.6%	15.7%	(415,259)	(10,578)
Howe/Fulton	3.1	15.4%	16.7%	(27,550)	(40,338)
Midtown	4.8	8.4%	8.7%	46,572	(15,198)
N. Natomas/Northgate	2.5	26.9%	27.3%	(504)	(10,361)
Point West	2.9	27.7%	28.6%	(207,955)	(26,607)
Rio Linda/N. Highlands	1.2	28.7%	29.2%	6,753	(5,755)
Roseville/Rocklin	11.3	26.3%	26.6%	(127,134)	(37,456)
South Natomas	3.5	23.4%	23.1%	(25,504)	8,766
South Sacramento	3.3	10.3%	10.3%	(24,341)	(804)
Watt Avenue	2.8	7.7%	9.4%	(4,750)	(47,801)
West Sacramento	1.9	16.7%	20.6%	380,218	(73,735)
Suburban Total	71.1	17.9%	18.2%	(399,057)	(105,677)
Downtown	18.3	8.1%	8.3%	577,055	(39,565)
Market Total	**89.4**	**15.9%**	**16.2%**	**177,998**	**(145,242)**
Class A	24.9	19.1%	19.1%	292,426	(14,543)
Class B	39.7	17.1%	17.3%	(105,991)	44,953
Class C	24.8	10.8%	11.5%	(8,437)	(175,652)
Market Total	**89.4**	**15.9%**	**16.2%**	**177,998**	**(145,242)**

Source: Colliers International

As shown above, some of Sacramento's suburban areas are experiencing very high vacancy over 20%, while the Downtown area continues to be relatively stable with vacancy just over 8%. Office vacancy is particularly high in Elk Grove, Natomas, Point West, Roseville, Rocklin and West Sacramento.

Lease Rates

For most types of buildings and locations, rental rates for new leases have been declining in recent quarters. According to surveys by Colliers International, the average asking lease rate for office space in the region was about $1.89 psf/month in the first quarter of 2010, down from $1.92 in the previous quarter and $2.01 a year prior (first quarter of 2009). While asking rates have fallen slightly, effective rental rates have been falling to a greater degree as property owners have been offering longer periods of free rent and higher tenant improvement allowances. Many brokers report that free rent of one month for each year of the lease term is typical (e.g., five months free for a five-year lease). Another trend we are seeing is shorter lease terms of less than five years.

New Construction

In 2009, about 1.9 million square feet of new office space was added to the region's inventory. Previously in the year 2008, new deliveries totaled about 1.5 million square feet. As of the first quarter of 2010, about 408,000 square feet of new space was under construction.

Looking Ahead

Over the course of the next year, most market participants expect the office market to continue contracting as more job losses are expected in the region. While demand is falling, supply will continue to increase as projects under construction come online. As a result, vacancy will likely increase, net absorption for 2010 is expected to be negative, and asking rental rates are projected to decline further. Significant concessions such as free rent and tenant improvement allowances will continue to be necessary to attract new tenants. The high-growth suburban submarkets will continue to see high vacancy due to their large amount of new construction over the recent past. In particular, vacancy is expected to remain very high in the areas of Roseville, Rocklin, Natomas and Elk Grove.

Over the past several quarters, there has been speculation among market participants that a wave of foreclosures among commercial properties would be coming much as it had in the residential sector. However, we are now seeing signs that the commercial markets may not see an abrupt wave of foreclosures and plummeting values, but rather a much longer and slower correction. This is because of "pretend and extend" practices, an increase in note sales, the return of the commercial mortgage backed-securities market, and an increase in refinancing and loan workouts. Some troubled assets are likely to return to the marketplace, but on a more limited and gradual basis than was once expected. While commercial real estate values may see further declines, they should not be as significant as those already seen from 2007 through 2009.

APARTMENT MARKET OVERVIEW

National/Regional Market Conditions

The national apartment market is losing ground as one of the top-performing asset classes due to the housing crisis, recent economic recession and rising unemployment. In earlier stages of the housing market decline, demand for apartments increased with the rise in foreclosures as many homeowners turned to rental properties as an affordable housing option. However, in recent quarters, many single-family homes and condominiums have been turned into rental properties, creating more competition in the rental market. In addition, continuing job losses and consumer credit distress are negatively impacting demand for apartments. The result of increased competition on the supply side combined with weakening demand is that apartment vacancy is rising and rental rates are falling in most metropolitan areas. As vacancy has risen in the past few quarters, both asking and effective rental rates have fallen for most property types and most locations. Many landlords are lower rents and offering greater concessions such as free rent periods.

According to the national Korpacz Real Estate Investor Survey, dated First Quarter 2010, the national apartment vacancy rate has been rising for several quarters and stood at 8.0% at the end of 2009, based on data provided by Reis. On the demand side, the market is stressed due to ongoing job losses. On the supply side, it is strained because of increased competition from the return of troubled condominiums to the rental market. When combined, these two factors elevated this sector's vacancy rate to the highest rate recorded in Reis's 22 years of tracking this sector. These trends are shifting investors' expectations for rent growth: in mid-2009, investors began expecting market rental rates to decline over the next year, for the first time since Korpacz began tracking this sector in 1990. Despite the near-term difficulties in the apartment market, many investors believe apartment assets remain a solid investment choice, particularly compared to office and retail.

Sacramento Area – Introduction

The Sacramento apartment market has been relatively stable with well-balanced supply and demand for the past several quarters. Rental rates were relatively flat for a few years, with declines seen from late 2008 through the year 2009, and a slight uptick in the first quarter of 2010. The market was very strong in the late 1990s and early part of this decade due to rising population, employment and income levels in the region. In response to rising demand, there was significant new construction in the 2000-2004 period, most notably in the growth areas of Roseville, Rocklin, Folsom and Elk Grove. Many of these new projects were Class-A properties with relatively high rental rates. As a result of the new construction, some of these areas saw climbing vacancy rates in 2003 and 2004, and there was some softening in the apartment market during this time frame. Construction has slowed in the past couple of years, allowing the market to return to a more balanced state.

A few years ago, the strength of the regional housing market led to a trend of existing apartments being converted to for-sale condominiums. However, given the recent declines in the housing market and tightened lending restrictions, the trend has reversed and many property owners and developers are now converting for-sale condominiums to apartments.

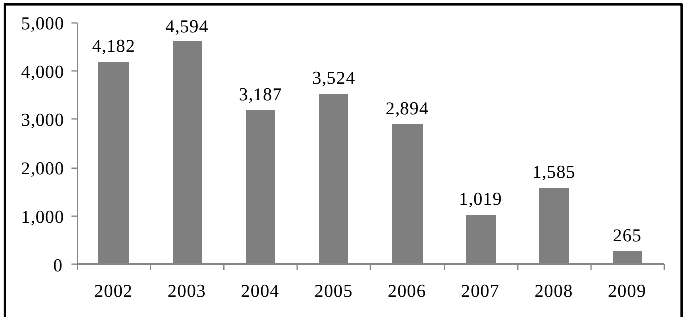
The housing market crisis is having mixed effect on the apartment market. On the positive side, many people who no longer can afford their mortgages are returning to the market as renters. But on the negative side, many single-family homes are being offered for rent when they cannot be sold. The rental home market is referred to as the “shadow market” and these homes are part of the supply competing with apartments for renters.

According to market surveys, the average apartment vacancy rate in the Sacramento region reached a low of 2.0% in the year 2000, and climbed steadily through the year 2004 to a peak of 7.7%. In the past few years, vacancy rates have hovered in the range of about 6-8%. According to the industry research group RealFacts, vacancy for the Sacramento region in the year 2009 was 7.8% in the first quarter, 8.4% in the second quarter, 7.8% in the third quarter, and 7.9% in the fourth quarter. Vacancy dropped to 7.4% in the first quarter of 2010.

New Construction

The following chart indicates the number of multifamily (5+ units) permits issued over the recent past in the six-county Sacramento Region (Sacramento, El Dorado, Placer, Yolo, Yuba and Sutter Counties). It is noted these figures include for-rent apartments and for-sale condominiums.

Multifamily Building Permits (Six-County Area)



Source: U.S. Census SOCDS Building Permits Database

New construction of multifamily projects was very rapid in 2000-2004. A leveling off was seen in 2005 and then sharp declines in new construction were seen in 2006-2009. The local brokerage of Marcus & Millichap reported 750 new apartment units were added to the regional inventory in 2007, and only 170 units in 2008.

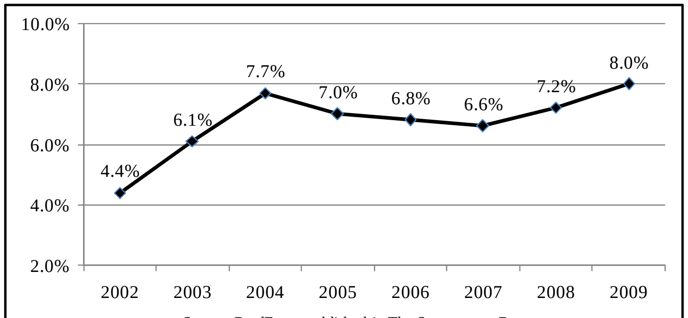
As mentioned previously, the recent decline in the housing market and tightened lending restrictions have forced some multifamily developers to convert for-sale condominiums to apartments. This is a reversal of the trend seen during the residential boom years of 2003-2005, when many existing apartment projects were converted to condominiums. CB Richard Ellis estimates 2,171 apartment units were converted to condos in the Sacramento region in 2004 and 2005, with another 780 converted in 2006.

Vacancy

Historically speaking, the regional apartment market still has reasonably low vacancy. From 1993 through 2000, Sacramento experienced declining vacancy rates, with increases in 2001 through 2004. After peaking in the high-7% range in 2004, the region’s annual average vacancy rate declined in 2005 and 2006. According to RealFacts, vacancy in the Sacramento region in 2009 was 7.8% in the first quarter, 8.4% in the second quarter, 7.8% in the third quarter, and 7.9% in the fourth quarter (for an annual average of 8.0%). Vacancy dropped to 7.4% in the first quarter of 2010.

The following chart shows the average annual apartment vacancy rate in the Sacramento market.

Average Vacancy Rate (Sacramento Area)



Source: RealFacts, published in The Sacramento Bee

The following table shows recent vacancy rates for submarkets within the Sacramento area, based on surveys by RealFacts.

Submarket	1st Qtr. 2010 Vacancy Rate	Change Past Year
Carmichael	8.4%	-0.2%
Citrus Heights	7.0%	-1.0%
Davis	2.6%	-0.7%
Elk Grove	7.4%	2.1%
Fair Oaks	6.1%	-0.3%
Folsom	6.4%	-3.8%
Rancho Cordova	7.7%	0.6%
Rocklin	7.2%	-3.2%
Roseville	5.4%	-5.3%
Sacramento	8.2%	0.9%
West Sacramento	9.7%	-17.3%
Woodland	11.8%	5.0%
Market Total	**7.4%**	**-0.4%**

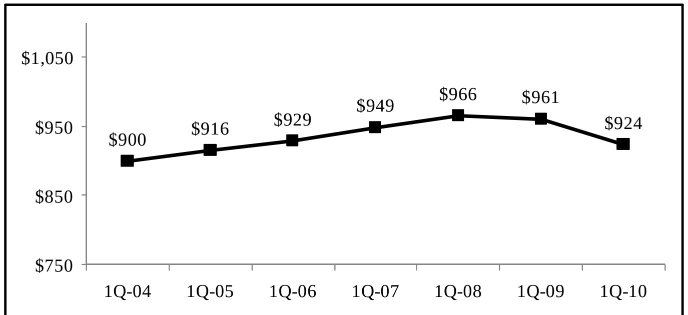
Source: RealFacts, published in The Sacramento Bee

Over the past year, the region's cities showed mixed results, with some seeing increases in occupancy and some having declines. Most changes were relatively minor, although West Sacramento saw a significant improvement in occupancy. It is noted that Davis, a university town in Yolo County, typically has higher vacancy in the summer months but one of the lowest vacancy rates in the region during the school year.

Rental Rates

The following chart indicates the average rental rate for units of all sizes in the Sacramento region in recent years.

Average Rental Rate (Sacramento Region)



Source: RealFacts, published in The Sacramento Bee

According to Colliers International, the region's average apartment rent increased by 0.3% in 2007 and 1.6% in 2008. The research firm RealFacts reported a lower increase of 0.4% for 2008. For 2009, RealFacts reported a decline of 5.3%, to an average of $915 per month in the fourth quarter. A slight increase was seen in the first quarter of 2010, to $924 per month. The following table shows the average rent per unit for several submarkets within the Sacramento area, based on surveys of over 300 properties by RealFacts.

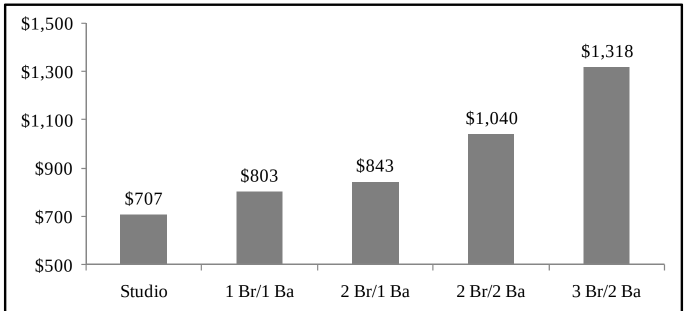
Submarket	1st Qtr. 2010 Average Rent	% Change Past Year
Carmichael	$724	-4.5%
Citrus Heights	$809	-5.8%
Davis	$1,354	0.7%
Elk Grove	$1,060	-4.8%
Fair Oaks	$945	-7.4%
Folsom	$1,107	-6.1%
Rancho Cordova	$795	-6.1%
Rocklin	$1,044	-3.2%
Roseville	$1,050	-4.7%
Sacramento	$871	-3.4%
West Sacramento	$806	3.6%
Woodland	$885	-3.1%
Market Total	**$924**	**-3.8%**

Source: RealFacts, published in The Sacramento Bee

As shown in the table above, average rents have fallen over the past year in nearly every city in the region, with the exception of Davis and West Sacramento.

The following chart shows average rent by unit type for the region during First Quarter 2010.

Average Rent by Unit Type



Source: RealFacts, published in The Sacramento Bee

Sales Activity

From 2006 until mid-2008, apartment sales activity slowed but prices held relatively steady. From mid-2008 until mid-2009 sales activity was considerably slower and sale prices fell quite a bit. However, Marcus & Millichap reported sales activity in the Sacramento area increased significantly in the second half of 2009 compared to the first half. The brokerage also reported that the median price of an apartment property in the region has fallen 21% year over year to about $80,000 per unit. Capitalization rates in 2009 averaged in the mid-7% range, with some properties over 8%.

Conclusion

The Sacramento area apartment market saw vacancy increase and rental rates fall in the year 2009, but improvement was seen in the first quarter of 2010, indicating demand is strengthening in the region. Overall the market has remained generally stable over the past several years, with vacancy consistently in the 6-8% range. Over the next year, rental rates are expected to be relatively flat in most locations and for most product types. With new construction very limited, vacancy is not expected to increase significantly. The regional apartment market appears to be weathering the current economy better than most other income-producing property types.

PROPERTY IDENTIFICATION AND LEGAL DATA

Location

The subject properties are located along the west banks of the Sacramento River, south of the Tower Bridge and north of the Pioneer Bridge, within the city of West Sacramento, Yolo County, California.

Owner of Record/Assessor's Parcel Number(s)

The CFD consists of numerous Assessor's parcels held by 19 different ownerships, which are shown in the table below.

Ownership	Assessor Parcel Number	Total Land Area (acre)	Taxable Land Area (acre)
Arkad Income Prop LLC	058-320-014-000	0.92	0.92
	Subtotal	0.92	0.92
Carasco George T & Betty J Tr.	058-300-008-000	0.17	0.15
	Subtotal	0.17	0.15
Clark-Pacific Corp	058-330-005-000	3.23	1.75
	058-320-018-000	4.34	3.03
	Subtotal	7.57	4.78
Conrad Ethan & Phillips Corley M Tr.	058-310-001-000	7.77	7.50
	Subtotal	7.77	7.50
Lonestar California Inc.	058-350-001-000	5.38	3.33
	058-350-008-000	3.79	1.97
	Subtotal	9.16	5.30
Loris Chris W & Nadine C & Fam 1993 Tr.	058-310-003-000	1.12	0.85
	058-310-009-000	3.03	2.61
	Subtotal	4.15	3.46
Ramos Frank C & Joanne M Tr.	058-320-019-000	2.15	1.55
	Subtotal	2.15	1.55
Ramos Frank C et al	058-320-037-000	1.87	1.66
	058-320-039-000	0.59	0.05
	Subtotal	2.46	1.71
Redevelopment Agency of W. Sac.	058-300-004-000	0.09	0.07
	058-320-041-000	2.94	1.59
	058-330-004-000	2.69	1.97
	058-330-006-000	0.34	0.34
	067-330-018-000	9.13	5.31
	Subtotal	15.20	9.29
River City Parking LLC	058-310-022-000	1.38	0.87
	067-330-010-000	0.93	0.77
	067-330-011-000	0.65	0.59
	Subtotal	2.97	2.23
River Road Venture LLC	058-320-001-000	3.29	1.86
	058-320-022-000	4.82	2.56
	058-320-024-000	1.88	1.47
	Subtotal	9.99	5.89
Robinson Leonard D	058-310-005-000	3.78	2.91
	Subtotal	3.78	2.91
Sacramento Stucco	058-310-018-000	1.16	0.65
	058-310-019-000	1.71	1.02
	Subtotal	2.87	1.67
Smart Growth Investors II Inc.	058-300-005-000	0.15	0.12
	058-300-006-000	0.15	0.15
	058-300-007-000	0.30	0.00
	058-310-012-000	0.15	0.13
	058-310-013-000	0.23	0.23
	058-310-014-000	0.20	0.20
	058-310-015-000	0.19	0.19
	058-310-016-000	8.43	8.17
	058-320-044-000	0.64	0.44
	058-330-001-000	2.99	0.96
	058-330-002-000	2.70	2.12
	058-330-003-000	0.23	0.12
	058-340-009-000	3.29	2.89
	058-340-002-000	1.37	0.47
	058-350-002-000	3.23	2.48
	058-350-003-000	0.94	0.72
	058-350-004-000	0.31	0.17
	058-350-005-000	14.21	9.69
	058-350-006-000	11.00	3.54
	058-350-007-000	0.65	0.48
	Subtotal	51.35	33.27
Tim Kruse Construction Inc.	058-310-002-000	0.73	0.73
	Subtotal	0.73	0.73
Unger Dean F Tr.	058-320-042-000	1.49	1.28
	058-320-045-000	4.32	3.11
	058-320-046-000	5.96	1.01
	058-340-007-000	2.81	0.26
	058-340-005-000	1.97	1.44
	Subtotal	16.55	7.11
Union Pacific Railroad	843-57-6-1	0.90	0.84
	843-57-6C-28	12.01	7.48
	Subtotal	12.91	8.32
West Sacramento City Of	058-320-009-000	0.48	0.23
	058-320-028-000	3.69	0.00
	058-370-054-000	0.64	0.27
	058-380-028-000	1.86	0.00
	058-380-029-000	0.23	0.00
	Subtotal	6.90	0.50
Yolo Co Motel-Hotel Assn Inc.	058-300-011-000	0.24	0.20
	Subtotal	0.24	0.20
	Total:	**157.87** (gross)	**97.51** (taxable)

Property Taxes and Assessments

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual increases cannot exceed 2% per year.

The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and supplemental assessments. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the district in which the property is located, can be added to the 1% tax rate.

Tax information was available for many of the subject properties pertaining to the 2009-2010 tax year and is tabulated in the following tables.

	058-320-014	058-300-008	058-330-005	058-310-001	058-350-001	058-350-008
Assessed Land Value	$ 861,181	$ 61,854	$ 462,789	$ 506,903	$ 1,948,377	$ 883,263
Assessed Improvement Value	$ -	$ 140,583	$ 13,941	$ -	$ 1,255,621	$ 145,045
Total Assessed Value	$ 861,181	$ 202,437	$ 476,730	$ 506,903	$ 3,203,998	$ 1,028,308
Tax Rate (Area 004-005)	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%
Ad Valorem Taxes	$ 9,127.64	$ 2,145.63	$ 5,052.86	$ 5,372.66	$ 33,959.18	$ 10,899.04
Direct Levies						
N. Delta Water	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 11.12	$ 10.20
W. Sac Flood Cont (JPA)	$ 22.28	$ 225.54	$ 371.78	$ 186.26	$ 1,122.50	$ 267.78
Reclam Dist. #900	$ 185.00	$ 32.20	$ 597.60	$ 46.62	$ 1,124.00	$ 1,022.00
W. Sac CFD 23	$ 10,834.72	$ 767.76	$ -	$ 22,211.80	$ -	$ -
Total	$ 11,051.00	$ 1,034.50	$ 978.38	$ 22,453.68	$ 2,257.62	$ 1,299.98
Total Property Taxes	**$ 20,178.64**	**$ 3,180.13**	**$ 6,031.24**	**$ 27,826.34**	**$ 36,216.80**	**$ 12,199.02**

	058-310-003	058-310-009	058-320-019	058-320-037	058-320-039	058-310-022
Assessed Land Value	$ 28,535	$ 86,811	$ 759,782	$ 846,490	$ 306,688	$ 442,522
Assessed Improvement Value	$ -	$ -	$ 61,167	$ -	$ -	$ 91,241
Total Assessed Value	$ 28,535	$ 86,811	$ 820,949	$ 846,490	$ 306,688	$ 533,763
Tax Rate (Area 004-005)	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%
Ad Valorem Taxes	$ 302.44	$ 920.12	$ 8,701.24	$ 8,971.96	$ 3,250.59	$ 5,657.36
Direct Levies						
N. Delta Water	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00
W. Sac Flood Cont (JPA)	$ 27.56	$ 68.32	$ 987.58	$ 44.82	$ 13.90	$ 33.32
Reclam Dist. #900	$ 8.00	$ 17.10	$ 430.00	$ 374.00	$ 8.00	$ 8.34
W. Sac CFD 23	$ 3,059.22	$ 7,671.66	$ -	$ 18,670.86	$ 819.92	$ -
Total	$ 3,103.78	$ 7,766.08	$ 1,426.58	$ 19,098.68	$ 850.82	$ 50.66
Total Property Taxes	**$ 3,406.22**	**$ 8,686.20**	**$ 10,127.82**	**$ 28,070.64**	**$ 4,101.41**	**$ 5,708.02**

	067-330-010	067-330-011	058-320-001	058-320-022	058-320-024	058-310-005
Assessed Land Value	$ 346,377	$ 492,505	$ 2,896,413	$ 4,255,225	$ 1,731,890	$ 421,305
Assessed Improvement Value	$ -	$ -	$ -	$ -	$ -	$ 887,785
Total Assessed Value	$ 346,377	$ 492,505	$ 2,896,413	$ 4,255,225	$ 1,731,890	$ 1,309,090
Tax Rate (Area 004-005)	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%
Ad Valorem Taxes	$ 3,671.26	$ 5,220.08	$ 30,699.10	$ 45,101.13	$ 18,356.30	$ 13,875.04
Direct Levies						
N. Delta Water	$ 9.00	$ 9.00	$ 9.00	$ 9.22	$ 9.00	$ 9.00
W. Sac Flood Cont (JPA)	$ 716.96	$ 585.26	$ 78.86	$ 1,472.86	$ 1,266.32	$ 1,138.18
Reclam Dist. #900	$ 100.20	$ 110.00	$ 19.76	$ 912.00	$ 378.00	$ 728.80
W. Sac CFD 23	$ 1,166.40	$ 1,774.70	$ 10,665.92	$ 12,461.28	$ 9,986.74	$ 9,670.78
Total	$ 1,992.56	$ 2,478.96	$ 10,773.54	$ 14,855.36	$ 11,640.06	$ 11,546.76
Total Property Taxes	**$ 5,663.82**	**$ 7,699.04**	**$ 41,472.64**	**$ 59,956.49**	**$ 29,996.36**	**$ 25,421.80**

	058-310-018	058-310-019	058-300-005	058-300-006	058-300-007	058-310-012
Assessed Land Value	$ 135,553	$ 228,709	$ 147,900	$ 145,350	$ 306,000	$ 54,023
Assessed Improvement Value	$ 856,009	$ 845,781	$ -	$ -	$ -	$ -
Total Assessed Value	$ 1,141,173	$ 1,074,490	$ 147,900	$ 145,350	$ 306,000	$ 54,023
Tax Rate (Area 004-005)	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%
Ad Valorem Taxes	$ 12,095.29	$ 11,388.54	$ 1,567.59	$ 1,540.56	$ 3,243.29	$ 572.60
Direct Levies						
N. Delta Water	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00
W. Sac Flood Cont (JPA)	$ 1,535.10	$ 2,424.36	$ 23.00	$ 31.46	$ 34.44	$ 7.66
Reclam Dist. #900	$ 232.00	$ 341.20	$ 14.10	$ 14.10	$ 37.10	$ 64.20
W. Sac CFD 23	$ 3,608.46	$ 7,069.26	$ -	$ -	$ -	$ 690.98
Total	$ 5,384.56	$ 9,843.82	$ 46.10	$ 54.56	$ 80.54	$ 771.84
Total Property Taxes	**$ 17,479.85**	**$ 21,232.36**	**$ 1,613.69**	**$ 1,595.12**	**$ 3,323.84**	**$ 1,344.44**

	058-310-013	058-310-014	058-310-015	058-310-016	058-330-001	058-330-002
Assessed Land Value	$ 80,505	$ 71,324	$ 63,400	$ 2,419,389	$ 1,348,931	$ 1,232,652
Assessed Improvement Value	$ -	$ -	$ -	$ 31,546	$ -	$ -
Total Assessed Value	$ 80,505	$ 71,324	$ 63,400	$ 2,450,935	$ 1,348,931	$ 1,232,652
Tax Rate (Area 004-005)	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%
Ad Valorem Taxes	$ 853.27	$ 755.96	$ 671.98	$ 25,977.46	$ 14,297.31	$ 13,064.87
Direct Levies						
N. Delta Water	$ 9.00	$ 9.00	$ 9.00	$ 14.92	$ 9.00	$ 9.00
W. Sac Flood Cont (JPA)	$ 3.84	$ 3.84	$ 3.84	$ 185.54	$ 75.50	$ 66.64
Reclam Dist. #900	$ 8.00	$ 8.00	$ 8.00	$ 1,547.00	$ 630.00	$ 556.00
W. Sac CFD 23	$ 1,092.58	$ 1,157.54	$ 1,080.76	$ 35,098.30	$ 11,563.60	$ 10,908.06
Total	$ 1,113.42	$ 1,178.38	$ 1,101.60	$ 36,845.76	$ 12,278.10	$ 11,539.70
Total Property Taxes	**$ 1,966.69**	**$ 1,934.34**	**$ 1,773.58**	**$ 62,823.22**	**$ 26,575.41**	**$ 24,604.57**

	058-330-003	058-340-002	058-350-002	058-350-003	058-350-004	058-350-005
Assessed Land Value	$ 136,331	$ 574,661	$ 1,075,974	$ 345,535	$ 106,065	$ 4,904,944
Assessed Improvement Value	$ -	$ -	$ -	$ 65,962	$ -	$ 774,342
Total Assessed Value	$ 136,331	$ 574,661	$ 1,075,974	$ 411,497	$ 106,065	$ 5,679,286
Tax Rate (Area 004-005)	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%
Ad Valorem Taxes	$ 1,444.97	$ 6,090.84	$ 11,404.25	$ 4,361.46	$ 1,124.20	$ 60,194.78
Direct Levies						
N. Delta Water	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 28.58
W. Sac Flood Cont (JPA)	$ 5.50	$ 32.12	$ 81.26	$ 422.58	$ 2.88	$ 5,158.48
Reclam Dist. #900	$ 46.40	$ 268.00	$ 20.34	$ 222.00	$ 8.00	$ 3,064.00
W. Sac CFD 23	$ 395.70	$ 7,191.92	$ -	$ -	$ -	$ 66,964.46
Total	$ 456.60	$ 7,501.04	$ 110.60	$ 653.58	$ 19.88	$ 75,215.52
Total Property Taxes	**$ 1,901.57**	**$ 13,591.88**	**$ 11,514.85**	**$ 5,015.04**	**$ 1,144.08**	**$135,410.30**

	058-350-006	058-350-007	058-320-018	058-310-002	058-300-011
Assessed Land Value	$ 3,836,703	$ 190,631	$ 671,556	$ 146,263	$ 45,770
Assessed Improvement Value	$ -	$ -	$ 39,285	$ 263,277	$ -
Total Assessed Value	$ 3,836,703	$ 190,631	$ 710,841	$ 409,540	$ 50,440
Tax Rate (Area 004-005)	1.0599%	1.0599%	1.0599%	1.0599%	1.0599%
Ad Valorem Taxes	$ 40,665.22	$ 2,020.49	$ 7,534.20	$ 4,340.72	$ 534.62
Direct Levies					
N. Delta Water	$ 20.86	$ 9.00	$ 9.00	$ 9.00	$ 43.42
W. Sac Flood Cont (JPA)	$ 264.40	$ 10.78	$ 104.04	$ 313.30	$ 5.74
Reclam Dist. #900	$ 2,206.00	$ 8.00	$ 868.80	$ 120.20	$ 47.20
W. Sac CFD 23	$ 30,805.76	$ -	$ -	$ 2,335.76	$ 1,222.50
Total	$ 33,297.02	$ 27.78	$ 981.84	$ 2,778.26	$ 1,318.86
Total Property Taxes	**$ 73,962.24**	**$ 2,048.27**	**$ 8,516.04**	**$ 7,118.98**	**$ 1,853.48**

According to the County of Yolo Treasurer-Tax Collector's Office, the subject parcels are located in tax rate area 004-005, which has an annual tax rate of 1.0599% based on assessed value. Of the direct levies identified in the preceding tables, most represent annual charges related to flood control that cannot be paid off, while one represents bond debt (West Sacramento CFD 23), which matures in 2037 and has a rate that adjusts periodically, yet stays within the 4% to 5.3% range.

The appraised properties will also be encumbered by the West Sacramento Community Facilities District No. 27 Bond. With respect to special taxes, we have relied upon the *Rate and Method of Apportionment of Special Tax (RMA)* document, prepared by Economic and Planning Systems, Inc. (EPS), to determine the special tax levy on the subject properties. It is our understanding the par amount of bonds will be approximately $14,000,000, inclusive of financing costs (such as reserve funds, underwriter's discount, and costs of issuance). According to the *Hearing Report*, dated February 3, 2010, prepared by Economic and Planning Systems, Inc. (EPS), annual special taxes may be assessed on both developed and undeveloped land. The maximum annual special tax rates are as follows:

Residential Development	$0.50 per building square foot
Nonresidential Development	$0.50 per building square foot
Undeveloped Land	$0.40 per net land square foot

Conditions of Title

A preliminary title report was not made available for review in our analysis. As a result, the appraiser assumes no negative title restrictions affect the subject properties. The client is advised to obtain a preliminary title report to determine any possible conditions of title affecting the properties appraised. The appraiser accepts no responsibility for matters pertaining to title.

Zoning

Source: City of West Sacramento Planning Department

Zoning: Waterfront (WF)

Purpose:

A. General Plan Reference—RMU Riverfront Mixed Use. This designation provides for marinas, restaurants, retail, amusement, hotel and motel uses, mid-rise and high-rise offices, multifamily residential uses which are oriented principally to the river, public and quasi-public uses, and similar and compatible uses. All development under this designation shall be approved pursuant to a master development plan (e.g., specific plan). Residential densities shall be at least 25.1 units per acre. Projects with residential densities below twenty-six units per acre shall be subject to discretionary review and approval. The FAR for offices shall not exceed 10.00; and the FAR for all other uses shall not exceed 3.00. The RMU designation is assumed to have an average of 2.25 persons per

dwelling units. It is applied to relatively large, vacant or underutilized areas adjacent to the Sacramento River and barge canal.

B. The purpose of the waterfront (WF) zone is to allow for high-intensity mixed uses which capitalize on the city's river frontage. Much of this area will be redeveloped from prior industrial development. After completion of a master development plan, many properties will be rezoned to other specific use zones such as R-4 or C-W. Mixed use projects may remain in this zone. (Ord. 05-2 § 3 (part); Ord. 93-1 § 5 (part))

Apartment (R-4) Zone

A. General Plan Reference—HRR High Rise Residential. This designation provides for multifamily residential units, group quarters, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of 25.1 to 50.0 units per gross acre. The HRR designation is intended for future use in areas along the Sacramento River.

B. The purpose of the apartment (R-4) zone is to provide for high-density multifamily residential units, and similar and compatible uses in specifically identified locations within the city. (Ord. 93-1 § 5 (part))

Commercial Water-Related (C-W)

A. General Plan Reference—WRC Water-Related Commercial. This designation provides for marinas, boat docks, campgrounds, and retail and service uses which are oriented principally to waterways, public and quasi-public uses, and similar and compatible uses. This designation is applied only to areas along the Sacramento River which are either currently used for or are proposed for such uses.

B. The purpose of the commercial water-related (C-W) zone is to provide specifically planned, integrated commercial land uses related to the waterfront and to historical restoration where appropriate with public and private recreation facilities and integrated public and private open space. A specific plan shall be required, and all private uses shall be regulated as conditional uses. (Ord. 93-1 § 5 (part))

Conclusion: The subject property is located in the Triangle Specific Plan area of West Sacramento and is proposed for the development of approximately 9,000,000 square feet of both high density for-rent and for-sale residential and commercial (retail and office) development on approximately 157.87 gross acres of land. The near to mid-term potential of the property is for mixed-use development. With the financing plan in place, Phase I infrastructure development is scheduled to begin this year.

The subject properties are located within the Triangle Specific Plan Area. Adopted in June 1993, this plan addresses future growth and development within the 188+-acre portion of the City adjacent to U.S. Highway 50 and the Sacramento River. It is the City's intent to have future development within the Triangle assist in defining the downtown core of the City along the waterfront. The Specific Plan provides for a mixture of uses, including office, retail, service, residential, commercial-lodging, industrial, government and institutional uses. The Specific Plan has two main components: the Plan and the Implementation Strategy. The Specific Plan includes the "goals, policies, development regulations, and design guidelines which describe and direct the desirable development of the Area," while the Implementation Strategy "identifies the means and conditions by which desired development can be induced or encouraged to occur."

The Specific Plan provides a framework for creation of a mixed use community that will in time become the urban core for West Sacramento readily accessible to other parts of the City, yet drawing its most conspicuous identity from the Sacramento River. The city center will be characterized by a complementary mix of commercial and residential uses, making it a busy and vital place at all hours. Early development is expected to provide a mix of housing, offices and retail uses close to the waterfront.

Landscape and open space will play an important role in establishing the character of this urban core. The waterfront itself will be largely devoted to public access and its qualities will be extended into the heart of the Specific Plan Area via the east-west streets and associated view corridors. The extension of waterfront greenery will be particularly evident in two major parks: Garden and the Park Blocks. The Park area will define the two edges of a series of undeveloped park blocks, landscaped for pedestrian access and use and to preserve views of Tower Bridge.

The Triangle Specific Plan divides the Triangle area into five interconnected neighborhoods: Waterfront Edge; Core; Park Blocks; Parkway Edge; and RGA Edge. The location of each neighborhood is shown in the figure presented on the following page.

While the neighborhoods have been distinctly delineated, each has been designed to "reinforce" the others. The Waterfront Edge is envisioned to have residential and business uses while also allowing for a recreational focus along the riverfront. The RGA Edge neighborhood is located adjacent to U.S. Highway 50. One of the goals of this neighborhood, which is planned for a mixture of office and institutional uses, is to serve as a sound buffer between the highway and other uses within the Triangle. The Core and Park Blocks are also designated to have a mixture of office and institutional uses with some opportunities for residential.

The development entitlements for each neighborhood within the Triangle Specific Plan on the next page (titled "Table 2-1," as excerpted from the Specific Plan).

TABLE 2-1
DEVELOPMENT ENTITLEMENTS FOR THE TRIANGLE AREA SPECIFIED IN THE 1993 TRIANGLE SPECIFIC PLAN

Neighborhood	Commercial Entitlements (square feet)	Residential Entitlements (dwelling units)
Waterfront Edge	2,500,000	1,450
Core	1,600,000	500
Park Blocks	100,000	620
Parkway edge	900,000	1,680
RGA Edge	1,900,000	750
Total	**7,000,000**	**5,000**

Note: Retail may occupy no more than 2% of the gross allowable floor area.
Source: City of West Sacramento, 1993.

Proposed Projects

Smart Growth Investors II Inc.

The conceptual land-use plan would result in the creation of 18 development blocks. The Developer has negotiated a land swap that would result in the exchange of Block 18A for Block 18B. Because the final location of Block 18 is not certain, the EIR in process assumes that either Block 18A or Block 18B would be developed. The Developer has proposed two development alternatives for the subject properties, with future market forces to dictate which option is ultimately developed. These two development scenarios are referred to as the Base Plan Scenario (Scenario A) and the Maximum Office Plan Scenario (Scenario B). Under each scenario, development proposed for Block 18 would occur on either Block 18A or Block 18B, but not both. Subsequent development of proposed land uses under either scenario would be based upon tentative map approvals.

Proposed land uses under each scenario are detailed within the table presented on the following page.

TABLE 2-2
PROPOSED PROJECT LAND USES

Proposed Land Use Locations	Scenario A - Base Plan				Scenario B - Maximum Office Plan				Total Square Feet of Development
	Residential		Commercial		Residential		Commercial		
	Units	Square Feet[1]	Office Square feet	Retail Square Feet	Units[1]	Square Feet	Office Square feet	Retail Square Feet	
Block 1	280	280,236	-	16,672	280	280,236	-	16,672	296,908
Block 2	272	271,808	-	15,437	272	271,808	-	15,437	287,245
Block 3	278	278,516	-	13,688	278	278,516	-	13,688	292,204
Block 4	314[2]	313,952	959,557	33,325	-	-	1,273,509	33,325	1,306,834
Block 5	231	231,472	-	16,466	231	231,472	-	16,466	247,938
Block 6	222	221,724	-	14,820	222	221,724	-	14,820	236,544
Block 7	56	55,668	-	7,821	56	55,668	-	7,821	63,489
Block 8	57	56,778	-	6,792	57	56,778	-	6,792	63,570
Block 9	55	54,514	-	6,998	55	54,514	-	6,998	61,512
Block 10	62	62,002	-	9,468	62	62,002	-	9,468	71,470
Block 11	191	190,714	-	15,540	-	-	190,714	15,540	206,254
Block 12	75	75,276	-	3,602	-	-	75,276	3,602	78,878
Block 13	215	215,138	-	16,260	-	-	215,138	16,260	231,398
Block 14[3]	-	-	1,074,053	-	-	-	1,074,053	-	1,074,053
Block 15	82	82,000	154,988	15,000	-	-	236,988	15,000	251,988
Block 16	84	84,000	164,988	5,000	-	-	248,988	5,000	253,988
Block 17	83	83,000	96,993	5,000	-	-	179,993	5,000	184,993
Block 18[4]	230	230,000	-	15,000	230	230,000	-	15,000	245,000
Sub-total			**2,450,578**	**216,889**			**3,494,658**	**216,889**	
TOTAL	**2,787 units**	**2,786,798 sq ft**	**2,667,467 sq ft**		**1,743 units**	**1,742,718 sq ft**	**3,711,547 sq ft**		**5,454,265 sq ft**

Note: [1]The average residential housing unit is 1,000 sf.
[2]These units would be developed within the area of Block 4 that is north of US 50 within the Waterfront planning area.
[3]Commercial development on Block 14 could include a combination of medical offices and/or hospital uses.
[4]Proposed land uses for Block 18 would occur on either Block 18A or Block 18B as shown in Figure 2-4.
Source: Fulcrum Properties, 2007; AES, 2007.

Residential Development

Scenario A would result in the development of 2,787 residential units consisting of 2,786,798 square feet throughout Blocks 1 - 13 and Blocks 15 - 18. Scenario B would result in the development of 1,743 residential units consisting of 1,742,718 square feet throughout Blocks 1 - 3, Blocks 5 - 10, and Block 18. Proposed residential development under both scenarios would be located primarily within the southern portion of the Waterfront Edge planning area and the eastern interior portion of the RGA Edge planning area.

Waterfront Edge Residential

The Waterfront Edge neighborhood is located adjacent to the Sacramento River and extends inland to the proposed alignment of River Road. The Triangle Specific Plan designates the neighborhood as residential and mixed-use. Proposed residential units under both scenarios would consist of multi-level apartments and condominiums that would range between 4 and 25 stories tall. Open space courtyards would be located in the center of each block and connect directly with the proposed Riverfront Promenade. Under Scenario A, residential development in the Waterfront neighborhood would be divided between Blocks 1- 4 and Block 18. Residential development in the Waterfront neighborhood under Scenario B would have a similar configuration, with the exception that Block 4, which is adjacent to U.S. Highway 50, would not likely include residential housing due to proximity to U.S. Highway 50.

RGA Edge Residential

The residential portion of the RGA Edge neighborhood would be distributed throughout Blocks 4 – 13 under Scenario A, and Blocks 5 - 10 under Scenario B. This portion of the subject properties is proposed as a densely developed community encircled by major arterial streets with smaller pedestrian-oriented streets connecting the various blocks. Residential development would surround the proposed Village Green, an open space park. The four blocks surrounding the Village Green (Blocks 7 - 10) would include a combination of townhomes and multi-level residential buildings, while the remaining blocks would be composed entirely of residential buildings. Multi-level buildings would be set back from the townhouses to maximize views of the park. Central open space courtyards would be provided with multiple access points to the surrounding street network.

Core/Park Blocks Residential

Under Scenario A, residential uses within the Core and Park Blocks neighborhoods would be developed consistent with Triangle Specific Plan entitlements and would occur throughout Blocks 15 - 17. Residential uses on these blocks would be interspersed with proposed commercial development and would consistent of multi-level apartment buildings and/or lofts. Under Scenario B, residential development would not occur within this portion of the project site.

Commercial and Medical Office

Proposed commercial office development would take place within the RGA Edge, Waterfront, Core, and Park Blocks neighborhoods, while proposed medical office and hospital development would take place primarily within the RGA Edge neighborhood. Under Scenario A, up to 2,450,578 square feet of office space would be developed within Block 4 and Blocks 14 - 17. Under Scenario B, up to 3,494,658 square feet of office space would be developed within Block 4 and Blocks 11 - 18. Additionally, hospital uses may be developed under either scenario within Block 4 and/or 14 as an alternative to commercial office development. Proposed office and/or hospital development would consist of multi-level buildings ranging from 4 to 25 stories tall. Under both development scenarios, significant development of office space would occur in the vicinity of the U.S. Highway 50 Pioneer Bridge within the RGA Edge neighborhood, and a smaller portion within the Waterfront neighborhood. With high visibility and direct freeway access, this area provides a convenient location for commercial and institutional development. Commercial buildings in this area would also function to buffer proposed residential areas from highway noise. In addition, significant commercial office development would occur under both scenarios within the portions of the subject properties located in the Park Blocks and Core neighborhoods, as envisioned within the Triangle Specific Plan.

Retail

Proposed retail land uses under both development scenarios would consist of up to 216,889 square feet and would be developed in all blocks except Block 14. In accordance with the Triangle Specific Plan, retail would be developed as an ancillary use, and would be distributed between the ground floor levels of residential and office buildings along the frontages of main roadways. Retail would be accessible from proposed public transit routes including the Riverfront Promenade, which is a separately planned pedestrian footpath along the Sacramento River. It is anticipated that street parking designed in accordance with the specifications of the Triangle Specific Plan would accommodate proposed retail development.

Parking

In accordance with the Triangle Specific Plan, structured parking would be developed to provide a minimum of 1.1 parking spaces for each residential unit, and 2 parking spaces for every 1,000 square feet of commercial uses developed on the project site. Parking would either be provided in the lower levels of buildings, or through the development of multi-level parking garages. Parking would be distributed throughout Blocks 1 - 18, and would also be developed under the Pioneer Bridge. In addition, street parking would be provided and designed in accordance with the specifications of the Triangle Specific Plan. Temporary surface parking may be used in lieu of structured parking during the build-out of the Proposed Project.

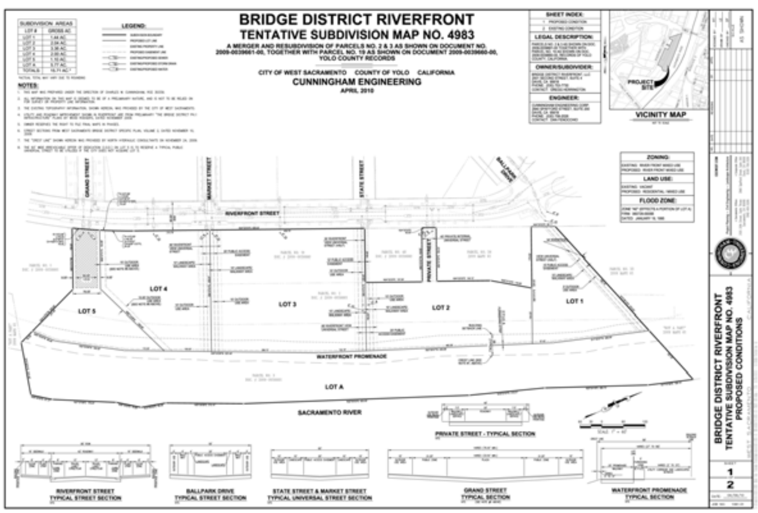
Open Space

Private and public open space is proposed throughout the subject properties. Visual and physical connections to the river would be created by aligning streets with public and private open space areas. The Village Green, an oval park surrounded by townhomes, would create one of the central public open space areas on the project site. The Waterfront Promenade that may be developed as an extension of the City's Riverwalk Park would function as the principal public open space resource in the project area.

The project level Environmental Impact Report was approved February 3, 2010.

Riveredge

The Unger family, led by developer/architect Dean Unger and Associates, are proposing to construct seven high rise towers of between 10 and 20 stories on approximately 14 acres of land along the waterfront south of the Tower Bridge and West Capitol Avenue. The project will include 791 market residential units, 104 affordable residential units, 120,000 square feet of retail/commercial office space and a 200 room hotel. A copy of the tentative map is presented below.



Flood Zone

Source: Federal Emergency management Agency (FEMA) Flood Insurance Rate Map (FIRM)

Flood Zone: Shaded Zone X – Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood

Map Panel: 060728-0005 B

Panel Date: January 19, 1995

Other: As part of a national effort to update all Flood Insurance Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-evaluating the level of protection provided by all existing flood protection systems in the country. The federal and state safety guidelines have recently changed, with the new criteria affecting communities protected by levees. If West Sacramento is remapped into a flood zone as a result of new federal guidelines, flood insurance would become mandatory for all property owners with federally guaranteed mortgage loans.

FEMA has offered Provisionally-Accredited Levee (PAL) status to the levees that protect the area. The City, the West Sacramento Area Flood Control Agency, Reclamation District 900, Reclamation District 537, and the State Department of Water Resources have evaluated the offer and recently submitted a proposal detailing a plan to offer floodplain management mitigations on an accelerated timeline. In November 2008, FEMA is scheduled to issue preliminary Flood Insurance Rate Maps for the City of West Sacramento. There are two scenarios that result from whether or not the PAL offer is ultimately accepted:

1. If the PAL offer is declined, the preliminary maps will likely show the City of West Sacramento as not being protected from 100-year floods. The final flood maps would most likely become effective in November 2009, which would trigger flood insurance requirements.
2. If the PAL offer is accepted, the preliminary maps will still show the area as being protected from 100-year flood by provisionally-accredited levees. The final flood maps would show the same, and flood insurance requirements and premiums would not change with provisionally-accredited levees.

It is noted that provisionally-accredited levees are temporary; they have a maximum lifespan of two years. It is unknown at this time what a second map change would be, or the corresponding impacts of that map change. It is also possible that FEMA could remap part of the City into the floodplain and leave the rest of the City outside the floodplain. Other possibilities are also under review. It is specifically assumed the aforementioned issues surrounding on-going levee repairs and maintenance will not impact the development of the subject properties.

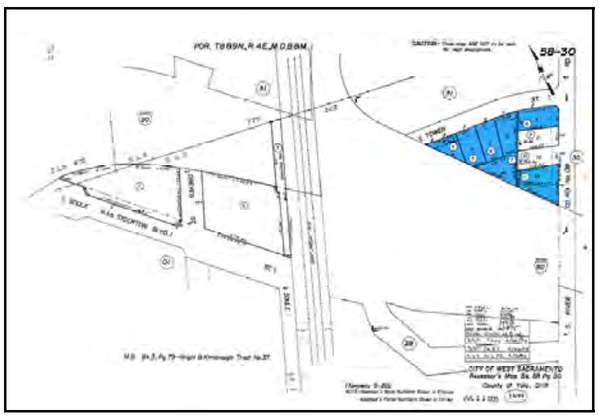
Earthquake Zone

According to the Seismic Safety Commission, the subject properties are located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the subject is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology.

Easements

An inspection of the subject properties revealed no apparent adverse easements, encroachments or other conditions currently impacting the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed any easements noted in a current preliminary title report do not have an impact on the opinion(s) of value as provided in this report. If, at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion(s) of value contained herein.

Assessor's Parcel Maps



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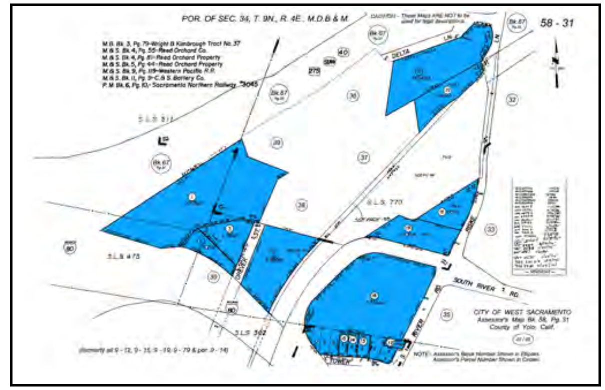
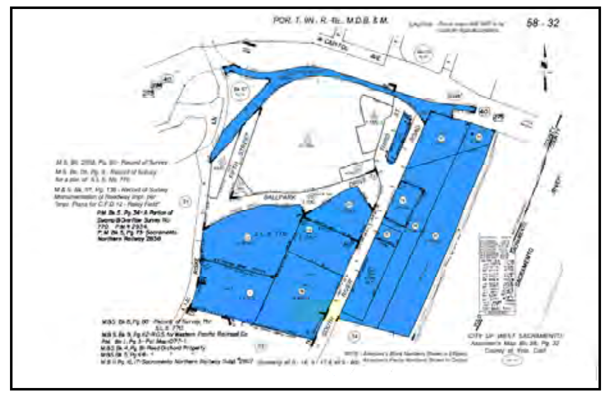


Book 58, Page 31



Book 58, Page 32

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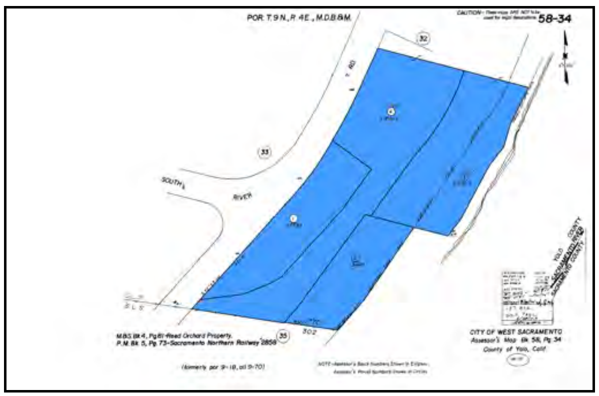

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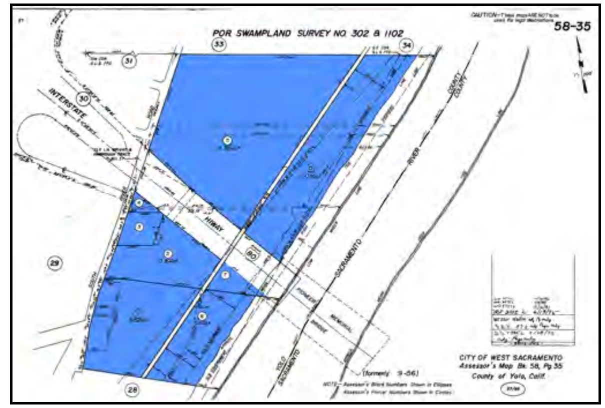

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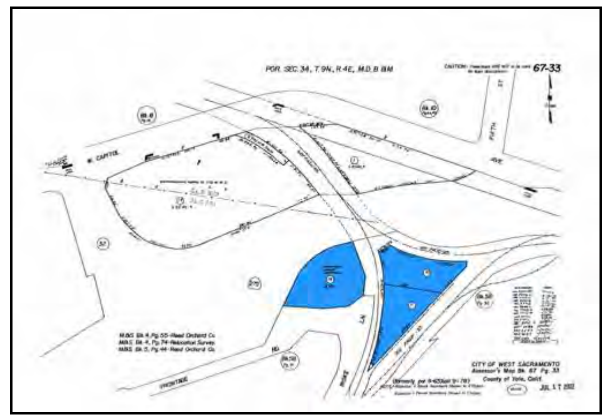

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Phase I Map (showing existing APNs)

SITE DESCRIPTION

The appraised properties within the boundaries of the West Sacramento Community Facilities District No. 27 (Bridge District), formerly called the Triangle, comprise a portion of the Triangle Specific Plan Area of West Sacramento and are proposed for the development of approximately 9,000,000 square feet of both high density for-rent and for-sale residential and commercial (retail and office) development on approximately 157.87 gross acres of land (97.51 net taxable acres).

The subject properties are further described as follows:

Assessor's Parcel Number(s): The CFD consists of numerous Assessor's parcels held by 19 different ownerships, which are listed as follows:

Assessor Parcel Number	Assessor Parcel Number
058-320-014-000	058-310-014-000
058-300-008-000	058-310-015-000
058-330-005-000	058-310-016-000
058-310-001-000	058-320-042-000
058-350-001-000	058-320-044-000
058-350-008-000	058-330-001-000
058-310-003-000	058-330-002-000
058-310-009-000	058-330-003-000
058-320-019-000	058-340-009-000
058-320-037-000	058-340-002-000
058-320-039-000	058-350-002-000
058-300-004-000	058-350-003-000
058-320-041-000	058-350-004-000
058-330-004-000	058-350-005-000
058-330-006-000	058-350-006-000
067-330-018-000	058-350-007-000
058-310-022-000	058-320-018-000
067-330-010-000	058-310-002-000
067-330-011-000	058-320-045-000
058-320-001-000	058-320-046-000
058-320-022-000	058-340-007-000
058-320-024-000	058-340-005-000
058-310-005-000	843-57-6-1*
058-310-018-000	843-57-6C-28*
058-310-019-000	058-320-009-000
058-300-005-000	058-320-028-000
058-300-006-000	058-370-054-000
058-300-007-000	058-380-028-000
058-310-012-000	058-380-029-000
058-310-013-000	058-300-011-000

* Union Pacific Railroad parcels

Shape: Irregular

Topography:

A key feature of the Triangle (Bridge District) is the high elevation of many properties that are close to the Sacramento River. Instead of an abrupt levee, which characterizes many waterfront properties in the Sacramento region, the broad bluff behind the river bank provides an opportunity to develop buildings of an urban scale that can capitalize on views across and along the Sacramento River.

The topography of the Bridge District generally slopes up from a low point in the western extremity to a bluff above the Sacramento River in the eastern part of the site, providing an opportunity to extend visibility of the waterfront environment deep into the core of the Triangle (Bridge District). Upon development, many properties will have views of downtown Sacramento, across the river.

Soils:

The appraiser has not been provided with a soils report to determine the load bearing capacity of the subject properties. Based on the surrounding improvements, no adverse subsoil conditions are apparent. The soils appear to be similar to other local parcels that, to the best of our knowledge, have been improved with no adverse effects.

Drainage:

According to the Bridge District (Triangle) Implementation Strategy, dated November 18, 2009, the backbone drainage collection system is sized to serve drainage demands and provide water quality treatment based on the maximum build-out of the District. Storage facilities will be sized to accommodate the 100-year storm event and maintain post development flows at pre-development levels.

Frontage/Visibility/Access:

The subject properties have visibility and access along S. River Road, Riske Lane, Ballpark Drive, 3rd Street, Drever Street and Highway 275. Access is also provided via an off-ramp from Interstate-80 Business/ Highway 50. Overall, the accessibility and visibility of the properties are considered good.

Upon completion of Phase I infrastructure improvements, the subject properties will have frontage, visibility and access along the following roadways: 5th Street; Riverfront Road; Market Street; Mill Street; Garden Street; Grand Street and Bridge Street.

Also, note that an elevated segment of U.S. Highway

50 crosses the Bridge District near the southern portion. Many of the subject properties are visible from this roadway. Also, off/on ramps from U.S. Highway 50 lead to/from the subjects' immediate vicinity.

Adjacent Uses:

North	Tower Bridge (Highway 275)
South	Industrial development
East	Sacramento River
West	Drever Street/Highway 275

Utilities:

Public utilities, including electricity, gas, water, and telephone service, will be installed as part of the Phase I infrastructure improvements and utility upgrades.

<u>Water</u>
The City of West Sacramento 2005 Water Master Plan identifies the need for additional water storage as a result of development within the Triangle Specific Plan Area. A new 2.4 million gallon tank and pump station will be required in order to serve properties in the Bridge District.

<u>Sewer</u>
The City of West Sacramento annexed into the service area boundaries of the Sacramento Regional County Sanitation District (SRCSD). Various improvements to wastewater collection facilities within the project area are necessary to serve anticipated development within the Bridge District. These improvements will include construction of a new sewer lift station and connecting pipeline. The sewer lift station will be located on Tower Street. Outflow from the lift station would flow through a new pipe to an existing force main that conveys wastewater flows from the Jefferson Pump Station to the connection point with the Lower Northwest Interceptor (LNWI) pipeline. The LNWI would transport wastewater to the SCRSD wastewater treatment facility in Elk Grove.

<u>Electricity, Natural Gas and Telephone</u>
Pacific, Gas & Electric provides electrical and natural gas service to the City and the Bridge District. Electrical lines within the project area run adjacent to existing roadways and rail lines. A natural gas transmission line runs along South River Road, providing natural gas to the city.

Public utilities serving the subject are as follows:

Water**:** City of West Sacramento
Sewer**:** City of West Sacramento
Drainage**:** Reclamation District 900
Electricity**:** Pacific Gas & Electric
Gas**:** Pacific Gas & Electric
School District**:** Washington Unified School District
Fire District**:** City of West Sacramento
Law Enforcement**:** City of West Sacramento

Off-Site Improvements:

Upon completion of Phase I infrastructure, off-site improvements will consist of 18.6 acres of roadways, bikeways, walkways and associated rights of way. Roadways include through streets, which will serve as the backbone of the Bridge District street grid, some of which have been designed to accommodate a proposed streetcar line and other public transit, and access street, which will break large blocks of development into smaller blocks intended to provide for pedestrian friendly mobility.

Through streets planned for the District include 5th Street; Riverfront Road; Market Street; Mill Street; Garden Street; Grand Street and Bridge Street.

According to the *Bridge District (Triangle) Implementation Strategy*, with the exception of the Grand Street connection to the River Walk Promenade, access streets, which will be located at the discretion of the developer, will be privately owned.

On-Site Improvements:

Several of the subject parcels are improved with asphalt paving and light industrial buildings judged to be near the end of their economic lives. Additionally, the buildings will be demolished in the preliminary stages of site development. In accordance with our conclusion of highest and best use, the value of the land as vacant exceeds the value of the properties as improved. Thus, the existing improvements are not considered to add any contributory value to the properties as a whole. Furthermore, demolition costs are nominal and would be a part of overall site development.

Environmental Issues:

At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present on the properties. The

appraiser has no knowledge of the existence of such materials on the properties. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the properties. The value estimate is predicated on the assumption there is no such material on or in the properties that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field if desired.

Functional Adequacy:

Overall, the Bridge District is deemed functional in terms of its size, topography, shape and overall location within the West Sacramento area and the broader Sacramento Region. There appear to be no unusual or restrictive physical limitations to the properties upon completion of infrastructure development.

Conclusion:

The subject properties currently consist of unimproved, partially improved and improved land situated along the banks of the Sacramento River, immediately west of the Sacramento Central Business District and the State Capitol, in the city of West Sacramento's largest urban infill location. Based on population and employment growth projections, the subject is considered to be in the path of near-term urbanization and development.

FACILITIES TO BE FINANCED BY THE DISTRICT

This report addresses the market value, by ownership, and cumulative, or aggregate value, of the subject properties assuming all public infrastructure, facilities and fees (if any) to be financed by the City of West Sacramento Community Facilities District No. 27 Bonds are in place and available for use. The improvements authorized to be financed by the District are detailed in the *Hearing Report*, prepared by Economic & Planning Systems, Inc., a copy of which is included in the Addenda to this report. The primary facilities and services authorized to be constructed and served with the Bond proceeds include—but are not limited to—roadways, drainage, sewer, transit, pre-development, water, joint trench, neighborhood parks and affiliated park elements and initial phase of the riverfront.

The cited list of facilities are proposed to include incidental expenses associated with the formation of the Mello-Roos Community Facilities Act of 1982, including - but not limited to - the cost of planning, engineering and designing the facilities, the cost associated with the creation of the District, the issuance of bonds thereof, the determination of the amount of the assessment, the collection of the assessment, the payment of the assessment or costs otherwise incurred in order to carry out the authorized purposes of the District, and any other expenses incidental to the construction, completion and inspection of the facilities.

In addition to proceeds from the City of West Sacramento Community Facilities District No. 27 bond issuance, the City of West Sacramento was awarded a grant for financing of Bridge District infrastructure from the Proposition 1C Infill Incentive, which was approved by California voters in 2006. The amount of grant money from the Proposition 1C Infill Incentive is approximately $23 million.

SUBJECT PHOTOGRAPHS






SUBJECT PHOTOGRAPHS

SUBJECT PHOTOGRAPHS

SUBJECT PHOTOGRAPHS

SUBJECT PHOTOGRAPHS

SUBJECT PHOTOGRAPHS






HIGHEST AND BEST USE ANALYSIS

The term "highest and best use," as used in this report, is defined as follows:

> The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.[5]

Two analyses are typically required for highest and best use. The first analysis is highest and best use of the subject properties as though vacant. The second analysis will determine the highest and best use of the properties as improved. Definitions of these terms are provided in the *Glossary of Terms* in the Addenda to this report.

Highest and Best Use – As Vacant

In accordance with the definition of highest and best use, it is appropriate to analyze the subject properties as though vacant as it relates to legal permissibility, physical possibility, financial feasibility and maximum productivity.

Legal Permissibility

The legal factors influencing the highest and best use of the subject properties are primarily government regulations, such as zoning and building codes. According to the City of West Sacramento Planning Department, the subject properties are located in the Triangle Specific Plan area of West Sacramento and are proposed for the development of approximately 9,000,000 square feet of both high density for-rent and for-sale residential and commercial (retail and office) development on approximately 157.87 gross acres of land. The subject has a Waterfront (WF) land use designation, with the RMU (Riverfront Mixed Use), R-4 (Apartment) and C-W (Commercial Water-Related) zoning classifications. These land use designations are detailed below:

> The RMU (Riverfront Mixed Use) designation provides for marinas, restaurants, retail, amusement, hotel and motel uses, mid-rise and high-rise offices, multifamily residential uses which are oriented principally to the river, public and quasi-public uses, and similar and compatible uses. All development under this designation shall be approved pursuant to a master development plan (e.g., specific plan). Residential densities shall be at least 25.1 units per acre. Projects with residential densities below twenty-six units per acre shall be subject to discretionary review and approval. The FAR for offices shall not exceed 10.00; and the FAR for all other uses shall not exceed 3.00. The RMU designation is assumed to have an average of 2.25 persons per dwelling units. It is applied to relatively large, vacant or underutilized areas adjacent to the Sacramento River and barge canal. The purpose of the waterfront (WF) zone is to allow

[5] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 93.

for high-intensity mixed uses which capitalize on the city's river frontage. Much of this area will be redeveloped from prior industrial development. After completion of a master development plan, many properties will be rezoned to other specific use zones such as R-4 or C-W. Mixed use projects may remain in this zone. (Ord. 05-2 § 3 (part); Ord. 93-1 § 5 (part))

As it relates to the apartment zone (R-4), the District includes an HRR (High Rise Residential) designation, which provides for multifamily residential units, group quarters, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of 25.1 to 50.0 units per gross acre. The HRR designation is intended for future use in areas along the Sacramento River. The purpose of the apartment (R-4) zone is to provide for high-density multifamily residential units, and similar and compatible uses in specifically identified locations within the city. (Ord. 93-1 § 5 (part))

The WRC (Water-Related Commercial) designation provides for marinas, boat docks, campgrounds, and retail and service uses which are oriented principally to waterways, public and quasi-public uses, and similar and compatible uses. This designation is applied only to areas along the Sacramento River which are either currently used for or are proposed for such uses. The purpose of the commercial water-related (C-W) zone is to provide specifically planned, integrated commercial land uses related to the waterfront and to historical restoration where appropriate with public and private recreation facilities and integrated public and private open space. A specific plan shall be required, and all private uses shall be regulated as conditional uses. (Ord. 93-1 § 5 (part))

The subject properties are located within the Triangle Specific Plan Area. Adopted in June 1993, this plan addresses future growth and development within the 188+-acre portion of the City adjacent to U.S. Highway 50 and the Sacramento River. It is the City's intent to have future development within the Triangle assist in defining the downtown core of the City along the waterfront. The Specific Plan provides for a mixture of uses, including office, retail, service, residential, commercial-lodging, industrial, government and institutional uses. The Specific Plan has two main components: the Plan and the Implementation Strategy. The Specific Plan includes the "goals, policies, development regulations, and design guidelines which describe and direct the desirable development of the Area," while the Implementation Strategy "identifies the means and conditions by which desired development can be induced or encouraged to occur."

The Specific Plan provides a framework for creation of a mixed use community which will in time become the urban core for West Sacramento. This will be a densely developed urban community that is readily accessible to other parts of the City, yet draws its most conspicuous identity from the Sacramento River. The city center will be characterized by a complementary mix of commercial and residential uses, making it a busy and vital place at all hours. The organization of streets and open spaces described in the Specific Plan has been designed to accommodate the various and changing needs of an evolving urban center. They anticipate a growing intensity of use as the area matures. Early development is expected to provide a mix of housing, offices and retail uses close to the waterfront, setting a precedent for the emerging urban fabric elsewhere in the Specific Plan.

The Triangle will complement the character and functions of surrounding districts of West Sacramento, enabling the city to grow from within as well as expanding its outer edges. The Specific Plan provides for creation of a properly urbane center for a growing city, recognizing that it will never be 'finished' and that its needs will change over time.

Landscape and open space will play an important role in establishing the character of this urban core. The waterfront itself will be largely devoted to public access and its qualities will be extended into the heart of the Specific Plan Area via the east-west streets and associated view corridors. The extension of waterfront greenery will be particularly evident in two major parks: Garden and the Park Blocks. The Park area will define the two edges of a series of undeveloped park blocks, landscaped for pedestrian access and use and to preserve views of Tower Bridge.

The Triangle Specific Plan divides the Triangle area into five interconnected neighborhoods: Waterfront Edge; Core; Park Blocks; Parkway Edge; and RGA Edge. The location of each neighborhood is shown in the figure presented on the following page.

While the neighborhoods have been distinctly delineated, each has been designed to "reinforce" the others. The Waterfront Edge is envisioned to have residential and business uses while also allowing for a recreational focus along the riverfront. The RGA Edge neighborhood is located adjacent to U.S. Highway 50. One of the goals of this neighborhood, which is planned for a mixture of office and institutional uses, is to serve as a sound buffer between the highway and other uses within the Triangle. The Core and Park Blocks are also designated to have a mixture of office and institutional uses with some opportunities for residential. Consequently, the legally permissible use(s) of the subject properties as of the date of value is for high density urban infill development consistent with Triangle Specific Plan.

Physical Possibility

The physical characteristics of a site that affect its possible use(s) include, but are not limited to, location, street frontage, visibility, access, size, shape, topography, availability of utilities, off-site improvements, easements and soil and subsoil conditions. Since the legally permissible test has resulted in a potential for high density mixed-use residential and commercial development, at this point the physical characteristics are examined to see if they are suited for the legally permissible uses. The subject properties represent one of the Sacramento region's major planned infill urban development projects.

Locational considerations include the compatibility and position of the subject properties with respect to surrounding uses. Based on our physical inspection of the subject properties, we know of no reason why the property would not support any legal development. The properties are not located within a Fault-Rupture Hazard Zone. Frontage, visibility and access are provided and will be enhanced as part of the Phase I infrastructure improvements to be completed. Evidence of construction on adjacent parcels provides additional support for the possibility of development. Typical roadway and utility easements exist, but they are not unusual in any way. Existing railroad lines will be razed as part of the development plan for the Bridge District. It is assumed any existing or proposed easements do not adversely affect the subjects' potential for development commensurate with the approved Triangle Specific Plan.

The properties are located in Flood Zone X, described as areas outside of the 100-year floodplain, and flood insurance is not required. However, as part of a national effort to update all Flood Insurance Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-evaluating the level of protection provided by all existing flood protection systems in the country. The federal and state safety guidelines have recently changed, with the new criteria affecting communities protected by levees. If West Sacramento is remapped into a flood zone as a result of new federal guidelines, flood insurance would become mandatory for all property owners with federally guaranteed mortgage loans.

At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present on the properties. The appraiser has no knowledge of the existence of such materials on the properties. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the properties. The market value estimates, by ownership, and cumulative, or aggregate, value derived herein is predicated on the assumption there is no material on or in the properties that would cause a loss of value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field if desired.

While each of the individual parcels has physical characteristics to support future urbanization, assemblage of the subject parcels, by ownership, is physically possible and is considered to increase the functional utility of the properties by creating project identification and economies of scale within larger, planned developments commensurate with the long term Bridge District development plan.

Overall, the subject properties have physical characteristics that support the legally permissible uses.

Financial Feasibility

Based on the legal and physical constraints discussed above, the potential uses of the subject are a mixed-use retail, office and residential development commensurate with the development plans for the Bridge District project. The determination of financial feasibility is dependent primarily upon supply and demand influences.

By the end of 2009, reports suggest the recession of 2008 and 2009 was over by the Third Quarter, but recovery is anticipated to be weak, with the threat of a smaller, though evident, double dip recession in 2011. National unemployment is at 9.7% and California unemployment is 12.4%. In addition to rising unemployment, conditions contributing to the current economic turmoil include continually declining home values in many markets, volatile oil and gas prices, lack of available credit and stock market fluctuations. Disposable incomes are falling and consumer confidence is near an all-time low, which has led to declines in retail sales; though, recent data suggests some improvement.

At the peak of the 2000-2005 housing boom, many buyers relied on creative financing like adjustable-rate and interest-only loans, and subprime or "nonconforming" loans that allowed buyers to borrow more than they could have under prime or "conforming" loans. Interest rates have slowly risen over the past couple years, and many adjustable rate mortgages have fixed interest rate periods that are expiring, leading to higher mortgage payments for many recent buyers. Refinancing is often not a viable option because many of these homeowners owe more than their homes are worth, due to the declining prices in the market. Many lenders, impacted by the recent credit crunch, are shying away from riskier loan products (such as "option ARMs") that have enabled many would-be homebuyers to enter the demand pool in recent years. Therefore, buyers are having difficulty obtaining loans due to tightening credit/underwriting, which has also negatively affected sales.

Adjustable loans, coupled with the inability of owners to afford higher payments, have resulted in a significant increase in mortgage defaults and foreclosures. The number of home loan defaults and foreclosures spiked to unprecedented levels across the region in recent quarters, and default notices are gaining on sales. In fact, the number of foreclosures has increased each quarter over the past two years. With the majority of these properties aggressively priced to sell, the foreclosure and short-sale listings directly compete with new residential subdivisions, leading to a sharp decline in new home sales.

Economic and employment conditions in the U.S. have been weakening; though, signs suggest the worst is behind us, as the number of first time unemployment figures appear to be shrinking. However, according to Mortimer Zuckerman, chairman and editor of U.S. News & World Report, "The unemployment rate managed to hold at 10% in December [2009] only because of an extraordinary shrinkage in the labor force: Some 661,000 gave up looking for a job. Bureau of Labor Statistics' (BLS) nonfarm payroll data indicate that December job losses totaled 85,000. But the bureau's household survey, a better and more comprehensive measure of both the unemployed and underemployed, indicated a loss of 589,000 jobs. Since the Great Recession began in 2007, some 8.6 million jobs have been lost, according to the bureau; and small businesses, the normal source for new jobs, are still shedding workers. Fewer than 10% added employees, while more than 20% cut back—and the cuts averaged nearly twice as many per firm as the hires at the expanding companies… Economists may see the recession as being over, but the man on the street does not. Roughly 60% of the public believes the recession still has a way to go, a NBC/Wall Street Journal poll reported last October. Even those who have not suffered know someone—a friend, a neighbor, a family member—who is being hurt. Two in three say the rally in the stock market has not changed their views."

According to the U.S. Bureau of Labor Statistics, the national unemployment rate rose to 10.2% in October 2009, marking the first time the unemployment rate has reached double-digits in 26 years. Payrolls fell another 190,000 in October 2009 and 85,000 in December, bringing the total number of unemployed persons to over 15.3 million. According to the U.S. Department of Labor, Bureau of Labor Statistics, since the recession began in December 2007, the number of unemployed persons has risen by 7.4 million and the unemployment rate has increased by 4.8 percent. Though, in recent months job losses have moderated in many industry sectors. With the exception of Educational & Health Services, every major sector has experienced slowing job growth over the past year.

The State budget deficit also affected the California economy. California's budget deficit stands at approximately $20 billion for the current fiscal year. The Governor declared the budget as a "state of emergency" affecting both state and local governments.

The scarcity of credit and the shift to more conservative underwriting significantly affects land and commercial real estate markets. Stricter lending practices have made it very difficult for potential buyers to obtain financing in the current market. The credit situation is not the only factor reducing prices and sales activity: investors' skepticism about the future of the economy and tenant demand has affected activity as well. Overall, the buying pool has been greatly reduced and prices are declining for nearly all types of real estate assets. Capitalization rates and yield rates are both increasing as lenders and equity investors perceive greater risk in real estate investments.

The Korpacz Real Estate Investor Survey, published by PricewaterhouseCoopers, summarizes current conditions as follows: "In the year since the onset of the national credit crunch, the availability of debt for real estate investments has practically vanished, fundamentals have weakened in all property sectors, and the economy has shown few signs of rebounding." Investors surveyed in the Korpacz report indicate capitalization rates have been rising for nearly all types of commercial property, and an overwhelming majority of survey participants expect cap rates to increase over the next six months.

A few years ago, the strength of the regional housing market led to a trend of existing apartments being converted to for-sale condominiums. However, given the recent declines in the housing market and tightened lending restrictions, the trend has reversed and many property owners and developers are now converting for-sale condominiums to apartments.

The housing market crisis is having mixed effect on the apartment market. On the positive side, many people who no longer can afford their mortgages are returning to the market as renters. But on the negative side, many single-family homes are being offered for rent when they cannot be sold. The rental home market is referred to as the "shadow market" and these homes are part of the supply competing with apartments for renters.

According to market surveys, the average apartment vacancy rate in the Sacramento region reached a low of 2.0% in the year 2000, and climbed steadily through the year 2004 to a peak of 7.7%. In the past few years, vacancy rates have hovered in the range of about 6-8%. According to the industry research group RealFacts, vacancy for the Sacramento region in the year 2009 was 7.8% in the first quarter, 8.4% in the second quarter, 7.8% in the third quarter, and 7.9% in the fourth quarter. Vacancy dropped to 7.4% in the first quarter of 2010.

As discussed in the *Office market Overview*, some of Sacramento's suburban areas are experiencing very high vacancy over 20%, while the Downtown area continues to be relatively stable with vacancy just over 8%. Office vacancy is particularly high in Elk Grove, Natomas, Point West, Roseville, Rocklin and West Sacramento; however, in light of the long term development plan proposed and intended for the Bridge District, coupled with its location to the Sacramento central business district and the State Capitol may provide adequate demand so as to support phased development of the subject properties commensurate with the Triangle Specific Plan.

Therefore, the financially feasible use of the subject properties at completion of Phase I infrastructure may to hold until market conditions support new development consistent with the development plan for the Bridge District. However, the requirements of the State of California Proposition 1C Infill Housing Program ($24,309,322) grant, which is to construct 731 housing units by 2014, should serve as a catalyst for supporting commercial development throughout the Bridge District.

Maximum Productivity – Conclusion

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the subject properties. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the properties. Based on the factors previously discussed, there is adequate projected population and employment growth to suggest the residential and commercial markets will expand in the subject's market area. Trends in land and home prices, as well as the proximity of existing employment centers across the Sacramento River in the Sacramento central business district and State Capitol, should provide the basis for demand in the area. Considering the subjects' configuration and location, the highest and best use of the subject properties – as vacant – is for completion of Phase I infrastructure and phased development of the subject properties commensurate with the Triangle Specific Plan. Upon development of proposed land uses within the Bridge District, the subject properties should be assembled, by ownership, to generate project synergy and economies of scale. The timing of development is within two years, assuming completion of the backbone infrastructure necessary for development.

In light of the intended uses planned for the Bridge District, the probable buyer of the subject properties would be a developer/investor rather than an owner/user.

Highest and Best Use – As Improved

As with the highest and best use as vacant, the tests of highest and best use must also be applied to the subject properties' in-place improvements. We have taken into account alternative uses for the properties, such as demolition, expansion, conversion or renovation. Several of the subject parcels are improved with existing buildings that were constructed a number of years ago and are nearing the end of their economic lives. Furthermore, the market value of the land as vacant exceeds the value of the properties as improved. The existing structures offer no contributory value to the properties in light of the development plans approved as part of the Triangle Specific Plan. Therefore, demolition as part of site improvements for future developments is considered appropriate. As such, the highest and best use as improved is for demolition of the structures and future construction of new high density mixed-use residential and commercial developments.

APPROACHES TO VALUE

The valuation process is a systematic procedure used in the valuation of real property.[6] This process involves the investigation, organization and analysis of pertinent market data and other related factors that affect the market value of real estate. The market data is analyzed in terms of any one or all of the three traditional approaches to estimating real estate value. These are the cost, sales comparison, and income capitalization approaches. Each approach to value is briefly discussed and defined as follows:

Cost Approach

The cost approach is based on the premise that no prudent buyer would pay more for a particular property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility. Thus, this approach to value relates directly to the economic principle of substitution, as well as supply and demand. The cost approach is most applicable when valuing properties where the improvements are new or suffer only a minor amount of accrued depreciation, and is especially persuasive when the site value is well supported. The cost approach is also highly relevant when valuing special-purpose or specialty properties and other properties that are not frequently exchanged in the market.

The definition of the cost approach is offered as follows:

> A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.[7]

Sales Comparison Approach

The sales comparison approach is based on the premise that the value of a property is directly related to the prices being generated for comparable, competitive properties in the marketplace. Similar to the cost approach, the economic principles of substitution, as well as supply and demand are basic to the sales comparison approach. This approach has broad applicability and is particularly persuasive when there has been an adequate volume of recent, reliable transactions of similar properties that indicate value patterns or trends in the market. When sufficient data are available, this approach is the most direct and systematic approach to value estimation. Typically, the sales comparison approach is most pertinent when valuing land, single-family homes and small, owner-occupied commercial and office properties.

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[6] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 205.
[7] The Dictionary of Real Estate Appraisal, 47.

The definition of the sales comparison approach is offered as follows:

> The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.[8]

Income Capitalization Approach

The income capitalization approach is based on the premise that income-producing real estate is typically purchased as an investment. From an investor's point of view, the potential earning power of a property is the critical element affecting value. The concepts of anticipation and change, as they relate to supply and demand issues and substitution, are fundamental to this valuation approach. These concepts are important because the value of income-producing real estate is created by the expectation of benefits (income) to be derived in the future, which is subject to changes in market conditions. Value may be defined as the present worth of the rights to these future benefits. The validity of the income capitalization approach hinges upon the accuracy of which the income expectancy of a property can be measured.

Within the income capitalization approach there are two basic techniques that can be utilized to estimate market value. These techniques of valuation are direct capitalization and yield capitalization.

> *Direct Capitalization*: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.[9]

> *Yield Capitalization*: A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.[10]

The definition of the income capitalization approach is offered as follows:

> A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.[11]

[8] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 175.
[9] The Dictionary of Real Estate Appraisal, 58.
[10] The Dictionary of Real Estate Appraisal, 211.

Appraisal Methodology

We have been requested to provide an estimate of market value, by ownership, and cumulative, or aggregate value, of the subject property assuming all public infrastructure, facilities and fees (if any) to be financed by the City of West Sacramento Community Facilities District No. 27 Bonds are in place. In addition, as requested and authorized, the valuation estimate will also consider the completion of public infrastructure, facilities and fees (if any) to be financed by a grant from State of California Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which is approximately $50.6 million. The estimate of value will also account for the impact of the lien of the Special Tax securing the Bonds. The value estimate is subject to a hypothetical condition, defined by USPAP as “that which is contrary to what exists but is supposed for the purposes of analysis.” It is a hypothetical condition in light of the fact the construction of the proposed infrastructure and facilities has not yet commenced. The sales comparison approach will be employed to analyze several comparable land transactions in the subject's market area and surrounding areas, leading to an estimate of market value. Due to the fact the subject properties are appraised as vacant land, the cost and income capitalization approaches were not applicable. In light of the fact several components of the subject properties are held by related ownership, Smart Growth Investors II Inc. and River Road Venture LLC, a discounted cash flow analysis will be employed to derive the market value of this component of the subject properties.

[11] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 99.

MARKET VALUATION

The sales comparison approach will be employed to analyze several comparable land transactions in the subjects' market area, which includes both the Bridge District area of West Sacramento and the central business district and midtown areas of Sacramento, leading to an estimate of market value.

Sales Comparison Approach

By employing the sales comparison approach, the market value of the subject properties will be estimated by a comparison to similar properties that have sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 13th Edition, published by the Appraisal Institute, 2008 – "*The principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time. The principle implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the market.*"

On the following pages, we will present and analyze several comparable sales located in both the Bridge District area of West Sacramento and the central business district and midtown areas of Sacramento ranging in size from 0.15 acre to 9.4 acres. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers). The comparable transactions represent commercial, multifamily residential and mixed-use commercial/residential land sales slated for near to intermediate-term development similar to the subject properties.

We will begin by presenting a summary tabulation and location map, followed by detailed sales sheets, a discussion of adjustments and conclusions of market value via this approach. The sales utilized in our analysis are the most recent transactions deemed reasonably similar to the subject properties in light of the location attributes of the Bridge District, with its position along the Sacramento River immediately proximate to the State Capitol and the Sacramento central business district.

The subject properties contain a total of 97.51 net taxable acres. The Assessor's parcels range from 0.05 acre to 9.69 acres in size. However, as concluded in the Highest and Best Use section presented earlier, the maximally productive use is for assemblage, by ownership, in order to create a cohesive project consistent with the vision of the Bridge District development plan. A table depicting the

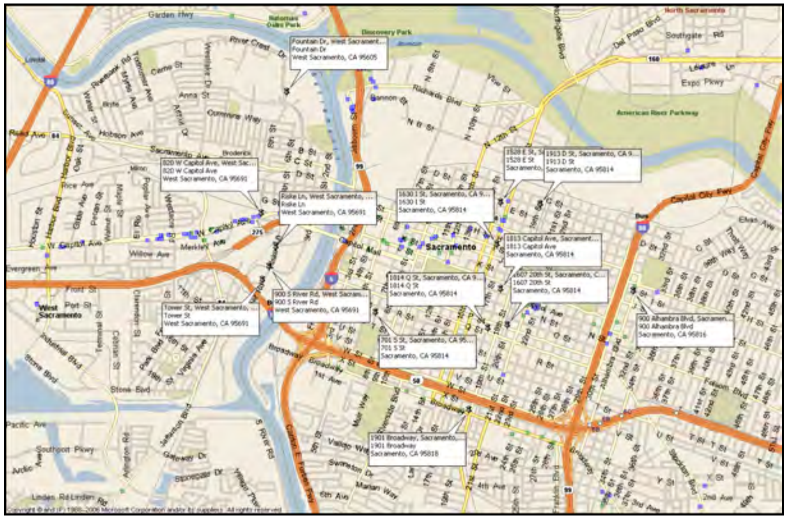
various ownerships within the District, with a corresponding land are, as assembled, is presented below.

Ownership	Assessor Parcel Number	Taxable Land Area (acre)	Assembled Land Area (acre)
Arkad Income Prop LLC	058-320-014-000	0.92	0.92
Carasco George T & Betty J Tr.	058-300-008-000	0.15	0.15
Clark-Pacific Corp	058-330-005-000	1.75	
	058-320-018-000	3.03	4.78
Conrad Ethan & Phillips Corley M Tr.	058-310-001-000	7.50	7.50
Lonestar California Inc.	058-350-001-000	3.33	
	058-350-008-000	1.97	5.30
Loris Chris W & Nadine C & Fam 1993 Tr.	058-310-003-000	0.85	
	058-310-009-000	2.61	3.46
Ramos Frank C & Joanne M Tr.	058-320-019-000	1.55	1.55
Ramos Frank C et al	058-320-037-000	1.66	
	058-320-039-000	0.05	1.71
Redevelopment Agency of W. Sac.	058-300-004-000	0.07	0.07
	058-320-041-000	1.59	1.59
	058-330-004-000	1.97	
	058-330-006-000	0.34	
	067-330-018-000	5.31	7.63
River City Parking LLC	058-310-022-000	0.87	0.87
	067-330-010-000	0.77	
	067-330-011-000	0.59	1.36
River Road Venture LLC	058-320-001-000	1.86	
	058-320-022-000	2.56	
	058-320-024-000	1.47	5.89
Robinson Leonard D	058-310-005-000	2.91	2.91
Sacramento Stucco	058-310-018-000	0.65	
	058-310-019-000	1.02	1.67
Smart Growth Investors II Inc.	058-300-005-000	0.12	
	058-300-006-000	0.15	
	058-310-012-000	0.13	
	058-310-013-000	0.23	
	058-310-014-000	0.20	
	058-310-015-000	0.19	
	058-310-016-000	8.17	9.20
	058-320-044-000	0.44	
	058-340-009-000	2.89	
	058-340-002-000	0.47	3.80
	058-330-001-000	0.96	
	058-330-002-000	2.12	
	058-330-003-000	0.12	
	058-350-002-000	2.48	
	058-350-003-000	0.72	
	058-350-004-000	0.17	
	058-350-005-000	9.69	
	058-350-006-000	3.54	
	058-350-007-000	0.48	20.27
Tim Kruse Construction Inc.	058-310-002-000	0.73	0.73
Unger Dean F Tr.	058-320-042-000	1.28	
	058-320-045-000	3.11	
	058-320-046-000	1.01	
	058-340-007-000	0.26	
	058-340-005-000	1.44	7.11
Union Pacific Railroad	843-57-6-1	0.84	
	843-57-6C-28	7.48	8.32
West Sacramento City Of	058-320-009-000	0.23	0.23
	058-320-028-000	0.00	
	058-370-054-000	0.27	0.27
	058-380-028-000	0.00	
	058-380-029-000	0.00	
Yolo Co Motel-Hotel Assn Inc.	058-300-011-000	0.20	0.20

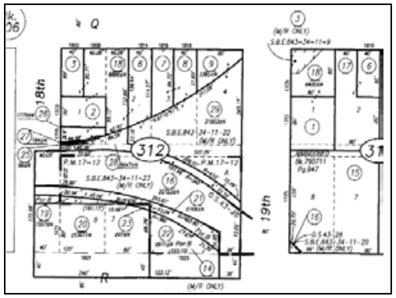
COMPARABLE LAND SALES SUMMARY

No.	Property Identification	Sale Date	Sale Price	Land Area (Acre / SF)	Price per SF	PV of Bonds per SF	Total Consideration Per SF	Zoning
1	1814-1818 Q Street Sacramento, Sacramento County APN: 007-0312-006, -007 and -008	May-09	$688,000	0.28 12,284	$56.01	$0.00	**$56.01**	RMX, Residential Mixed-Use
2	1607-1611 20th Street Sacramento, Sacramento County APN: 007-0315-002, -003 and -004	Feb-09	$520,000	0.22 9,600	$54.17	$0.00	**$54.17**	C-2 NC, General Commercial
3	900 S. River Road West Sacramento, Yolo County APN: 058-330-004	Jun-08	$2,700,000	2.60 113,256	$23.84	$1.39	**$25.23**	WF, Waterfront Triangle Specific Plan
4	1813 Capitol Avenue Sacramento, Sacramento County APN: 007-0141-015	May-08	$900,000	0.15 6,400	$140.63	$0.00	**$140.63**	C-2, General Commercial
5	1630 I Street Sacramento, Sacramento County APN: 006-0064-013	Apr-08	$3,600,000	0.73 32,000	$112.50	$0.00	**$112.50**	C-2 NC, General Commercial
6	900 Alhambra Boulevard Sacramento, Sacramento County APN: 007-0052-009 and -023	Apr-08	$625,000	0.29 12,800	$48.83	$0.04	**$48.87**	C-2 SPD, General Commercial Alhambra Corridor SPD
7	S/L Tower Street West Sacramento, Yolo County APN: 058-300-006	Jan-08	$142,500	0.16 7,028	$20.28	$0.00	**$20.28**	WF, Waterfront Triangle Specific Plan
8	701 S Street Sacramento, Sacramento County APN: 009-0063-014	Dec-07	$1,350,000	0.32 14,000	$96.43	$0.00	**$96.43**	RMX, Residential Mixed-Use
9	1528 E Street & 500 16th Street Sacramento, Sacramento County APN: 002-0132-009 and -010	Dec-07	$254,000	0.15 6,400	$39.69	$0.00	**$39.69**	C-2, General Commercial
10	1913 D Street Sacramento, Sacramento County APN: 003-0073-003, -004, -014, -020 and -021	Oct-07	$2,400,000	1.03 44,801	$53.57	$0.00	**$53.57**	C-4, Commercial
11	1901 Broadway Sacramento, Sacramento County APN: 010-0213-008	Jan-07	$3,400,000	1.25 54,400	$62.50	$0.00	**$62.50**	C-2, General Commercial
12	SEC Riske Lane & Ballpark Drive West Sacramento, Yolo County APN: 058-320-001, -022	Aug-06	$6,873,935	8.06 350,963	$19.59	$1.02	**$20.60**	WF, Waterfront Triangle Specific Plan
13	820 & 824 W. Capitol Avenue West Sacramento, Yolo County APN: 008-150-066 and -067	Sep-05	$2,200,000	1.94 84,506	$26.03	$0.00	**$26.03**	CBD, Commercial Building District
14	NEC Fountain Drive & Lighthouse Drive West Sacramento, Yolo County APN: 014-760-051 and -221; 014-620-071	Jul-05	$13,451,724	9.40 409,464	$32.85	$0.00	**$32.85**	WF, Waterfront PD-29 RD

COMPARABLE LAND SALES MAP



LAND SALE 1



Property Identification

Multifamily Residential Land

1814-1818 Q Street
Sacramento, CA 95816
Sacramento County

Map Grid: 297-D5
APN: 007-0312-006, -007, -008

Sale Data

Grantor	Lawrence P. Huey
Grantee	City of Sacramento
Sale Date	05/28/2009
Deed Book Page	20090528-0708
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$688,000
PV of Bonds	$0

Land Data

Land Area (SF)	12,284
Land Area (Acres)	0.28
Zoning	RMX, Residential Mixed Use
Shape	Irregular
Corner Orientation	Yes
Street Frontage	19th Street, Q Street
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

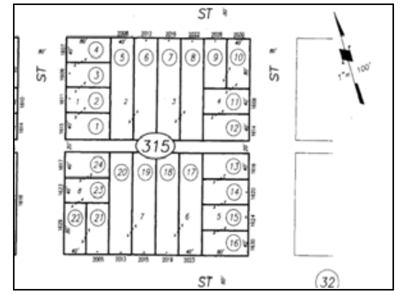
Indicators

Sale Price per SF	$56.01
PV Bonds per SF	$0.00

Remarks

The City of Sacramento purchased this property for assemblage with an adjacent parcel and development of a public park. The price was about $56 per square foot, but the buyer received a credit of $6 per square foot to remediate soil contamination. The asking price was $1,050,000.

LAND SALE 2



Property Identification

Commercial Land

1607-1611 20th Street
Sacramento, CA 95811
Sacramento County

Map Grid: 297-E5
APN: 007-0315-002, -003, -004

Sale Data

Grantor	Washington Mutual Bank
Grantee	Thian K. Sha and Phuong N. Tien
Sale Date	02/20/2009
Deed Book Page	20090220-889
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$520,000
PV of Bonds	$0

Land Data

Land Area (SF)	9,600
Land Area (Acres)	0.22
Zoning	C-2 NC, General Commercial
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	20^{th} Street
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

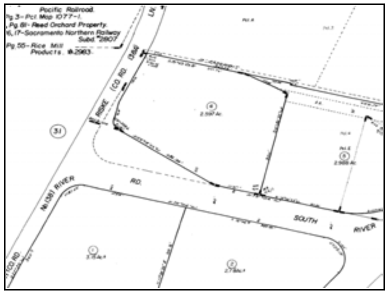
Indicators

Sale Price per SF	$54.17
PV Bonds per SF	$0.00

Remarks

This comparable is an REO (Bank) sale by Washington Mutual Bank of three Assessor's parcels located at the corner of 20^{th} Street and P Street in Sacramento. The total land area is 9,600 square feet.

LAND SALE 3



Property Identification

Commercial Land

900 S. River Road
West Sacramento, CA 95691
Yolo County

Map Grid: 297-A4
APN: 058-330-04

Sale Data

Grantor	Weyerhaeser
Grantee	Redevelopment Agency of the City of West Sacramento
Sale Date	06/03/2008
Deed Book Page	17114
Property Rights	Fee Simple
Conditions of Sale	See Remarks
Financing Terms	Cash Equivalent
Sale Price	$2,700,000
PV of Bonds	$156,909

Land Data

Land Area (SF)	113,256
Land Area (Acres)	2.60
Zoning	WF, Waterfront - Triangle Specific Plan
Shape	Nearly rectangular
Corner Orientation	Yes
Street Frontage	Riske Road and S. River Road
Topography	Generally level
Off-Site Improvements	Infrastructure improvements planned
On-Site Improvements	To be demolished

Indicators

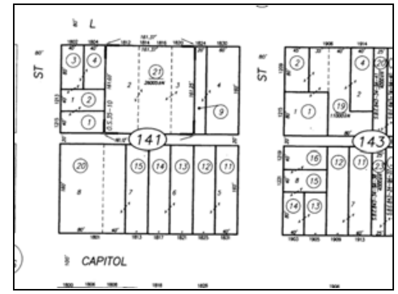
Sale Price per SF	$23.84
PV Bonds per SF	$1.39
PV Bonds per Acre	

$60,350

Remarks

This comparable represents the June 2008 purchase of 2.60 acres located within the Triangle Specific Plan Area. The Redevelopment Agency of the City of West Sacramento purchased the property from Weyerhaeuser, which operated a recycling facility. In total, the City paid $4.9 million to Weyerhaeuser, which included $2.7 million for the property and $2.2 million for a new location and moving costs. The relocation of Weyerhaeuser was key to the redevelopment of the Triangle Specific Plan Area. Significant infrastructure improvements to the area are planned to begin in 2010.

LAND SALE 4



Property Identification

Commercial Land

1813 Capitol Avenue
Sacramento, CA 95814
Sacramento County

Map Grid: 297-E4
APN: 007-0141-015

Sale Data

Grantor	Frichette Family Trust
Grantee	Young Clifford, LLC
Sale Date	05/19/2008
Deed Book Page	20080519-0579
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$900,000
PV of Bonds	$0

Land Data

Land Area (SF)	6,400
Land Area (Acres)	0.15
Zoning	C-2, General Commercial
Shape	Rectangular
Corner Orientation	No
Street Frontage	40 ft. Capitol Avenue
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

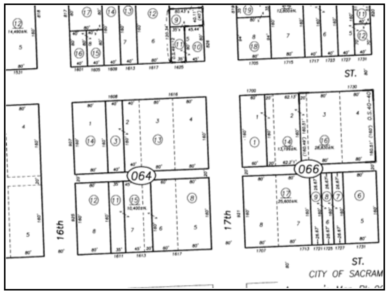
Indicators

Sale Price per SF	$140.63
PV Bonds per SF	$0.00

Remarks

This property is located on Capitol Avenue between 18th and 19th Streets and is adjacent to the new Dragonfly restaurant. The property sold with approval for a mixed-use retail/residential project.

LAND SALE 5



Property Identification

Commercial Land

1630 I Street
Sacramento, CA 95814
Sacramento County

Map Grid: 297-D4
APN: 006-0064-013

Sale Data

Grantor	1630 I Street, LLC
Grantee	301 19th Street, LLC
Sale Date	04/25/2008
Deed Book Page	20080425-1023
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$3,600,000
PV of Bonds	$0

Land Data

Land Area (SF)	32,000
Land Area (Acres)	0.73
Zoning	C-2 NC, General Commercial
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	160 ft. 17th Street; 200 ft. I Street
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	Yes

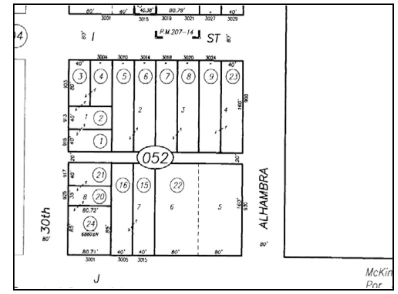
Indicators

Sale Price per SF	$112.50
PV Bonds per SF	$0.00

Remarks

At the time of sale, this property was improved with three buildings at the end of their economic lives. According to the listing broker, the sale price was based on land value only.

LAND SALE 6



Property Identification

Commercial Land

900 Alhambra Boulevard
Sacramento, CA 95816
Sacramento County

Map Grid: 297-F5
APN: 007-0052-009, -023

Sale Data

Grantor	Alhambra Blvd., LLC
Grantee	SRR Trading, LLC
Sale Date	04/18/2008
Deed Book Page	20080418-1218
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$625,000
PV of Bonds	$514

Land Data

Land Area (SF)	12,800
Land Area (Acres)	0.29
Zoning	C2-SPD, General Commercial (Alhambra Corridor SPD)
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	Alhambra Boulevard, I Street
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

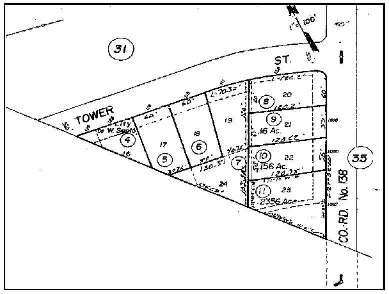
Indicators

Sale Price per SF	$48.83
PV Bonds per SF	$0.04

Remarks

This property is located in the Alhambra Corridor area of East Sacramento, proximate to a variety of retail, office and residential development. The parcel enjoys good visibility along Alhambra Boulevard.

LAND SALE 7



Property Identification

Commercial Land

South line of Tower Street
West Sacramento, CA 95691
Yolo County

Map Grid: 297-A4
APN: 058-300-06

Sale Data

Grantor	Tamara Lewis
Grantee	Smart Growth Investors II LLC
Sale Date	01/31/2008
Deed Book Page	2980
Property Rights	Fee Simple
Conditions of Sale	See Remarks
Financing Terms	Cash Equivalent
Sale Price	$142,500
PV of Bonds	$0

Land Data

Land Area (SF)	7,028
Land Area (Acres)	0.16
Zoning	WF, Waterfront - Triangle Specific Plan
Shape	Rectangular
Corner Orientation	No
Street Frontage	Tower Street
Topography	Generally level
Off-Site Improvements	Infrastructure improvements planned
On-Site Improvements	To be demolished

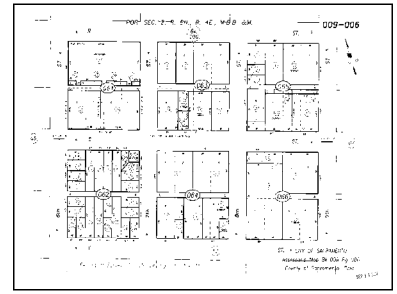
Indicators

Sale Price per SF	$20.28
PV Bonds per SF	$0.00

Remarks

This comparable represents the purchase of a small parcel near U.S. Highway 50. Smart Growth Investors II LLC purchased this parcel along with two adjacent parcels that were similar in size. Each property sold for approximately $20/SF, and each contained a single-family residence that was razed by the buyer. Though the prices were negotiated together, there were three separate sellers and three separate transactions. Smart Growth Investors II LLC is an entity of Fulcrum Development, which owns significant land in the Triangle Specific Plan Area. The buyer was motivated to assemble this property (and the adjacent single-family properties) with its other land holdings.

LAND SALE 8



Property Identification

Multifamily Residential Land

701 S Street
Sacramento, CA 95814
Sacramento County

Map Grid: 297-C5
APN: 009-0063-014

Sale Data

Grantor	D/S Development Inc.
Grantee	Dambrosia Properties LLC
Sale Date	12/27/2007
Deed Book Page	90825-1371
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$1,350,000
PV of Bonds	$0

Land Data

Land Area (SF)	14,000
Land Area (Acres)	0.32
Zoning	RMX, Residential Mixed Use
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	7th and S Streets
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	Yes

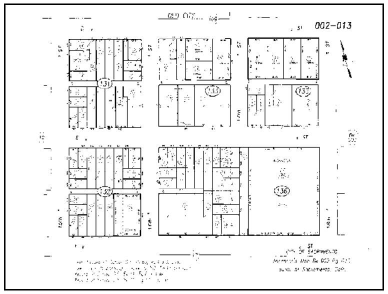
Indicators

Sale Price per SF	$96.43
PV Bonds per SF	$0.00

Remarks

This sale was for 14,000 square feet of land zoned RMX with approvals for a three story, 19-unit residential project. At the time of sale the site was improved with an old industrial/office showroom building.

LAND SALE 9



Property Identification
Commercial Land

1528 E Street and 500 16th Street
Sacramento, CA 95814
Sacramento County

Map Grid: 297-E3
APN: 002-0132-009 and -010

Sale Data

Grantor	16th & E LLC
Grantee	BAE 16TH LLC
Sale Date	12/06/2007
Deed Book Page	20071206494
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$254,000
PV of Bonds	$0

Land Data

Land Area (SF)	6,400
Land Area (Acres)	0.15
Zoning	C-2, General Commercial
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	16th Street, E Street
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

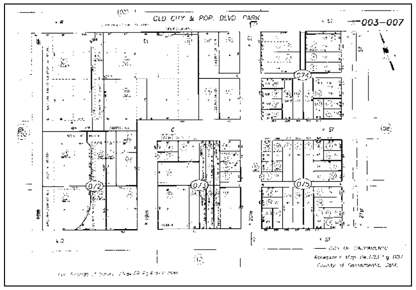
Indicators

Sale Price per SF	$39.69
PV Bonds per SF	$0.00

Remarks

This comparable was listed for $395,000 and sold in December 2007 for $254,000, or $39.69 per square foot of land area.

LAND SALE 10



Property Identification
Commercial Land

1913 D Street
Sacramento, CA 95814
Sacramento County

Map Grid: 297-E3
APN: 003-0073-003, -004, -014, -020, -021

Sale Data

Grantor	301 19th St. LLC
Grantee	Salvation Army
Sale Date	10/22/2007
Deed Book Page	200710311508
Property Rights	Fee Simple
Conditions of Sale	Above Market
Financing Terms	Cash Equivalent
Sale Price	$2,400,000
PV of Bonds	$0

Land Data

Land Area (SF)	44,801
Land Area (Acres)	1.03
Zoning	C-4, Commercial
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	19th Street; C Street and D Street
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	Yes

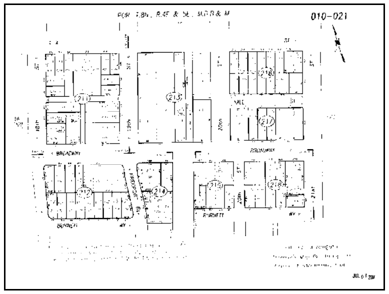
Indicators

Sale Price per SF	$53.57
PV Bonds per SF	$0.00

Remarks

The broker reported the property sold for approximately 10% above market. It was purchased by the Salvation Army for a truck parking lot. There was a 9,000 square foot building on a portion of the site at the time of sale with no contributory value. The property was acquired for land value only.

LAND SALE 11



Property Identification

Multifamily Residential Land

1901 Broadway
Sacramento, CA 95818
Sacramento County

Map Grid: 297-D6
APN: 010-0213-008

Sale Data

Grantor	Covenant Corporation of Chicago
Grantee	1901 Broadway MRES LLC a California Limited Liability Company
Sale Date	01/01/2007
Deed Book Page	70118-1677
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$3,400,000
PV of Bonds	$0

Land Data

Land Area (SF)	54,400
Land Area (Acres)	1.25
Zoning	C2, General Commercial
Shape	Rectangular
Corner Orientation	Yes
Street Frontage	19th Street, X Street and Broadway
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	Yes

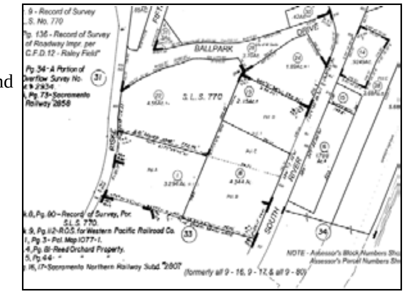
Indicators

Sale Price per SF	$62.50
PV Bonds per SF	$0.00

Remarks

This site is proposed for a mixed-use development comprised of 136-unit multifamily apartment complex over ground floor retail known as Broadway Lofts, located at the northeast corner of 19th Street and Broadway and the southeast corner of 19th Street and X Street in Sacramento.

LAND SALE 12



Property Identification

Commercial Land

Southeast corner of Riske Lane and Ballpark Drive
West Sacramento, CA 95691
Yolo County

Map Grid: 297-A4
APN: 058-320-01 & -22

Sale Data

Grantor	New Wilson Company
Grantee	River Road Ventures LLC
Sale Date	08/25/2006
Deed Book Page	33506 & 33507
Property Rights	Leased Fee
Conditions of Sale	Market
Financing Terms	Partial Seller Financing
Sale Price	$6,873,935
PV of Bonds	$357,394

Land Data

Land Area (SF)	350,963
Land Area (Acres)	8.06
Zoning	WF, Waterfront - Triangle Specific Plan
Shape	Nearly Rectangular
Corner Orientation	Yes
Street Frontage	Riske Lane and Ballpark Drive
Topography	Generally Level
Off-Site Improvements	Infrastructure improvements planned
On-Site Improvements	20,000 SF vacant warehouse, part of leased property

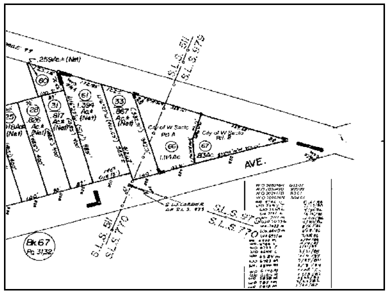
Indicators

Sale Price per SF	$19.59
PV Bonds per SF	$1.02

Remarks

This comparable represents the transfer of 8.06 acres that was leased to River City Parking LLC (an entity of the owners/operators of Raley Field, which is located immediately to the north) for parking and storage use. As part of the purchase agreement, the lessee was granted an option to extend the lease through 2013. The property was acquired by River Road Ventures, LLC.

LAND SALE 13



Property Identification

Commercial Land

820 & 824 West Capitol Avenue
West Sacramento, CA 95691
Yolo County

Map Grid: 297-A3
APN: 008-150-66 & -67

Sale Data

Grantor	Ambu Inc.
Grantee	Almarra LLC
Sale Date	09/15/2005
Deed Book Page	45943
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$2,200,000
PV of Bonds	$0

Land Data

Land Area (SF)	84,506
Land Area (Acres)	1.94
Zoning	CBD, Commercial Building District, West Sacramento
Shape	Irregular
Corner Orientation	No
Street Frontage	West Capitol Avenue
Topography	Level
Off-Site Improvements	In place
On-Site Improvements	See remarks

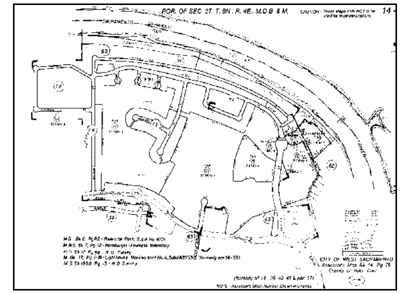
Indicators

Sale Price per SF	$26.03
PV Bonds per SF	$0.00

Remarks

This comparable is the sale of two parcels on West Capitol Avenue, east of City Hall. Based on the zoning at the time, the parcels could be development with 82 multifamily residential units at a density of 42.27 units per acre. Tentative map approval was planned for early 2006. The buyer proposed a project named “Tribeca West,” which would contain 65 market rate condominiums. The property contained a 40-unit hotel that had been boarded up, and the buildings contained nine apartment units in poor condition that were rented. In June 2007, the City of West Sacramento purchased this property as a redevelopment site, planned for future mixed use, and the buildings were razed.

LAND SALE 14



Property Identification

Multifamily Residential Land

1901 Broadway
Sacramento, CA 95818
Sacramento County

Map Grid: 297-A1
APN: 014-760-051 and -221; 014-620-071

Sale Data

Grantor	West Riverview LLC
Grantee	JTS Communities
Sale Date	July 2005
Deed Book Page	N/Av.
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$13,451,724
PV of Bonds	$2,478

Land Data

Land Area (SF)	409,464
Land Area (Acres)	9.4
Zoning	WF, Waterfront PD-29 RD
Shape	Irregular
Corner Orientation	No
Street Frontage	Fountain Drive
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	No

Indicators

Sale Price per SF	$32.85
PV Bonds per SF	$0.01

Remarks

JTS Communities went under contract for Unit I and Unit II (195 total units) of a proposed condominium project from West Riverview, LLC (Grupe Development) in July 2005 for a total sale price of $20,750,000, or $1,431,034 per acre, with the sale price contingent on a number of factors. Unit I (9.4 acres, described above) had a sale price of $13,451,724 and is contingent on approval of the submitted tentative map (which occurred in 2006) for 132 units and a Planned Development land use modification allowing deviations from typical parking and building setback requirements. The seller was required to pay off the outstanding bond balance relating to the Lighthouse Marina Assessment District prior to close of escrow.

Adjustment Discussion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. If a comparable has an attribute that is considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject.

Percentage or dollar adjustments are considered appropriate in order to isolate and quantify the adjustments on the comparable sales data. At a minimum, the appraiser considers the need to make adjustments for the following items:

- Special assessments (bonds)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Expenditures after sale
- Market conditions
- Physical features

A paired sales analysis is performed in a meaningful way when the quantity and quality of data are available. However, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. A detailed analysis involving each of these factors is presented as follows:

Special Assessments (Bonds)

Bond debt has a direct impact on the amount for which the end product will sell. We have adjusted the comparables with a special tax obligation based on the present value of the bonded indebtedness (per square foot of land area).

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All of the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in

instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash equivalent transactions and, therefore, do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

Several of the comparables transferred under atypical sale conditions. Comparable 3 involved the purchase by a government agency of a property blocking the redevelopment of a neighborhood. Consequently, the buyer was motivated, which resulted in a price point consistent with market conditions before the significant deterioration that started in 2007 and continues into 2010. This comparable receives a moderate downward adjustment to account for the buyer motivation.

Similarly, Comparable 7 represents one of three concurrent transactions where the buyer paid a similar elevated price point (reflective of superior market conditions) since the buyer desired to acquire the properties for site assemblage. This comparable also receives a moderate downward adjustment.

The other comparable transactions were reportedly arms-length, market transactions and do not require a condition of sale adjustment.

Expenditures After Sale

This category includes all costs required after the transaction. Comparable Land Sales 3, 7, 12 and 13 were acquired within the Bridge District for assemblage and future urban development commensurate with the approved Bridge District development plan; however, at the time of sale, none of the parcels had infrastructure improvements in place necessary for development of the properties, which is assumed under the hypothetical condition for which the subject properties are being appraised. Therefore, upward adjustments are necessary for these land sales in order to equate them with the condition of the subject properties at completion of Phase I infrastructure to be financed by City of West Sacramento Community Facilities District No. 27, as well as monies available from a grant by the State of California Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which is approximately $50.6 million. None of the other comparables have similar expenditures after sale. Thus, no adjustments are necessary for this factor.

Market Conditions

Market conditions generally change over time, but the date of value is for a specific point in time. Therefore, in an unstable economy, one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline, extra attention needs to be paid to assess changing market conditions. Significant changes in price levels can occur in several areas of a municipality, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

In evaluating market conditions, changes between the sale dates and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required. In late 2005, market conditions showed initial signs of decline as new home pricing leveled in many areas and some residential builders began offering significant incentives. Price and demand declines in the residential sector eventually carried over to the commercial sector. By 2007, retail and office vacancies began to increase, particularly for owner-user property types. Rising vacancies led to a softening in rents.

Typically, market conditions adjustments can be measured by reference to rent declines. However, land prices have declined by significantly more than what can be explained by this factor alone. Broader declines in the economic sector such as tightened lending standards and rapid declines in home equity have virtually suspended all new construction in the region. Thus, the decline in land values beyond what can be explained by rent declines is attributable to the fact the highest and best use of vacant, entitled land is now, in many circumstances, to hold until market conditions stabilize. Rising unemployment, volatility in the stock market and recession forecasts have lengthened development timelines. As late as 2007, market participants purchased vacant entitled land with the intent to begin new construction within the year. Now, the majority of vacant land transactions have involved land speculators intending to hold and resell (as vacant) at a later date, after stabilization of market conditions.

Thus, land price declines are explained by (1) rent and demand declines and (2) expanding development timelines and investor returns on land carry. In consideration of the on-going contractions in the commercial real estate market, downward adjustments will be applied for declines since September 2005.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value are discussed as follows:

<u>Location</u>

The subject properties comprise the Bridge District, which represents a transitional area planned as the city’s primary area of urban growth for the next several years. The area has good transportation linkages and benefits from its proximity to downtown Sacramento and the Sacramento River. Most of the comparables are located within downtown and midtown Sacramento and the Bridge District; thus, no adjustments are warranted for Land Sales 1 through 12.

Land Sale 13 is located very near the Bridge District, approximately one half mile northwest and along West Capitol Avenue. While the West Capitol Avenue corridor is also planned for redevelopment like the properties in the Bridge District, this area contains a number of existing, mature uses that will be redeveloped separately over a longer period of time. Potential future land uses will be less dense with buildings generally less than three stories in height. In contrast, the Bridge District is apt to be redeveloped concurrently, with all non-conforming uses having been relocated. The Bridge District benefits from its proximity to the Sacramento River and is directly west of the Sacramento CBD via the Tower Bridge. The Bridge District will represent an emerging commercial destination for the Sacramento region. Thus, in comparison to the subjects’ location within the Bridge District, Comparable 13 is inferior and receives an upward adjustment. Land Sale 14 is not located within the Bridge District, but is positioned along the Sacramento River; thus, no adjustments are necessary.

<u>Visibility/Accessibility</u>

The visibility/accessibility of specific areas of the Bridge District will be good upon completion of the Phase I roadway improvements assumed to in place. On a regional basis, the subject properties and comparables have similar visibility/accessibility shared by a network of regional highways. Adjustments for this factor are not warranted.

<u>Land Area</u>

As stated, the comparables are analyzed relative to the subject properties as assembled. Generally, there is an inverse relationship between parcel size and price per acre, such that larger parcels tend to sell for a lower price per acre than smaller parcels, all else being equal.

Many of the comparables were purchased with the intent to assemble with larger land areas; thus, despite apparent differences in the comparables and subject properties as assembled, parcel size adjustments may not be warranted. For instance, Land Sales 7 and 12 were subject transactions where the buyer already owned at least 46 acres and desired parcel assemblage. Even though these transactions contained significantly different acreages (0.16 acre and 8.06 acres, respectively), each was purchased for generally the same price per square foot, with no consideration given to land area (since assemblage was the highest and best use). The same is true for Land Sales 3 and 14. Thus, parcel size adjustments are not warranted to these comparables.

Off-Site Improvements

Off-site improvements are in place providing access to the subject properties; however, major underground and backbone infrastructure is to be installed as part of Phase I development of the Bridge District, which is assumed to be in place for purposes of this analysis, and will be necessary to facilitate the development of the District as planned. Thus, in regard to off-site improvements, the subject properties have a nominal burden and are generally similar to properties with off-site development complete. Thus, Land Sales 3, 7 and 12, all of which are located within the bridge District, require upward adjustments for this factor.

Note that there are other infrastructure costs beyond the costs designated for Phase I infrastructure that affect the subject properties and other properties in the Bridge District, such as the development of parks, open space corridors and other public improvements needed for a dense urban environment. These costs will likely be incurred at a much later date, as part of other improvement projects.

Site Utility

Differences in shape, topography, drainage or soil conditions can affect the utility and, therefore, the market value of undeveloped land. The subject properties offer generally level topography and good overall site utility. The comparables are considered to have similar site utility, with no adjustments applied for this factor.

Other – Proposed Use

The subject properties, as assembled, are planned for an assortment of dense urban uses, including mixed retail/office/residential use. Most of the comparables are planned for similar dense urban uses. The exceptions are Land Sales 13 and 14. At the time of sale, Land Sale 13 was proposed for a singular use (condominiums), and Land Sale 14, albeit located along the Sacramento River, was not purchased for assemblage and had planned uses limited to primarily residential use. To account for this fact, these comparables receive an upward adjustment.

Conclusion – Sales Comparison Approach

In this analysis, we identified several comparables believed to be the best indicators of value for the subject properties. The comparables ranged in size from 0.15-acre to 9.4 acres and had transaction dates ranging from July 2005 to May 2009. The unadjusted prices of the comparables ranged from $20.60 per square foot to $140.63 per square foot, with the upper end of the range indicative of two properties proximate to the State Capitol less than one acre in size. With parcels transacted within the Bridge District for assemblage, there was no clear trend among the data for specific parcel location within the Bridge District or parcel size (due to assemblage factors).

The subject properties contain land areas, as assembled, ranging from 0.07 acre to 20.27 acres, and location impacts several of the properties. Specifically, those parcels located along the Sacramento River are anticipated to receive premiums relative to other parcels situated throughout the Bridge District. Further, due to economies of scale and the probable buyer of the subject properties, which would be a developer rather than a speculator, it is expected the larger, assembled parcels would sell for a lower price per square foot than smaller parcels, all else being equal. Therefore, with emphasis on the most recent 2009 land sales, and support from the balance of the data set, which includes transactions within the Bridge District and midtown and downtown Sacramento, the conclusion of market value assuming completion of the Phase I infrastructure improvements, as assembled, are shown in the following chart.

Ownership	Taxable APNs	Net Taxable Land Area	Assembled Land Area	Market Value (psf)	Extension	Conclusion
Arkad Income Prop LLC	058-320-014-000	0.92	0.92	$60	$2,417,234	**$2,420,000**
Carasco George T & Betty J Tr.	058-300-008-000	0.15	0.15	$60	$398,075	**$400,000**
Clark-Pacific Corp	058-330-005-000	1.75				
	058-320-018-000	3.03	4.78	$50	$10,400,909	**$10,400,000**
Conrad Ethan & Phillips Corley M Tr.	058-310-001-000	7.50	7.50	$30	$9,796,184	**$9,800,000**
Lonestar California Inc.	058-350-001-000	3.33				
	058-350-008-000	1.97	5.30	$30	$6,928,643	**$6,930,000**
Loris Chris W & Nadine C & Fam 1993 Tr.	058-310-003-000	0.85				
	058-310-009-000	2.61	3.46	$30	$4,522,949	**$4,520,000**
Ramos Frank C & Joanne M Tr.	058-320-019-000	1.55	1.55	$50	$3,382,561	**$3,380,000**
Ramos Frank C et al	058-320-037-000	1.66				
	058-320-039-000	0.05	1.71	$50	$3,732,396	**$3,730,000**
Redevelopment Agency of W. Sac.	058-300-004-000	0.07	0.07	$60	$188,795	**$190,000**
	058-320-041-000	1.59	1.59	$50	$3,470,772	**$3,470,000**
	058-330-004-000	1.97				
	058-330-006-000	0.34				
	067-330-018-000	5.31	7.63	$30	$9,967,892	**$9,970,000**
River City Parking LLC	058-310-022-000	0.87	0.87	$60	$2,282,720	**$2,280,000**
	067-330-010-000	0.77				
	067-330-011-000	0.59	1.36	$50	$2,963,435	**$2,960,000**
River Road Venture LLC	058-320-001-000	1.86				
	058-320-022-000	2.56				
	058-320-024-000	1.47	5.89	$30	$7,702,675	**$7,700,000**
Robinson Leonard D	058-310-005-000	2.91	2.91	$50	$6,331,307	**$6,330,000**
Sacramento Stucco	058-310-018-000	0.65				
	058-310-019-000	1.02	1.67	$50	$3,634,474	**$3,630,000**
Yolo Co Motel-Hotel Assn Inc.	058-300-011-000	0.20	0.20	$60	$528,638	**$530,000**
Smart Growth Investors II Inc.	058-300-005-000	0.12				
	058-300-006-000	0.15				
	058-310-012-000	0.13				
	058-310-013-000	0.23				
	058-310-014-000	0.20				
	058-310-015-000	0.19				
	058-310-016-000	8.17	9.20	$40	$16,022,672	**$16,020,000**
	058-320-044-000	0.44				
	058-340-009-000	2.89				
	058-340-002-000	0.47	3.80	$40	$6,617,012	**$6,620,000**
	058-330-001-000	0.96				
	058-330-002-000	2.12				
	058-330-003-000	0.12				
	058-350-002-000	2.48				
	058-350-003-000	0.72				
	058-350-004-000	0.17				
	058-350-005-000	9.69				
	058-350-006-000	3.54				
	058-350-007-000	0.48	20.27	$25	$22,078,853	**$22,080,000**
Tim Kruse Construction Inc.	058-310-002-000	0.73	0.73	$60	$1,912,844	**$1,910,000**
Unger Dean F Tr.	058-320-042-000	1.28				
	058-320-045-000	3.11				
	058-320-046-000	1.01				
	058-340-007-000	0.26				
	058-340-005-000	1.44	7.11	$60	$18,584,546	**$18,580,000**
Union Pacific Railroad	843-57-6-1	0.84				
	843-57-6C-28	7.48	8.32	$30	$10,873,859	**$10,870,000**
West Sacramento City Of	058-320-009-000	0.23	0.23	$60	$600,412	**$600,000**
	058-370-054-000	0.27	0.27	$60	$713,024	**$710,000**
Total			***97.51***			

Component Valuation – Friedman (Fulcrum) Portfolio

As previously mentioned, the components of the Bridge District held by Smart Growth Investors II Inc. and River Road Venture LLC are owned by related entities and comprise, based on the highest and best use as assembled, four distinct land areas, which would be expected to sell to different buyers. Therefore, a discounted cash flow analysis will be utilized for deriving the market value of this ownership group subject to the hypothetical condition all infrastructure improvements are in place.

Discount Cash Flow Analysis

The best way to arrive at the market (bulk) value of this component of the subject properties is to employ a discounted cash flow analysis. The four main components of the discounted cash flow analysis are listed as follows:

- **Revenue** – the total gross revenue from the sell-off of the assembled parcels, as previously estimated.
- **Absorption Analysis** – the time required to sell off the parcels. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).
- **Expenses** – the expenses associated with the disposition of the parcels are calculated in this section – including administration, marketing and commission costs and real estate taxes (including special taxes).
- **Discount Rate** – the appropriate discount rate is estimated in this portion of the analysis employing a variety of data.

A discussion of these four components begins below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The revenue portion of this analysis was estimated in the previous section of this report. Based on the previously concluded values for both ownership entities, the revenue component is calculated in the chart on the following page.

Ownership	Taxable APNs	Net Taxable Land Area	Assembled Land Area	Market Value (psf)	Extension	Conclusion
River Road Venture LLC	058-320-001-000	1.86				
	058-320-022-000	2.56				
	058-320-024-000	1.47	5.89	$30	$7,702,675	**$7,700,000**
Smart Growth Investors II Inc.	058-300-005-000	0.12				
	058-300-006-000	0.15				
	058-310-012-000	0.13				
	058-310-013-000	0.23				
	058-310-014-000	0.20				
	058-310-015-000	0.19				
	058-310-016-000	8.17	9.20	$40	$16,022,672	**$16,020,000**
	058-320-044-000	0.44				
	058-340-009-000	2.89				
	058-340-002-000	0.47	3.80	$40	$6,617,012	**$6,620,000**
	058-330-001-000	0.96				
	058-330-002-000	2.12				
	058-330-003-000	0.12				
	058-350-002-000	2.48				
	058-350-003-000	0.72				
	058-350-004-000	0.17				
	058-350-005-000	9.69				
	058-350-006-000	3.54				
	058-350-007-000	0.48	20.27	$25	$22,078,853	**$22,080,000**
Cumulative (Aggregate) Value			***39.16***			***$52,420,000***

Absorption Analysis

In this section of the report, we will discuss the absorption period and summarize the anticipated disposition of the revenue. In attempting to estimate the marketing time that would be required for the disposition of the subject parcels, we have looked at the exposure times for commercial land, as well as current and projected economic conditions.

A survey of market participants, commercial real estate brokers and building developers suggest the subject properties, with their good location along the Sacramento River and proximity to the Sacramento central business district and State Capitol, should receive sufficient demand from the development market. Nonetheless, economic and employment conditions continue to weaken, which had a negative impact on commercial real estate in 2009 and continues into 2010, with historically few transactions at low prices throughout the region, state and nation. Offsetting, positive factors for the subject properties is the requirement to develop 731 housing units, including 175 affordable units, by 2014 as part of the conditions for accepting the State of California Proposition 1C Infill Housing Program ($24,309,322) grant, which should serve as a catalyst for supporting commercial development. Further, with plans for additional multifamily development throughout the Bridge District, the subject properties are well positioned relative to other areas of the region in being responsive to either an economic recovery or lack of supply.

In developing an estimate of absorption for the subject parcels, we have attempted to consider the impact of present market conditions and the anticipated changes in the market as well. Real estate is cyclical in nature and it is difficult to accurately forecast specific demand over a projected absorption period. Based on the discussion above, it is anticipated the subject properties would receive significant interest from the market to suggest that, if appropriately priced, it is estimated the assembled land areas could sell within a 24-month time frame. For the purpose of this analysis, an even disposition will be assumed over the absorption period, or one sale every six months. This absorption period reflects the anticipated demand for the properties during the development period as the housing units are constructed to meet the requirements of the aforementioned Proposition 1C grant, suggesting the residential development will likely serve as a catalyst for additional commercial and/or mixed use development.

The Korpacz Real Estate Investor Survey, published by PricewaterhouseCoopers, summarizes current conditions as follows: “In the year since the onset of the national credit crunch, the availability of debt for real estate investments has practically vanished, fundamentals have weakened in all property sectors, and the economy has shown few signs of rebounding.” Thus, while demand exists for the subject development, constraints on financing could affect the development in the near term. Also affecting the Sacramento Region and the immediate area is the existing problems with the State budget, which could negatively affect employment in the area.

Expenses

Administrative/Marketing

Administrative expense covers the various costs associated with managing the overall development. This includes management, legal and accounting fees and other professional services common to a land development. For purposes of this analysis, we have estimated this expense at 2% of the revenue from the sale of the parcels.

Marketing, commissions and closing costs relative to the disposition of the subject’s parcels are estimated at 4% of the revenue. Although this rate is somewhat negotiable, it is considered to be consistent with current industry trends.

Property Taxes

As indicated reported, the appraised properties are located in tax rate area 004-005, which has an annual tax rate of 1.0599% based on assessed value. Interim taxes are estimated based on the anticipated assessment at market value in bulk. As the subject parcels are sold, taxes are reduced on a pro-rata basis in the analysis. Of the direct levies identified in the preceding tables, most represent annual charges related to flood control that cannot be paid off, while one represents bond debt (West

Sacramento CFD 23), which matures in 2037 and has a rate that adjusts periodically, yet stays within the 4% to 5.3% range.

The appraised properties will also be encumbered by the West Sacramento Community Facilities District No. 27 Bond. With respect to special taxes, we have relied upon the *Hearing Report*, dated February 3, 2010, prepared by Economic and Planning Systems, Inc. (EPS). The maximum annual special tax rates are as follows:

Residential Development	$0.50 per building square foot
Nonresidential Development	$0.50 per building square foot
Undeveloped Land	$0.40 per net land square foot

Discount Rate

The project yield rate is the rate of return on the total un-leveraged investment in a development, including both equity and debt. The leveraged yield rate is the rate of return to the "base" equity position when a portion of the development is financed. The "base" equity position represents the total equity contribution. The developer/builder may have funded all of the equity contribution, or a consortium of investors/builders as in a joint venture may fund it. Most surveys indicate that the threshold project yield requirement is about 20% to 30% for production home type projects. Instances in which project yields may be less than 20% often involve profit participation arrangements in master planned communities where the master developer limits the number of competing tracts. According to a leading publication within the appraisal industry, the Korpacz Real Estate Investor Survey[12], discount rates for land development projects ranged from 15.00% to 30.00%, with an average of 21.25% during the Second Quarter 2010. This rate was up 158 basis points from the 19.67% during the Fourth Quarter 2009. These rates are free-and-clear of financing, are inclusive of developer's profit, and assume entitlements are in place. According to the data presented in the survey prepared by Korpacz, the majority of those respondents who use the discounted cash flow (DCF) method do so free and clear of financing. Additionally, the participants reflect a preference in including the developer's profit in the discount rate, versus a separate line item for this factor. As such, the range of rates presented above is inclusive of the developer's profit projection.

The discount rates are based on a survey that includes residential, office, retail and industrial developments. Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate they expect slightly lower returns when approvals/entitlements are already in place.

[12] Korpacz Real Estate Investor Survey, PricewaterhouseCoopers, 2nd Quarter 2010, Volume 22, Number 2.

In addition to the above data, developer surveys conducted during the current real estate cycle have elicited the following responses:

Data Source	Yield / IRR Expectations (Inclusive of Profit)
Korpacz Real Estate Investor Survey - Second Quarter 2010 (updated every other quarter)	Range of 15.00% to 30.00%, with an average of 21.25%, inclusive of profit and assuming entitlements in place, for land development (national average)
RealtyRates.com - Fourth Quarter 2009	Range of 13.64% to 33.92%, with an average of 22.93%, for subdivisions and PUDs in the California/Pacific region
Tulare Windmill Ventures, LLC	10% discount rate excluding profit for single-family subdivisions
David Jacobsen - Ridgecrest Homes	10% to 40% for single-family residential subdivisions with 1-2 year development timelines
Mike Grant - Premier Homes	15% to 20% IRR
Chris Downey - Hon Development	Minimum IRR of 20-25%; for an 8 to 10 year cash flow, mid to upper 20% range
Gary Gorian - Dale Poe Development	25% IRR for land development is typical (no entitlements); slightly higher for properties with significant infrastructure costs
David Pitts - Newhall Land and Farming	20% to 30% IRR for land development deals on an unleveraged basis
Mark Palkowitsh - MSP California, LLC	35% for large land deals from raw unentitled to tentative map stage, unleveraged or leveraged. 25% to 30% from tentative map to pad sales to merchant builders, unleveraged
Rick Nieman - GFC	18% to 22% for land with some entitlements, unleveraged. 30% for raw unentitled land
Lin Stinson - Providence Realty Group	Low 20% range yield rate required to attract capital to longer-term land holdings
Dan Boyd - ESE Land Company	Merchant builder yield requirements in the 20% range for traditionally financed tract developments. Larger land holdings would require 25% to 30%. Environmentally challenged or politically risky development could well run in excess of 35%.
Anonymous source - Lennar	As low as the low 20% range in the absence of price trending
Lyle McCullogh - California Pacific Homes	No less than 20% IRR for land development, either entitled or unentitled
Roy Robertson - Ekotec	20% to 30% for an unentitled property; the lower end of the range would reflect those properties close to tentative maps
Gordon MacKenzie - Brookfield Development	No less than 30% when typical entitlement risk exists

The subject properties are judged to exhibit a certain degree of risk, including the continuing contraction in the credit and commercial real estate markets, which has hampered borrower's ability to utilize debt financing and reasonable/affordable rates. This, in turn, has proliferated weakening real estate values, with only cash buyers able to acquire properties at high discounts. However, the risk is partially offset by several positive attributes of the subject property, including: 1) the identity created by being part of the Bridge District project, 2) good access to and exposure to the Sacramento central business district and the State Capitol and 3) substantial proposed high-density urban development throughout the Bridge District. However, the overall impact of the real estate contraction, which has been in a state of decline for several quarters, on the commercial market is still developing.

Based on the previous discussion, a discount rate towards the middle of the range, or **20%**, inclusive of profit, is concluded in the analysis of this component in bulk.

Conclusion

The market (bulk) value of the properties held by Smart Growth Investors II Inc. and River Road Venture LLC, which are related entities, is estimated via the discounted cash flow analysis and presented as follows.

Assumptions:

	Acres	SF	Value/SF	Revenue
Aggregate Revenue	39.16	1,705,902	$30.73	$52,420,000

Administrative Expense (% sales)	2.0%
Marketing and Commissions	4.0%
Annual Incresase in Property Taxes	0.0%
Avg Taxes per SF / Period	$0.06
CFD 27 Special Taxes per SF / Period	$0.10
Site Development Costs	$0
Discount Rate (IRR)	20.0%

Income and Expense Analysis:

Period (3 months):	1	2	3	4	5	6	7	8	Total
Inflation Factor:	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Sales (SF):	0	426,476	0	426,476	0	426,476	0	426,476	1,705,902
Inventory (SF):	1,705,902	1,279,427	1,279,427	852,951	852,951	426,476	426,476	0	
Sales Revenue	$ -	$ 13,105,000	$ -	$ 13,105,000	$ -	$ 13,105,000	$ -	$ 13,105,000	$ 52,420,000
Total Sales Revenue	$ -	$ 13,105,000	$ -	$ 13,105,000	$ -	$ 13,105,000	$ -	$ 13,105,000	$ 52,420,000
Expenses									
Administrative	$ (131,050)	$ (131,050)	$ (131,050)	$ (131,050)	$ (131,050)	$ (131,050)	$ (131,050)	$ (131,050)	$ (1,048,400)
Marketing/Commissions	$ -	$ (524,200)	$ -	$ (524,200)	$ -	$ (524,200)	$ -	$ (524,200)	$ (2,096,800)
Real Estate Taxes	$ (99,445)	$ (99,445)	$ (74,584)	$ (74,584)	$ (49,723)	$ (49,723)	$ (24,861)	$ (24,861)	$ (497,226)
CFD Special Taxes	$ (170,590)	$ (170,590)	$ (127,943)	$ (127,943)	$ (85,295)	$ (85,295)	$ (42,648)	$ (42,648)	$ (852,951)
Total Expenses	$ (401,085)	$ (925,285)	$ (333,576)	$ (857,776)	$ (266,068)	$ (790,268)	$ (198,559)	$ (722,759)	$ (4,495,377)
NET INCOME	$ (401,085)	$ 12,179,715	$ (333,576)	$ 12,247,224	$ (266,068)	$ 12,314,732	$ (198,559)	$ 12,382,241	$ 47,924,623
Present Value Factor	0.95162	0.90558	0.86177	0.82008	0.78041	0.74265	0.70672	0.67253	
Discounted Cash Flow	$ (381,681)	$ 11,029,748	$ (287,467)	$ 10,043,721	$ (207,641)	$ 9,145,563	$ (140,326)	$ 8,327,473	$ 37,529,389
Net Present Value	$ 37,529,389								
CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)									**$ 37,530,000**

The value estimated above is allocated to each ownership interest as follows:

Ownership	Component Value	Total Value	Percentage Allocation	Bulk Value Conclusion	Allocation
River Road Venture LLC	$7,700,000	$52,420,000	15%	$37,530,000	**$5,630,000**
Smart Growth Investors II Inc.	$44,720,000	$52,420,000	85%	$37,530,000	**$31,900,000**

FINAL CONCLUSIONS OF VALUE

The purpose of this appraisal has been to estimate the market values (fee simple estate) for each ownership entity, as well as the cumulative, or aggregate, value of the properties in the District, assuming all improvements to be financed by the City of West Sacramento Community Facilities District No. 27 Bonds are in place and available for use. In addition, as requested and authorized, the valuation estimate will also consider the completion of public infrastructure, facilities and fees (if any) to be financed by a grant from State of California Proposition 1C Infill Housing Program (approximately $23 million) and other grant monies, the total of which is approximately $50.6 million.

After analyzing current market information and trends, and in accordance with the definitions, certifications, assumptions and significant factors set forth in the attached document (please refer to pages 8 through 11), our opinions of market value for the subject properties is detailed in the table below. The estimates below reflect the market value of the individual components by ownership. The sum of the component values represents the aggregate, or cumulative, value of the District, which is not equivalent to the market value of the District as a whole.

Ownership	Conclusion of Market Value*
Arkad Income Prop LLC	**$2,420,000**
Carasco George T & Betty J Tr.	**$400,000**
Clark-Pacific Corp	**$10,400,000**
Conrad Ethan & Phillips Corley M Tr.	**$9,800,000**
Lonestar California Inc.	**$6,930,000**
Loris Chris W & Nadine C & Fam 1993 Tr.	**$4,520,000**
Ramos Frank C & Joanne M Tr.	**$3,380,000**
Ramos Frank C et al	**$3,730,000**
Redevelopment Agency of W. Sac.	**$13,630,000**
River City Parking LLC	**$5,240,000**
Robinson Leonard D	**$6,330,000**
Sacramento Stucco	**$3,630,000**
Yolo Co Motel-Hotel Assn Inc.	**$530,000**
Smart Growth Investors II Inc.	**$31,900,000**
River Road Venture LLC	**$5,630,000**
Tim Kruse Construction Inc.	**$1,910,000**
Unger Dean F Tr.	**$18,580,000**
Union Pacific Railroad	**$10,870,000**
West Sacramento City Of	**$1,310,000**
Cumulative (Aggregate) Value	***$141,140,000***

* Assuming Completion of Phase I Infrastructure

ADDENDA

HEARING REPORT

Draft Report

City of West Sacramento Bridge District Community Facilities District Hearing Report and Financing and Cash Flow Analysis

The Economics of Land Use

Prepared for:

City of West Sacramento

Prepared by:

Economic & Planning Systems, Inc.

February 3, 2010

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1. INTRODUCTION

Background

The Bridge District (formally called the Triangle) is a planned urban community in West Sacramento. It is located along the banks of the Sacramento River between the Tower Bridge to the north and the Pioneer Bridge to the South. The Triangle Specific Plan was approved in 1993 and anticipated approximately 12.5 million square feet of residential, retail, and offices uses in an urban environment.

Since 2007, the City of West Sacramento (City) and the property owners in the Bridge District have been engaged in a planning, engineering, and design effort to refine the current Specific Plan and create an Implementation Plan. A key component of the Implementation Plan is a financing strategy that effectively uses public financing to leverage private investment and encourage the urban high-density development planned for the Bridge District.

In June of 2008, the City was awarded a $23 million grant from the State of California through the Proposition 1C Infill Housing Program (Proposition 1C). This funding provides necessary cash to allow the Bridge District to proceed with the construction of infrastructure. The Proposition 1C improvements are to serve initial development projects consisting of at least 731 residential units. Additional funds are also required to construct the Proposition 1C scope of work, including funding from a future Mello-Roos Community Facilities District (CFD) and associated bonds.

On March 11, 2009, a workshop on the proposed structure of the financing strategy was presented to the City Council for their review and comment. On December 16, 2009, the City Council approved Resolution No. 09-87 declaring their intent to form CFD 27. On the same date, the City Council approved a series of amendments to the Bridge District Specific Plan. These amendments finalize the street grid, identify a detailed infrastructure plan, and refine the entitlements for development in the District.

Purpose of the Report

This report, entitled the "Bridge District Infrastructure Community Facilities District Hearing Report and Financing and Cash Flow Analysis" (Financing Analysis), has been prepared to meet the following purposes:

1. **CFD Formation.** CFD Number 27 (CFD 27) is the infrastructure CFD proposed for the Bridge District. This report provides the policy direction and technical support for the formation process and the preparation of the necessary legal documents (Rate and Method of Apportionment, resolutions, etc.) to form CFD 27. It also serves as the required Hearing Report for formation of CFD 27.
2. **Bridge District Implementation Plan and Specific Plan Amendments.** This report is based on the January 2009 cost estimates for the public facilities, infrastructure and amenities defined in Volume III, "Bridge District Implementation Strategy, Bridge District Specific Plan." This report is an appendix to Volume III of the Bridge District Specific Plan

and is technical support for Financing of Volume III and other Specific Plan amendments currently underway.

3. **Development Agreement Negotiations.** This report and the associated analysis have been prepared to assist the City and the Bridge District developers in achieving a mutually beneficial series of development agreements with appropriate financing terms.
4. **Long Term Tracking.** The cost estimates, definition of backbone and supplemental cost categories, infrastructure scope and data was developed by urban and economics consultants supporting the Property Owner and city Specific Plan updates. The cash flow analysis included in this report has been prepared in Microsoft Excel and the model will be provided to the City. This will allow the City to continuously track infrastructure costs, funding sources, and advance funding/repayment arrangements.

Guiding Objectives for Financing Recommendations

Based on direction from the City Council, the Bridge District Steering Committee, composed of City staff, the Bridge District Technical Advisory Committee, composed of City staff and the property owners, to follow is a list of guiding objectives that have helped to inform the financing recommendations in this report.

1. **Provide Support for the Bridge District Specific Plan.** The financing structures proposed in this Financing Strategy for the Bridge District should support the planning vision and intent of the Specific Plan (Volumes I and II) and the implementation elements defined in Volume III.
2. **Provide a Flexible Structure.** The financing structure, including the CFD 27 tax rates, should be flexible and allow for changing economic and market conditions. This means that regular updates are necessary. In addition, the public financing tools included in the CFD structure should be eligible to finance all aspects of public infrastructure necessary in the Bridge District.
3. **Maximize Grants, State/Federal Funding, and Outside Funding.** Because of the regional infrastructure required in the Bridge District and the limits to revenue that can be generated by the Bridge District, outside funding should be aggressively pursued. Grants and state/federal funding are necessary to ensure that the full vision of the Bridge District is realized. The realization and implementation of the Proposition 1C grant is critical to providing the necessary funds to build the needed infrastructure.
4. **Enhance Financial Feasibility Particularly for the First 1.0 Million Square Feet (Proposition 1C).** To ensure that the higher-density product types anticipated for the Bridge District can be realized, the CFD 27 financing structure has been designed to enhance the financial feasibility of the planned development, as opposed to discourage it. Urban development anticipated for the Bridge District is expensive to build and will test the market for new high-density urban products in the Sacramento region. The infrastructure cost to build similar product in nearby urban neighborhoods is less expensive because the street grid and utility systems were installed many years ago. In the Bridge District almost all of the necessary infrastructure must be constructed.

In addition, the required Proposition 1C housing must be constructed within a specified time frame. Upfront costs for infrastructure should be minimized so that the housing development can proceed within the time frame required.

5. **Differentiate between Backbone and Supplemental Improvements.** The engineering and planning analysis over the previous two years has resulted in an identification of backbone and supplemental infrastructure improvements. The backbone improvements must be financed and constructed to support development. The supplemental improvements are also necessary to achieve the urban vision of the Bridge District, but can rely on more speculative sources of revenue.

6. **Establish Urban Standards for Bridge District Infrastructure.** In 2008, the City Council approved a Strategic Plan objective to identify a set of urban standards for review and recommendation. The Bridge District infrastructure has been engineered using the latest thinking in urban standards to ensure that the size of the infrastructure is appropriate relative to the urban development anticipated. The financing recommendations in this report have incorporated the engineering principles and data associated with urban standards to establish appropriate infrastructure costs.

7. **Increase Incentives for Urban Densities.** Encouraging, as opposed to requiring minimum densities, is the consensus approach to helping to achieve the urban vision of the Bridge District. The financing mechanisms contained in this report have been structured so that where possible the cost of infrastructure per square foot decreases the more dense the development product.

8. **Create a Self-Financing District.** To efficiently use financial resources generated by development in the Bridge District and to direct those resources toward the necessary backbone and supplemental infrastructure, the Bridge District should be predominately self-financing. This means that revenue generated by development in the Bridge District should predominately stay in the District and only limited City revenue from outside of the District should be used for infrastructure financing in the Bridge District.

9. **Acknowledge Regional Contribution of the Bridge District.** The self-financing objective is based on an acknowledgement that the infrastructure built in the Bridge District does have a regional (citywide) benefit. In particular, the riverfront improvements and approximately 70 percent of the costs of the road network associated with the urban street grid will provide regional benefit to the rest of West Sacramento. Instead of funding these regional improvements through the current citywide fee programs for traffic and parks, it is proposed that they be financed through a one-time special tax paid by property owners in the District through CFD 27, as well as tax increment generated by development in the District.

10. **Encourage Ongoing Public-Private Partnerships.** The technical work prepared over the previous two years has been the result of a cooperative public-private partnership between the City and the property owners. The financing recommendations in this report are based on the objective that the primary sources of infrastructure funding in the Bridge District will come from tax increment generated by the Bridge District and taxes from a CFD paid by both undeveloped and developed property in the Bridge District.

Financing Recommendations

The following summarizes the financing recommendations contained in this report.

1. **Form CFD 27.** The CFD 27 formation process began in the fall of 2009. The key components of the district are described below:

    a. **Annual Tax.** This is an annual tax with bonding authority for the financing of infrastructure in the Bridge District. The annual tax comprises two components: a tax on undeveloped land and a tax on developed land.

    b. **Bridge District One-time Special Tax ("Bridge OTST" or "Bridge District OTST").** This is a one-time special tax for infrastructure in the Bridge District, paid at final inspection.

    c. **Regional One-time Special Tax (Regional OTST).** This is a one-time special tax, paid at building permit (or some other time in the regulatory review period) for payment of regional infrastructure located outside of the Bridge District.

2. **Institute One-time Special Tax as a substitute for select fees. The one-time special** tax concept (outlined above) is essentially a substitute for a new Bridge District Specific Plan fee and an alternative to citywide development fees. There are two primary reasons for a one-time special tax instead of a fee as described below.

    a. **Flexibility of Tax Rates.** The tax rates can be set to allow for uniform rates between land uses. Rates can integrate the use of density incentives and include the ability to defer costs for initial development to later phases. Ensuring financial feasibility for urban development can also be integrated into the amount of the tax rate.

    b. **Flexible Cash Flow Revenue.** The revenue from the one-time special tax can be more easily matched up with the CFD special tax bonds and the property tax increment revenue to facilitate the Bridge District's infrastructure cash flow requirements.

3. **Replace the Bridge District's requirements to pay certain citywide development impact fees with payment from CFD 27 Regional OTST.** For regional fee programs that fund improvements outside of the Bridge District, the Regional OTST would replace the Bridge District's current obligations under the City's Book of Imposts to be paid at building permit (or at some other regulatory trigger). This would apply to debt service on the water treatment plant, citywide sewer collection, fire facilities, police facilities, city hall, the corporation yard, and child care. All Regional OTST revenue collected as part of CFD 27 for these categories would go to the respective city fund for that infrastructure category.

    For parks and traffic, the Bridge District's current requirements under the citywide development impact fees would be replaced by CFD 27's annual tax and the Bridge One-time Special Tax. Funds collected for parks and traffic would be used in the Bridge District.

    Using its current fee structure, the in-lieu flood protection fee would still be applicable in the Bridge District. Any Affordable Housing requirements in the form of in-lieu fees or land dedication are still required of Bridge District development. All plan review, building inspection, or fees related to entitlements fees, as well as non-City fees are applicable in their current and amended forms.

Please note that the recommendations in this report related to the citywide fee programs are in no way meant to limit the City's authority for the imposition of existing or future impact fees. Future actions taken by the City, either through revised ordinances such as the granting of vested development rights through the subdivision map process, or the development agreement process, or other mechanisms will be the ultimate source for defining final fee burden.

4. **Use Bridge District-Generated Tax Increment for Necessary Backbone and Supplemental Infrastructure.** The cash flow analysis contained in this report illustrates the use of property tax increment predominantly for riverfront improvements and shared parking. The actual use of Bridge District tax increment vis-à-vis specific facilities in the District is at the discretion of the City Council in accordance with negotiated development agreements, the Bridge District Specific Plan, and other regulatory documents related to the Bridge District.

5. **Reserve financing capacity for necessary infrastructure categories with no current approved financing mechanism.** Portions of the cost for public parking and streetcar have been included in this analysis. Preliminary studies associated with funding these costs have been prepared and that information has been incorporated into this report.

6. **Keep use of funds flexible.** All financing mechanisms adopted in the Bridge District should be flexible enough to finance all infrastructure categories necessary in the District. Over the 20 to 30 years anticipated for build out of the Bridge District, the exact mix of infrastructure facilities and associated costs will change. Maintaining flexibility in financing that infrastructure is necessary.

7. **Allow for the issuance of debt on undeveloped property.** In accordance with the scope of infrastructure required for the Proposition 1C project, approximately $9 to $11 million is needed from an immediate bond issuance on undeveloped property in CFD 27. This bond sale should be scheduled when the cost of municipal bonds returns to appropriate levels. However, it is expected that sale will be needed in the summer of 2010.

8. **Provide an escalation factor for the tax rates.** The annual tax should escalate at 2 percent annually consistent with the escalation of property taxes. The one-time special tax is to be used to fund regional and Bridge infrastructure and authorized CFD infrastructure on a "pay-as-you-go" basis and will be escalated using the Engineering News Record Construction Cost Index (ENRCCI).

   Infrastructure costs also may be adjusted because of updated cost estimates, changes in facilities, or improved market feasibility. The exact method for making such adjustments is described in the Rate and Method of Apportionment (RMA).

9. **Limit initial cash payments related to the purchase of private land needed for regional public infrastructure.** When it is necessary to purchase private land for regional public infrastructure, the costs of that land purchase should be funded, whenever possible, by credits against the Bridge OTST. Given that right of ways may need to be acquired

before the Bridge District can generate sufficient revenue, there will be limited initial revenue to pay cash for land. Instead, when possible the costs of the land should be incorporated into the Bridge OTST, with credits provided at the time of OTST payment. Additional repayments can be generated thru future revenue from CFD 27, Bridge District tax increment, or other sources of revenue generated by the District.

Any specific credits and reimbursements should be memorialized in individual reimbursement agreements with the property owner dedicating the property.

For private land needed for non-regional infrastructure, dedication, without payment, should be required.

10. **Provide advance funding if needed.** It is likely that over the course of building the infrastructure in the Bridge District, there will be cash flow limitations because the timing of the need for the facilities will not exactly match the flow of revenue from the Bridge District. Advance funding by the project developer of specific facilities may be needed. Alternatively, additional bonds on undeveloped property may be needed to build the necessary infrastructure when needed. However, the capacity of the undeveloped land tax is limited and will likely not allow for additional bonds on undeveloped land, at least in the near to medium term. Tax increment from the Bridge District can also be used to advance fund, but this revenue typically flows in after a project has been constructed.

11. **Lighting and landscaping and riverfront operations and maintenance costs.** A services CFD should be formed to fund lighting and landscaping and riverfront operations and maintenance. The amount of the services CFD should be compared to the City's goal of keeping overall tax rates at or below 1.5 percent. Because the riverfront is a citywide amenity that will attract residents and employees from throughout the City, a portion of the costs of the riverfront operations and maintenance should be funded by the Bridge District Services CFD and a portion should be funded by the City's General Fund.

12. **Create incentives for higher density development.** The following summarizes the mechanisms in the recommended financing sources that create incentives for density in the Bridge District.

    a. **Application of Urban Standards to Regional Development Impact Fees.** For offsite infrastructure (water treatment, sewer connection, fire, police, corporation yard, and city hall), urban standard use factors have been applied to set the appropriate fee. These use factors include urban water and sewer gallons per day, modified people per household factors, and an acknowledgement that the buy-in component of the water impact fee is not appropriate given the re-use of the Bridge District (i.e., existing development in the Bridge District has already paid into the existing water infrastructure system).

    b. **Transformation of Regional Fees to a Regional OTST Calculated on a Land Square Foot Basis.** After applying the urban standards described in item 13a, the regional fee amount will be calculated on a land square foot basis regardless of land use. This will equalize the infrastructure costs across land uses and provide incentives for density. The density incentive occurs because as a developer builds more on a particular site, the infrastructure cost per building square foot will decrease.

c. **Calculation of Bridge OTST on a Land Square Foot Basis.** For pay-as-you-go facilities that are included in the Bridge OTST, the amount will be calculated on a land square foot basis, also providing incentives for density as described in item 13b.

d. **Additional One-time Special Tax for Not Meeting Average Floor Area Ratio (FAR).** If a developer builds at a density that is lower than the target FAR, there is an additional One-time Special Tax (Additional OTST). This lowers the infrastructure burden for high density and increases the infrastructure burden for low density. If a developer builds at a higher density beyond the target FAR, there is no Additional OTST. The target FARs are 1.5 for residential development and 2.0 for nonresidential development. The calculation to determine the FAR is defined in the RMA.

13. **Create an administrative handbook for collecting the special taxes.** The City should prepare an administrative handbook that addresses how the annual and one-time special taxes are collected. Specific topics to include are timing of collection, credits and reimbursements, addressing land uses not explicitly identified in the rate and method of apportionment, and other administrative issues.

14. **Plan for periodic updates of the Financing Analysis and CFD 27 Special Tax Rates.** These updates will be performed to evaluate progress at various stages of development and will likely occur concurrently with updates to the Bridge District Implementation Plan. Any updates will follow the rules outlined in the RMA for updating tax rates.

Organization of the Report

This report is organized as follows:

- **Chapter 1—Introduction.** This chapter identifies the background, the purpose of the report, the objectives that underlie the financing recommendations, and the associated recommendations.
- **Chapter 2—Land Use.** This chapter presents the projected absorption schedule for residential and nonresidential development and estimates an overall FAR.
- **Chapter 3—Bridge District Infrastructure.** This chapter summarizes the Bridge District public infrastructure cost estimates and the phasing of costs.
- **Chapter 4—Financing Strategy.** This chapter summarizes the ultimate sources and uses of funds associated with the infrastructure in the Bridge District.
- **Chapter 5—Cash Flow Analysis.** This chapter projects a cash flow scenario that integrates all the financing sources with the costs of infrastructure over time.
- **Chapter 6—Regional Development Impact Fees in the Bridge District.** This chapter provides the analysis supporting the use of urban standards to calculate the appropriate Regional OTST for the Bridge District.

- **Chapter 7—Estimated Ultimate Infrastructure Burden.** This chapter summarizes the estimated ultimate infrastructure burden in the Bridge District and compares it to the current burden. A comparison of infrastructure burden in other urban areas of Sacramento is also included.
- **Chapter 8—The RMA.** This chapter lays out the key characteristics of CFD 27 that are reflected in the RMA.

In addition, the report contains five appendices:

- **Appendix A** details the Bridge District land uses and projected absorption schedule.
- **Appendix B** details the annual estimated property tax increment available to the Bridge District.
- **Appendix C** details the components of CFD 27, including the annual tax estimates, the corresponding bonding capacity and cash flow analysis, the Bridge OTST estimates, and the corresponding OTST cash flow analysis.
- **Appendix D** provides detailed calculations related to the Regional OTST by land use and development Tier.
- **Appendix E** summarizes the CFD 27 One-time Special Tax rates and Annual Tax rates by land use.

2. LAND USE

Overview

The Bridge District contains approximately 5.0 million square feet of developable land.[1] Approximately 3.7 million square feet is net developable land, which for the purposes of this report should be considered "taxable land". Of the 5.0 million gross square feet of developable land, 1.3 million land square feet in the following categories were excluded:

1. Neighborhood parks (Core, Garden, and Ironworks).
2. Planned riverfront improvements.
3. All land east of the flood no build line.
4. Regional and non-regional road right of way and associated utilities.
5. Sidewalks.
6. Possible storm drain basin 2 acres in size.
7. Located universal streets.
8. Universal streets not currently located but estimated to be placed in specific blocks.
9. Existing development.

The boundary of the Bridge District is the area included in the proposed Specific Plan amendments. **Table A-1** in **Appendix A** shows the net developable and taxable land square feet by current owner.[2] The taxable land uses will be a mixture of residential and commercial. The average size of a residential dwelling unit is assumed to be 1,000 building square feet. Further, approximately two-thirds of the residential units are assumed to be owned, and the other one-third is assumed to be rented.

While the Specific Plan entitlements allow for up to 12.5 million square feet of development and the expected buildout is 9.6 million square feet, the Financing Analysis assumes a development absorption schedule that yields 6.0 million square feet of development at buildout of the Bridge District, resulting in an average net FAR of 1.63. The 6.0 million square feet of development is in addition to development that has already occurred in the Bridge District, such as Raley Field and Ironworks. It is likely that development in the District will actually occur at net FARs higher and lower than the average assumed in this analysis. For purposes of establishing special tax rates, it is assumed that 6 million building square feet will fully fund the most significant backbone and supplemental infrastructure and public amenities. Should development surpass this estimate within the same time frame, additional tax increment and CFD 27 special tax

[1] Per City GIS, net land square feet is based on street grid 20, which has been rectified by the surveyor. However, a record of survey is still underway to complete the final rectification.

[2] Net square feet of land includes (1) Land used for public parking structures; (2) Land used for affordable housing; and (3) the railroad property. Note: EPS excludes railroad property based on expected initial participation in the initial CFD. However, it is technically taxable and it is labeled as such.

revenue could be generated. Development beyond 6 million square feet or other sources of funding will finance the remaining facilities and amenities planned for the Specific Plan.

Development Tiers

As discussed in **Chapter 1**, receipt of Proposition 1C grant funding depends on the initial 731 housing units (Proposition 1C units) being constructed within a specified time frame. To encourage development of these units and of future units, three tiers of development have been created for the Bridge District, detailed in **Chapter 3**, with the first two tiers receiving financing incentives. In particular, the first tier will be assessed the lowest CFD 27 OTST rates, with the rate increasing for each of the successive tiers. The three development tiers are summarized below:

- Tier 1: First 1 million building square feet
- Tier 2: Between 1 million and 6 million building square feet
- Tier 3: More than 6 million building square feet

Absorption Schedule

A projected absorption schedule was developed for the first 6 million building square feet of development in the Bridge District. This estimated absorption schedule is used to develop a structured financing approach for the required infrastructure. Actual development will vary from the estimated schedule. The Financing Analysis will be monitored and periodically updated to reflect actual development as it occurs. The different funding sources available allow flexibility in the financing strategy when development varies from projected development.

Table 1 summarizes the projected absorption schedule by tier for the 6 million building square feet assumed at buildout. **Table 1** also includes the projected undeveloped land remaining after development in each tier has been completed. Undeveloped land initially totals 3.7 million square feet and declines each year until buildout when there will be no undeveloped land left. It is anticipated that additional building square feet beyond 6 million will develop if the actual FAR exceeds the projected average net FAR of 1.79, providing for available land for development as part of Tier 3. **Table A-2** in **Appendix A** shows the annual absorption schedule by land use.

DRAFT

Table 1
West Sacramento Bridge District Cash Flow
Absorption Schedule Summary -- Financing Plan Scenario

Item	Possible Development Years	Building Square Feet			Land Square Feet		
		Residential	Nonresidential	Total	Total Undeveloped [1]	Less Developed [2]	Remaining Undeveloped
FAR [3]						1.79	
Tier 1	**2013-2017**	731,000	269,000	**1,000,000**	3,347,487	(557,914)	**2,789,572**
Tier 2	**2017-2031**	2,722,000	2,278,000	**5,000,000**	2,789,572	(2,789,572)	**0**
Tier 3 [4]	**2031+**	0	0	**0**	0	0	**0**
TOTAL		**3,453,000**	**2,547,000**	**6,000,000**	**3,347,487**	**(3,347,487)**	**0**

absorp sum

Source: EPS and City of West Sacramento

[1] Total land square feet = taxable square feet for CFD 27.
[2] Land square feet developed = building square feet developed / FAR
[3] Floor Area Ratio (FAR) Calculation:

Net Developable Land Sq.Ft.	*a*	3,347,487
Total Building Sq.Ft.	*b*	6,000,000
FAR	*b/a*	**1.79**

[4] This absorption schedule assumes all land is absorbed by 2031 and no land remains in Tier 3. Should development occur at higher densities than the average in this analysis, however, land will be available for development as part of Tier 3.

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3. *Bridge District Infrastructure*

Infrastructure Items

The backbone and supplemental infrastructure and public facility funding program will allow development of the Bridge District in a timely fashion. The funding program includes the following types of infrastructure and public facilities.

BACKBONE INFRASTRUCTURE

- Roadways—Regional
- Roadways—Bridge District
- Roadways—Other
- Drainage
- Sewer
- Transit
- Pre-Development
- Water
- Joint Trench
- Neighborhood Parks
- Distributed Neighborhood Park Elements
- Riverfront (initial phase, asphalt path, plaza)
- CEMEX Relocation/Weyerhaeuser Purchase

SUPPLEMENTAL INFRASTRUCTURE

- Riverfront (full build out)
- Parking garages

There is an additional supplemental infrastructure category called civic amenities that implements the policies and intent of the Bridge District Specific Plan and is part of the infrastructure program established in the Bridge District Specific Plan Volume III. This category would add specific amenities to certain key civic corridors, including Tower Bridge Gateway, Main Street, and Ballpark Street. Because the scope of this infrastructure is very preliminary, this category of supplemental infrastructure has not been analyzed in this Financing Analysis

Infrastructure Cost Categories

The Bridge District public infrastructure costs are divided into four categories, as follows:

- Regional
- Bridge District
- Other
- Parcel

Regional costs represent backbone improvements that are predominately of citywide or regional benefit. Bridge District costs represent backbone improvements that are primarily of benefit to the Bridge District. Other costs represent improvements that are predominately of benefit to a parcel or small set of parcels outside of the Bridge District. Parcel costs (predominately sidewalks in existing cost estimates) represent improvements that are predominately of benefit to a parcel or small set of parcels in the Bridge District. The Bridge District Specific Plan allows certain sidewalk improvements in the public right of way to be eligible for public investment. Consistent with the Specific Plan, costs associated with sidewalks that are part of the public right-of-way are eligible costs under CFD 27. However, in this Financing Analysis, the majority of the sidewalk costs are assumed to be privately funded. Some sidewalk improvements are assumed to be funded through the Proposition 1C grant.

Table 2 summarizes the costs by category. The source of these estimated costs is the *Draft Bridge District Implementation Plan Select Technical Materials* dated January 7, 2009.

Sources of Cost Estimates

The source of the cost estimates included in this report for the above infrastructure are from the Bridge District Implementation Plan Technical Appendices. The sources of that data are listed below:

- **Storm Drainage, sewer, water, joint trench, and roadway costs:** URS Corporation (URS) and City of West Sacramento engineering analysis (November 2008 and based on street grid 20)
- **Neighborhood parks and Riverfront costs:** Walker Macy landscape architects, January 2008 cost estimates.
- **Structured parking costs:** West Sacramento Comprehensive Parking Program prepared by Wilbur Smith, October 17, 2008. Parking cost estimates are based on parking need generated by anticipated build-out of 9.6 million square feet.
- **Transit (Streetcar and other transit facilities):** City of West Sacramento and input from members of the streetcar project team.
- **Pre-Development costs:** City of West Sacramento. The majority of the estimated costs are costs already expended, and the remainder is an estimate of remaining planning contracts. Design and soft costs for specific infrastructure facilities are included as part of the individual infrastructure cost estimates from the sources listed above.
- **CEMEX Relocation/Weyerhaeuser Purchase:** City of West Sacramento. These costs are costs already expended to relocate the CEMEX cement terminal and to purchase the Weyerhaeuser property.

Cost Phasing

The estimated cost of infrastructure has been divided into the following phases and categories.

- Costs Previously Expended
- Proposition 1C Phase
- Remaining Backbone Infrastructure
- Supplemental Infrastructure—can occur simultaneously with Backbone Infrastructure

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Table 2
West Sacramento Bridge District Cash Flow
Backbone Infrastructure and Public Facilities Costs by Category

Item	TOTAL	Cost Responsibility by Category [1]			
		Regional	Bridge District	Other	Parcel [2]
Drainage	$ 8,660,000	$ 0	$ 7,370,000	$ 1,290,000	NOT INCLUDED IN FINANCING ANALYSIS
Sewer	$ 5,160,000	$ 0	$ 5,160,000	$ 0	
Water	$ 6,760,000	$ 0	$ 6,710,000	$ 50,000	
Joint Trench	$ 1,510,000	$ 0	$ 1,310,000	$ 200,000	
Roadways - Regional	$ 36,730,000	$ 36,730,000	$ 0	$ 0	
Roadways - Bridge District	$ 11,570,000	$ 0	$ 11,570,000	$ 0	
Roadways - Other	$ 3,990,000	$ 0	$ 0	$ 3,990,000	
Transit	$ 15,000,000	$ 1,000,000	$ 12,600,000	$ 1,400,000	
Parking Garages	$ 59,260,000	$ 0	$ 59,260,000	$ 0	
Neighborhood Parks	$ 9,600,000	$ 0	$ 9,600,000	$ 0	
Distributed NH Park Elements	$ 7,130,000	$ 0	$ 7,130,000	$ 0	
Riverfront	$ 59,200,000	$ 29,600,000	$ 29,600,000	$ 0	
Pre-Development	$ 5,820,000	$ 0	$ 5,820,000	$ 0	
Cemex Relocation / Weyerhaeuser Purchase	$ 18,000,000	$ 0	$ 18,000,000	$ 0	
TOTAL	**$ 248,390,000**	**$ 67,330,000**	**$ 174,130,000**	**$ 6,930,000**	
Percent of Total	*100%*	*27%*	*70%*	*3%*	

cost by cat

[1] Costs rounded to nearest $10,000
[2] Parcel costs include sidewalks, which are generally the responsibility of the individual parcel. The Financing Analysis does not analyze these costs.

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Table 3 shows the estimated cost of the Bridge District infrastructure and public facilities by phase in 2008 dollars. Also shown are the estimated years for each phase/category. Each of the phases/categories is described below.

Costs Previously Expended

Some Bridge District costs have already been expended for planning, design, and land acquisition. In particular, costs have been expended for Riverfront design and permitting, planning contracts (predevelopment), relocation of the CEMEX cement terminal, and purchase of the Weyerhaeuser property.

Proposition 1C Phase

In 2006, the voters of the state of California passed Proposition 1C, which provides funding for affordable housing and infrastructure in California. In June 2008, the City was awarded a $23.8 million Proposition 1C Infill Incentive grant for financing of Bridge District infrastructure. The grant money will be used to partially fund the infrastructure necessary for development of the first 731 dwelling units (Proposition 1C Housing) in the Bridge District. Under the requirements of the grant, the City must have constructed the infrastructure needed for development of these units by Spring of 2011. The cost of this infrastructure needed for the first 731 units is included in the Proposition 1C Phase. It is estimated that this infrastructure will be funded during fiscal years 2009-2010 and 2010-2011.

Remaining Backbone Infrastructure

This phase/category includes all remaining backbone infrastructure needed for buildout of the Bridge District beyond the Proposition 1C phase infrastructure. Development of this infrastructure is assumed to begin after development begins on the Proposition 1C Housing, currently estimated in 2013. This infrastructure includes all remaining drainage, joint trench, and transit improvements, as well as some of the remaining neighborhood park facilities. The financing of the infrastructure in this phase is estimated for 2017 through 2022. However, it could occur earlier with the use of advance funding or if development is accelerated beyond the absorption schedule outlined in this model.

Supplemental Infrastructure

This phase/category includes supplemental investments identified for the Bridge District. This infrastructure includes shared parking, and remaining Riverfront improvements. The financing of the majority of these facilities in this phase/category is estimated for 2022 through 2031 to support 9.6 million building square feet at buildout. However, supplemental infrastructure can be built in parallel to backbone infrastructure if funds are available.

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Table 3
West Sacramento Bridge District Cash Flow
Backbone Infrastructure and Public Facilities Costs by Phase

		Costs [1]			
Item	**TOTAL**	**Previously Expended**	**Initial Prop. 1C Phase**	**Remaining Backbone Infrastructure**	**Supplemental Infrastructure**
Estimated Year			*2009 - 2011*	*2017 - 2022 [2]*	*2022 - 2031+ [2]*
Drainage	$ 8,670,000	$ 0	$ 4,370,000	$ 4,300,000	$ 0
Sewer	$ 5,160,000	$ 0	$ 5,160,000	$ 0	$ 0
Water	$ 6,760,000	$ 0	$ 6,760,000	$ 0	$ 0
Joint Trench	$ 1,520,000	$ 0	$ 510,000	$ 1,010,000	$ 0
Roadways - Regional	$ 36,730,000	$ 0	$ 18,980,000	$ 17,750,000	$ 0
Roadways - Bridge District	$ 11,570,000	$ 0	$ 2,390,000	$ 9,180,000	$ 0
Roadways - Other	$ 3,990,000	$ 0	$ 1,450,000	$ 2,540,000	$ 0
Transit	$ 15,000,000	$ 0	$ 2,100,000	$ 12,900,000	$ 0
Parking Garages	$ 59,260,000	$ 0	$ 1,260,000	$ 0	$ 58,000,000
Neighborhood Parks	$ 9,590,000	$ 550,000	$ 1,050,000	$ 2,750,000	$ 5,240,000
Distributed NH Park Elements	$ 7,140,000	$ 0	$ 0	$ 3,570,000	$ 3,570,000
Riverfront	$ 59,200,000	$ 600,000	$ 8,000,000	$ 11,680,000	$ 38,920,000
Pre-Development	$ 5,820,000	$ 3,920,000	$ 1,900,000	$ 0	$ 0
Cemex Relocation / Weyerhaeuser Purchase	$ 18,000,000	$ 18,000,000	$ 0	$ 0	$ 0
TOTAL	**$ 248,410,000**	**$ 23,070,000**	**$ 53,930,000**	**$ 65,680,000**	**$ 105,730,000**
Percent of Total	*100%*	*9%*	*22%*	*26%*	*43%*

costs

[1] Costs rounded to nearest $10,000
[2] Backbone and supplemental infrastructure can be constructed simultaneously depending on the availability of funds.

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4. *FINANCING STRATEGY*

Sources and Uses of Funds

Overview

Depending on the cost phasing and cost category, different funding sources are available to finance the Bridge District public infrastructure. **Table 4** summarizes the anticipated sources and uses of funds for the Bridge District infrastructure financing program. Bridge District property tax increment and CFD 27 revenues will fund approximately 70 percent of the total backbone and supplemental infrastructure costs included in the funding program. The various funding sources are listed below and detailed further in the remainder of this chapter.

- Proposition 1C Grant
- Proposition 50 Grant
- Other Grants
- Outside Property Tax Increment
- Bridge District Property Tax Increment Bonds
- Bridge District Property Tax Increment Pay-As-You-Go (P-A-Y-G) Revenue
- Outside Citywide Regional Impact Fees
- CFD 23
- CFD 27 Bonds
- CFD 27 P-A-Y-G Revenue
- CFD 27 One-time Special Tax (OTST) Revenue
- Owner Contributions
- Non-Bridge Streetcar Assessment
- Yolo County Transportation Authority
- Additional Revenue Generated by Development Beyond 6 Million Square Feet

Proposition 1C Grant

In June 2008, the City was awarded a $23.1 million Proposition 1C Infill Incentive grant for financing of Bridge District infrastructure. The grant money will be used to partially fund the infrastructure necessary for development of the Proposition 1C Housing (first 731 dwelling units) in the Bridge District. This infrastructure will serve not only the Proposition 1C Housing but also further development in the Bridge District. Under the requirements of the grant, the City must have constructed this infrastructure by spring of 2011. Building permits for the Proposition 1C Housing must be in place by 2013 and certificate of occupancy for the housing units must be in place by 2016. Amendments to these deadlines may be possible based on market conditions.

Proposition 50 Grant

In 2002, the State of California voters approved Proposition 50, which provides funding for the acquisition, restoration, protection, and development of river parkways. In June 2007, the City was awarded a $1.7 million Proposition 50 grant for Riverfront improvements.

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Table 4
West Sacramento Bridge District Cash Flow
Sources and Uses of Funds

PRELIMINARY ESTIMATES

CFD Annual Tax: $0.50 per Building Square Foot
AV for Property Tax Increment: $325,000 per Owned Unit; $175,000 per Rental Unit

		Up to 6 Million Building Square Feet													Over 6 Mil. Bldg Sq. Ft. [4]
Item	Total [1]	Prop 1c [2]	Prop 50	Other Grants	Outside Tax Increment	Property Tax Increment Bonds	Property Tax Increment P-A-Y-G [3]	Outside Regional Impact Fees	Tier 1 and Tier 2 One-time Special Tax	CFD No. 23 and CFD No. 27 Bonds	CFD No. 27 P-A-Y-G [3]	Owners	Street Car Assessments (Non-Bridge)	Transit Grants	CFD 27 Bonds and P-A-Y-G
Total Revenue Available	$248,395,271	$22,828,311	$1,727,741	$32,914,168	$25,104,010	$53,400,000	$16,587,807	$3,182,039	$22,286,570	$40,788,251	$3,665,653	$1,650,000	$1,400,000	$2,900,000	$19,960,722
Less Costs															
Backbone															
Drainage	$8,666,400	$2,839,850	$0	$0	$0	$0	$0	$0	$5,826,550	$0	$0	$0	$0	$0	$0
Sewer	$5,160,000	$1,725,600	$0	$0	$0	$0	$0	$0	$3,434,400	$0	$0	$0	$0	$0	$0
Water	$6,757,000	$460,400	$0	$0	$0	$0	$0	$0	$6,296,600	$0	$0	$0	$0	$0	$0
Joint Trench	$1,510,000	$202,000	$0	$0	$0	$0	$0	$0	$1,308,000	$0	$0	$0	$0	$0	$0
Roadways - Regional	$36,727,000	$15,394,961	$0	$0	$0	$10,487,807	$0	$2,682,039	$1,167,000	$6,995,193	$0	$0	$0	$0	$0
Roadways - Bridge Dist.	$11,570,000	$155,500	$0	$0	$0	$0	$0	$0	$0	$11,414,500	$0	$0	$0	$0	$0
Roadways - Other	$3,986,200	$0	$0	$0	$3,986,200	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transit	$15,000,000	$140,000	$0	$0	$0	$0	$0	$0	$0	$10,560,000	$0	$0	$1,400,000	$2,900,000	$0
Neighborhood Parks	$9,599,816	$0	$0	$0	$552,816	$1,500,000	$0	$500,000	$1,424,500	$0	$0	$0	$0	$0	$5,622,500
Dist. NH Park Elements	$7,134,600	$0	$0	$0	$0	$0	$0	$0	$0	$1,000,000	$0	$0	$0	$0	$6,134,600
Riverfront Backbone	$20,281,520	$0	$1,727,741	$2,197,788	$4,042,259	$0	$0	$0	$2,829,520	$5,818,559	$3,665,653	$0	$0	$0	$0
Pre-Development [5]	$5,822,735	$650,000	$0	$0	$3,522,735	$0	$0	$0	$0	$0	$0	$1,650,000	$0	$0	$0
Cemex Relocation [6]	$18,000,000	$0	$0	$0	$13,000,000	$0	$0	$0	$0	$5,000,000	$0	$0	$0	$0	$0
Subtotal	$150,215,271	$21,568,311	$1,727,741	$2,197,788	$25,104,010	$11,987,807	$0	$3,182,039	$22,286,570	$40,788,251	$3,665,653	$1,850,000	$1,400,000	$2,900,000	$11,757,100
Supplemental															
Parking Garages	$59,260,000	$1,260,000	$0	$0	$0	$41,412,193	$16,587,807	$0	$0	$0	$0	$0	$0	$0	$0
Riverfront Supplemental	$38,920,000	$0	$0	$30,718,378	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,203,622
Subtotal	$98,180,000	$1,260,000	$0	$30,716,378	$0	$41,412,193	$16,587,807	$0	$0	$0	$0	$0	$0	$0	$8,203,622
Total Costs	$248,395,271	$22,828,311	$1,727,741	$32,914,166	$25,104,010	$53,400,000	$16,587,807	$3,182,039	$22,286,570	$40,788,251	$3,665,653	$1,650,000	$1,400,000	$2,900,000	$19,960,722
Percent of Total	*100%*	*9%*	*1%*	*13%*	*10%*	*21%*	*7%*	*1%*	*9%*	*16%*	*1%*	*1%*	*1%*	*1%*	*8%*

source use2

[1] Total includes all amounts for 6 million bldg sq. ft. and the projected CFD bond proceeds and P-A-Y-G revenue, and associated park and Riverfront supplemental costs for development over 6 million sq. ft. Other revenues and costs for development over 6 million bldg. sq. ft are excluded.
[2] The maximum Prop 1c grant is $23,081,360.
[3] P-A-Y-G: Pay as you go. Excess tax revenue not required for debt service payments.
[4] There also may be possible additional project generated tax increment. The amount of additional tax increment depends on the value of development and the pace of development related to termination of the redevelopment area.
[5] Pre-development costs funded by the owners include approximately $150,000 for current consultant contracts and $1.5 million for the Triangle Specific Plan.
[6] Includes Weyerhaeuser Purchase.

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Other Grants

It is anticipated that grant funding will be obtained to fund various backbone and supplemental Riverfront improvements, including promenade site furnishings, lookout piers, and the floating pier and gangway. Approximately $32.9 million of other grants are estimated for funding of these improvements. Although this Other Grant funding is unidentified at this time, examples of grants that could be obtained include funds from Proposition 1C, Propositions 50/84, other state grants/appropriations, federal appropriations, and private donations.

Outside Property Tax Increment

Outside property tax increment is tax increment generated from outside of the Bridge District. Approximately $25.1 million in outside tax increment is included in this Financing Analysis. Of that amount, $16.4 million, or 65 percent, has already been spent on pre-development activities (planning, engineering, financing analysis), the purchase of the Ironworks Park/water tank site, the CEMEX relocation, and the purchase of the Weyerhaeuser site. Future tax increment contributions from outside of the Bridge District will be limited to these:

- Financing of improvements (primarily roadway) necessary for construction at the same time as Bridge District improvements, but located outside of the Bridge District. These improvements are labeled as "other" because they are not regional, nor are they Bridge District costs. These improvements benefit properties outside of the Bridge District, but are not regional in nature and have no currently identified public financing source other than tax increment.
- Approved riverfront improvements necessary to build the interim asphalt path and the matching funds necessary for the existing Proposition 50 grant.

Bridge District Property Tax Increment Bonds

Overview

As new development in the Bridge District is placed on the property tax rolls, tax increment will be generated. Property tax increment generated by the Bridge District will be used for debt service on future property tax increment bonds, which will be used to fund the parking garages and a portion of the Riverfront improvements. The security for those bonds will be tax increment collected in the Bridge District. No bonds can be issued until adequate tax increment revenue has been generated from the Bridge District to secure the bonds. Any property tax increment not used for bond debt service will be available for Pay-As-You-Go (P-A-Y-G) infrastructure expenses. **Appendix B** details the estimated property tax increment, property tax increment bond issues, and property tax increment cash flow.

Estimated Bond Proceeds

Property taxes are estimated using the assessed value assumptions for new Bridge District development shown in **Table 5** below.

Table 5
Assessed Value Assumptions

Item	Value	Source/Notes
Assessed Value - Fiscal Year 2007-2008		
Residential For Sale	$325,000 per unit	EPS and City of West Sacramento
Residential Rental	$175,000 per unit	EPS and City of West Sacramento
Commercial	$275 per sq.ft.	EPS and City of West Sacramento
Market Appreciation for New Development (Net of Inflation)	1.00%	EPS and City of West Sacramento
Annual Increase in Property Taxes for Existing Development	2.00%	EPS and City of West Sacramento

"assum"

The property tax increment available to the Bridge District is estimated as the projected property taxes net of pass through payments to Yolo County, the school districts, other tax entities, the City General Fund, and the housing set aside. A two-year lag is assumed between projected development and when property tax increment revenue is generated.

The City will issue property tax increment bonds, using the tax increment revenue for the bond debt service. The Financing Analysis assumes that there will be five property tax increment bond issues, generating a total of $53.4 million in bond proceeds. All property tax increment bonds must be repaid by 2037 when the redevelopment plan expires, so the bond terms are calculated accordingly. For example, the first bond issue is projected for 2017, so it will be a 21 year bond. This term assumes that bond debt service will begin in the year in which the bonds are issued.

Bridge District Property Tax Increment P-A-Y-G Revenue

Bridge District Tax Increment Bonds will not be sold in every year because of the need to issue an adequately sized bond. Thus, some tax increment revenue will not be used to pay bond debt. This tax increment revenue not needed for bond debt service will be available for P-A-Y-G construction expenses. A total estimated $16.6 million of tax increment P-A-Y-G revenue will be available by buildout. The amount of additional tax increment depends on the value of development and the pace of development relative to termination of the redevelopment area. There may be additional project-generated tax increment available after development of 6 million building square feet.

Outside Regional Impact Fees

Outside regional impact fees are regional impact fees assessed on development outside of the Bridge District. This report assumes that the Bridge District is self-financing, so outside regional fees do not contribute to facilities in the Bridge District, with the following four exceptions.

1. The funding for the Tower Bridge Gateway East project is being reviewed and the amount of grant funds (SACOF and Prop 1C) eligible for use on this project are being evaluated. It is possible that outside regional impact fees could be used to fund a portion of the Tower Bridge Gateway East regional road project, which is located outside of the Bridge District. Furthermore, it is possible that if repayment to the State of California is triggered under the requirements of the Proposition 1C grant, traffic impact fees may need to be used to make that repayment. The amount funded by outside regional impact fees is still being discussed; however, the Financing Analysis estimates $2.7 million to be used for this project. While citywide traffic impact fees will likely be the ultimate source of funds for a portion of these improvements, the lack of available funds in the traffic impact fee fund will require advance funding. Under this financing analysis, the proposed advance funding source is existing citywide tax increment.
2. Certain regional roadway improvements south of the Bridge District boundary are eligible for citywide traffic impact fees, and are also required for construction as part of the Bridge District infrastructure plan. It is likely that these roadways improvements would remain eligible for citywide traffic impact fee funding in the future.
3. $500,000 of outside regional impact fees have already been reserved to fund Ironworks Park improvements.
4. The proposed West-Side Rail Removal/Relocation will be retained as an eligible traffic impact fee expenditure to provide matching funds for future grants to remove this rail (supplemental investment).

Currently, the cash flow model estimates that approximately $3.2 million of outside regional impact fees will be used to fund Bridge District infrastructure.

CFD 23 Bonds

CFD 23 is an existing CFD in West Sacramento, which generated $5 million in bond proceeds to finance the relocation of the CEMEX cement terminal and its corresponding rail line. $1.6 million in additional bond proceeds will likely finance a portion of the Proposition 1C backbone infrastructure. This additional revenue from CFD 23 has not been modeled in this cash flow analysis.

CFD 27

Overview

On December 16, 2009, the City Council approved Resolution No. 09-87 declaring their intent to form CFD 27. It is anticipated that Bridge District CFD 27 will be formed in 2010. As discussed in **Chapter 1**, CFD 27 contains the following three components:

- CFD Annual Special Tax and Bonds (developed and undeveloped)
- CFD Bridge District OTST
- CFD Regional OTST

Chapter 8 summarizes the administration of CFD 27 as detailed in the RMA. **Appendix C** details the estimated CFD 27 annual taxes, bond issues, and cash flow, as well as the estimated Bridge District one-time special tax revenue and cash flow analysis. Each of the CFD 27 components is discussed in the remainder of this section.

CFD 27 Annual Special Tax and Bonds

CFD annual taxes may be assessed on both developed land and undeveloped land. Annual special tax rates were proposed on December 16, 2009 when the City Council adopted the Resolution of Intention to establish CFD 27. The annual special taxes will be used to pay bond debt service on bonds that will be issued. The maximum annual special tax rates are shown below:

- Residential Development: $0.50 per building square foot
- Nonresidential Development: $0.50 per building square foot
- Undeveloped Land: $0.40 per net land square foot

A one year lag is assumed between development and the receipt of developed land special taxes. It is anticipated that five series of CFD 27 bonds will be issued. The first bond issue is anticipated for 2010 and is planned to yield $9 million in proceeds. A tax on undeveloped land will be assessed to pay the bond debt service on this bond issue until enough development has occurred so that the maximum developed land special taxes are sufficient to cover the debt service. Future bond issues will occur when there is enough additional development to generate adequate special tax revenue to secure the bonds.

As detailed in **Appendix C,** bond proceeds total approximately $35.8 million through buildout of the Bridge District. The cash flow model projects that CFD 27 bond proceeds will be used to fund Bridge District drainage, sewer, water, joint trench, transit, regional road, and road improvements.

<u>CFD 27 P-A-Y-G Revenue</u>

CFD 27 Bonds will not be sold every year because of the need to issue an adequately sized bond. Thus, some CFD annual special tax revenue on developed land will be available for P-A-Y-G construction expenses. A total estimated $3.70 million of CFD 27 P-A-Y-G revenue will be available at buildout.

CFD 27 Bridge OTST

<u>Overview</u>

In addition to the annual special Tax, CFD 27 will contain provisions for a Bridge OTST to help fund Bridge District infrastructure. This special tax will be assessed per net land square foot and will be paid at final inspection. Different one-time special tax rates will be assessed on the three tiers of development discussed in **Chapter 2**.

Bridge OTST rates for the three tiers were established on December 16, 2009 when the City Council adopted the Resolution of Intention to establish CFD 27. The amount of the OTST for each tier was derived based on the following two factors:

1. Initial estimates of the costs associated with park land acquisition, an initial estimate of the costs associated with a portion of the regional roadway land acquisition, and the portions of the backbone parks program.
2. The appropriate rate for urban development at various tiers.

While the costs used to calculate the Bridge OTST were based on the items listed above, eligible costs associated with the OTST include all aspects of backbone and supplemental improvements.

Tiered Structure by Development

Table 6 shows the improvements in each development tier anticipated to be funded by the Bridge OTST and the resulting Bridge OTST rates. The facilities now anticipated for funding by the Bridge OTST are different than the facilities on which the current rates were based (see previous section), but the overall cost of facilities remains unchanged. The proposed one-time special tax rates are further detailed in **Appendix C**.

Table 6
Bridge One-time Special Tax Tiered Structure

Tier	Amount of Development	Facilities Funded	Proposed Rate per Net Land Sq. ft.
Tier 1	First 1.0 million building square feet	- Land acquisition (promenade, plaza, neighborhood parks, part of regional roads)	$1.54
Tier 2	1.0 - 6.0 million building square feet	- Drainage, sewer, water, and joint trench facilities not funded by Proposition 1C - Portion of regional roadway facilities - Tier 1 fair share	$7.68
Tier 3	Over 6.0 million building square feet	- Neighborhood park improvements - Neighorhood park distributed elements - Riverfront supplemental improvements - Contingency factor	$9.22

Note: Tier 3 funding is also from additional Annual Tax over 6.0 million square feet in development.

The Tier 3 special tax rate is set to be 20 percent greater than the Tier 2 special tax rate. This 20 percent increase is estimated based on the possibility that contingency revenue is needed if grants do not materialize as projected and cost estimates increase. Any Tier 3 special taxes collected will be used to fund remaining neighborhood park and Riverfront facilities that are required for development beyond 6 million square feet. Tier 3 special taxes will be collected only if there is still undeveloped land remaining after development of 6 million building square feet. The net FAR used in the model anticipates no remaining undeveloped land after 6 million building square feet, but if a greater average FAR actually is realized, then there will be remaining undeveloped land on which Tier 3 special taxes could be assessed. If Tier 3 special taxes are

insufficient to fund the Tier 3 costs, then other revenue sources, such as CFD 27 bonds or P-A-Y-G revenue beyond 6.0 million square feet could be used to fund the Tier 3 costs.

As part of periodic updates to the infrastructure and financing plan, the Bridge OTST rates can be adjusted to reflect new market data and cost information. In addition, the special tax rate for a particular project will be increased if the project builds under an FAR of 1.5 for a residential project or under an FAR of 2.0 for a nonresidential project (see the RMA for details).

CFD 27 Regional OTST

The Regional OTST replaces the payment of specific development impact fees currently required by the Bridge District development by the City's Book of Imposts. Regional OTST rates were established on December 16, 2009 when the City Council adopted the Resolution of Intention to establish CFD 27. Bridge District development will pay this special tax, but because it will not be used to finance any improvements in the Bridge District, it is not included in this Financing Analysis for the purposes of estimating funding sources for Bridge District improvements. The following existing impact fees are replaced by the Regional OTST for Bridge District development:

- Water (debt service towards the water treatment plant)
- Sewer Collection
- Police Facilities
- Fire Facilities
- Corporation Yard
- City Hall Addition
- Childcare Facilities

The Bridge District Financing Analysis assumes that amounts contributing to citywide improvements which would normally be paid through regionally serving development impact fees would be collected as a one-time special tax. For regional fee programs that fund improvements outside of the Bridge District, a one-time special tax paid at final inspection would replace the Bridge District's current obligations under the City's Book of Imposts.

Tiered Regional OTST

Similar to the Bridge OTST, components of the CFD 27 Regional OTST have been tiered to provide lower infrastructure burdens to the earlier phases of development, as described previously. All three tiers reflect reduced special taxes representing the application of urban standards to the Bridge District's proportionate allocation of costs for select facilities. Consequently, Tier 1 provides a reduced burden for the first million square fee of development. Tier 2, which comprises any development more than one million building square feet, also has a reduced infrastructure burden from existing Bridge District fee obligations. Development more than six million building square feet, or Tier 3, receives the same reduction in infrastructure burden as Tier 2.

Certain components have been excluded from Tier 1 to further lower the infrastructure burden for initial development. Those reductions have been allocated to Tiers 2 and 3 to ensure that the Bridge District's obligation is met; however special taxes in Tiers 2 and 3 are still significantly reduced from existing Bridge District fee requirements. **Table 7** shows an example of reduced residential special taxes in Tiers 1 and 2. Comparison of Tier 3 special taxes results in a similar reduction in the Regional OTST.

Table 7
Comparison of Selected Existing Fees with Fees Adjusted to Reflect Urban Standards
Residential Fees per Unit

	Existing Bridge	Estimated per Unit: Tier 1	Estimated per Unit: Tier 2 [1]
Fees Included in the Regional OTST			
Water Fee	$3,615	$1,008	$1,008
City Sewer Fee	$2,350	$0	$1,488
Fire Protection Fee	$729	$449	$449
Police Facilities Fee	$716	$0	$558
Corporation Yard Fee	$546	$0	$562
City Hall Addition Fee	$399	$0	$312
Childcare Fee	$178	$0	$226
Total Fees Included in the Regional OTST	**$8,533**	**$1,457**	**$4,603**
Percentage Reduction: Existing to Proposed		83%	46%

"reduced_fee"

[1] Tier 1 costs for Corporation Yard, City Hall, Childcare, and Police Facilities Fees are included in Tier 2. Therefore, proposed Tier 2 fees may be slightly higher than existing fees.

CFD 27 will contain provisions for a Regional OTST to help finance regional improvements. **Table 8** below itemizes the use of CFD 27 relative to each of the citywide fee programs. Detail is provided in **Chapter 7** for the purposes of estimating the total infrastructure burden for Bridge District development.

Owner Contributions

Other contributions from the property owners include frontage improvements, which are excluded from this Financing Analysis, and previous expenditures made for pre-development activities. The owner contributions for pre-development total approximately $1.65 million, including $1.5 million for previous preparation on the Triangle Specific Plan, and $150,000 for current consultant contracts.

Transit (Streetcar) Financing

With regards to transit, the costs shown reflect an estimated $10.5 million for the riverfront segment in the Bridge District. Funding for this cost would ultimately come from CFD 27. Another $700,000 is included in the costs for streetcar and represents the Bridge District's estimated share of an overall assessment district to finance the cost to bring the streetcar over the Tower Bridge.

Table 8
Summary of Regional Development Impact Fees

Citywide Fee Program	Mechanism for Bridge Development Payment	Special Fund/Use
Water	CFD 27 Regional One-time Special Tax (Tiers 1 and 2)	Water Fund (debt service on the treatment plant)
Fire Facilities	CFD 27 Regional One-time Special Tax (Tiers 1 and 2)	Fire Facilities Fund (existing debt service)
Sewer	CFD 27 Regional One-time Special Tax (Tier 2)	Sewer Fund
Corporation Yard	CFD 27 Regional One-time Special Tax (Tier 2)	Corp Yard Fund
City Hall Addition	CFD 27 Regional One-time Special Tax (Tier 2)	City Hall Fund
Police Facilities	CFD 27 Regional One-time Special Tax (Tier 2)	Police Fund
Child Care	CFD 27 Regional One-time Special Tax (Tier 2)	Child Care Fund
In-Lieu Flood Protection	In-Lieu Flood Ordinance	Flood Improvement Fund
Traffic Impact Fee	CFD 27 Annual Tax / Bridge One-time Special Tax	Regional and Bridge District Roads within the District
Parks Impact Fee	CFD 27 Annual Tax / Bridge One-time Special Tax	Regional and Neighborhood Parks within the District

In addition to CFD 27, additional sources of funding are identified for addressing the transit needs in the Bridge District.

Streetcar Assessment (Non-Bridge)

A total estimated $1.4 million in streetcar assessments from development outside of the Bridge District will help fund the first phase of the streetcar.

Yolo County Transportation District/Grants/Owners

It may be necessary to increase transit level of service before implementation of the streetcar program. If this is the case, the financing analysis assumes additional costs associated with enhanced bus service, additional transit stops (bus shelters), and transit management activities. If this type of transit enhancement is necessary before the streetcar construction, it is likely that the funding could come from a combination of sources including grants, Yolo County Transportation District (YCTD), or the project itself. Current estimates include $3.0 million, with $1.0 million from grants, 1.0 million from YCTD, $140,000 from the Proposition 1C grant, and

$900,000 from the owner/project. However, these estimates are all placeholders until it is determined if an interim approach to transit is necessary and the costs of a proposed program.

Riverfront Funding

The financing of the riverfront improvements is projected to come primarily from CFD 27, tax increment from the Bridge District, existing and future grants, and some existing tax increment already budgeted. The backbone riverfront improvements include completion of the first phase of full promenade just south of the Tower Bridge based on the Proposition 50 grant already received and the existing matching funds from the Redevelopment Agency. As part of that first phase of riverfront improvements, a complete asphalt path the entire length of the riverfront is also anticipated. Funding for this comes from already budgeted tax increment revenue and the Proposition 50 grant already received. Looking to the future, the plaza is expected to be financed through the Bridge OTST component of CFD 27 and is considered a backbone improvement. The complete promenade improvements are considered supplemental and the funding is projected to come from tax increment generated by the Bridge District and the receipt of future grants.

Additional Revenue Generated by Development beyond 6 Million Square Feet

The cash flow analysis assumed in this report is based on development of 6 million square feet by 2037, when the redevelopment plan expires. The Bridge District infrastructure and public amenities program, however, has been sized to accommodate at least 9.6 million square feet of development. To minimize the upfront costs associated with development in the Bridge District, the revenue generated from the 6.0 million square feet of development has been programmed toward backbone and supplemental facilities. Some of the backbone and supplemental facilities have been deferred to other funding sources, included the revenue generated from building beyond 6.0 million square feet of development. This revenue could be from CFD 27 bond proceeds and P-A-Y-G revenue, property tax increment bonds and P-A-Y-G revenue, and CFD 27 one-time special tax revenue.

The model includes estimates of CFD 27 bond proceeds and P-A-Y-G revenue (see **Table 4**) for development from 6 to 9 million square feet. Revenue beyond 6 million square feet of development from other sources has not been estimated in this model.

5. CASH FLOW ANALYSIS

Overview

This chapter projects a cash flow scenario that integrates all of the financing sources with the costs of infrastructure over time. **Table 9** details the estimated annual cash flow. Annual costs are programmed according to the estimated cost phasing presented in **Table 3** and the availability of funding presented in **Chapter 4**.

First 6 Million Square Feet of Development

Proposition 1C Infrastructure

The cash flow model ensures that the required infrastructure for the Proposition 1C grant is fully funded by the end of fiscal year 2010-11. This infrastructure will be funded by grants, CFD 27 bonds supported by special taxes on undeveloped land, and advance funding (as discussed in the previous chapter). Advance funding is projected for Proposition 1C infrastructure from the following sources:

- Regional road and park land dedication by property owners
- Water Fund Advance—If fund has available revenue
- Existing tax increment

Remaining Backbone and Supplemental Infrastructure

All remaining backbone and supplemental infrastructure (after the Proposition 1C infrastructure) will be funded as revenue generated by development becomes available. As discussed in **Chapter 1**, the backbone improvements must be financed and constructed, whereas some of the supplemental improvements are also necessary to achieve the urban vision of the Bridge District, but can rely on more speculative sources of revenue. Infrastructure to serve development through buildout will be funded primarily by project generated funding sources (property tax increment bond proceeds and P-A-Y-G revenue, CFD 27 bond proceeds and P-A-Y-G revenue, and CFD 27 one-time special tax revenue). It is projected that these sources will provide sufficient funding for most of the backbone and supplemental improvements, but that some of the neighborhood park improvements and amenities will be unfunded unless development exceeds 6 million building square feet.

Table 9
West Sacramento Bridge District Cash Flow
Estimated Construction Cash Flow

CFD Annual Tax: $0.50 per Building Square Foot
AV for Property Tax Increment: $325,000 per Owned Unit; $175,000 per Rental Unit

DRAFT

Item	TOTAL Through Buildout	Before 2009	Fiscal Year 2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020
CUMULATIVE BUILDING SQUARE FEET	9,000,000	0	0	0	0	0	200,000	400,000	600,000	1,000,000	1,445,500	1,845,500	2,091,000
BEGINNING BALANCE	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 41,129	$ 82,258	$ 431,867	$ 1,281,899	$ 126,142	$ 474,974
REVENUES													
CFD No. 23 Bonds	$ 5,000,000	$ 5,000,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
CFD No. 27 Bonds [1]	$ 53,894,427	$ 0	$ 9,000,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
CFD No. 27 P-A-Y-G [1]	$ 5,520,200	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Property Tax Increment Bonds (net of advance—see below)	$ 44,600,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 13,100,000
Property Tax Increment Bonds Advance Repayment	$ 8,800,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Property Tax Increment P-A-Y-G	$ 16,587,807	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 308,481	$ 592,021	$ 44,243	$ 700,482	$ 114,505
CFD One-Time Special Tax - Tiers 1 and 2	$ 22,286,570	$ 0	$ 0	$ 0	$ 0	$ 0	$ 171,801	$ 171,801	$ 171,801	$ 343,601	$ 1,909,196	$ 857,103	$ 1,909,196
CFD One-Time Special Tax - Tier 3	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Outside Tax Increment	$ 25,104,010	$ 10,421,685	$ 2,701,060	$ 3,442,259	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,538,000
Grants: Proposition 1C	$ 22,828,311	$ 0	$ 22,828,311	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Grants: Proposition 50	$ 1,727,741	$ 0	$ 0	$ 1,727,741	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Grants: Other (includes transit grants)	$ 35,814,160	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,900,000	$ 0	$ 0
Outside Regional Impact Fees	$ 3,182,039	$ 0	$ 500,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,682,039
Owner Funding	$ 1,650,000	$ 1,650,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Street Car Assessment (Non-Bridge)	$ 1,400,000	$ 0	$ 1,400,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Revenues	$ 248,395,271	$ 23,071,685	$ 38,430,177	$ 5,170,000	$ 0	$ 0	$ 171,801	$ 171,801	$ 480,281	$ 935,622	$ 4,853,439	$ 1,566,585	$ 20,343,740
LESS EXPENSES													
Drainage	($ 8,660,400)	$ 0	($ 4,369,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0		$ 0	($ 4,297,400)
Sewer	($ 5,160,000)	$ 0	($ 5,160,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Water	($ 6,757,000)	$ 0	($ 6,757,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Joint Trench	($ 1,510,000)	$ 0	($ 505,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 1,005,000)
Roadways - Regional	($ 38,727,000)	$ 0	($ 18,977,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 10,000,000)
Roadways - Bridge District	($ 11,570,000)	$ 0	($ 2,393,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Roadways - Other	($ 3,986,200)	$ 0	($ 1,448,200)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Transit	($ 15,000,000)	$ 0	($ 2,100,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 12,900,000)	$ 0	$ 0
Parking Garages	($ 59,260,000)	$ 0	($ 1,260,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Neighborhood Parks [1]	($ 8,599,016)	($ 552,810)	($ 500,000)	($ 2,053,300)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Distributed Neighborhood Park Elements [1]	($ 7,134,600)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Riverfront Backbone	($ 20,281,520)	($ 600,000)	$ 0	($ 7,899,520)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Riverfront Supplemental	($ 38,920,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Pre-Development	($ 5,022,735)	($ 3,019,069)	($ 1,003,666)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cemex Relocation	($ 18,000,000)	($ 18,000,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Expenses	($ 248,395,271)	($ 23,071,885)	($ 45,372,866)	($ 10,052,820)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 12,900,000)	$ 0	($ 15,302,400)
SURPLUS / (DEFICIT)	$ 0	$ 0	($ 8,942,689)	($ 4,882,820)	$ 0	$ 0	$ 171,801	$ 212,929	$ 562,539	$ 1,357,489	($ 6,764,662)	$ 1,692,727	$ 5,516,314
PLUS ADVANCE FUNDING (PLACEHOLDER ESTIMATES)													
Property Tax Increment Bonds Advance	$ 8,800,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 8,800,000	$ 0	$ 0
Outside Tax Increment	$ 3,042,689	$ 0	$ 3,042,689	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Water Fund Loan	$ 5,000,000	$ 0	$ 5,000,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Neighborhood Park Land Dedication - Fulcrum	$ 553,300	$ 0	$ 0	$ 553,300	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Neighborhood Park Construction - Fulcrum [3]	$ 1,500,000	$ 0	$ 0	$ 1,500,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Riverfront/Plaza Land Dedication - Fulcrum and Unger	$ 2,829,520	$ 0	$ 0	$ 2,829,520	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Regional Roads Land Acquisition	$ 900,000	$ 0	$ 900,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Advance Funding	$ 22,625,509	$ 0	$ 8,942,689	$ 4,882,820	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 8,800,000	$ 0	$ 0
LESS REPAYMENT OF ADVANCES (PLACEHOLDER ESTIMATES)													
Repayment of TI Advance	($ 8,800,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Repayment of Outside TI Advance - Regional Roads	($ 2,682,039)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 2,682,039)
Repayment of Outside TI Advance - Bridge District Roads	($ 360,650)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 360,650)	$ 0
Repayment of Water Fund Loan	($ 5,000,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
One-Time Tax Credit —Fulcrum	($ 391,706)	$ 0	$ 0	$ 0	$ 0	$ 0	($ 107,170)	($ 107,170)	($ 107,170)	($ 70,196)	$ 0	$ 0	$ 0
One-Time Tax Credit —Unger	($ 85,900)	$ 0	$ 0	$ 0	$ 0	$ 0	($ 23,502)	($ 23,502)	($ 23,502)	($ 15,394)	$ 0	$ 0	$ 0
One-time Tax Credit — Other/Remaining Fulcrum and Unger [4]	($ 3,805,214)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 1,909,196)	($ 857,103)	($ 1,038,915)
Other (Prop 1C and Other Sources) [3]	($ 1,500,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 1,500,000)
Total Repayment	($ 22,625,509)	$ 0	$ 0	$ 0	$ 0	$ 0	($ 130,672)	($ 130,672)	($ 130,672)	($ 85,590)	($ 1,909,196)	($ 1,217,753)	($ 5,220,954)
ENDING BALANCE	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 41,129	$ 82,258	$ 431,867	$ 1,281,899	$ 126,142	$ 474,974	$ 295,360

[1] CFD 27 bond proceeds and P-A-Y-G revenue and costs projected for 2031+ are included in buildout total.
[2] The advance funding amounts are placeholder estimates only.
[3] Reimbursement for advance is likely to be paid from Prop. 1C proceeds, but the tables have not been updated to reflect recent estimates for Prop. 1C sources and uses of funds.
[4] After 1st 731 units, remaining Fulcrum and Unger credits given with other credits.

Table 9
West Sacramento Bridge District Cash Flow
Estimated Construction Cash Flow

CFD Annual Tax: $0.50 per Building Square Foot
AV for Property Tax Increment: $325,000 per Owned Unit; $175,000 per Rental Unit

DRAFT

Item	TOTAL Through Buildout	Fiscal Year 2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031	2031+
CUMULATIVE BUILDING SQUARE FEET	9,000,000	2,291,000	2,871,000	3,071,000	3,651,000	3,851,000	4,431,000	4,631,000	5,211,000	5,411,000	5,878,000	6,000,000	9,000,000
BEGINNING BALANCE	$ 0	$ 295,360	$ 183,260	$ 375,798	$ 77,997	$ 1,820,898	$ 764,036	$ 1,283,672	$ 1,003,914	$ 795,990	$ 458,195	$ 488,172	$ 0
REVENUES													
CFD No. 23 Bonds	$ 5,000,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
CFD No. 27 Bonds [1]	$ 53,094,427	$ 0	$ 0	$ 6,177,432	$ 0	$ 6,600,041	$ 0	$ 6,066,683	$ 0	$ 7,144,096	$ 0	$ 0	$ 18,100,170
CFD No. 27 P-A-Y-G [1]	$ 5,520,200	$ 84,885	$ 225,251	$ 140,821	$ 296,607	$ 197,970	$ 361,078	$ 259,507	$ 430,275	$ 325,692	$ 504,474	$ 839,093	$ 1,854,546
Property Tax Increment Bonds (net of advance—see below)	$ 44,600,000	$ 0	$ 9,600,000	$ 0	$ 11,200,000	$ 0	$ 10,700,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Property Tax Increment Bonds Advance Repayment	$ 8,800,000	$ 0	$ 0	$ 0	$ 0	$ 8,800,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Property Tax Increment P-A-Y-G	$ 16,587,807	$ 445,912	$ 169,690	$ 526,843	$ 239,909	$ 629,024	$ 313,960	$ 736,950	$ 1,876,203	$ 2,335,314	$ 3,524,168	$ 4,021,103	$ 0
CFD One-Time Special Tax - Tiers 1 and 2	$ 22,206,570	$ 857,103	$ 2,485,590	$ 857,103	$ 2,485,598	$ 857,103	$ 2,485,598	$ 857,103	$ 2,485,598	$ 857,103	$ 2,001,335	$ 522,833	$ 0
CFD One-Time Special Tax - Tier 3	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Outside Tax Increment	$ 25,104,010	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Grants: Proposition 1C	$ 22,828,311	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Grants: Proposition 50	$ 1,727,741	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Grants: Other (includes transit grants)	$ 35,814,160	$ 0	$ 0	$ 0	$ 2,197,788	$ 0	$ 5,119,396	$ 5,119,390	$ 5,119,396	$ 5,119,396	$ 5,119,390	$ 5,119,396	$ 0
Outside Regional Impact Fees	$ 3,182,039	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Owner Funding	$ 1,650,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Street Car Assessment (Non-Bridge)	$ 1,400,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Revenues	$ 248,395,271	$ 1,387,901	$ 12,480,538	$ 7,702,199	$ 16,419,902	$ 17,084,136	$ 18,980,033	$ 13,839,638	$ 9,911,472	$ 15,781,601	$ 11,149,373	$ 10,502,424	$ 19,960,722
LESS EXPENSES													
Drainage	($ 8,660,400)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Sewer	($ 5,160,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Water	($ 6,757,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Joint Trench	($ 1,510,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Roadways - Regional	($ 38,727,000)	($ 1,500,000)	($ 6,250,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Roadways - Bridge District	($ 11,570,000)	$ 0	($ 3,500,000)	($ 5,000,000)	($ 677,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Roadways - Other	($ 3,986,200)	$ 0	($ 2,538,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Transit	($ 15,000,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Parking Garages	($ 59,260,000)	$ 0	$ 0	($ 3,000,000)	($ 14,000,000)	($ 3,000,000)	($ 7,000,000)	($ 9,000,000)	($ 5,000,000)	($ 11,000,000)	($ 6,000,000)	$ 0	$ 0
Neighborhood Parks [1]	($ 8,599,016)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 871,200)	($ 5,622,500)
Distributed Neighborhood Park Elements [1]	($ 7,134,600)	$ 0	$ 0	$ 0	$ 0	($ 500,000)	($ 500,000)	$ 0	$ 0	$ 0	$ 0	$ 0	($ 6,134,600)
Riverfront Backbone	($ 20,281,520)	$ 0	$ 0	$ 0	$ 0	($ 5,841,000)	($ 5,841,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Riverfront Supplemental	($ 38,920,000)	$ 0	$ 0	$ 0	$ 0	$ 0	($ 5,119,396)	($ 5,119,396)	($ 5,119,396)	($ 5,119,396)	($ 5,119,396)	($ 5,119,396)	($ 8,203,622)
Pre-Development	($ 5,022,735)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cemex Relocation	($ 18,000,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Expenses	($ 248,395,271)	($ 1,500,000)	($ 12,288,000)	($ 8,000,000)	($ 14,677,000)	($ 9,341,000)	($ 18,460,396)	($ 14,119,396)	($ 10,119,396)	($ 16,119,396)	($ 11,119,396)	($ 5,990,596)	($ 19,960,722)
SURPLUS / (DEFICIT)	$ 0	$ 183,260	$ 375,798	$ 77,997	$ 1,820,898	$ 9,564,036	$ 1,283,672	$ 1,003,914	$ 795,990	$ 458,195	$ 488,172	$ 5,000,000	$ 0
PLUS ADVANCE FUNDING (PLACEHOLDER ESTIMATES)													
Property Tax Increment Bonds Advance	$ 8,800,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Outside Tax Increment	$ 3,042,689	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Water Fund Loan	$ 5,000,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Neighborhood Park Land Dedication - Fulcrum	$ 553,300	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Neighborhood Park Construction - Fulcrum [3]	$ 1,500,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Riverfront/Plaza Land Dedication - Fulcrum and Unger	$ 2,829,520	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Regional Roads Land Acquisition	$ 900,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Advance Funding	$ 22,625,509	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
LESS REPAYMENT OF ADVANCES (PLACEHOLDER ESTIMATES)													
Repayment of TI Advance	($ 8,800,000)	$ 0	$ 0	$ 0	$ 0	($ 8,800,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Repayment of Outside TI Advance - Regional Roads	($ 2,682,039)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Repayment of Outside TI Advance - Bridge District Roads	($ 360,650)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Repayment of Water Fund Loan	($ 5,000,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 5,000,000)	$ 0
One-Time Tax Credit —Fulcrum	($ 391,706)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
One-Time Tax Credit —Unger	($ 85,900)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
One-time Tax Credit — Other/Remaining Fulcrum and Unger [4]	($ 3,805,214)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other (Prop 1C and Other Sources) [3]	($ 1,500,000)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Repayment	($ 22,625,509)	$ 0	$ 0	$ 0	$ 0	($ 8,800,000)	$ 0	$ 0	$ 0	$ 0	$ 0	($ 5,000,000)	$ 0
ENDING BALANCE	$ 0	$ 183,260	$ 375,798	$ 77,997	$ 1,820,898	$ 764,036	$ 1,283,672	$ 1,003,914	$ 795,990	$ 458,195	$ 488,172	$ 0	$ 0

"cont'd"

[1] CFD 27 bond proceeds and P-A-Y-G revenue and Tier 3 costs projected for 2031+ are included in buildout total.
[2] The advance funding amounts are placeholder estimates only.
[3] Reimbursement for advance is likely to be paid from Prop. 1C proceeds, but the tables have not been updated to reflect recent estimates for Prop. 1C sources and uses of funds.
[4] After 1st 731 units, remaining Fulcrum and Unger credits given with other credits.

Advance Funding

Advance funding may be used to finance and construct various land acquisitions and improvements in a timely manner and in accordance with the requirements of the Proposition 1C grant funding, Bridge District specific plans as amended, and development agreements in the Bridge District. The exact nature of advance funding and reimbursement will occur as the Proposition 1C grant agreement is finalized and through individual development and reimbursement agreements with the property owners. The cash flow model identified the following facilities that may be advance-funded.

- Regional Roads Land Dedication.
- Bridge District Roadways.
- Water—If revenue is available, the City Water Enterprise Fund may advance $5 million for water improvements.
- Neighborhood Park and Riverfront/Plaza Land Dedication.
- Transit—The current cash flow model assumes that funds will be advanced from property tax increment bond proceeds with repayment from CFD 27.

Development Beyond 6 Million Square Feet

While the Specific Plan entitlements allow for up to 12.5 million square feet of development and the expected buildout is 9.6 million square feet, the CFD 27 cash flow analysis assumed a development absorption schedule that yields 6.0 million square feet of development. Should development surpass this estimate within the same time frame, additional tax increment and CFD 27 special tax revenue could be generated. **Table 11** shows projected revenue from CFD 27 bond proceeds and P-A-Y-G revenue beyond 6 million building square feet. These revenue projections are based on an additional 3 million square feet of development, for a total of 9 million square feet. Additional revenue from other funding sources, such as property tax increment, the Bridge District one-time special tax, and other state and federal grants, also may be available if development were to exceed 6 million square feet, but revenue is not estimated for these sources. In addition, bonds supported by undeveloped property may be used with specified limitations for critical improvements.

6. Regional Development Impact Fees in the Bridge District

This chapter provides background and analysis related to the regionally serving fees required by the City in the Bridge District. Development impact fees reflect the proportionate share of infrastructure and public facilities required to serve new development. Fees are established typically based on the capacity of the facilities required and the volume of users for each land use. Other local jurisdictions may also require impact fees to be paid by new development, such as the County Facility Impact Fee and the Sacramento Regional County Sanitation District. The City has several regionally serving impact fees which Bridge District development is required to contribute its proportionate allocation to receive development approval.

As discussed in previous chapters, the Financing Analysis provides additional incentives to increased density. Providing density incentives, as opposed to regulating minimum densities, is the consensus approach to helping to achieve the urban vision of the Bridge District. The financing mechanisms contained in this report have been structured so that, where possible, the cost of infrastructure per square foot decreases the more dense the development product. In addition, cost allocations of regional infrastructure in the Bridge District reflect use patterns associated with denser development, and therefore a corresponding application of use factors and standards to address more urban development. This chapter describes the reduction of infrastructure burden related to citywide development impact fees by applying infrastructure use standards appropriate for urban development, and how these revised fees are incorporated into the overall Financing Analysis. This chapter also discusses the use of CFD 27 Regional OTST as a replacement funding source for certain citywide development impact fees.

Background

Under the City's current fee structure, the Bridge District is required to contribute its proportionate share of regional citywide costs for infrastructure improvements serving the City and the Triangle Specific Plan area. As part of the City's current Book of Imposts, the fees include contributions to the following public facility improvements:

- Traffic
- Parks
- City Sewer
- Water
- Fire Protection
- Police Facilities
- Corporation Yard
- City Hall
- Childcare Facilities
- Flood In-Lieu Fee (meet requirements of the ordinance)

Each of these development impact fees were calculated based on the total citywide projected development required to service the facilities funded through the respective fee programs.

Corresponding use factors were applied in each of these fee programs to allocate costs of facilities to different land uses in an equitable fashion. For the existing fees, the use factors were developed when the fee was established, applying the same use factor for both suburban and urban development types in the City. The current fee programs include proposed development in the Bridge District.

Use factors related to suburban development are often different than those of urban development. This can result in an increased share of facilities costs for the high-density urban development proposed in the Bridge District, although use of a particular facility is substantially reduced because of the smaller household sizes, less land consumption, and other factors.

An example of this relationship can be found in relation to traffic and road impact fees. Suburban development is generally more auto-oriented and the distance traveled per car trip is typically longer than those in urban developments. Urban areas have denser development patterns near a multitude of uses, requiring fewer and shorter car trips. Consequently the factors by which the proportionate share of road or traffic costs is determined should reflect the reduced traffic patterns in urban areas compared to suburban areas. Similar arguments for the use of urban standards can be applied to water, sewer, parks, and other public facilities.

Application of Urban Standards to the Bridge District

In 2008, the City Council approved a Strategic Plan objective to identify a set of urban standards for review and recommendation in the Bridge District. Volumes II and III of the amended Bridge District Specific Plan provide detail on the urban standards and engineering studies used to scale the facilities with the District. In addition, the Bridge District infrastructure has been engineered using the latest research in urban standards to ensure that the size of the infrastructure is appropriate relative to the urban development anticipated in the Bridge District. Similarly, the financing recommendations in this report have incorporated the engineering principles and data associated with urban standards to create an equitable approach to allocating infrastructure cost.

For offsite infrastructure (water treatment, sewer connection, fire, police, corporation yard, and city hall facilities), urban standard use factors have been applied to set the appropriate fee for the Bridge District. These use factors include urban water and sewer gallons per day, modified people per household factors, and an acknowledgement that the buy-in component of the water impact fee is not appropriate given the re-use of the Bridge District (i.e., development in the Bridge District already paid into the existing water infrastructure system). Proposed changes to the current infrastructure burdens are summarized below.

Adjusted Use Factors: Volume

Water System Impact Fee

The Water System Impact Fee comprises three components: Water System Buy-In, Water Treatment Plant Debt Service, and Infrastructure Expansion Costs. The existing Water Fee for all three components is $7,519 per ¾-inch meter. Revised engineering analyses conducted in 2008 provided reduced use factors for water facilities. EPS reviewed the existing water fees applicable

to the Bridge District and the updated water use factors, and assumed a reduction in demand by approximately 22 percent for residential uses,[3] and 67 percent for commercial uses to reflect urban levels of demand in water usage. These reductions are based on urban use factors of 75 gallons per day for office and commercial uses and 225 gallons per day for high-density residential development. These use factors are based on the original Triangle Specific Plan and have been integrated into the engineering plans for the District.

An adjusted Water Fee is proposed for the Bridge District, covering only the debt service component of the Fee. This adjusted fee acknowledges that the buy-in component of the water impact fee is not appropriate given the re-use of the Bridge District (i.e., existing development in the Bridge District has already paid into the existing water infrastructure system). In addition, the Bridge District will meet its requirements for the infrastructure expansion component of the water fee through contributions to Bridge District water improvements via the CFD 27 Annual Tax.

Sewer System Impact Fee

Sewer facilities are provided by two local jurisdictions: sewer treatment is provided by the Sacramento Regional County Sanitation District (SRCSD), while sewer collection is controlled by the City. The Citywide Sewer System Impact Fee comprises two components: Infrastructure Expansion and a Buy-In Component for existing sewer facilities. Existing sewer connection fees are $2,350 per multifamily unit and $642 per thousand square feet of new office space.

Revised engineering analyses conducted in 2008 provided reduced use factors for sewer facilities. Revised sewer demand factors are 90 percent of the water demand factors. EPS reviewed the existing citywide sewer fees and applied the reduced use factors to the Bridge District. In addition, EPS assumed that the Bridge District would not contribute toward citywide Sewer Infrastructure Expansion because the infrastructure expansion responsibility of the Bridge District would be met through contributions to Bridge District sewer improvements via CFD 27. An adjusted Sewer Fee is proposed for the Bridge District, covering only the Buy-In Component of the Fee.

Adjusted Use Factors: Household Size

Comparisons with Other Cities

Several development impact fees are derived by determining the total cost of facilities and allocating them based on the total "persons served" citywide. Persons served in a jurisdiction reflect the total number of residents plus employees. The City calculates the total number of residents based on the average persons per household by land use.

[3] For purposes of this analysis, land use and density assumptions consider residential units as multifamily units.

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Table 10
West Sacramento Bridge District Cash Flow
Comparison of Persons per Household Estimates by City

Item	West Sacramento [1]	Sacramento GPU [2]	Sacramento Park Fee Nexus Study [3]	Sacramento Railyards [4]	Portland	Vancouver [5]	Seattle [6]	San Jose
	City/Project Area							
Persons per Household (PPH)								
Single Family (SF) Units	3.00	2.25	2.98	-	2.06	3.10	2.08	3.50 [8]
Multi-Family (MF) Units	2.25	1.75	1.76	2.10	1.30	1.60 [7]	1.64	2.29 [9]
MF PPH as a share of SF PPH	75%	78%	59%	-	63%	52%	79%	65%

"PPH_comp"

Sources: EPS, City of West Sacramento, Sacramento General Plan Update and Cities of Portland, Vancouver, Seattle, San Jose, and San Diego.

[1] Citywide PPH estimates taken from the City of West Sacramento's Yarborough General Plan Amendment (6/07).
[2] Taken from the City of Sacramento General Plan Update (GPU) Fiscal Impact Analysis prepared by EPS. PPH values estimated by EPS to average General Plan 2030 assumption of 2.0 persons per household.
[3] Factors derived from City Code 16.64.030.
[4] Multifamily PPH taken from the Railyards Draft Environmental Impact Report (8/07). Single-family land uses were not included in this project.
[5] The City of Vancouver does not have an individual park fee. It finances park development through a Development Cost Levy that includes a variety of public facilities.
[6] The City of Seattle uses property taxes to fund new park development. Persons per household information provided by the City of Seattle Planning Department.
[7] Refers to multi-family dwellings with over 5 stories.
[8] Refers to single-family detached units.
[9] Refers to multi-family dwellings with over 5 units per structure.

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Comparisons with other cities showed that infrastructure costs were often allocated to urban development assuming lower persons per household to reflect the denser and smaller residential units. **Table 10** shows the household size factors used in other cities.

Adjusted Factors in Select Citywide Fees

Consequently City Fire Protection, Police Facilities, Corporation Yard, and City Hall Addition Fees have been adjusted for Bridge District development to assume smaller household sizes per unit and therefore the reduced impact of the smaller households. Although the reduced impact of smaller households generally results in lower fees, in some cases the fee for Tier 2 development increases because the Tier 1 costs were shifted to Tier 2 (see Table 7 and previous discussion). Nonresidential uses were not adjusted for density, as employment density, such as the number of square feet of office space per employee, for example, was not likely to change with the construction of additional building density.

A summary of the current and proposed assumptions of persons per household is shown in **Table 11**:

Table 11
Comparison of Service Population per Unit

	Service Population/Unit Citywide	Bridge District
Residential per DU		
> 2,500 Sq. Ft.	3.60	2.03
1,100 - 2,500 Sq. Ft.	3.30	2.03
< 1,100 Sq. Ft.	2.60	1.60
Nonresidential per KSF		
Retail/Service Commercial	2.00	2.00
Office/Business Park	3.33	3.33
Industrial	1.33	NA

Fire Protection Impact Fee

Based on a 2005 study conducted by Citigate Associates, fire protection facilities and equipment attributed to new development must pay a development impact fee based on the estimated per capita cost of facilities multiplied by the service population per unit for new development by land use. For a typical residential unit in the Bridge District (Tier 2), assuming an average square footage of 1,000 sq. ft. per unit, the Fire Protection Fee decreases from $729 per unit to $449 per unit.

Police Facilities Impact Fee

Police protection facilities and equipment attributed to new development must pay a development impact fee based on the estimated per capita cost of facilities multiplied by the service population per unit for new development by land use. The Police Facilities Fee is derived from the total number of incidents based on the estimated per capita cost of facilities multiplied by the service population per unit for new development by land use. For a typical residential unit in the Bridge District (Tier 2), assuming an average square footage of 1,000 sq. ft. per unit, the Police Protection Fee decreases from $716per unit to $558 per unit.

Corporation Yard Fee

New development must contribute toward the proportionate share of construction of the Corporation Yard based on the estimated per capita cost of facilities multiplied by the service population per unit for new development by land use. For a typical residential unit in the Bridge District (Tier 2), assuming an average square footage of 1,000 sq. ft. per unit, the Corporation Yard Fee increases from $546 per unit to $562 per unit.

City Hall Addition Fee

New development must contribute toward the proportionate share of construction of the City Hall based on the estimated per capita cost of facilities multiplied by the service population per unit for new development by land use. For a typical residential unit in the Bridge District (Tier 2), assuming an average square footage of 1,000 sq. ft. per unit, the City Hall Addition Fee decreases from $399 per unit to $312 per unit.

Proposed Financing Mechanisms

As noted in earlier chapters, new development in the Bridge District would contribute to its fair share of regional development impact fees through contribution of equivalent costs in CFD 27.

Regional One-Time Special Tax

The Regional OTST replaces the payment of certain development impact fees currently required by the Bridge District development by the City's Book of Imposts. The following existing impact fees are replaced by the Regional OTST for Bridge District development:

- Water (debt service towards the water treatment plant)
- Sewer Collection
- Police Facilities
- Fire Facilities
- Corporation Yard
- City Hall Addition
- Childcare Facilities

The Financing Analysis assumes that amounts contributing to citywide improvements, which would normally be paid through regionally serving development impact fees, would be collected as a one-time special tax. For regional fee programs that fund improvements outside of the Bridge District, a one-time special tax paid at building permit (or at some other regulatory trigger) would replace the Bridge District's current obligations under the City's Book of Imposts.

This Regional OTST would apply to debt service on the water treatment plant, citywide sewer collection, fire facilities, police facilities, city hall addition, the corporation yard, and child care. All one-time special tax revenue collected as part of CFD 27 for these categories would go to the respective city fund for that infrastructure category.

Appendix D provides detail on the components of the CFD 27 Regional OTST for residential, office, and retail land uses.

Bridge OTST and Annual Special Tax

As discussed in **Chapter 3**, park and traffic facilities required to serve the Bridge District would be financed by CFD 27's annual special tax and the Bridge OTST. Funds collected for parks and traffic would be used in the Bridge District. As noted in previous chapters, as opposed to payment into the citywide fee programs, Bridge District water, sewer, joint trench, and drainage improvements in the Bridge District would be funded by special tax payments made through CFD 27's annual special tax and the Bridge OTST.

Summaries of the CFD 27 One-time Special Tax rates and Maximum Annual Special Tax rates can be found in **Appendix E**.

7. ESTIMATED ULTIMATE INFRASTRUCTURE BURDEN

This chapter summarizes the estimated ultimate infrastructure burden in the Bridge District and compares it to the current burden. A comparison of infrastructure burdens in other urban areas of Sacramento is also included.

Bridge District Infrastructure Burden

Tables 12 through **14** show the resulting public infrastructure burden for the Bridge District by land use type. The tables reflect adjusted impact fees, one-time special taxes, other City and agency fees, and bond proceeds by land use. These are reflected on a per unit or per building square foot basis to provide comparisons with other competing projects.

Comparison to Other Urban Areas

A comparison of the overall Bridge District infrastructure burden was made with those of similar urban development in the City of Sacramento, using high-density residential and office. Development in Downtown Sacramento and the Sacramento Railyards were compared to the Bridge District to understand the infrastructure burdens borne by the higher-density development, as well as the differences between infrastructure finance requirements between the two cities. **Tables 15** and **16** compare the residential and office burdens, respectively.

In addition, a few cost components should be considered when comparing the infrastructure burdens between the two jurisdictions.

- **Land Costs**. The cost of land in Downtown Sacramento in particular may add a significant burden to Sacramento developers who must acquire land before development. Land costs in the Bridge District are lower than that of Sacramento because the sites are not improved to urban standards, providing an advantage to West Sacramento developers that are not clearly apparent in the burden comparisons.
- **Unidentified Funding Sources**. The infrastructure burden comparisons includes some special tax revenue for infrastructure in the Sacramento Railyards project. However, approximately $200 million in backbone improvements were estimated to be funded from Federal and State grants. If this funding is not available, project burdens could be significantly higher.
- **Affordable Housing**. While the Cities of Sacramento and West Sacramento have inclusionary housing requirements for new development, the City of Sacramento does not have an affordable housing in-lieu fee. The developer of the Railyards, however, must comply with the current Inclusionary Housing Ordinance for the project, which requires 15 percent affordable units in the project. The cost of providing these units is not estimated and, according to the City of Sacramento, no affordable housing fee is planned. The Railyards tax increment may be used as a financing source for the affordable housing units. Given the lack of specific financial information, the amount of Railyards affordable housing cost burden is considered unknown for purposes of this report. West Sacramento's

affordable housing policy allows developers to dedicate land toward affordable housing or pay an in-lieu fee of $7,100 per market-rate residential unit toward the construction of affordable housing.

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Table 12
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Multifamily [1]

Multifamily

Item	Amount Per Multifamily Unit			
	Current Rate	Tier 1	Tier 2	Tier 3
FEES				
BUILDING & PROCESSING FEES				
a. Building Permit	$484	$484	$484	$484
b. Plan Check	$396	$396	$396	$396
c Energy Fee	$85	$85	$85	$85
d Technology Surcharge	$44	$44	$44	$44
e Seismic/Strong Motion	$10	$10	$10	$10
f. Fire Review Fee	$25	$25	$25	$25
Subtotal, Bldg & Processing Fees	**$1,045**	**$1,045**	**$1,045**	**$1,045**
ONE-TIME SPECIAL TAX				
g **Regional One-time Special Tax (based on land sq.ft.)**				
Water Fee	$3,615	$1,008	$1,008	$1,008
Fire Protection Fee	$729	$449	$449	$449
City Sewer Fee	$2,350	$0	$1.488	$1,488
Traffic	$3.771	$0	$0	$0
Park	$9,703	$0	$0	$0
Police Facilities Fee	$716	$0	$558	$558
Corporation Yard Fee	$546	$0	$562	$562
City Hall Addition Fee	$399	$0	$312	$312
Childcare Fee	$178	$0	$226	$226
Subtotal	**$22,007**	**$1,457**	**$4,603**	**$4,603**
h **Bridge One-time Special Tax (based on land sq.ft.) [2]**	$2,371	$859	$4,286	$5,143
Subtotal, One-time Special Tax	**$24,378**	**$2,316**	**$8,889**	**$9,746**
OTHER FEES				
City Fees				
i In-Lieu Flood Protection Fees	$118	$118	$118	$118
j Bridge District Specific Plan Fee	$379	$379	$379	$379
Other Agency Fees				
k SRCSD	$2,100	$2,100	$2,100	$2,100
l County-Wide Fees	$2,578	$2,578	$2.578	$2.578
m School	$3.840	$3.840	$3,840	$3,840
n Habitat/Greenbelt Preservation [3]	$0	$0	$0	$0
Subtotal, Other Fees	**$9,015**	**$9,015**	**$9,015**	**$9,015**
TOTAL FEES	**$34,438**	**$12,376**	**$18,949**	**$19,806**
BOND PROCEEDS (Annual Tax)				
o. CFD No 27	$0	$5.500	$5.500	$5.500
p. CFD No. 23	$1,745	$1,745	$1,745	$1,745
q West Sacramento Area Flood Control	$241	$241	$241	$241
Subtotal, Bond Proceeds	**$1,986**	**$7,486**	**$7,486**	**$7,486**
TOTAL FEES & BOND PROCEEDS	**$36,424**	**$19,862**	**$26,435**	**$27,292**
SUMMARY				
Building & Processing Fees	$1.045	$1,045	$1,045	$1,045
One-time Special Tax	$24,378	$2,316	$8,889	$9,746
Other Fees	$9,015	$9.015	$9,015	$9.015
TOTAL FEES	**$34,438**	**$12,376**	**$18,949**	**$19,806**
Bond Proceeds	**$1,986**	**$7,486**	**$7,486**	**$7,486**
TOTAL FEES & BOND PROCEEDS	**$36,424**	**$19,862**	**$26,435**	**$27,292**
r. Plus: Affordable Housing Fee [4]	*$40,000*	*$7,133*	*$7.133*	*$7,133*
REVISED TOTAL FEES AND BOND PROCEEDS	***$76,424***	***$26,995***	***$33,568***	***$34,425***

sum_res

[1] Assumes multifamily residential with 78 units per acre and 1,000 square feet per unit on a 1-acre site (1.79 FAR).
[2] The Bridge OTST current rate is based on a different density than the proposed Bridge OTST and is included for illustrative purposes only.
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review.
[4] Affordable housing requirements can be met through land dedication or through payment of an affordable housing fee

Prepared by EPS 01/21/10

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Table 13
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Office [1]

Office

Item	Amount Per Office Building Sq. Ft.			
	Current Rate	Tier 1	Tier 2	Tier 3
FEES				
BUILDING & PROCESSING FEES				
a. Building Permit	$0.39	$0.39	$0.39	$0.39
b. Plan Check	$0 32	$0 32	$0 32	$0.32
c Energy Fee	$0 00	$0.00	$0 00	$0.00
d. Technology Surcharge	$0.04	$0.04	$0.04	$0.04
e. Seismic/Strong Motion	$0 02	$0 02	$0.02	$0 02
f. Fire Review Fee	$0 03	$0.03	$0 03	$0 03
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.79**	**$0.79**	**$0.79**
ONE-TIME SPECIAL TAX				
g. **Regional One-time Special Tax (based on land sq.ft.)**				
Water Fee	$0.54	$0.17	$0.17	$0.17
Fire Protection Fee	$0.93	$0 93	$0.93	$0 93
City Sewer Fee	$0 64	$0.00	$0.44	$0 44
Traffic	$5.34	$0.00	$0.00	$0.00
Park	$1.65	$0.00	$0 00	$0.00
Police Facilities Fee	$0.92	$0.00	$1.03	$1.03
Corporation Yard Fee	$0.70	$0.00	$1.03	$1 03
City Hall Addition Fee	$0.51	$0.00	$0 57	$0.57
Childcare Fee	$0.31	$0.00	$0.35	$0.35
Subtotal	**$11.54**	**$1.11**	**$4.52**	**$4.52**
h. **Bridge One-time Special Tax (based on land sq.ft.) [2]**	**$2.37**	**$0.86**	**$4.29**	**$5.14**
Subtotal, One-time Special Tax	**$13.91**	**$1.97**	**$8.80**	**$9.66**
OTHER FEES				
City Fees				
i In-Lieu Flood Protection Fees	$0.31	$0.31	$0 31	$0.31
j. Bridge District Specific Plan Fee	$0 36	$0.36	$0.36	$0.36
Other Agency Fees				
k. SRCSD	$0.56	$0 56	$0 56	$0.56
l. County-Wide Fees	$0.64	$0.64	$0.64	$0.64
m School	$0.47	$0.47	$0.47	$0 47
n Habitat/Greenbelt Preservation [3]	$0.00	$0.00	$0 00	$0.00
Subtotal, Other Fees	**$2.34**	**$2.34**	**$2.34**	**$2.34**
TOTAL FEES	**$17.04**	**$5.10**	**$11.93**	**$12.79**
BOND PROCEEDS (Annual Tax)				
n. CFD No. 27	$0 00	$5 50	$5 50	$5.50
o. CFD No 23	$1 68	$1 68	$1.68	$1 68
p West Sacramento Area Flood Control	$0.04	$0.04	$0.04	$0 04
Subtotal, Bond Proceeds	**$1.72**	**$7.22**	**$7.22**	**$7.22**
TOTAL FEES & BOND PROCEEDS	**$18.76**	**$12.31**	**$19.15**	**$20.01**
SUMMARY				
Building & Processing Fees	$0 79	$0 79	$0 79	$0.79
One-time Special Tax	$13 91	$1 97	$8 80	$9.66
Other Fees	$2.34	$2 34	$2.34	$2.34
TOTAL FEES	**$17.04**	**$5.10**	**$11.93**	**$12.79**
Bond Proceeds	**$1.72**	**$7.22**	**$7.22**	**$7.22**
TOTAL FEES & BOND PROCEEDS	**$18.76**	**$12.31**	**$19.15**	**$20.01**

sum_office

[1] This analysis asumes a 78,076 sq ft. office building, locted on 1-acre with a 1 79 FAR.
[2] The Bridge OTST current rate is based on a different density than the proposed Bridge OTST and is included for illustrative purposes only
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review

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Retail

Table 14
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Retail [1]

Item	Current Rate	Tier 1	Tier 2	Tier 3
	Amount Per Retail Building Sq. Ft.			
FEES				
BUILDING & PROCESSING FEES				
a. Building Permit	$0.39	$0.39	$0.39	$0.39
b. Plan Check	$0.32	$0.32	$0.32	$0.32
c. Energy Fee	$0.00	$0.00	$0.00	$0.00
d. Technology Surcharge	$0.04	$0.04	$0.04	$0.04
e. Seismic/Strong Motion	$0.02	$0.02	$0.02	$0.02
f. Fire Review Fee	$0.03	$0.03	$0.03	$0.03
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.79**	**$0.79**	**$0.79**
ONE-TIME SPECIAL TAX				
g. Regional One-time Special Tax (based on land sq.ft.)				
Water Fee	$0.54	$0.17	$0.17	$0.17
Fire Protection Fee	$0.56	$0.56	$0.56	$0.56
City Sewer Fee	$0.64	$0.00	$0.44	$0.44
Traffic	$5.14	$0.00	$0.00	$0.00
Park	$1.02	$0.00	$0.00	$0.00
Police Facilities Fee	$0.55	$0.00	$0.62	$0.62
Corporation Yard Fee	$0.42	$0.00	$0.62	$0.62
City Hall Addition Fee	$0.31	$0.00	$0.34	$0.34
Childcare Fee	$0.48	$0.00	$0.53	$0.53
Subtotal	**$9.66**	**$0.73**	**$3.28**	**$3.28**
h. Bridge One-time Special Tax (based on land sq.ft.) [2]	**$2.37**	**$0.86**	**$4.29**	**$5.14**
Subtotal, One-time Special Tax	**$12.03**	**$1.59**	**$7.57**	**$8.42**
OTHER FEES				
City Fees				
i. In-Lieu Flood Protection Fees	$0.48	$0.48	$0.48	$0.48
j. Bridge District Specific Plan Fee	$0.36	$0.36	$0.36	$0.36
Other Agency Fees				
k. SRCSD	$0.28	$0.28	$0.28	$0.28
l. County-Wide Fees	$0.56	$0.56	$0.56	$0.56
m. School	$0.47	$0.47	$0.47	$0.47
n. Habitat/Greenbelt Preservation [3]	$0.00	$0.00	$0.00	$0.00
Subtotal, Other Fees	**$2.15**	**$2.15**	**$2.15**	**$2.15**
TOTAL FEES	**$14.97**	**$4.53**	**$10.51**	**$11.36**
BOND PROCEEDS (Annual Tax)				
n. CFD No 27	$0.00	$5.50	$5.50	$5.50
o. CFD No 23	$1.68	$1.68	$1.68	$1.68
p. West Sacramento Area Flood Control	$0.04	$0.04	$0.04	$0.04
Subtotal, Bond Proceeds	**$1.72**	**$7.22**	**$7.22**	**$7.22**
TOTAL FEES & BOND PROCEEDS	**$16.69**	**$11.75**	**$17.73**	**$18.58**
SUMMARY				
Building & Processing Fees	$0.79	$0.79	$0.79	$0.79
One-time Special Tax	$12.03	$1.59	$7.57	$8.42
Other Fees	$2.15	$2.15	$2.15	$2.15
TOTAL FEES	**$14.97**	**$4.53**	**$10.51**	**$11.36**
Bond Proceeds	**$1.72**	**$7.22**	**$7.22**	**$7.22**
TOTAL FEES & BOND PROCEEDS	**$16.69**	**$11.75**	**$17.73**	**$18.58**

sum_retail

[1] This analysis asumes a 78,076 sq. ft. retail building, locted on 1-acre with a 1.79 FAR
[2] The Bridge OTST current rate is based on a different density than the proposed Bridge OTST and is included for illustrative purposes only
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review

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Multifamily Development

Table 15
West Sacramento Bridge District Cash Flow
Summary of Residential Infrastructure Burden
1 Acre, 78 Unit Complex, 1,000 Sq. Ft. per Unit

Summary of Infrastructure Costs per Unit	West Sacramento Bridge Proposed February 2009 Tier 1	Tier 2	Tier 3	Current Bridge	Sacramento Downtown	Railyards
Current as of	*Mar-09*	*Mar-09*	*Mar-09*	*Jun-08*	*Feb-08*	*Feb-08*
Total Building & Processing Fees	$1,045	$1,045	$1,045	$1,045	$1,018	$1,018
Total One-Time Special Tax (Regional and Bridge)	$2,316	$8,889	$9,746	$0	$0	$0
Total Other City Development Impact Fees [1]	$497	$497	$497	$24,875	$7,941	$8,654
Total Countywide & Other Agency Fees	$4,678	$4,678	$4,678	$4,678	$2,100	$2,100
Total School Mitigation	$3,840	$3,840	$3,840	$3,840	$2,630	$2,630
Est. Bond Proceeds Of Special Taxes & Assessments	$7,486	$7,486	$7,486	$1,986	$0	$8,363
Total Infrastructure Cost per Unit	**$19,862**	**$26,435**	**$27,292**	**$36,424**	**$13,689**	**$22,765**
Plus: Affordable Housing Fee / Cost Burden [2]	*$7,133*	*$7,133*	*$7,133*	*$40,000*	*$0*	*Unknown [3]*
Total Infrastructure Cost per Unit	***$26,995***	***$33,568***	***$34,425***	***$76,424***	***$13,689***	***$22,765***
Total Fees and OTST (City, County, Plan Area, and Schools)	$12,376	$18,949	$19,806	$34,438	$13,689	$14,402
Total Annual Taxes	$681	$681	$681	$181	$0	$1,000

"res_summ"

[1] Excludes affordable housing fee.
[2] Potential affordable housing requirements can be met through land dedication or through payment of an affordable housing fee.
[3] Per Exhibit A of Resolution 2007-911 approved by the Sacramento City Council, the developer of the Railyards must comply with the current Inclusionary Housing Ordinance for the project, which requires 15 percent affordable units within the project. The cost of providing these units is not currently estimated and, according to the City of Sacramento, no affordable housing fee is planned. Resolution 2007-911 also approves the use of Railyards tax increment as a financing source for the affordable housing units. Given the lack of specific financial information, the amount of Railyards affordable housing cost burden is considered unknown for purposes of this report.

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Table 16
West Sacramento Bridge District Cash Flow
Summary of Office Infrastructure Burden
Based on a 78,076 Sq. ft. Building, 1 Acre Site

Office Development

Summary of Infrastructure Costs per Bldg. Sq. Ft.	West Sacramento				Sacramento	
	Bridge Proposed February 2009			Current		
	Tier 1	Tier 2	Tier 3	Bridge	Downtown	Railyards
Current as of	*Mar-09*	*Mar-09*	*Mar-09*	*Jun-08*	*Feb-08*	*Feb-08*
Total Building & Processing Fees	$0.79	$0.79	$0.79	$0.79	$0.95	$0.95
Total One-Time Special Tax (Regional and Bridge)	$1.97	$8.80	$9.66	$0.00	$0.00	$0.00
Total Other City Development Impact Fees	$0.67	$0.67	$0.67	$14.59	$5.91	$13.63
Total Countywide & Other Agency Fees	$1.20	$1.20	$1.20	$1.20	$0.82	$0.82
Total School Mitigation	$0.47	$0.47	$0.47	$0.47	$0.42	$0.42
Est. Bond Proceeds Of Special Taxes & Assessments	$7.22	$7.22	$7.22	$1.72	$0.00	$4.00
Total Infrastructure Cost per Bldg. Sq. Ft.	**$12.31**	**$19.15**	**$20.01**	**$18.76**	**$8.10**	**$19.82**
Total Fees and OTST (City, County, Plan Area, and Schools)	$5.10	$11.93	$12.79	$17.04	$8.10	$15.82
Total Annual Taxes	$0.66	$0.66	$0.66	$0.16	$0.00	$0.50

"off_summ"

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8. THE RMA

Resolution of Formation

The Resolution of Formation, to be considered by City Council on February 3, 2010, contains exhibits that describe the authorized functions of CFD 27. The primary exhibit is the RMA. The RMA describes the processes required to administer the CFD annual special tax and one-time special tax programs discussed in previous chapters. Unlike other RMAs prepared by EPS for other City CFDs, the RMA for CFD 27 provides narrative in the document itself explaining how each component of the RMA is to be construed. As such, this section will discuss and further describe some special features of the RMA.

Overview of the RMA

The RMA provides the City with the instruction for the periodic and annual administration requirements. Specific administrative tasks are briefly discussed below.

Assigning Annual Special Taxes

Section II of the RMA discusses the initial assignment of Land Area to Original Parcels and how to reassign Land Area to Successor Parcels as parcels in CFD 27 are reconfigured for development. As Development Projects are constructed the provisions of **Section II** provide the methods to assign Building Area for each Development Project.

Section III of the RMA provides instructions for the assignment of the Annual Special Tax using the Land Area and Building Area assignments of **Section II.**

Parcels Exempt from the Annual Special Tax

Tax-Exempt Public Parcels, Prop 1C Affordable Housing Units, parcels owned by the City, and parcels that have had the Annual Special Tax prepaid.

Supplemental Special Tax Rate

A property owner has the option to reduce the Bridge District OTST by adding a Supplemental Special Tax Rate to the Developed Special Tax in an amount that would generate an equivalent amount in CFD bonds to the reduction in the Bridge District OTST. This is discussed in **Section II.2.c.**

Catch-Up Special Tax

A parcel that annexes to the CFD after the formation of the CFD will be required to pay a Catch-Up Special Tax which will be equivalent to the amount of Annual Special Taxes paid by similar land uses in CFD 27 to date, plus an additional ten percent. This is discussed in **Section II.3.a.**

Tax Escalation of Annual Special Tax

The Annual Special Tax is increased by 2-percent each fiscal year.

Setting Annual Special Tax

Section III.3 provides instruction on the setting of the annual special tax levy for taxable parcels. A developed parcels will be levied the maximum Developed Special Tax for 30 years. The State Reimbursement Land Special Tax annual special tax levy is determined in **Section III.7.**

Prepayment of the Annual Special Tax

Section III.6 discusses the conditions under which a property owner may permanently satisfy the special tax obligation through a one-time payment.

Bridge District OTST

The process for assigning the Bridge District OTST is discussed in **Section IV.1**. The procedure for collection of the Bridge District OTST is discussed in **Section IV.2**.

Tax Escalation of the Bridge District OTST Rate

The Bridge District OTST Rate is increased each fiscal year by the *Engineering News Record - Construction Cost Index* (ENR-CCI). The Bridge District OTST Rate may be increased by the Periodic Adjustment Process discussed in **Section IV.3**.

Parcels Subject to the Bridge District OTST

All parcels with Development Projects are subject to the payment of the Bridge District OTST.

Regional OTST

The process for assigning the Regional OTST is discussed in **Section V.2**. The procedure for collection of the Bridge District OTST is discussed in **Section IV.3**.

Tax Escalation of the Regional OTST Rate

The Regional OTST Rate is increased each fiscal year by the same rate at which Development Impact Fees associated with the Regional OTST are increased.

Parcels Subject to the Bridge District OTST

All parcels with Development Projects are subject to the payment of the Bridge District OTST.

Public Agency Acquisition OTST

The Public Agency Acquisition OTST is not a part of the Financing Analysis discussed in previous sections. The special tax program may be applied to parcels acquired by a public agency that meets the definition of a Taxable Public Parcel in the RMA. The Public Agency Acquisition OTST is calculated using the provisions of **Section VI.1**, and collection of the OTST is described in **Section VI.2.**

APPENDICES:

Appendix A:	Land Uses and Absorption Schedule
Appendix B:	Property Tax Increment
Appendix C:	CFD 27 Cash Flow Detail
Appendix D:	Detailed Calculations: Estimate of Bridge District Infrastructure Burden
Appendix E	Summary of CFD 27 Special Tax Rates

APPENDIX A:

Land Uses and Absorption Schedule

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Table A-1
West Sacramento Bridge District Cash Flow
List of Owners and Parcels

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Taxable Land Area [2]
ARKAD INCOME PROP LLC	058-320-014-000	40,709	39,909
			0
CARASCO GEORGE T & BETTY J TR	058-300-008-000	7,377	7,377
CLARK-PACIFIC CORP	058-330-005-000	89,517	76,456
CONRAD ETHAN & PHILLIPS CORLEY M TR	058-310-001-000	338,348	326,355
ERGO RICHARD & CALE FAM REMAINDER TRUST	058-300-009-000	6,935	6,935
	058-300-010-000	6,752	6,752
	Subtotal	**13,686**	**13,686**
LONESTAR CALIFORNIA INC	058-350-001-000	246,868	172,053
	058-350-008-000	196,566	51,336
	Subtotal	**443,434**	**223,389**
LORIS CHRIS W & NADINE C & FAM 1993 TRUST	058-310-003-000	50,148	37,071
	058-310-009-000	157,236	125,289
	Subtotal	**207,384**	**162,360**
PORTA BELLA PROPERTIES INC	058-320-009-000	20,065	10,433
RAMOS FRANK C & JOANNE M TR	058-320-019-000	79,430	70,357
RAMOS FRANK C TR ETAL	058-320-037-000	81,299	72,708
	058-320-039-000	24,901	2,390
	Subtotal	**106,200**	**75,098**
REDEVELOPMENT AGENCY OF W SAC	058-300-004-000	4,050	4,050
	058-330-004-000	94,658	79,965
	067-330-018-000	39,263	39,263
	Subtotal	**137,971**	**123,278**
RIVER CITY PARKING LLC	058-310-022-000	60,141	38,251
	067-330-010-000	23,211	16,339
	067-330-011-000	28,498	25,591
	Subtotal	**111,850**	**80,181**
RIVER ROAD VENTURE LLC	058-320-001-000	92,355	77,653
	058-320-022-000	111,012	111,012
	058-320-024-000	82,574	63,592
	Subtotal	**285,941**	**252,257**
ROBINSON LEONARD D	058-310-005-000	165,034	126,410

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Table A-1
West Sacramento Bridge District Cash Flow
List of Owners and Parcels

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Taxable Land Area [2]
SACRAMENTO STUCCO	058-310-018-000	29,574	26,892
	058-310-019-000	53,175	43,418
	Subtotal	**82,749**	**70,310**
SMART GROWTH INVESTORS II INC	058-300-005-000	6,409	6,409
	058-300-006-000	27,955	27,955
	058-300-007-000	12,772	12,772
	058-310-012-000	6,424	6,424
	058-310-013-000	10,012	10,012
	058-310-014-000	8,853	8,853
	058-310-015-000	8,336	8,336
	058-310-016-000	348,687	13,068
	058-320-015-000	15,151	14,382
	058-320-016-000	77,637	59,510
	058-330-001-000	152,608	0
	058-330-002-000	116,380	90,346
	058-330-003-000	10,067	5,242
	058-340-001-000	71,576	55,134
	058-340-002-000	59,249	25,180
	058-350-002-000	144,969	116,111
	058-350-003-000	37,049	29,703
	058-350-004-000	11,934	7,223
	058-350-005-000	660,978	450,261
	058-350-006-000	456,892	138,687
	058-350-007-000	25,569	17,783
	Subtotal	**2,269,509**	**1,103,393**
TECON PACIFIC	058-320-018-000	150,117	131,219
TIM KRUSE CONSTRUCTION INC	058-310-002-000	31,068	31,068
UNGER DEAN F TR	058-320-038-000	151,511	130,290
	058-320-040-000	255,255	55,384
	058-340-003-000	122,382	15,392
	058-340-004-000	146,291	111,114
	Subtotal	**675,440**	**312,181**
UNION PACIFIC RAILROAD	843-57-6-01	[5]	21,049
	843-57-6-10	[5]	9,368
	843-57-6-13	[5]	23,932
	843-57-6-15	[5]	26,183
	843-57-6-15	[5]	42,804
	843-57-6-18	[5]	2,926
	843-57-6-19	[5]	224,299
	843-57-6-1A	[5]	44,095
	843-57-6-21	[5]	8,774
	Subtotal		**403,430**

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Table A-1
West Sacramento Bridge District Cash Flow
List of Owners and Parcels

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Taxable Land Area [2]
WEST SACRAMENTO CITY OF	058-320-028-000	82,530	0
	058-370-054-000	15,911	0
	058-380-028-000	81,010	0
	058-380-029-000	11,637	0
	Subtotal	**191,088**	**0**
YOLO CO MOTEL-HOTEL ASSN INC	058-300-011-000	10,838	10,187
	Totals	**5,457,755**	**3,649,333**
Adjustments			
Bridge Affordable Housing [5]	058-300-001-000	101,584	101,584
Less Union Pacific Railroad [6]			(403,430)
TOTAL		**5,559,339**	**3,347,487**

owners

[1] From the Yolo County Assessor.
[2] CFD Parcels shown inare Original Parcels. As Original Parcels are Subdivided, Successor Parcels will will be recorded with new land area assignments and calculation of the Land Special Tax.
[3] Provided by the City.
[4] Taxable land square feet includes the parcels to be taxed initially in the CFD. Parcels with no taxable square feet may become subject to the Special Tax at a future date.
[5] Bridge Affordable Housing is exempt from the CFD 27 annual tax but not from the CFD 27 OTST or from the property tax increment revenue, so the square feet are included for revenue calculation purposes.
[6] The Union Pacific Railroad proerties are taxable but are assumed to develop after the timeframe of this cash flow.

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Table A-2
West Sacramento Bridge District Cash Flow
Absorption Schedule

Land Use Category	Total Through 2031	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031	2031+ [1]
		Square Feet by Fiscal Year																			
DEVELOPMENT PROJECTIONS (BUILDING SQUARE FEET)																					
Residential																					
Prop 1C Housing - Owned	245,000	0	67,000	67,000	67,000	44,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prop 1C Housing - Rental	486,000	0	133,000	133,000	133,000	87,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Housing - Owned	912,000	0	0	0	0	0	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	41,000	0
Additional Housing - Rental	1,810,000		0	0	0	0	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	81,000	0
Total Residential	3,453,000	0	200,000	200,000	200,000	131,000	200,000	200,000	200,000	200,000	200,000	200,000	200,600	200,000	200,000	200,000	200,000	200,000	200,000	122,000	0
Nonresidential																					
Nonresidential	2,547,000	0	0	0	0	269,000	245,500	0	245,500	0	380,000	0	380,000	0	380,000	0	380,000	0	267,000	0	0
Other Nonresidential	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Nonresidential	2,547,000	0	0	0	0	269,000	245,500	0	245,500	0	380,000	0	380,000	0	380,000	0	380,000	0	267,000	0	0
Total Building Square Feet	6,000,000	0	200,000	200,000	200,000	400,000	445,500	200,000	445,500	200,000	580,000	200,000	580,000	200,000	580,000	200,000	580,000	200,000	467,000	122,000	0
Cumulative Building Square Feet		0	200,000	400,000	600,000	1,000,000	1,445,500	1,645,500	2,091,000	2,291,000	2,871,000	3,071,000	3,651,000	3,851,000	4,431,000	4,631,000	5,211,000	5,411,000	5,878,000	6,000,000	6,000,000
UNDEVELOPED LAND INVENTORY (SQUARE FEET)																					
Total Undeveloped Land Square Feet [2]		3,347,487	3,347,487	3,235,904	3,124,321	3,012,738	2,789,572	2,541,022	2,429,439	2,180,888	2,069,305	1,745,714	1,634,132	1,310,541	1,198,958	875,368	763,785	440,195	328,612	68,066	0
	FAR [3]																				
Less Square Feet Developed [4]	1.79	0	(111,583)	(111,583)	(111,583)	(223,166)	(248,551)	(111,583)	(248,551)	(111,583)	(323,590)	(111,583)	(323,590)	(111,583)	(323,590)	(111,583)	(323,590)	(111,583)	(260,546)	(68,066)	0
Total Undeveloped Land Square Feet Remaining		3,347,487	3,235,904	3,124,321	3,012,738	2,789,572	2,541,022	2,429,439	2,180,888	2,069,305	1,745,714	1,834,132	1,310,541	1,188,958	875,368	763,785	440,195	328,612	68,066	0	0

"absorb"

Source: EPS.

[1] Building square feet based on 1.53 FAR. Actual building square feet may vary.
[2] Total land square feet = taxable square feet for CFD 27.
[3] Floor Area Ratio (FAR) Calculation:
Net Developable Land Square Feet *a* 3,347,487
Total Building Square Feet *b* 6,000,000
FAR *b/a* 1.79
[4] Square feet developed = building square feet developed/FAR

APPENDIX B:

Property Tax Increment

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Table B-1
West Sacramento Bridge District Cash Flow
Absorption Schedule and Value

Fiscal Year	Residential Units For Sale	Residential Units Price [1]	Residential Units Rental	Residential Units Value [1]	Office and Commercial (Sq. Ft.)	Office and Commercial Value [1]
FY 05/06	0		0		0	
FY 06/07	0		0		0	
FY 07/08	0	**$325,000**	0	**$175,000**	0	**$275**
FY 08/09	0	$328,250	0	$176,750	0	$278
FY 09/10	0	$331,533	0	$178,518	0	$281
FY 10/11	0	$334,848	0	$180,303	0	$283
FY 11/12	0	$338,196	0	$182,106	0	$286
FY 12/13	0	$341,578	0	$183,927	0	$289
FY 13/14	67	$344,994	133	$185,766	0	$292
FY 14/15	67	$348,444	133	$187,624	0	$295
FY 15/16	67	$351,928	133	$189,500	0	$298
FY 16/17	44	$355,448	87	$191,395	269,000	$301
FY 17/18	67	$359,002	133	$193,309	245,500	$304
FY 18/19	67	$362,592	133	$195,242	0	$307
FY 19/20	67	$366,218	133	$197,194	245,500	$310
FY 20/21	67	$369,880	133	$199,166	0	$313
FY 21/22	67	$373,579	133	$201,158	380,000	$316
FY 22/23	67	$377,315	133	$203,170	0	$319
FY 23/24	67	$381,088	133	$205,201	380,000	$322
FY 24/25	67	$384,899	133	$207,253	0	$326
FY 25/26	67	$388,748	133	$209,326	380,000	$329
FY 26/27	67	$392,635	133	$211,419	0	$332
FY 27/28	67	$396,562	133	$213,533	380,000	$336
FY 28/29	67	$400,527	133	$215,669	0	$339
FY 29/30	67	$404,533	133	$217,825	267,000	$342
FY 30/31	41	$408,578	81	$220,004	0	$346
FY 31/32	0	$412,664	0	$222,204	0	$349
FY 32/33	0	$416,790	0	$224,426	0	$353
FY 33/34	0	$420,958	0	$226,670	0	$356
FY 34/35	0	$425,168	0	$228,937	0	$360
FY 35/36	0	$429,420	0	$231,226	0	$363
FY 36/37	0	$433,714	0	$233,538	0	$367
TOTAL	**1,157**		**2,296**		**2,547,000**	
Pct of Units	34%		66%			

absorb ti

Source: Triangle Specific Plan Owners' Group

[1] Adjusted based on 4% market appreciation net 3% inflation (i.e., inflated by 1%) .

Prepared by EPS 01/18/10

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Table B-2
West Sacramento Bridge District Cash Flow
Bridge District Assessed Value Projections

Fiscal Year	Beginning Assessed Value	Annual 2% Growth	Residential For Sale (2 year lag)	Residential Rental (2 year lag)	Commercial (Sq. Ft.) (2 year lag)	New Development Subtotal	Total Assessed Value
FY 06/07	$28,115,555	$562,311	$0	$0	$0	$0	$28,677,867
FY 07/08	$28,677,867	$573,557	$0	$0	$0	$0	$29,251,424
FY 08/09	$29,251,424	$585,028	$0	$0	$0	$0	$29,836,452
FY 09/10	$29,836,452	$596,729	$0	$0	$0	$0	$30,433,181
FY 10/11	$30,433,181	$608,664	$0	$0	$0	$0	$31,041,845
FY 11/12	$31,041,845	$620,837	$0	$0	$0	$0	$31,662,682
FY 12/13	$31,662,682	$633,254	$0	$0	$0	$0	$32,295,936
FY 13/14	$32,295,936	$645,919	$0	$0	$0	$0	$32,941,854
FY 14/15	$32,941,854	$658,837	$0	$0	$0	$0	$33,600,691
FY 15/16	$33,600,691	$672,014	$23,114,601	$24,706,882	$0	$47,821,483	$82,094,188
FY 16/17	$82,094,188	$1,641,884	$23,345,747	$24,953,950	$0	$48,299,698	$132,035,769
FY 17/18	$132,035,769	$2,640,715	$23,579,205	$25,203,490	$0	$48,782,695	$183,459,179
FY 18/19	$183,459,179	$3,669,184	$15,639,699	$16,651,358	$80,905,368	$113,196,426	$300,324,789
FY 19/20	$300,324,789	$6,006,496	$24,053,147	$25,710,080	$74,575,801	$124,339,028	$430,670,312
FY 20/21	$430,670,312	$8,613,406	$24,293,678	$25,967,181	$0	$50,260,859	$489,544,578
FY 21/22	$489,544,578	$9,790,892	$24,536,615	$26,226,853	$76,074,775	$126,838,242	$626,173,712
FY 22/23	$626,173,712	$12,523,474	$24,781,981	$26,489,121	$0	$51,271,102	$689,968,288
FY 23/24	$689,968,288	$13,799,366	$25,029,801	$26,754,012	$120,120,055	$171,903,869	$875,671,522
FY 24/25	$875,671,522	$17,513,430	$25,280,099	$27,021,552	$0	$52,301,651	$945,486,604
FY 25/26	$945,486,604	$18,909,732	$25,532,900	$27,291,768	$122,534,468	$175,359,136	$1,139,755,473
FY 26/27	$1,139,755,473	$22,795,109	$25,788,229	$27,564,686	$0	$53,352,915	$1,215,903,497
FY 27/28	$1,215,903,497	$24,318,070	$26,046,111	$27,840,332	$124,997,411	$178,883,855	$1,419,105,422
FY 28/29	$1,419,105,422	$28,382,108	$26,306,572	$28,118,736	$0	$54,425,308	$1,501,912,838
FY 29/30	$1,501,912,838	$30,038,257	$26,569,638	$28,399,923	$127,509,859	$182,479,420	$1,714,430,516
FY 30/31	$1,714,430,516	$34,288,610	$26,835,335	$28,683,922	$0	$55,519,257	$1,804,238,383
FY 31/32	$1,804,238,383	$36,084,768	$27,103,688	$28,970,762	$91,393,262	$147,467,711	$1,987,790,862
FY 32/33	$1,987,790,862	$39,755,817	$16,751,697	$17,820,286	$0	$34,571,983	$2,062,118,662
FY 33/34	$2,062,118,662	$41,242,373	$0	$0	$0	$0	$2,103,361,036
FY 34/35	$2,103,361,036	$42,067,221	$0	$0	$0	$0	$2,145,428,256
FY 35/36	$2,145,428,256	$42,908,565	$0	$0	$0	$0	$2,188,336,821
FY 36/37	$2,188,336,821	$43,766,736	$0	$0	$0	$0	$2,232,103,558
TOTAL	**N/A**	**$486,913,364**	**$434,588,744**	**$464,374,894**	**$818,111,000**	**$1,717,074,639**	**N/A**

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Sources: City of West Sacramento; EPS.

Prepared by EPS 01/18/10

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Table B-3
West Sacramento Bridge District Cash Flow
Tax Increment Revenue Projections

	Assessed Value	Gross Tax Increment [1]	Less: 33676 Allocations	Less: Housing Set Aside	Less: County Admin Fee	Less: County Pass Through	Less: AB 1290 Pass Through	Net Tax Increment
Base AV (FY 06/07)	$28,677,867							
Formula		a	b = -a * [3]	c = -(a - c) * 20%	d = -a * [3]	e = -a * [3]	f = -a * [3]	sum (a : f)
FY 06/07	$28,677,867	$0	$0	$0	$0	$0	$0	$0
FY 07/08	$29,251,424	$5,736	($324)	($1,082)	($32)	($582)	($168)	$0
FY 08/09	$29,836,452	$11,586	($560)	($2,205)	($54)	($1,234)	($503)	$0
FY 09/10	$30,433,181	$17,553	($715)	($3,368)	($67)	($1,948)	($975)	$0
FY 10/11	$31,041,845	$23,640	($894)	($4,549)	($83)	($2,668)	($1,444)	$0
FY 11/12	$31,662,682	$29,848	($1,054)	($5,759)	($96)	($3,416)	($1,964)	$0
FY 12/13	$32,295,936	$36,181	($1,191)	($6,998)	($107)	($4,194)	($2,534)	$0
FY 13/14	$32,941,854	$42,640	($1,310)	($8,266)	($116)	($5,000)	($3,143)	$0
FY 14/15	$33,600,691	$49,228	($1,410)	($9,564)	($123)	($5,833)	($3,792)	$0
FY 15/16	$82,094,188	$534,163	($14,970)	($103,839)	($1,297)	($63,544)	($42,034)	$308,481
FY 16/17	$132,035,769	$1,033,579	($28,627)	($200,990)	($2,469)	($126,715)	($82,756)	$592,021
FY 17/18	$183,459,179	$1,547,813	($42,356)	($301,091)	($3,612)	($189,963)	($125,938)	$884,853
FY 18/19	$300,324,789	$2,716,469	($73,216)	($528,651)	($6,173)	($333,825)	($224,512)	$1,550,092
FY 19/20	$430,670,312	$4,019,924	($107,282)	($782,529)	($9,003)	($494,397)	($336,619)	$2,290,095
FY 20/21	$489,544,578	$4,608,667	($121,789)	($897,376)	($10,102)	($567,276)	($390,622)	$2,621,503
FY 21/22	$626,173,712	$5,974,958	($156,233)	($1,163,745)	($12,889)	($736,090)	($512,208)	$3,393,793
FY 22/23	$689,968,288	$6,612,904	($171,102)	($1,288,360)	($14,032)	($815,398)	($573,065)	$3,750,947
FY 23/24	$875,671,522	$8,469,937	($216,650)	($1,650,657)	($17,659)	($1,045,309)	($741,474)	$4,798,188
FY 24/25	$945,486,604	$9,168,087	($231,742)	($1,787,269)	($18,877)	($1,132,531)	($810,366)	$5,187,302
FY 25/26	$1,139,755,473	$11,110,776	($277,410)	($2,166,673)	($22,444)	($1,373,900)	($991,148)	$6,279,201
FY 26/27	$1,215,903,497	$11,872,256	($292,741)	($2,315,903)	($23,636)	($1,469,490)	($1,068,295)	$6,702,191
FY 27/28	$1,419,105,422	$13,904,276	($338,450)	($2,713,165)	($27,126)	($1,722,682)	($1,261,409)	$7,841,444
FY 28/29	$1,501,912,838	$14,732,350	($353,868)	($2,875,696)	($28,282)	($1,827,020)	($1,346,929)	$8,300,555
FY 29/30	$1,714,430,516	$16,857,526	($400,189)	($3,291,467)	($31,887)	($2,092,487)	($1,552,087)	$9,489,409
FY 30/31	$1,804,238,383	$17,755,605	($416,426)	($3,467,836)	($33,216)	($2,205,918)	($1,645,866)	$9,986,344
FY 31/32	$1,987,790,862	$19,591,130	($453,818)	($3,827,462)	($36,046)	($2,436,003)	($1,827,611)	$11,010,189
FY 32/33	$2,062,118,662	$20,334,408	($465,086)	($3,973,864)	($36,942)	($2,530,791)	($1,908,579)	$11,419,145
FY 33/34	$2,103,361,036	$20,746,832	($468,234)	($4,055,720)	($37,156)	($2,584,577)	($1,958,742)	$11,642,403
FY 34/35	$2,145,428,256	$21,167,504	($471,243)	($4,139,252)	($37,349)	($2,639,483)	($2,009,622)	$11,870,555
FY 35/36	$2,188,336,821	$21,596,590	($474,047)	($4,224,509)	($37,504)	($2,695,467)	($2,061,354)	$12,103,709
FY 36/37	$2,232,103,558	$22,034,257	($476,618)	($4,311,528)	($37,778)	($2,752,818)	($2,115,131)	$12,340,385
TOTAL	N/A	$256,606,000	($6,060,000)	($50,109,000)	($486,000)	($31,861,000)	($23,601,000)	$144,363,000

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Sources: Keyser Marston Associates, City of West Sacramento, EPS.

[1] Gross Tax Increment is 1% of the differenca between assessed values in current and base years. Calculated on the increase in assessed value between 2006-07 and the current year because base year assessed valuations (1985-86) were unavailable.
[2] Housing Set Aside is 20% of the Gross Tax Increment minus the 33676 Allocations.
[3] Precentage factor is calculated utilizing Project Area-wide tax increment projections as presented to City Council, Jan. 2006. See Table B-5 for calculation.

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Table B-4
West Sacramento Bridge District Cash Flow
Bridge District Assessed Value: FY 2005-06 [1]

Address	Owner	Assessed Valuation	Parcel Number
119 Tower St	REDEVELOPMENT AGENCY OF CITY OF WEST SAC	$0	058 300 04 1
115 Tower St	John S & Katharine Kalafatich	$39,638	058 300 05 1
113 Tower St	Frank W & Tamara Lewis	$46,930	058 300 06 1
111 Tower St	Corinne M Lewis	$11,451	058 300 07 1
101 Tower St #5	George T Carasco	$142,800	058 300 08 1
1016 S River Rd	CALE	$46,482	058 300 09 1
1020 S River Rd	CALE	$53,847	058 300 10 1
1024 S River Rd	YOLO CO MOTEL-HOTEL ASSN INC	$40,699	058 300 11 1
400 Drever St	CONRAD PHILLIPS II LLC	$450,705	058 310 01 1
550 Drever St	TIM KRUSE CONSTRUCTION INC	$364,140	058 310 02 1
Drever St	Chris W & Nadine C Loris	$25,375	058 310 03 1
800 Della Ln	John A & Denise E Jelaco	$1,648,968	058 310 04 1
840-850 Della Ln	Leonard D Robinson	$1,163,959	058 310 05 1
Drever St	Chris W & Nadine C Loris	$77,188	058 310 09 1
1000 S River Rd	Morton L Tr Friedman	$29,580	058 310 12 1
114 Tower St	Morton L Tr Friedman	$43,860	058 310 13 1
118 Tower St	Morton L Tr Friedman	$38,760	058 310 14 1
122 Tower St	Morton L & Marcine Friedman	$35,700	058 310 15 1
920 S River Rd	Morton L Tr Friedman	$1,382,100	058 310 16 1
860 Riske Ln	SACRAMENTO STUCCO	$881,635	058 310 18 1
870 Riske Ln	SACRAMENTO STUCCO CO	$955,367	058 310 19 1
865 Riske Ln	Robert M Tr Wilson	$131,852	058 320 01 1
804 S River Rd	RELLES OIL & DEVELOPMENT CO	$363,817	058 320 09 1
801 S River Rd	Michael S Tr Ramos	$369,949	058 320 13 1
805 S River Rd	ARKAD INCOME PROPERTIES LLC	$166,318	058 320 14 1
879 S River Rd	Morton L Tr Friedman	$66,300	058 320 15 1
889 S River Rd	Morton L Tr Friedman	$326,400	058 320 16 1
S River Rd & Hwy 99	Dean F Tr Unger	$316,270	058 320 17 1
890 S River Rd	TECON PACIFIC	$632,036	058 320 18 1
880 S River Rd	Dean F Tr Unger	$448,262	058 320 19 1
no Site Address	Frank C Ramos	$961,163	058 320 20 1
855 Riske Ln	MCLAUGHLIN DRAYING CO	$519,941	058 320 22 1
850-860 S River Rd	Harold L Gomes	$1,072,167	058 320 24 1
901 S River Rd	Morton L Tr Friedman	$576,300	058 330 01 1
911 S River Rd	Morton L Tr Friedman	$504,900	058 330 02 1
S River Rd	Morton L Tr Friedman	$40,800	058 330 03 1
50 S River Rd	WEYERHAEUSER COMPANY	$1,052,151	058 330 04 1
890 S River Rd	CLARK-PACIFIC CORP	$423,881	058 330 05 1
951 S River Rd	Morton L Tr Friedman	$831,300	058 340 01 1
S River Rd	Morton L Tr Friedman	$239,700	058 340 02 1
S River Rd	Dean F Unger	$134,679	058 340 03 1
no Site Address	Frank C Ramos	$742,414	058 340 04 1
1501 S River Rd	LONESTAR CALIFORNIA INC	$2,617,986	058 350 01 1
S River Rd	4330 WATT AVE LLC	$540,600	058 350 02 1
1201 S River Rd	4330 WATT AVE LLC	$306,000	058 350 03 1
S River Rd	4330 WATT AVE LLC	$51,000	058 350 04 1
1030 S River Rd #48	4330 WATT AVE LLC	$3,825,000	058 350 05 1
S River Rd	4330 WATT AVE LLC	$1,764,600	058 350 06 1
S River Rd	4330 WATT AVE LLC	$102,000	058 350 07 1
S River Rd	LONESTAR CALIFORNIA INC	$267,515	058 350 08 1
821 Riske Ln	PENNY NEWMAN GRAIN CO	$286,526	067 330 10 1
825 Riske Ln	PENNY NEWMAN GRAIN CO	$403,259	067 330 11 1
Total		$27,564,270	

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Source: Keyser Marston Associates, Inc., EPS

[1] Excludes UPRR and Sacto/Yolo Port parcels

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Table B-5
West Sacramento Bridge District Cash Flow
Pass-Through Calculation Backup - Project Area ($000, inflated))

Entire Project Area

Fiscal Year	Gross Project Area Tax Increment ($000)	33676 Alloc ($000)	%	County Admin ($000)	%	County Pass Through ($000)	%	AB 1290 Pass Through ($000)	%
formula	*a*	*b*	*b / a*	*c*	*c / a*	*d*	*d / a*	*e*	*e / a*
FY 06/07	$16,623	$1,067	6.42%	$106	0.64%	$1,605	9.66%	$246	1.48%
FY 07/08	$19,817	$1,121	5.66%	$109	0.55%	$2,010	10.14%	$581	2.93%
FY 08/09	$24,345	$1,176	4.83%	$113	0.46%	$2,592	10.65%	$1,057	4.34%
FY 09/10	$30,265	$1,232	4.07%	$116	0.38%	$3,359	11.10%	$1,681	5.55%
FY 10/11	$34,095	$1,290	3.78%	$119	0.35%	$3,848	11.29%	$2,083	6.11%
FY 11/12	$38,192	$1,348	3.53%	$123	0.32%	$4,371	11.44%	$2,513	6.58%
FY 12/13	$42,771	$1,408	3.29%	$127	0.30%	$4,958	11.59%	$2,995	7.00%
FY 13/14	$47,773	$1,468	3.07%	$130	0.27%	$5,602	11.73%	$3,521	7.37%
FY 14/15	$53,429	$1,530	2.86%	$134	0.25%	$6,331	11.85%	$4,116	7.70%
FY 15/16	$56,843	$1,593	2.80%	$138	0.24%	$6,762	11.90%	$4,473	7.87%
FY 16/17	$59,862	$1,658	2.77%	$143	0.24%	$7,339	12.26%	$4,793	8.01%
FY 17/18	$63,000	$1,724	2.74%	$147	0.23%	$7,732	12.27%	$5,126	8.14%
FY 18/19	$66,450	$1,791	2.70%	$151	0.23%	$8,166	12.29%	$5,492	8.26%
FY 19/20	$69,658	$1,859	2.67%	$156	0.22%	$8,567	12.30%	$5,833	8.37%
FY 20/21	$72,996	$1,929	2.64%	$160	0.22%	$8,985	12.31%	$6,187	8.48%
FY 21/22	$76,488	$2,000	2.61%	$165	0.22%	$9,423	12.32%	$6,557	8.57%
FY 22/23	$80,119	$2,073	2.59%	$170	0.21%	$9,879	12.33%	$6,943	8.67%
FY 23/24	$83,937	$2,147	2.56%	$175	0.21%	$10,359	12.34%	$7,348	8.75%
FY 24/25	$87,906	$2,222	2.53%	$181	0.21%	$10,859	12.35%	$7,770	8.84%
FY 25/26	$92,079	$2,299	2.50%	$186	0.20%	$11,386	12.37%	$8,214	8.92%
FY 26/27	$96,441	$2,378	2.47%	$192	0.20%	$11,937	12.38%	$8,678	9.00%
FY 27/28	$100,980	$2,458	2.43%	$197	0.20%	$12,511	12.39%	$9,161	9.07%
FY 28/29	$105,746	$2,540	2.40%	$203	0.19%	$13,114	12.40%	$9,668	9.14%
FY 29/30	$110,491	$2,623	2.37%	$209	0.19%	$13,715	12.41%	$10,173	9.21%
FY 30/31	$115,464	$2,708	2.35%	$216	0.19%	$14,345	12.42%	$10,703	9.27%
FY 31/32	$120,659	$2,795	2.32%	$222	0.18%	$15,003	12.43%	$11,256	9.33%
FY 32/33	$126,050	$2,883	2.29%	$229	0.18%	$15,688	12.45%	$11,831	9.39%
FY 33/34	$131,774	$2,974	2.26%	$236	0.18%	$16,416	12.46%	$12,441	9.44%
FY 34/35	$137,720	$3,066	2.23%	$243	0.18%	$17,173	12.47%	$13,075	9.49%
FY 35/36	$143,963	$3,160	2.20%	$250	0.17%	$17,968	12.48%	$13,741	9.54%
FY 36/37	$150,480	$3,255	2.16%	$258	0.17%	$18,800	12.49%	$14,445	9.60%

"backup_calc"

Source: Keyser Marston Associates, Inc., EPS

Note: The purpose of this table is to derive the percentage value of each cost category associated with Redevelopment Agency pass through agreements and administrative costs. The percentage of each cost category is calculated by dividing the projected cost category for the entire project area by the projected tax increment for the entire project area. The resulting percentages are then applied to the Bridge District only.

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Table B-6
West Sacramento Bridge District Cash Flow
Pass-Through Calculation Backup - Bridge District

Bridge District Only

Fiscal Year	Gross Tax Increment	% [1]	33676 Alloc	% [1]	County Admin	% [1]	County Pass Through	% [1]	AB 1290 Pass Through
formula	*a*	*b*	*a * b*	*c*	*a * c*	*d*	*a * d*	*e*	*a * e*
FY 06/07	$0	6.42%	$0	0.64%	$0	9.66%	$0	1.48%	$0
FY 07/08	$5,736	5.66%	$324	0.55%	$32	10.14%	$582	2.93%	$168
FY 08/09	$11,586	4.83%	$560	0.46%	$54	10.65%	$1,234	4.34%	$503
FY 09/10	$17,553	4.07%	$715	0.38%	$67	11.10%	$1,948	5.55%	$975
FY 10/11	$23,640	3.78%	$894	0.35%	$83	11.29%	$2,668	6.11%	$1,444
FY 11/12	$29,848	3.53%	$1,054	0.32%	$96	11.44%	$3,416	6.58%	$1,964
FY 12/13	$36,181	3.29%	$1,191	0.30%	$107	11.59%	$4,194	7.00%	$2,534
FY 13/14	$42,640	3.07%	$1,310	0.27%	$116	11.73%	$5,000	7.37%	$3,143
FY 14/15	$49,228	2.86%	$1,410	0.25%	$123	11.85%	$5,833	7.70%	$3,792
FY 15/16	$534,163	2.80%	$14,970	0.24%	$1,297	11.90%	$63,544	7.87%	$42,034
FY 16/17	$1,033,579	2.77%	$28,627	0.24%	$2,469	12.26%	$126,715	8.01%	$82,756
FY 17/18	$1,547,813	2.74%	$42,356	0.23%	$3,612	12.27%	$189,963	8.14%	$125,938
FY 18/19	$2,716,469	2.70%	$73,216	0.23%	$6,173	12.29%	$333,825	8.26%	$224,512
FY 19/20	$4,019,924	2.67%	$107,282	0.22%	$9,003	12.30%	$494,397	8.37%	$336,619
FY 20/21	$4,608,667	2.64%	$121,789	0.22%	$10,102	12.31%	$567,276	8.48%	$390,622
FY 21/22	$5,974,958	2.61%	$156,233	0.22%	$12,889	12.32%	$736,090	8.57%	$512,208
FY 22/23	$6,612,904	2.59%	$171,102	0.21%	$14,032	12.33%	$815,398	8.67%	$573,065
FY 23/24	$8,469,937	2.56%	$216,650	0.21%	$17,659	12.34%	$1,045,309	8.75%	$741,474
FY 24/25	$9,168,087	2.53%	$231,742	0.21%	$18,877	12.35%	$1,132,531	8.84%	$810,366
FY 25/26	$11,110,776	2.50%	$277,410	0.20%	$22,444	12.37%	$1,373,900	8.92%	$991,148
FY 26/27	$11,872,256	2.47%	$292,741	0.20%	$23,636	12.38%	$1,469,490	9.00%	$1,068,295
FY 27/28	$13,904,276	2.43%	$338,450	0.20%	$27,126	12.39%	$1,722,682	9.07%	$1,261,409
FY 28/29	$14,732,350	2.40%	$353,868	0.19%	$28,282	12.40%	$1,827,020	9.14%	$1,346,929
FY 29/30	$16,857,526	2.37%	$400,189	0.19%	$31,887	12.41%	$2,092,487	9.21%	$1,552,087
FY 30/31	$17,755,605	2.35%	$416,426	0.19%	$33,216	12.42%	$2,205,918	9.27%	$1,645,866
FY 31/32	$19,591,130	2.32%	$453,818	0.18%	$36,046	12.43%	$2,436,003	9.33%	$1,827,611
FY 32/33	$20,334,408	2.29%	$465,086	0.18%	$36,942	12.45%	$2,530,791	9.39%	$1,908,579
FY 33/34	$20,746,832	2.26%	$468,234	0.18%	$37,156	12.46%	$2,584,577	9.44%	$1,958,742
FY 34/35	$21,167,504	2.23%	$471,243	0.18%	$37,349	12.47%	$2,639,483	9.49%	$2,009,622
FY 35/36	$21,596,590	2.20%	$474,047	0.17%	$37,504	12.48%	$2,695,467	9.54%	$2,061,354
FY 36/37	$22,034,257	2.16%	$476,618	0.17%	$37,778	12.49%	$2,752,818	9.60%	$2,115,131

"backup_calc_tri"

Source: Keyser Marston Associates, Inc., EPS

[1] See Table B-5 for derivation of percentage factors.

Table B-7
West Sacramento Bridge District Cash Flow
Property Tax Increment Cash Flow

Item	Pct	Total	2009 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023
						Fiscal Year					
						ISSUE #1		ISSUE #2		ISSUE #3	
Property Tax Increment Revenue		$ 73,976,419	$ 0	$ 308,481	$ 592,021	$ 884,853	$ 1,550,092	$ 2,290,095	$ 2,621,503	$ 3,393,793	$ 3,750,947
Less Coverage	5%	($ 3,698,821)	$ 0	($ 15,424)	($ 29,601)	($ 44,243)	($ 77,505)	($ 114,505)	($ 131,075)	($ 169,690)	($ 187,547)
Adj. Property Tax Increment Rev.		**$ 70,277,598**	**$ 0**	**$ 293,057**	**$ 562,420**	**$ 840,610**	**$ 1,472,588**	**$ 2,175,591**	**$ 2,490,428**	**$ 3,224,104**	**$ 3,563,399**
Bond Size		**$ 61,300,000**				$ 9,900,000		$ 14,900,000		$ 11,000,000	
Bond Construction Proceeds		**$ 53,400,000**				$ 8,800,000		$ 13,100,000		$ 9,600,000	
TI Bonds Debt Service (through 2031)											
Issue 1		$ 11,768,543	$ 0	$ 0	$ 0	$ 840,610	$ 840,610	$ 840,610	$ 840,610	$ 840,610	$ 840,610
Issue 2		$ 16,019,765	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,334,980	$ 1,334,980	$ 1,334,980	$ 1,334,980
Issue 3		$ 10,485,130	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,048,513	$ 1,048,513
Issue 4		$ 10,673,398	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Issue 5		$ 8,441,777	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Debt Service		**$ 57,388,612**	**$ 0**	**$ 0**	**$ 0**	**$ 840,610**	**$ 840,610**	**$ 2,175,591**	**$ 2,175,591**	**$ 3,224,104**	**$ 3,224,104**
Extra Property Tax Increment Revenue Available for Construction Fund											
Available Property Tax Increment		$ 12,888,986	$ 0	$ 293,057	$ 562,420	$ 0	$ 631,977	$ 0	$ 314,837	$ 0	$ 339,296
Coverage Amount		$ 3,698,821	$ 0	$ 15,424	$ 29,601	$ 44,243	$ 77,505	$ 114,505	$ 131,075	$ 169,690	$ 187,547
Total		**$ 16,587,807**	**$ 0**	**$ 308,481**	**$ 592,021**	**$ 44,243**	**$ 709,482**	**$ 114,505**	**$ 445,912**	**$ 169,690**	**$ 526,843**

Table B-7
West Sacramento Bridge District Cash Flow
Property Tax Increment Cash Flow

Item	Pct	Total	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031	2031+
							Fiscal Year				
			ISSUE #4		ISSUE #5						
Property Tax Increment Revenue		$ 73,976,419	$ 4,798,188	$ 5,187,302	$ 6,279,201	$ 6,702,191	$ 7,841,444	$ 8,300,555	$ 9,489,409	$ 9,986,344	
Less Coverage	5%	($ 3,698,821)	($ 239,909)	($ 259,365)	($ 313,960)	($ 335,110)	($ 392,072)	($ 415,028)	($ 474,470)	($ 499,317)	
Adj. Property Tax Increment Rev.		**$ 70,277,598**	**$ 4,558,278**	**$ 4,927,937**	**$ 5,965,241**	**$ 6,367,081**	**$ 7,449,372**	**$ 7,885,527**	**$ 9,014,939**	**$ 9,487,027**	
Bond Size		**$ 61,300,000**	$ 13,000,000		$ 12,500,000						
Bond Construction Proceeds		**$ 53,400,000**	$ 11,200,000		$ 10,700,000						
TI Bonds Debt Service (through 2031)											
Issue 1		$ 11,768,543	$ 840,610	$ 840,610	$ 840,610	$ 840,610	$ 840,610	$ 840,610	$ 840,610	$ 840,610	
Issue 2		$ 16,019,765	$ 1,334,980	$ 1,334,980	$ 1,334,980	$ 1,334,980	$ 1,334,980	$ 1,334,980	$ 1,334,980	$ 1,334,980	**NOT**
Issue 3		$ 10,485,130	$ 1,048,513	$ 1,048,513	$ 1,048,513	$ 1,048,513	$ 1,048,513	$ 1,048,513	$ 1,048,513	$ 1,048,513	**ESTIMATED**
Issue 4		$ 10,673,398	$ 1,334,175	$ 1,334,175	$ 1,334,175	$ 1,334,175	$ 1,334,175	$ 1,334,175	$ 1,334,175	$ 1,334,175	
Issue 5		$ 8,441,777	$ 0	$ 0	$ 1,406,963	$ 1,406,963	$ 1,406,963	$ 1,406,963	$ 1,406,963	$ 1,406,963	
Total Debt Service		**$ 57,388,612**	**$ 4,558,278**	**$ 4,558,278**	**$ 5,965,241**	**$ 5,965,241**	**$ 5,965,241**	**$ 5,965,241**	**$ 5,965,241**	**$ 5,965,241**	
Extra Property Tax Increment Revenue Available for Construction Fund											
Available Property Tax Increment		$ 12,888,986	$ 0	$ 369,659	$ 0	$ 401,840	$ 1,484,131	$ 1,920,286	$ 3,049,698	$ 3,521,786	
Coverage Amount		$ 3,698,821	$ 239,909	$ 259,365	$ 313,960	$ 335,110	$ 392,072	$ 415,028	$ 474,470	$ 499,317	
Total		**$ 16,587,807**	**$ 239,909**	**$ 629,024**	**$ 313,960**	**$ 736,950**	**$ 1,876,203**	**$ 2,335,314**	**$ 3,524,168**	**$ 4,021,103**	

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Table B-8
West Sacramento Bridge District Cash Flow
Tax Increment Bond Sizing

Item	Assumptions	Estimated Bond Sizing Bond Issue 1	Bond Issue 2	Bond Issue 3	Bond Issue 4	Bond Issue 5	TOTAL
Year of Bond Issue		2017	2019	2021	2023	2025	
Assumptions							
Interest Rate		6.00%	6.00%	6.00%	6.00%	6.00%	
Term [1]		21 years	19 years	17 years	15 years	13 years	
Annual Escalation		0.00%	0.00%	0.00%	0.00%	0.00%	
Capitalized Interest		0 months	0 months	0 months	0 months	0 months	
Estimated Net Debt Service		**$840,610**	**$1,334,980**	**$1,048,513**	**$1,334,175**	**$1,406,963**	**$5,965,241**
Bond Proceeds and Bond Size							
Bond Size		**$9,889,003**	**$14,895,867**	**$10,985,543**	**$12,957,837**	**$12,455,395**	**$61,183,645**
Estimated Bond Proceeds							
Bond Size		**$9,889,003**	**$14,895,867**	**$10,985,543**	**$12,957,837**	**$12,455,395**	**$61,183,645**
Less Capitalized Interest		*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
Less Bond Reserve Fund	*1 yr of debt svc*	*($840,610)*	*($1,334,980)*	*($1,048,513)*	*($1,334,175)*	*($1,406,963)*	*($5,965,241)*
Less Issuance Cost	*3.0%*	*($296,670)*	*($446,876)*	*($329,566)*	*($388,735)*	*($373,662)*	*($1,835,509)*
Net Construction Proceeds		**$8,751,722**	**$13,114,011**	**$9,607,463**	**$11,234,927**	**$10,674,771**	**$53,382,895**

ti bond

Source: EPS.
[1] All TI bonds must be repaid by 2037. The bond term assumes that the bond repayment will begin in the year of issue and continue through 2037. For example, the first bond issue in 2017 assumes repayment from 2017 through 2037, for a total of 21 years.

Prepared by EPS 01/18/10

APPENDIX C:
CFD 27 Cash Flow Detail

Table C-1
West Sacramento Bridge District Cash Flow
Mello-Roos CFD 27 Cash Flow

CFD Annual Tax: $0.50 per Building Square Foot
AV for Property Tax Increment: $325,000 per Owned Unit; $175,000 per Rental Unit

Item	Assumption	Total Through 2031	Fiscal Year 2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020
			ISSUE #1										
Escalation Factor (Compounded Annually)			1.00	1.02	1.04	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22
Cumulative Developed Residential Building Square Feet		3,453,000	0	0	0	0	200,000	400,000	600,000	731,000	931,000	1,131,000	1,331,000
Cumulative Developed Non-residential Building Square Feet		2,547,000	0	0	0	0	0	0	0	269,000	514,500	514,500	760,000
Total Cumulative Developed Building Square Feet		6,000,000	0	0	0	0	200,000	400,000	600,000	1,000,000	1,445,500	1,645,500	2,091,000
Remaining Undeveloped Land Square Feet			3,347,407	3,347,487	3,347,487	3,347,487	3,235,904	3,124,321	3,012,738	2,789,572	2,541,022	2,429,439	2,180,888
Less Untaxable Bridge Housing Square Feet													
Land Square Feet	0.9 acres		(39,204)	(39,204)	(39,204)	(39,204)	0	0	0	0	0	0	0
Building Square Feet	1.79 FAR		0	0	0	0	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)
Cumulative Taxable Residential Building Square Feet		3,382,731	0	0	0	0	129,731	329,731	529,731	660,731	860,731	1,060,731	1,260,731
Cumulative Taxable Non-Residential Building Square Feet		2,547,000	0	0	0	0	0	0	0	269,000	514,500	514,500	760,000
Total Cumulative Taxable Building Square Feet		5,929,731	0	0	0	0	129,731	329,731	529,731	929,731	1,375,231	1,575,231	2,020,731
Total Cumulative Taxable Land Square Feet			3,308,203	3,308,283	3,308,283	3,308,283	3,235,904	3,124,321	3,012,738	2,789,572	2,541,022	2,429,439	2,180,888
REVENUES													
Maximum Special Tax Revenue on Building Square Feet													
Residential Estimated Tax Revenue (1 year lag)	$ 0.50		$ 0	$ 0	$ 0	$ 0	$ 0	$ 71,617	$ 185,665	$ 304,247	$ 387,076	$ 514,327	$ 640,513
Non-residential Estimated Tax Revenue (1 year lag)	$ 0.50		$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 157,588	$ 307,438	$ 313,580
Total Estimated Tax Revenue (1 year lag)			$ 0	$ 0	$ 0	$ 0	$ 0	$ 71,617	$ 185,665	$ 304,247	$ 544,664	$ 821,764	$ 960,099
Less Administration Costs	2.5%		$ 0	$ 0	$ 0	$ 0	$ 0	($ 1,790)	($ 4,642)	($ 7,606)	($ 13,617)	($ 20,544)	($ 24,002)
Less Delinquency Coverage	10%		$ 0	$ 0	$ 0	$ 0	$ 0	($ 7,162)	($ 18,567)	($ 30,425)	($ 54,466)	($ 82,176)	($ 96,010)
Taxes Available for Debt Service			$ 0	$ 0	$ 0	$ 0	$ 0	$ 62,665	$ 162,457	$ 266,216	$ 476,581	$ 719,044	$ 840,087
Maximum Special Tax Revenue on Undeveloped Land													
Estimated Tax Revenue (1 year lag)	$ 0.40		$ 1,323,313	$ 1,349,779	$ 1,376,775	$ 1,404,311	$ 1,432,397	$ 1,429,080	$ 1,407,397	$ 1,384,276	$ 1,307,372	$ 1,214,702	$ 1,184,589
Less Administration Costs	2.5%		($ 33,083)	($ 33,744)	($ 34,419)	($ 35,108)	($ 35,810)	($ 35,727)	($ 35,185)	($ 34,607)	($ 32,684)	($ 30,368)	($ 29,615)
Less Delinquency Coverage	10%		($ 132,331)	($ 134,978)	($ 137,678)	($ 140,431)	($ 143,240)	($ 142,908)	($ 140,740)	($ 138,428)	($ 130,737)	($ 121,470)	($ 118,459)
Taxes Available for Debt Service			$ 1,157,899	$ 1,181,057	$ 1,204,678	$ 1,228,772	$ 1,253,347	$ 1,250,445	$ 1,231,473	$ 1,211,241	$ 1,143,950	$ 1,062,865	$ 1,036,515
Bond Size		$ 42,100,000	$ 11,300,000										
Bond Construction Proceeds		$ 35,788,251	$9,000,000										
Mello Roos Bonds Debt Service													
Issue 1			$893,017	$910,877	$929,095	$947,677	$966,630	$985,963	$1,005,682	$1,025,796	$1,046,312	$1,067,238	$1,088,583
Issue 2			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Issue 3			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Issue 4													
Issue 5													
Total Estimated Debt Service			$893,017	$910,877	$929,095	$947,677	$966,630	$985,963	$1,005,682	$1,025,796	$1,046,312	$1,067,238	$1,088,583
Debt Service Payment													
Capitalized Interest Used for Debt Service			($ 703,125)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Delinquency from Prior Year			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	($ 7,162)	($ 18,567)	($ 30,425)	($ 54,466)	($ 82,176)
Tax on Developed Land Used			$ 0	$ 0	$ 0	$ 0	$ 0	($ 62,665)	($ 162,457)	($ 266,216)	($ 476,581)	($ 719,044)	($ 840,087)
Tax on Undeveloped Land			($ 189,892)	($ 910,877)	($ 929,095)	($ 947,677)	($ 966,630)	($ 923,298)	($ 836,063)	($ 741,013)	($ 539,306)	($ 293,728)	($ 166,319)
Total Debt Service Payment			($ 893,017)	($ 910,877)	($ 929,095)	($ 947,677)	($ 966,630)	($ 985,963)	($ 1,005,682)	($ 1,025,796)	($ 1,046,312)	($ 1,067,238)	($ 1,088,583)
Actual Undeveloped Land Tax Levied			$ 0.07	$ 0.31	$ 0.31	$ 0.31	$ 0.31	$ 0.30	$ 0.27	$ 0.24	$ 0.19	$ 0.11	$ 0.06
Use of Capitalized Interest													
Available Capitalized Interest (Beg. of Period)			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
New Capitalized Interest			$ 703,125	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Capitalized Int. Avail. for Debt Service			$ 703,125	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Capitalized Interest Used			($ 703,125)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Capitalized Interest Balance (End of Period)			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Extra Tax Revenue on Developed Land Available for Construction Fund		$ 3,665,653	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

Source: EPS

Table C-1
West Sacramento Bridge District Cash Flow
Mello-Roos CFD 27 Cash Flow

CFD Annual Tax: $0.50 per Building Square Foot
AV for Property Tax Increment: $325,000 per Owned Unit; $175,000 per Rental Unit

Item	Assumption	Total Through 2031	Fiscal Year 2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031	2031+
										ISSUE #2		ISSUE #3		
Escalation Factor (Compounded Annually)			1.24	1.27	1.29	1.32	1.35	1.37	1.40	1.43	1.46	1.49	1.52	
Cumulative Developed Residential Building Square Feet		3,453,000	1,531,000	1,731,000	1,931,000	2,131,000	2,331,000	2,531,000	2,731,000	2,931,000	3,131,000	3,331,000	3,453,000	
Cumulative Developed Non-residential Building Square Feet		2,547,000	760,000	1,140,000	1,140,000	1,520,000	1,520,000	1,900,000	1,900,000	2,280,000	2,280,000	2,547,000	2,547,000	
Total Cumulative Developed Building Square Feet		6,000,000	2,291,000	2,871,000	3,071,000	3,651,000	3,851,000	4,431,000	4,631,000	5,211,000	5,411,000	5,878,000	6,000,000	6,000,000
Remaining Undeveloped Land Square Feet			2,069,305	1,745,714	1,634,132	1,310,541	1,198,950	875,368	763,785	440,195	328,612	68,066	0	
Less Untaxable Bridge Housing Square Feet														
Land Square Feet	0.9 acres		0	0	0	0	0	0	0	0	0	0	0	
Building Square Feet	1.79 FAR		(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)	(70,269)
Cumulative Taxable Residential Building Square Feet		3,382,731	1,460,731	1,660,731	1,860,731	2,060,731	2,260,731	2,460,731	2,660,731	2,860,731	3,060,731	3,260,731	3,382,731	
Cumulative Taxable Non-Residential Building Square Feet		2,547,000	760,000	1,140,000	1,140,000	1,520,000	1,520,000	1,900,000	1,900,000	2,280,000	2,280,000	2,547,000	2,547,000	
Total Cumulative Taxable Building Square Feet		5,929,731	2,220,731	2,800,731	3,000,731	3,580,731	3,780,731	4,360,731	4,560,731	5,140,731	5,340,731	5,807,731	5,929,731	5,929,731
Total Cumulative Taxable Land Square Feet			2,069,305	1,745,714	1,634,132	1,310,541	1,198,958	875,368	763,785	440,195	328,612	68,066	0	
REVENUES														
Maximum Special Tax Revenue on Building Square Feet														
Residential Estimated Tax Revenue (1 year lag)	$ 0.50		$ 783,700	$ 826,280	$ 1,074,166	$ 1,227,598	$ 1,388,736	$ 1,551,750	$ 1,722,809	$ 1,900,090	$ 2,083,773	$ 2,274,043	$ 2,471,090	
Non-residential Estimated Tax Revenue (1 year lag)	$ 0.50		$ 472,482	$ 481,032	$ 737,356	$ 752,103	$ 1,022,860	$ 1,043,317	$ 1,330,229	$ 1,356,834	$ 1,660,765	$ 1,693,980	$ 1,930,201	
Total Estimated Tax Revenue (1 year lag)			$ 1,256,263	$ 1,408,212	$ 1,811,522	$ 1,979,701	$ 2,409,596	$ 2,595,067	$ 3,053,038	$ 3,256,924	$ 3,744,537	$ 3,968,023	$ 4,401,291	
Less Administration Costs	2.5%		($ 31,407)	($ 35,205)	($ 45,288)	($ 49,493)	($ 60,240)	($ 64,877)	($ 76,326)	($ 81,423)	($ 93,613)	($ 99,201)	($ 110,032)	
Less Delinquency Coverage	10%		($ 125,626)	($ 140,821)	($ 181,152)	($ 197,970)	($ 240,960)	($ 259,507)	($ 305,304)	($ 325,692)	($ 374,454)	($ 396,802)	($ 440,129)	
Taxes Available for Debt Service			$ 1,099,230	$ 1,232,186	$ 1,585,082	$ 1,732,238	$ 2,108,397	$ 2,270,683	$ 2,671,408	$ 2,849,808	$ 3,276,470	$ 3,472,020	$ 3,851,130	
Maximum Special Tax Revenue on Undeveloped Land														
Estimated Tax Revenue (1 year lag)	$ 0.40		$ 1,084,654	$ 1,049,752	$ 903,307	$ 862,481	$ 705,526	$ 658,365	$ 490,291	$ 436,349	$ 256,512	$ 195,320	$ 41,266	
Less Administration Costs	2.5%		($ 27,117)	($ 26,244)	($ 22,583)	($ 21,562)	($ 17,638)	($ 16,459)	($ 12,257)	($ 10,909)	($ 6,413)	($ 4,883)	($ 1,032)	
Less Delinquency Coverage	10%		($ 108,466)	($ 104,975)	($ 90,331)	($ 86,248)	($ 70,553)	($ 65,837)	($ 49,028)	($ 43,635)	($ 25,651)	($ 19,532)	($ 4,127)	
Taxes Available for Debt Service			$ 949,081	$ 918,533	$ 790,394	$ 754,671	$ 617,336	$ 576,069	$ 429,004	$ 381,806	$ 224,448	$ 170,905	$ 36,108	
Bond Size		$ 42,100,000			$7,100,000		$7,600,000		$7,900,000		$8,200,000			
Bond Construction Proceeds		$ 35,788,251			$6,177,432		$6,600,041		$6,866,683		$7,144,096			$18,106,176
Mello Roos Bonds Debt Service														
Issue 1			$1,110,354	$1,132,561	$1,155,212	$1,178,317	$1,201,883	$1,225,921	$1,250,439	$1,275,448	$1,300,957	$1,326,976	$1,353,516	
Issue 2			$0	$0	$429,869	$430,467	$447,236	$456,181	$465,304	$474,611	$484,103	$493,785	$503,661	
Issue 3			$0	$0	$0	$0	$459,278	$468,463	$477,832	$487,389	$497,137	$507,080	$517,221	
Issue 4				$0	$0	$0	$0	$0	$477,832	$487,389	$497,137	$507,080	$517,221	
Issue 5							$0	$0	$0	$0	$497,137	$507,080	$517,221	
Total Estimated Debt Service			$1,110,354	$1,132,561	$1,585,082	$1,616,784	$2,108,397	$2,150,565	$2,671,408	$2,724,837	$3,276,470	$3,342,000	$3,408,840	
Debt Service Payment														
Capitalized Interest Used for Debt Service			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
Delinquency from Prior Year			($ 96,010)	($ 125,626)	($ 140,821)	($ 181,152)	($ 197,970)	($ 240,960)	($ 259,507)	($ 305,304)	($ 325,692)	($ 374,454)	($ 396,802)	
Tax on Developed Land Used			($ 1,014,344)	($ 1,006,935)	($ 1,444,261)	($ 1,435,631)	($ 1,910,427)	($ 1,909,605)	($ 2,411,902)	($ 2,419,533)	($ 2,950,778)	($ 2,967,546)	($ 3,012,037)	
Tax on Undeveloped Land			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
Total Debt Service Payment			($ 1,110,354)	($ 1,132,561)	($ 1,585,082)	($ 1,616,784)	($ 2,108,397)	($ 2,150,565)	($ 2,671,408)	($ 2,724,837)	($ 3,276,470)	($ 3,342,000)	($ 3,408,840)	
Actual Undeveloped Land Tax Levied			$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	
Use of Capitalized Interest														
Available Capitalized Interest (Beg. of Period)			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
New Capitalized Interest			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
Total Capitalized Int. Avail. for Debt Service			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
Capitalized Interest Used			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
Capitalized Interest Balance (End of Period)			$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
Extra Tax Revenue on Developed Land Available for Construction Fund		$ 3,665,653	$ 84,885	$ 225,251	$ 140,821	$ 296,607	$ 197,970	$ 361,078	$ 259,507	$ 430,275	$ 325,692	$ 504,474	$ 839,093	$1,854,546

Source: EPS

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Table C-2
West Sacramento Bridge District Cash Flow
Mello-Roos Bond Sizing

Item	Assumptions	Estimated Bond Sizing: Bond Issue 1	Bond Issue 2	Bond Issue 3	Bond Issue 4	Bond Issue 5	TOTAL
Year of Bond Issue		2010	2023	2025	2027	2029	
Assumptions							
Interest Rate		7.50%	6.00%	6.00%	6.00%	6.00%	
Term		30 years	30 years	30 years	30 years	30 years	
Annual Escalation		2.00%	2.00%	2.00%	2.00%	2.00%	
Capitalized Interest		12 months	0 months	0 months	0 months	0 months	
Special Tax Revenue							
Debt Service		$793,793	$429,869	$459,278	$477,832	$497,137	$2,657,909
Administration Costs	2.5%	$19,845	$10,747	$11,482	$11,946	$12,428	$66,448
Delinquency Coverage	10%	$79,379	$42,987	$45,928	$47,783	$49,714	$265,791
Gross Special Tax Revenue		$893,017	$483,603	$516,687	$537,561	$559,279	$2,990,148
Bond Proceeds and Bond Size							
Total Bond Size -- Level Debt Service		$9,375,000	$5,917,080	$6,321,878	$6,577,282	$6,843,004	$35,034,245
Less Capitalized Interest		($703,125)	$0	$0	$0	$0	($703,125)
Less Bond Reserve Fund	10%	($937,500)	($591,708)	($632,188)	($657,728)	($684,300)	($3,503,424)
Less Issuance Cost	3%	($281,250)	($177,512)	($189,656)	($197,318)	($205,290)	($1,051,027)
Rounding Adjustment		$46,875	$0	$0	$0	$0	$46,875
Net Construction Proceeds		$7,500,000	$5,147,860	$5,500,034	$5,722,235	$5,953,414	$29,823,543
Escalated Net Construction Proceeds	20%	$9,000,000	$6,177,432	$6,600,041	$6,866,683	$7,144,096	$35,788,251
Escalated Bond Size		$11,250,000	$7,100,496	$7,586,254	$7,892,739	$8,211,605	$42,041,094

mr bond

Source: EPS.

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Table C-3
West Sacramento Bridge District Cash Flow
Infrastructure Costs for Bridge District OTST

Item	FAR [1]	Land Acquisition: Tier 1	Land Acquisition: Tier 2	Land Acquisition: Total	Tier 2 Infrastructure	Tier 2 Total	Tier 3 Infrastructure [2]
Building Sq.Ft.		1,000,000	5,000,000	6,000,000	5,000,000	5,000,000	> 6,000,000
Land Square Feet	1.79	557,914	2,789,572	3,347,487	2,789,572	2,789,572	NA
Percent of Land Square Feet		17%	83%		100%		NA
Percent of Costs		17%	83%	**100%**	100%		NA
Costs							
Drainage		$0	$0	**$0**	**$5,826,550**	$5,826,550	[illegible]
Sewer		$0	$0	**$0**	**$3,434,400**	$3,434,400	
Water		$0	$0	**$0**	**$6,296,600**	$6,296,600	
Joint Trench		$0	$0	**$0**	**$1,308,000**	$1,308,000	
Roadways - Regional		$150,000	$750,000	**$900,000**	**$267,000**	$1,017,000	
Transit		$0	$0	**$0**	**$0**	$0	
Neighborhood Parks - Core Park		$145,200	$726,000	**$871,200**	**$0**	$726,000	
Neighborhood Parks - Garden Park		$92,217	$461,083	**$553,300**	**$0**	$461,083	
Distributed Neighborhood Park Elements		$0	$0	**$0**	**$0**	$0	
Land Acquisition (Plaza and Riverfront)		$471,587	$2,357,933	**$2,829,520**	**$0**	$2,357,933	
Plaza Construction		$0	$0	**$0**	**$0**	$0	
Total		**$859,003**	**$4,295,017**	**$5,154,020**	**$17,132,550**	**$21,427,567**	

otst costs

[1] Floor Area Ratio (FAR) Calculation:

Net Developable Land Square Feet	*a*	3,347,487
Total Building Square Feet	*b*	6,000,000
FAR	*b/a*	**1.79**

[2] It is uncertain how much land will remain after construction of 6 million square feet. However, alternative funding can be provided by other revenue sources, such as CFD 27 bond proceeds from construction beyond 6 million square feet, private property transfer tax, or property tax increment.

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Table C-4
West Sacramento Bridge District Cash Flow
Bridge District One Time Special Tax per Land Square Foot

Item		Tier 1	Tier 2	Tier 3 [1], [2]	TOTAL
Land Square Feet	*a*	557,914	2,789,572	NA	3,347,487
Infrastructure Costs	*b*				
Drainage		$0	[illegible]		$5,826,550
Sewer		$0	[illegible]		$3,434,400
Water		$0	[illegible]		$6,296,600
Joint Trench		$0	[illegible]	[illegible]	$1,308,000
Roadways - Regional Roads		$150,000	[illegible]	[illegible]	$1,167,000
Transit		$0	[illegible]	[illegible]	$0
Neighborhood Parks - Core Park land acquisition		$145,200	[illegible]	[illegible]	$871,200
Neighborhood Parks - Garden Park land acquisition		$92,217	[illegible]	[illegible]	$553,300
Distributed Neighborhood Park Elements		$0	[illegible]		$0
Land Acquisition (Plaza and Riverfront)		$471,587	[illegible]		$2,829,520
Plaza Construction		$0	[illegible]		$0
Total		$859,003	$21,427,567		$22,286,570

OTST per Land Square Foot	*b/a*		
Drainage	$ 0.00	$ 2.09	NOT ESTIMATED
Sewer	$ 0.00	$ 1.23	
Water	$ 0.00	$ 2.26	
Joint Trench	$ 0.00	$ 0.47	
Roadways - Regional	$ 0.27	$ 0.36	
Transit	$ 0.00	$ 0.00	
Neighborhood Parks - Core Park	$ 0.26	$ 0.26	
Neighborhood Parks - Garden Park	$ 0.17	$ 0.17	
Distributed Neighborhood Park Elements	$ 0.00	$ 0.00	
Land Acquisition (Plaza and Riverfront)	$ 0.85	$ 0.85	
Plaza Construction	$ 0.00	$ 0.00	
Total	**$ 1.54**	**$ 7.68**	**$ 9.22**

otst

[1] The Tier 3 tax rate is set to be 20% greater than the Tier 2 tax rate. This 20% is estimated based on the possibility that contingency revenue is needed if grants do not materialize as projected and cost estimates increase. Absorption will need to occur more quickly than projected for Tier 3 revenue to be realized.

[2] It is uncertain how much land will remain after construction of 6 million square feet. However, alternative funding can be provided by other revenue sources, such as CFD 27 bond proceeds from construction beyond 6 million square feet, private property transfer tax, or property tax increment.

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Table C-5
West Sacramento Bridge District Cash Flow
One Time Special Tax Cost Shift from Tier 1 to Tier 2

Item	Tier 1 and Tier 2 Total Costs	Cost per Land Sq.Ft.	OTST Per Land Square Foot Tier 1	OTST Per Land Square Foot Tier 2
Land Square Feet		3,347,487	557,914	2,789,572
Infrastructure Type				
Drainage	$ 5,826,550	$ 1.74	$ 0.00	$ 2.09
Sewer	$ 3,434,400	$ 1.03	$ 0.00	$ 1.23
Water	$ 6,296,600	$ 1.88	$ 0.00	$ 2.26
Joint Trench	$ 1,308,000	$ 0.39	$ 0.00	$ 0.47
Roadways - Regional	$ 1,167,000	$ 0.35	$ 0.27	$ 0.36
Transit	$ 0	$ 0.00	$ 0.00	$ 0.00
Neighborhood Parks - Core Park	$ 871,200	$ 0.26	$ 0.26	$ 0.26
Neighborhood Parks - Garden Park	$ 553,300	$ 0.17	$ 0.17	$ 0.17
Distributed Neighborhood Park Elements	$ 0	$ 0.00	$ 0.00	$ 0.00
Land Acquisition (Plaza and Riverfront)	$ 2,829,520	$ 0.85	$ 0.85	$ 0.85
Plaza Construction	$ 0	$ 0.00	$ 0.00	$ 0.00
Total	**$ 22,286,570**	**$ 6.66**	**$ 1.54**	**$ 7.68**
Shift			**($ 5.12)**	**$ 1.02**

cost shift

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Table C-6
West Sacramento Bridge District Cash Flow
Conversion of Bridge District One Time Special Tax to Building Sq. Ft.

Item	Tier 1 *(1 million sq.ft.)*	Tier 2 *(1-6 million sq.ft.)*	Tier 3 *(> 6 million sq.ft.)*	TOTAL (Tiers 1 and 2)
One-Time Special Tax per Net Land Sq. Ft.	**$ 1.54**	**$ 7.68**	**$ 9.22**	
Net Land Square Feet [1]	557,914	2,789,572	NA	**3,347,487**
Total One-Time Special Tax Revenue	$ 859,003	$21,427,567	NA	**$22,286,570**
Building Square Feet [1]	1,000,000	5,000,000	> 6,000,000	6,000,000
Avg. One-time Tax per Building Sq. Ft.	**$ 0.86**	**$ 4.29**	**$ 5.14**	
Weighting Factor	1.00	1.00	1.00	
Adjusted Avg. One-time Tax per Building Sq. Ft.	**$ 0.86**	**$ 4.29**	**$ 5.14**	
Average Square Feet Per Unit	1,000	1,000	1,000	
One-time Tax Per Unit or 1,000 Square Feet [2]	**$ 859**	**$ 4,286**	**$ 5,143**	

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[1] See Table C-3.
[2] Residential one-time special tax assumes 1,000 square feet per unit.

C-7

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Table C-7
West Sacramento Bridge District Cash Flow
One-Time Special Tax Cash Flow

Item	Total Through 2031	Fiscal Year 2009 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
<u>Special Tax Schedule</u>											
Escalation Factor (Compounded Annually) [1]		*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*
One-time Special Tax per Net Land Sq.ft.		$1.54	$1.54	$1.54	$1.54	$1.54	$7.68	$7.68	$7.68	$7.68	$7.68
<u>Absorption Schedule</u>											
Residential Development (Bldg Sq. Ft)	**3,453,000**	0	200,000	200,000	200,000	131,000	200,000	200,000	200,000	200,000	200,000
Nonresidential Development (Bldg Sq. Ft).	**2,547,000**	0	0	0	0	269,000	245,500	0	245,500	0	380,000
Total Building Square Feet	**6,000,000**	**0**	**200,000**	**200,000**	**200,000**	**400,000**	**445,500**	**200,000**	**445,500**	**200,000**	**580,000**
Developed Net Land Sq.ft.	**3,347,487**	0	111,583	111,583	111,583	223,166	248,551	111,583	248,551	111,583	323,590
Remaining Undeveloped Net Land Sq.Ft.	**0**	3,347,487	3,235,904	3,124,321	3,012,738	2,789,572	2,541,022	2,429,439	2,180,888	2,069,305	1,745,714
<u>Net Tax Revenue Generated</u>											
Net Tax Revenue Generated	**$ 22,286,570**	**$0**	**$171,801**	**$171,801**	**$171,801**	**$343,601**	**$1,909,196**	**$857,103**	**$1,909,196**	**$857,103**	**$2,485,598**
Cumulative Net Tax Revenue Generated	**$ 22,286,570**	$0	$171,801	$343,601	$515,402	$859,003	$2,768,200	$3,625,302	$5,534,498	$6,391,601	$8,877,199

Source: EPS
[1] ENR CCI to be used for annual escalation in implementation

C-8

Table C-7
West Sacramento Bridge District Cash Flow
One-Time Special Tax Cash Flow

Item	Total Through 2031	Fiscal Year 2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031	2031+
Special Tax Schedule											
Escalation Factor (Compounded Annually) [1]		*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*
One-time Special Tax per Net Land Sq.ft.		$7.68	$7.68	$7.68	$7.68	$7.68	$7.68	$7.68	$7.68	$7.68	$9.22
Absorption Schedule											
Residential Development (Bldg Sq. Ft)	3,453,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	122,000	0
Nonresidential Development (Bldg Sq. Ft).	2,547,000	0	380,000	0	380,000	0	380,000	0	267,000	0	0
Total Building Square Feet	**6,000,000**	**200,000**	**580,000**	**200,000**	**580,000**	**200,000**	**580,000**	**200,000**	**467,000**	**122,000**	**0**
Developed Net Land Sq.ft.	3,347,487	111,583	323,590	111,583	323,590	111,583	323,590	111,583	260,546	68,066	0
Remaining Undeveloped Net Land Sq.Ft.	0	1,634,132	1,310,541	1,198,958	875,368	763,785	440,195	328,612	68,066	0	0
Net Tax Revenue Generated											
Net Tax Revenue Generated	**$ 22,286,570**	**$857,103**	**$2,485,598**	**$857,103**	**$2,485,598**	**$857,103**	**$2,485,598**	**$857,103**	**$2,001,335**	**$522,833**	**$0**
Cumulative Net Tax Revenue Generated	$ 22,286,570	$9,734,301	$12,219,899	$13,077,002	$15,562,600	$16,419,702	$18,905,300	$19,762,403	$21,763,737	$22,286,570	$22,286,570

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Source: EPS
[1] ENR CCI to be used for annual escalation in implementation

APPENDIX D:

Detailed Calculations: Estimate of Bridge District Infrastructure Burden

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Table D-1
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 1 Multifamily [1]

Tier 1:
Multifamily

Item	Per Unit: Tier 1 Rate	Per Unit: Tier 1 to Tier 2 & 3 Shift	Per Unit: Adj. Tier 1 Rate	Costs: Tier 1 Rate	Costs: Tier 1 to Tier 2 & 3 Shift	Costs: Adj. Tier 1 Rate
FEES						
BUILDING & PROCESSING FEES						
a. Building Permit	$484	$0	$484	$354.089	$0	$354,089
b. Plan Check	$396	$0	$396	$289,709	$0	$289,709
c. Energy Fee	$85	$0	$85	$62,135	$0	$62,135
d. Technology Surcharge	$44	$0	$44	$32.190	$0	$32,190
e Seismic/Strong Motion	$10	$0	$10	$7.273	$0	$7,273
f Fire Review Fee	$25	$0	$25	$18,470	$0	$18,470
Subtotal, Bldg & Processing Fees	**$1,045**	**$0**	**$1,045**	**$763,866**	**$0**	**$763,866**
ONE-TIME SPECIAL TAX						
g. **Regional One-time Special Tax**						
Water Fee	$1,008	$0	$1,008	$736,848	$0	$736.848
Fire Protection Fee	$449	$0	$449	$328,219	$0	$328,219
City Sewer Fee	$1,173	($1,173)	$0	$857,463	($857,463)	$0
Police Facilities Fee	$440	($440)	$0	$321,640	($321,640)	$0
Corporation Yard Fee	$443	($443)	$0	$323.833	($323,833)	$0
City Hall Addition Fee	$246	($246)	$0	$179,826	($179,826)	$0
Childcare Fee	$178	($178)	$0	$130,118	($130.118)	$0
Subtotal	**$3,937**	**($2,480)**	**$1,457**	**$2,877,947**	**($1,812,880)**	**$1,065,067**
h **Bridge One-time Special Tax**	**$3,714**	**($2,855)**	**$859**	**$2,715,247**	**($2,087,316)**	**$627,931**
Subtotal, One-time Special Tax	**$7,651**	**($5,335)**	**$2,316**	**$5,593,194**	**($3,900,196)**	**$1,692,998**
OTHER FEES						
City Fees						
I. In-Lieu Flood Protection Fees	$118	$0	$118	$86,258	$0	$86,258
j. Bridge District Specific Plan Fee	$379	$0	$379	$276.847	$0	$276,847
Other Agency Fees						
k. SRCSD	$2.100	$0	$2.100	$1.535.100	$0	$1,535,100
l County-Wide Fees	$2,578	$0	$2,578	$1,884,810	$0	$1.884,810
m School	$3,840	$0	$3,840	$2,807.040	$0	$2,807,040
n Habitat/Greenbelt Preservation [2]	$0	$0	$0	$0	$0	$0
Subtotal, Other Fees	**$9,015**	**$0**	**$9,015**	**$6,590,055**	**$0**	**$6,590,055**
TOTAL FEES	**$17,712**	**($5,335)**	**$12,376**	**$12,947,115**	**($3,900,196)**	**$9,046,919**
BOND PROCEEDS (Annual Tax)						
o. CFD No. 27	$5,500	$0	$5.500	$4.020,500	$0	$4,020,500
p. CFD No. 23	$1,745	$0	$1,745	$1,275,839	$0	$1,275.839
q. West Sacramento Area Flood Control	$241	$0	$241	$176,171	$0	$176,171
Subtotal, Bond Proceeds	**$7,486**	**$0**	**$7,486**	**$5,472,510**	**$0**	**$5,472,510**
TOTAL FEES & BOND PROCEEDS	**$25,198**	**($5,335)**	**$19,862**	**$18,419,624**	**($3,900,196)**	**$14,519,429**
SUMMARY						
Building & Processing Fees	$1,045	$0	$1,045	$763.866	$0	$763,866
One-time Special Tax	$7,651	($5,335)	$2,316	$5,593,194	($3,900.196)	$1.692.998
Other Fees	$9,015	$0	$9,015	$6,590,055	$0	$6.590.055
TOTAL FEES	**$17,712**	**($5,335)**	**$12,376**	**$12,947,115**	**($3,900,196)**	**$9,046,919**
Bond Proceeds	**$7,486**	**$0**	**$7,486**	**$5,472,510**	**$0**	**$5,472,510**
TOTAL FEES & BOND PROCEEDS	**$25,198**	**($5,335)**	**$19,862**	**$18,419,624**	**($3,900,196)**	**$14,519,429**
r. Plus: Affordable Housing Fee [3]	*$7.133*	*$0*	*$7.133*	$5,214.223	*$0*	*$5,214,223*
REVISED TOTAL FEES AND BOND PROCEEDS	***$32,331***	***($5,335)***	***$26,995***	***$23,633,847***	***($3,900,196)***	***$19,733,652***

"resid. Fees"

[1] Assumes multifamily residential with 78 units per acre and 1,000 square feet per unit
[2] Assumes no habitat/greenbelt preservation at this time but will depend on individual project envirohmental review
[3] Affordable housing requirements can be met through land dedication or through payment of an affordable housing fee

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Table D-2
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 2 Multifamily [1]

Tier 2:
Multifamily

Item	Per Unit: Tier 2 Rate	Per Unit: Shift from Tier 1	Per Unit: Adj. Tier 2 Rate	Costs: Tier 2 Rate	Costs: Shift from Tier 1	Costs: Adj. Tier 2 Rate
FEES						
BUILDING & PROCESSING FEES						
a Building Permit	$484	$0	$484	$1.318,509	$0	$1.318,509
b Plan Check	$396	$0	$396	$1,078,780	$0	$1,078,780
c Energy Fee	$85	$0	$85	$231,370	$0	$231,370
d Technology Surcharge	$44	$0	$44	$119.864	$0	$119.864
e Seismic/Strong Motion	$10	$0	$10	$27.082	$0	$27.082
f Fire Review Fee	$25	$0	$25	$68.776	$0	$68,776
Subtotal, Bldg & Processing Fees	**$1,045**	**$0**	**$1,045**	**$2,844,381**	**$0**	**$2,844,381**
ONE-TIME SPECIAL TAX						
g **Regional One-time Special Tax**						
Water Fee	$1,008	$0	$1,008	$2,743.776	$0	$2.743,776
Fire Protection Fee	$449	$0	$449	$1.222,178	$0	$1,222,178
City Sewer Fee	$1,173	$315	$1,488	$3,192,906	$857.463	$4,050,369
Police Facilities Fee	$440	$118	$558	$1,197,680	$321,640	$1,519,320
Corporation Yard Fee	$443	$119	$562	$1,205,846	$323,833	$1,529,679
City Hall Addition Fee	$246	$66	$312	$669.612	$179,826	$849,438
Childcare Fee	$178	$48	$226	$484,516	$130.118	$614,634
Subtotal	**$3,937**	**$666**	**$4,603**	**$10,716,514**	**$1,812,880**	**$12,529,394**
h **Bridge One-time Special Tax**	**$3,714**	**$571**	**$4,286**	**$10,110,674**	**$1,554,493**	**$11,665,167**
Subtotal, One-time Special Tax	**$7,651**	**$1,237**	**$8,889**	**$20,827,188**	**$3,367,373**	**$24,194,561**
OTHER FEES						
City Fees						
I In-Lieu Flood Protection Fees	$118	$0	$118	$321,196	$0	$321,196
j Bridge District Specific Plan Fee	$379	$0	$379	$1.030,884	$0	$1,030,884
Other Agency Fees						
k. SRCSD	$2,100	$0	$2,100	$5.716.200	$0	$5,716,200
l County-Wide Fees	$2.578	$0	$2.578	$7,018,405	$0	$7,018.405
m School	$3,840	$0	$3,840	$10,452,480	$0	$10,452.480
n Habitat/Greenbelt Preservation [2]	$0	$0	$0	$0	$0	$0
Subtotal, Other Fees	**$9,015**	**$0**	**$9,015**	**$24,539,165**	**$0**	**$24,539,165**
TOTAL FEES	**$17,712**	**$1,237**	**$18,949**	**$48,210,734**	**$3,367,373**	**$51,578,107**
BOND PROCEEDS (Annual Tax)						
o. CFD No. 27	$5,500	$0	$5,500	$14,971,000	$0	$14,971,000
p CFD No. 23	$1,745	$0	$1,745	$4,750,797	$0	$4,750.797
q West Sacramento Area Flood Control	$241	$0	$241	$656,002	$0	$656.002
Subtotal, Bond Proceeds	**$7,486**	**$0**	**$7,486**	**$20,377,799**	**$0**	**$20,377,799**
TOTAL FEES & BOND PROCEEDS	**$25,198**	**$1,237**	**$26,435**	**$68,588,533**	**$3,367,373**	**$71,955,906**
SUMMARY						
Building & Processing Fees	$1,045	$0	$1,045	$2,844,381	$0	$2,844,381
One-time Special Tax	$7,651	$1.237	$8,889	$20,827.188	$3,367,373	$24.194,561
Other Fees	$9,015	$0	$9,015	$24,539.165	$0	$24.539,165
TOTAL FEES	**$17,712**	**$1,237**	**$18,949**	**$48,210,734**	**$3,367,373**	**$51,578,107**
Bond Proceeds	**$7,486**	**$0**	**$7,486**	**$20,377,799**	**$0**	**$20,377,799**
TOTAL FEES & BOND PROCEEDS	**$25,198**	**$1,237**	**$26,435**	**$68,588,533**	**$3,367,373**	**$71,955,906**
r. Plus: Affordable Housing Fee [3]	*$7,133*	*$0*	*$7,133*	$19.416,026	*$0*	*$19,416,026*
REVISED TOTAL FEES AND BOND PROCEEDS	***$32,331***	***$1,237***	***$33,568***	***$88,004,559***	***$3,367,373***	***$91,371,932***

"resid. Fees 2"

[1] Assumes multifamily residential with 78 units per acre and 1.000 square feet per unit.
[2] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review.
[3] Affordable housing requirements can be met through land dedication or through payment of an affordable housing fee.

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Table D-3
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 3 Multifamily [1]

Tier 3:
Multifamily

Item	Per Unit: Tier 3 Rate	Per Unit: Shift from Tier 1	Per Unit: Adj. Tier 3 Rate	Costs [2]: Tier 3 Costs	Costs [2]: Shift from Tier 1	Costs [2]: Adj. Tier 3 Costs
FEES						
BUILDING & PROCESSING FEES						
a Building Permit	$484	$0	$484	$0	$0	$0
b Plan Check	$396	$0	$396	$0	$0	$0
c Energy Fee	$85	$0	$85	$0	$0	$0
d Technology Surcharge	$44	$0	$44	$0	$0	$0
e Seismic/Strong Motion	$10	$0	$10	$0	$0	$0
f Fire Review Fee	$25	$0	$25	$0	$0	$0
Subtotal, Bldg & Processing Fees	**$1,045**	**$0**	**$1,045**	**$0**	**$0**	**$0**
ONE-TIME SPECIAL TAX						
g **Regional One-time Special Tax**						
Water Fee	$1,008	$0	$1,008	$0	$0	$0
Fire Protection Fee	$449	$0	$449	$0	$0	$0
City Sewer Fee	$1,173	$315	$1,488	$0	$0	$0
Police Facilities Fee	$440	$118	$558	$0	$0	$0
Corporation Yard Fee	$443	$119	$562	$0	$0	$0
City Hall Addition Fee	$246	$66	$312	$0	$0	$0
Childcare Fee	$178	$48	$226	$0	$0	$0
Subtotal	**$3,937**	**$666**	**$4,603**	**$0**	**$0**	**$0**
h **Bridge One-time Special Tax**	**$5,143**	**$0**	**$5,143**	**$0**	**$0**	**$0**
Subtotal, One-time Special Tax	**$9,080**	**$666**	**$9,746**	**$0**	**$0**	**$0**
OTHER FEES						
City Fees						
i In-Lieu Flood Protection Fees	$118	$0	$118	$0	$0	$0
j Bridge District Specific Plan Fee	$379	$0	$379	$0	$0	$0
Other Agency Fees						
k SRCSD	$2,100	$0	$2,100	$0	$0	$0
l County-Wide Fees	$2,578	$0	$2,578	$0	$0	$0
m School	$3.840	$0	$3.840	$0	$0	$0
n Habitat/Greenbelt Preservation [3]	$0	$0	$0	$0	$0	$0
Subtotal, Other Fees	**$9,015**	**$0**	**$9,015**	**$0**	**$0**	**$0**
TOTAL FEES	**$19,140**	**$666**	**$19,806**	**$0**	**$0**	**$0**
BOND PROCEEDS (Annual Tax)						
o CFD No. 27	$5.500	$0	$5,500	$0	$0	$0
p CFD No. 23	$1,745	$0	$1,745	$0	$0	$0
q West Sacramento Area Flood Control	$241	$0	$241	$0	$0	$0
Subtotal, Bond Proceeds	**$7,486**	**$0**	**$7,486**	**$0**	**$0**	**$0**
TOTAL FEES & BOND PROCEEDS	**$26,626**	**$666**	**$27,292**	**$0**	**$0**	**$0**
SUMMARY						
Building & Processing Fees	$1,045	$0	$1,045	$0	$0	$0
One-time Special Tax	$9,080	$666	$9,746	$0	$0	$0
Other Fees	$9,015	$0	$9,015	$0	$0	$0
TOTAL FEES	**$19,140**	**$666**	**$19,806**	**$0**	**$0**	**$0**
Bond Proceeds	**$7,486**	**$0**	**$7,486**	**$0**	**$0**	**$0**
TOTAL FEES & BOND PROCEEDS	**$26,626**	**$666**	**$27,292**	**$0**	**$0**	**$0**
r. Plus: Affordable Housing Fee [4]	*$7,133*	*$0*	*$7,133*	$0	$0	*$0*
REVISED TOTAL FEES AND BOND PROCEEDS	***$33,759***	***$666***	***$34,425***	***$0***	***$0***	***$0***

"resid. Fees 3"

[1] Assumes multifamily residential with 78 units per acre and 1.000 square feet per unit.
[2] The estimated absorption schedule assumes that 6 million building square feet will develop and that no undeveloped land will remain in Tier 3. Thus, no costs are projected for Tier 3. If the FAR is greater than projected, then additional land could develop and Tier 3 fees and OTST would be collected.
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review.
[4] Affordable housing requirements can be met through land dedication or through payment of an affordable housing fee.

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Table D-4
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 1 Office [1], [2]

Tier 1:
Office

Item	Per Building Square Foot: Tier 1 Rate	Per Building Square Foot: Tier 1 to Tier 2 & 3 Shift	Per Building Square Foot: Adj. Tier 1 Rate	Costs: Tier 1 Rate	Costs: Tier 1 to Tier 2 & 3 Shift	Costs: Adj. Tier 1 Rate
FEES						
BUILDING & PROCESSING FEES						
a Building Permit	$0.39	$0.00	$0.39	$94.758	$0	$94.758
b Plan Check	$0.32	$0.00	$0.32	$77,530	$0	$77,530
c Energy Fee	$0.00	$0.00	$0.00	$264	$0	$264
d Technology Surcharge	$0.04	$0.00	$0.04	$8,614	$0	$8,614
e Seismic/Strong Motion	$0.02	$0.00	$0.02	$4.029	$0	$4.029
f Fire Review Fee	$0.03	$0.00	$0.03	$6,067	$0	$6,067
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.00**	**$0.79**	**$191,262**	**$0**	**$191,262**
ONE-TIME SPECIAL TAX						
g **Regional One-time Special Tax**						
Water Fee	$0.17	$0.00	$0.17	$41,904	$0	$41.904
Fire Protection Fee	$0.93	$0.00	$0.93	$226,121	$0	$226,121
City Sewer Fee	$0.39	($0.39)	$0.00	$94.661	($94,661)	$0
Police Facilities Fee	$0.92	($0.92)	$0.00	$222,006	($222,006)	$0
Corporation Yard Fee	$0.92	($0.92)	$0.00	$222.974	($222,974)	$0
City Hall Addition Fee	$0.51	($0.51)	$0.00	$123.713	($123,713)	$0
Childcare Fee	$0.31	($0.31)	$0.00	$74,809	($74.809)	$0
Subtotal	**$4.16**	**($3.05)**	**$1.11**	**$1,006,189**	**($738,163)**	**$268,026**
h **Bridge One-time Special Tax**	**$3.71**	**($2.86)**	**$0.86**	**$899,263**	**($691,298)**	**$207,965**
Subtotal, One-time Special Tax	**$7.87**	**($5.90)**	**$1.97**	**$1,905,452**	**($1,429,461)**	**$475,990**
OTHER FEES						
City Fees						
i. In-Lieu Flood Protection Fees	$0.31	$0.00	$0.31	$74.809	$0	$74.809
j Bridge District Specific Plan Fee	$0.36	$0.00	$0.36	$88,076	$0	$88,076
Other Agency Fees						
k SRCSD	$0.56	$0.00	$0.56	$135,576	$0	$135,576
l County-Wide Fees	$0.64	$0.00	$0.64	$154,193	$0	$154,193
m School	$0.47	$0.00	$0.47	$113.787	$0	$113.787
n Habitat/Greenbelt Preservation [3]	$0.00	$0.00	$0.00	$0	$0	$0
Subtotal, Other Fees	**$2.34**	**$0.00**	**$2.34**	**$566,441**	**$0**	**$566,441**
TOTAL FEES	**$11.00**	**($5.90)**	**$5.10**	**$2,663,155**	**($1,429,461)**	**$1,233,694**
BOND PROCEEDS (Annual Tax)						
o. CFD No. 27	$5.50	$0.00	$5.50	$1,331.550	$0	$1,331,550
p. CFD No. 23	$1.68	$0.00	$1.68	$405.895	$0	$405.895
q West Sacramento Area Flood Control	$0.04	$0.00	$0.04	$10.238	$0	$10,238
Subtotal, Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$1,747,683**	**$0**	**$1,747,683**
TOTAL FEES & BOND PROCEEDS	**$18.22**	**($5.90)**	**$12.31**	**$4,410,839**	**($1,429,461)**	**$2,981,377**
SUMMARY						
Building & Processing Fees	$0.79	$0.00	$0.79	$191,262	$0	$191.262
One-time Special Tax	$7.87	($5.90)	$1.97	$1,905,452	($1,429,461)	$475.990
Other Fees	$2.34	$0.00	$2.34	$566.441	$0	$566.441
TOTAL FEES	**$11.00**	**($5.90)**	**$5.10**	**$2,663,155**	**($1,429,461)**	**$1,233,694**
Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$1,747,683**	**$0**	**$1,747,683**
TOTAL FEES & BOND PROCEEDS	**$18.22**	**($5.90)**	**$12.31**	**$4,410,839**	**($1,429,461)**	**$2,981,377**

"office fees"

[1] This analysis asumes a 78,076 sq. ft. office building, locted on 1-acre with a 1.79 FAR.
[2] Total nonresidential building square feet was split 90% to Office and 10% to Retail.
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review.

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Table D-5
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 2 Office [1], [2]

Tier 2:
Office

Item	Per Building Square Foot			Costs		
	Tier 2 Rate	Shift from Tier 1	Adj. Tier 2 Rate	Tier 2 Rate	Shift from Tier 1	Adj. Tier 2 Rate
FEES						
BUILDING & PROCESSING FEES						
a Building Permit	$0.39	$0.00	$0.39	$802,453	$0	$802.453
b. Plan Check	$0.32	$0.00	$0.32	$656.552	$0	$656,552
c. Energy Fee	$0.00	$0.00	$0.00	$2.232	$0	$2.232
d. Technology Surcharge	$0.04	$0.00	$0.04	$72,950	$0	$72,950
e Seismic/Strong Motion	$0.02	$0.00	$0.02	$34,120	$0	$34,120
f Fire Review Fee	$0.03	$0.00	$0.03	$51,376	$0	$51.376
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.00**	**$0.79**	**$1,619,683**	**$0**	**$1,619,683**
ONE-TIME SPECIAL TAX						
g Regional One-time Special Tax						
Water Fee	$0.17	$0.00	$0.17	$354,862	$0	$354,862
Fire Protection Fee	$0.93	$0.00	$0.93	$1,914.887	$0	$1,914,887
City Sewer Fee	$0.39	$0.05	$0.44	$801,628	$94.661	$896.289
Police Facilities Fee	$0.92	$0.11	$1.03	$1,880,033	$222.006	$2.102.039
Corporation Yard Fee	$0.92	$0.11	$1.03	$1,888.234	$222,974	$2,111,208
City Hall Addition Fee	$0.51	$0.06	$0.57	$1,047.652	$123,713	$1,171,365
Childcare Fee	$0.31	$0.04	$0.35	$633,512	$74,809	$708,321
Subtotal	**$4.16**	**$0.36**	**$4.52**	**$8,520,809**	**$738,163**	**$9,258,972**
h Bridge One-time Special Tax	**$3.71**	**$0.57**	**$4.29**	**$7,615,321**	**$1,170,838**	**$8,786,159**
Subtotal, One-time Special Tax	**$7.87**	**$0.93**	**$8.80**	**$16,136,130**	**$1,909,001**	**$18,045,131**
OTHER FEES						
City Fees						
i In-Lieu Flood Protection Fees	$0.31	$0.00	$0.31	$633,512	$0	$633,512
j Bridge District Specific Plan Fee	$0.36	$0.00	$0.36	$745.863	$0	$745.863
Other Agency Fees						
k. SRCSD	$0.56	$0.00	$0.56	$1,148,112	$0	$1.148,112
l. County-Wide Fees	$0.64	$0.00	$0.64	$1,305,772	$0	$1,305,772
m School	$0.47	$0.00	$0.47	$963.594	$0	$963,594
n Habitat/Greenbelt Preservation [3]	$0.00	$0.00	$0.00	$0	$0	$0
Subtotal, Other Fees	**$2.34**	**$0.00**	**$2.34**	**$4,796,853**	**$0**	**$4,796,853**
TOTAL FEES	**$11.00**	**$0.93**	**$11.93**	**$22,552,666**	**$1,909,001**	**$24,461,668**
BOND PROCEEDS (Annual Tax)						
o. CFD No. 27	$5.50	$0.00	$5.50	$11.276,100	$0	$11.276.100
p. CFD No. 23	$1.68	$0.00	$1.68	$3,437,286	$0	$3,437,286
q West Sacramento Area Flood Control	$0.04	$0.00	$0.04	$86.699	$0	$86.699
Subtotal, Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$14,800,085**	**$0**	**$14,800,085**
TOTAL FEES & BOND PROCEEDS	**$18.22**	**$0.93**	**$19.15**	**$37,352,752**	**$1,909,001**	**$39,261,753**
SUMMARY						
Building & Processing Fees	$0.79	$0.00	$0.79	$1,619.683	$0	$1,619,683
One-time Special Tax	$7.87	$0.93	$8.80	$16,136.130	$1,909,001	$18,045,131
Other Fees	$2.34	$0.00	$2.34	$4,796,853	$0	$4.796.853
TOTAL FEES	**$11.00**	**$0.93**	**$11.93**	**$22,552,666**	**$1,909,001**	**$24,461,668**
Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$14,800,085**	**$0**	**$14,800,085**
TOTAL FEES & BOND PROCEEDS	**$18.22**	**$0.93**	**$19.15**	**$37,352,752**	**$1,909,001**	**$39,261,753**

"office fees 2"

[1] This analysis asumes a 78,076 sq. ft. office building, locted on 1-acre with a 1.79 FAR.
[2] Total nonresidential building square feet was split 90% to Office and 10% to Retail.
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review.

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Table D-6
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 3 Office [1], [2]

Tier 3:
Office

Item	Per Building Square Foot			Costs [3]		
	Tier 1 Rate	Shift from Tier 1	Adj Tier 3 Rate	Tier 3 Rate	Shift from Tier 1	Adj. Tier 3 Rate
FEES						
BUILDING & PROCESSING FEES						
a Building Permit	$0.39	$0.00	$0.39	$0	$0	$0
b. Plan Check	$0.32	$0.00	$0.32	$0	$0	$0
c. Energy Fee	$0.00	$0.00	$0.00	$0	$0	$0
d Technology Surcharge	$0.04	$0.00	$0.04	$0	$0	$0
e Seismic/Strong Motion	$0.02	$0.00	$0.02	$0	$0	$0
f Fire Review Fee	$0.03	$0.00	$0.03	$0	$0	$0
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.00**	**$0.79**	**$0**	**$0**	**$0**
ONE-TIME SPECIAL TAX						
g Regional One-time Special Tax						
Water Fee	$0.17	$0.00	$0.17	$0	$0	$0
Fire Protection Fee	$0.93	$0.00	$0.93	$0	$0	$0
City Sewer Fee	$0.39	$0.05	$0.44	$0	$0	$0
Police Facilities Fee	$0.92	$0.11	$1.03	$0	$0	$0
Corporation Yard Fee	$0.92	$0.11	$1.03	$0	$0	$0
City Hall Addition Fee	$0.51	$0.06	$0.57	$0	$0	$0
Childcare Fee	$0.31	$0.04	$0.35	$0	$0	$0
Subtotal	**$4.16**	**$0.36**	**$4.52**	**$0**	**$0**	**$0**
h Bridge One-time Special Tax	**$5.14**	**$0.00**	**$5.14**	**$0**	**$0**	**$0**
Subtotal, One-time Special Tax	**$9.30**	**$0.36**	**$9.66**	**$0**	**$0**	**$0**
OTHER FEES						
City Fees						
i In-Lieu Flood Protection Fees	$0.31	$0.00	$0.31	$0	$0	$0
j Bridge District Specific Plan Fee	$0.36	$0.00	$0.36	$0	$0	$0
Other Agency Fees						
k SRCSD	$0.56	$0.00	$0.56	$0	$0	$0
l County-Wide Fees	$0.64	$0.00	$0.64	$0	$0	$0
m School	$0.47	$0.00	$0.47	$0	$0	$0
n Habitat/Greenbelt Preservation [4]	$0.00	$0.00	$0.00	$0	$0	$0
Subtotal, Other Fees	**$2.34**	**$0.00**	**$2.34**	**$0**	**$0**	**$0**
TOTAL FEES	**$12.43**	**$0.36**	**$12.79**	**$0**	**$0**	**$0**
BOND PROCEEDS (Annual Tax)						
o CFD No. 27	$5.50	$0.00	$5.50	$0	$0	$0
p. CFD No. 23	$1.68	$0.00	$1.68	$0	$0	$0
q West Sacramento Area Flood Control	$0.04	$0.00	$0.04	$0	$0	$0
Subtotal, Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$0**	**$0**	**$0**
TOTAL FEES & BOND PROCEEDS	**$19.65**	**$0.36**	**$20.01**	**$0**	**$0**	**$0**
SUMMARY						
Building & Processing Fees	$0.79	$0.00	$0.79	$0	$0	$0
One-time Special Tax	$9.30	$0.36	$9.66	$0	$0	$0
Other Fees	$2.34	$0.00	$2.34	$0	$0	$0
TOTAL FEES	**$12.43**	**$0.36**	**$12.79**	**$0**	**$0**	**$0**
Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$0**	**$0**	**$0**
TOTAL FEES & BOND PROCEEDS	**$19.65**	**$0.36**	**$20.01**	**$0**	**$0**	**$0**

"office fees 3"

[1] This analysis asumes a 78,076 sq. ft. office building, locted on 1-acre with a 1.79 FAR.
[2] Total nonresidential building square feet was split 90% to Office and 10% to Retail.
[3] The estimated absorption schedule assumes that 6 million building square feet will develop and that no undeveloped land will remain in Tier 3. Thus, no costs are projected for Tier 3. If the FAR is greater than projected, then additional land could develop and Tier 3 fees and OTST would be collected
[4] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review

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Table D-7
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 1 Retail [1], [2]

Tier 1: Retail

Item	Per Building Square Foot			Costs		
	Tier 1 Rate	Tier 1 to Tier 2 & 3 Shift	Adj Tier 1 Rate	Tier 1 Rate	Tier 1 to Tier 2 & 3 Shift	Adj Tier 1 Rate
FEES						
BUILDING & PROCESSING FEES						
a. Building Permit	$0.39	$0.00	$0.39	$10,529	$0	$10,529
b. Plan Check	$0.32	$0.00	$0.32	$8,614	$0	$8,614
c. Energy Fee	$0.00	$0.00	$0.00	$29	$0	$29
d. Technology Surcharge	$0.04	$0.00	$0.04	$957	$0	$957
e. Seismic/Strong Motion	$0.02	$0.00	$0.02	$448	$0	$448
f. Fire Review Fee	$0.03	$0.00	$0.03	$674	$0	$674
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.00**	**$0.79**	**$21,251**	**$0**	**$21,251**
ONE-TIME SPECIAL TAX						
g **Regional One-time Special Tax**						
Water Fee	$0.17	$0.00	$0.17	$4,627	$0	$4,627
Fire Protection Fee	$0.56	$0.00	$0.56	$15.091	$0	$15.091
City Sewer Fee	$0.39	($0.39)	$0.00	$10,518	($10,518)	$0
Police Facilities Fee	$0.55	($0.55)	$0.00	$14,822	($14,822)	$0
Corporation Yard Fee	$0.55	($0.55)	$0.00	$14,876	($14,876)	$0
City Hall Addition Fee	$0.31	($0.31)	$0.00	$8,258	($8,258)	$0
Childcare Fee	$0.48	($0.48)	$0.00	$12,831	($12,831)	$0
Subtotal	**$3.01**	**($2.28)**	**$0.73**	**$81,023**	**($61,305)**	**$19,718**
h. **Bridge One-time Special Tax**	**$3.71**	**($2.86)**	**$0.86**	**$99,918**	**($76,811)**	**$23,107**
Subtotal, One-time Special Tax	**$6.73**	**($5.13)**	**$1.59**	**$180,941**	**($138,116)**	**$42,825**
OTHER FEES						
City Fees						
i In-Lieu Flood Protection Fees	$0.48	$0.00	$0.48	$12,831	$0	$12.831
j Bridge District Specific Plan Fee	$0.36	$0.00	$0.36	$9,786	$0	$9.786
Other Agency Fees						
k. SRCSD	$0.28	$0.00	$0.28	$7,532	$0	$7,532
l County-Wide Fees	$0.56	$0.00	$0.56	$15,032	$0	$15,032
m School	$0.47	$0.00	$0.47	$12,643	$0	$12,643
n Habitat/Greenbelt Preservation [3]	$0.00	$0.00	$0.00	$0	$0	$0
Subtotal, Other Fees	**$2.15**	**$0.00**	**$2.15**	**$57,824**	**$0**	**$57,824**
TOTAL FEES	**$9.67**	**($5.13)**	**$4.53**	**$260,016**	**($138,116)**	**$121,900**
BOND PROCEEDS (Annual Tax)						
n. CFD No. 27	$5.50	$0.00	$5.50	$147,950	$0	$147,950
o. CFD No. 23	$1.68	$0.00	$1.68	$45,099	$0	$45,099
p. West Sacramento Area Flood Control	$0.04	$0.00	$0.04	$1,138	$0	$1,138
Subtotal, Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$194,187**	**$0**	**$194,187**
TOTAL FEES & BOND PROCEEDS	**$16.88**	**($5.13)**	**$11.75**	**$454,203**	**($138,116)**	**$316,087**
SUMMARY						
Building & Processing Fees	$0.79	$0.00	$0.79	$21,251	$0	$21.251
One-time Special Tax	$6.73	($5.13)	$1.59	$180,941	($138,116)	$42,825
Other Fees	$2.15	$0.00	$2.15	$57,824	$0	$57,824
TOTAL FEES	**$9.67**	**($5.13)**	**$4.53**	**$260,016**	**($138,116)**	**$121,900**
Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$194,187**	**$0**	**$194,187**
TOTAL FEES & BOND PROCEEDS	**$16.88**	**($5.13)**	**$11.75**	**$454,203**	**($138,116)**	**$316,087**

"retail fees"

[1] This analysis asumes a 78,076 sq. ft. retail building, locted on 1-acre with a 1.79 FAR.
[2] Total nonresidential building square feet was split 10% to Retail and 90% to Office.
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review

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Table D-8
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 2 Retail [1], [2]

Tier 2: Retail

Item	Per Building Square Foot			Costs		
	Tier 2 Rate	Shift from Tier 1	Adj. Tier 2 Rate	Tier 2 Rate	Shift from Tier 1	Adj. Tier 2 Rate
FEES						
BUILDING & PROCESSING FEES						
a. Building Permit	$0.39	$0.00	$0.39	$89.161	$0	$89,161
b. Plan Check	$0.32	$0.00	$0.32	$72,950	$0	$72,950
c. Energy Fee	$0.00	$0.00	$0.00	$248	$0	$248
d. Technology Surcharge	$0.04	$0.00	$0.04	$8,106	$0	$8,106
e. Seismic/Strong Motion	$0.02	$0.00	$0.02	$3,791	$0	$3,791
f. Fire Review Fee	$0.03	$0.00	$0.03	$5.708	$0	$5,708
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.00**	**$0.79**	**$179,965**	**$0**	**$179,965**
ONE-TIME SPECIAL TAX						
g. **Regional One-time Special Tax**						
Water Fee	$0.17	$0.00	$0.17	$39,181	$0	$39,181
Fire Protection Fee	$0.56	$0.00	$0.56	$127,796	$0	$127,796
City Sewer Fee	$0.39	$0.05	$0.44	$89,070	$10.518	$99,588
Police Facilities Fee	$0.55	$0.07	$0.62	$125,518	$14,822	$140,340
Corporation Yard Fee	$0.55	$0.07	$0.62	$125,973	$14,876	$140,849
City Hall Addition Fee	$0.31	$0.04	$0.34	$69,935	$8.258	$78.193
Childcare Fee	$0.48	$0.06	$0.53	$108,661	$12,831	$121,492
Subtotal	**$3.01**	**$0.27**	**$3.28**	**$686,133**	**$61,305**	**$747,438**
h. **Bridge One-time Special Tax**	**$3.71**	**$0.57**	**$4.29**	**$846,147**	**$130,093**	**$976,240**
Subtotal, One-time Special Tax	**$6.73**	**$0.84**	**$7.57**	**$1,532,280**	**$191,398**	**$1,723,678**
OTHER FEES						
City Fees						
i. In-Lieu Flood Protection Fees	$0.48	$0.00	$0.48	$108.661	$0	$108.661
j. Bridge District Specific Plan Fee	$0.36	$0.00	$0.36	$82,874	$0	$82,874
Other Agency Fees						
k. SRCSD	$0.28	$0.00	$0.28	$63,784	$0	$63,784
l. County-Wide Fees	$0.56	$0.00	$0.56	$127,295	$0	$127,295
m School	$0.47	$0.00	$0.47	$107,066	$0	$107,066
n Habitat/Greenbelt Preservation [3]						
Subtotal, Other Fees	**$2.15**	**$0.00**	**$2.15**	**$489,679**	**$0**	**$489,679**
TOTAL FEES	**$9.67**	**$1.68**	**$10.51**	**$2,381,888**	**$191,398**	**$2,573,287**
BOND PROCEEDS (Annual Tax)						
n. CFD No. 27	$5.50	$0.00	$5.50	$1,252.900	$0	$1,252,900
o. CFD No. 23	$1.68	$0.00	$1.68	$381,921	$0	$381,921
p. West Sacramento Area Flood Control	$0.04	$0.00	$0.04	$9.633	$0	$9,633
Subtotal, Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$1,644,454**	**$0**	**$1,644,454**
TOTAL FEES & BOND PROCEEDS	**$16.88**	**$1.68**	**$17.73**	**$4,026,342**	**$191,398**	**$4,217,741**
SUMMARY						
Building & Processing Fees	$0.79	$0.00	$0.79	$179,965	$0	$179,965
One-time Special Tax	$6.73	$0.84	$7.57	$1,532,280	$191.398	$1,723.678
Other Fees	$2.15	$0.00	$2.15	$489,679	$0	$489.679
TOTAL FEES	**$9.67**	**$1.68**	**$10.51**	**$2,381,888**	**$191,398**	**$2,573,287**
Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$1,644,454**	**$0**	**$1,644,454**
TOTAL FEES & BOND PROCEEDS	**$16.88**	**$1.68**	**$17.73**	**$4,026,342**	**$191,398**	**$4,217,741**

"retail fees 2"

[1] This analysis asumes a 78,076 sq. ft. retail building, locted on 1-acre with a 1.79 FAR
[2] Total nonresidential building square feet was split 10% to Retail and 90% to Office.
[3] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review.

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Table D-9
West Sacramento Bridge District Cash Flow
Proposed Total Infrastructure Burden: Tier 3 Retail [1], [2]

Tier 3:
Retail

Item	Per Building Square Foot: Tier 3 Rate	Per Building Square Foot: Shift from Tier 1	Per Building Square Foot: Adj. Tier 3 Rate	Costs [3]: Tier 3 Rate	Costs [3]: Shift from Tier 1	Costs [3]: Adj. Tier 3 Rate
FEES						
BUILDING & PROCESSING FEES						
a. Building Permit	$0.39	$0.00	$0.39	$0	$0	$0
b. Plan Check	$0.32	$0.00	$0.32	$0	$0	$0
c. Energy Fee	$0.00	$0.00	$0.00	$0	$0	$0
d. Technology Surcharge	$0.04	$0.00	$0.04	$0	$0	$0
e. Seismic/Strong Motion	$0.02	$0.00	$0.02	$0	$0	$0
f. Fire Review Fee	$0.03	$0.00	$0.03	$0	$0	$0
Subtotal, Bldg & Processing Fees	**$0.79**	**$0.00**	**$0.79**	**$0**	**$0**	**$0**
ONE-TIME SPECIAL TAX						
g Regional One-time Special Tax						
Water Fee	$0.17	$0.00	$0.17	$0	$0	$0
Fire Protection Fee	$0.56	$0.00	$0.56	$0	$0	$0
City Sewer Fee	$0.39	$0.05	$0.44	$0	$0	$0
Police Facilities Fee	$0.55	$0.07	$0.62	$0	$0	$0
Corporation Yard Fee	$0.55	$0.07	$0.62	$0	$0	$0
City Hall Addition Fee	$0.31	$0.04	$0.34	$0	$0	$0
Childcare Fee	$0.48	$0.06	$0.53	$0	$0	$0
Subtotal	**$3.01**	**$0.27**	**$3.28**	**$0**	**$0**	**$0**
h. **Bridge One-time Special Tax**	**$5.14**	**$0.00**	**$5.14**	**$0**	**$0**	**$0**
Subtotal, One-time Special Tax	**$8.15**	**$0.27**	**$8.42**	**$0**	**$0**	**$0**
OTHER FEES						
City Fees						
i In-Lieu Flood Protection Fees	$0.48	$0.00	$0.48	$0	$0	$0
j Bridge District Specific Plan Fee	$0.36	$0.00	$0.36	$0	$0	$0
Other Agency Fees						
k. SRCSD	$0.28	$0.00	$0.28	$0	$0	$0
l. County-Wide Fees	$0.56	$0.00	$0.56	$0	$0	$0
m School	$0.47	$0.00	$0.47	$0	$0	$0
n Habitat/Greenbelt Preservation [4]						
Subtotal, Other Fees	**$2.15**	**$0.00**	**$2.15**	**$0**	**$0**	**$0**
TOTAL FEES	**$11.09**	**$0.27**	**$11.36**	**$0**	**$0**	**$0**
BOND PROCEEDS (Annual Tax)						
n. CFD No. 27	$5.50	$0.00	$5.50	$0	$0	$0
o. CFD No. 23	$1.68	$0.00	$1.68	$0	$0	$0
p West Sacramento Area Flood Control	$0.04	$0.00	$0.04	$0	$0	$0
Subtotal, Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$0**	**$0**	**$0**
TOTAL FEES & BOND PROCEEDS	**$18.31**	**$0.27**	**$18.58**	**$0**	**$0**	**$0**
SUMMARY						
Building & Processing Fees	$0.79	$0.00	$0.79	$0	$0	$0
One-time Special Tax	$8.15	$0.27	$8.42	$0	$0	$0
Other Fees	$2.15	$0.00	$2.15	$0	$0	$0
TOTAL FEES	**$11.09**	**$0.27**	**$11.36**	**$0**	**$0**	**$0**
Bond Proceeds	**$7.22**	**$0.00**	**$7.22**	**$0**	**$0**	**$0**
TOTAL FEES & BOND PROCEEDS	**$18.31**	**$0.27**	**$18.58**	**$0**	**$0**	**$0**

"retail fees 3"

[1] This analysis asumes a 78.076 sq. ft. retail building, locted on 1-acre with a 1.79 FAR.
[2] Total nonresidential building square feet was split 10% to Retail and 90% to Office
[3] The estimated absorption schedule assumes that 6 million building square feet will develop and that no undeveloped land will remain in Tier 3 Thus, no costs are projected for Tier 3. If the FAR is greater than projected, then additional land could develop and Tier 3 fees and OTST would be collected
[4] Assumes no habitat/greenbelt preservation at this time but will depend on individual project environmental review.

Prepared by EPS 01/18/10

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APPENDIX E:

Summary of CFD 27 Special Tax Rates

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Table E-1
West Sacramento CFD No. 27 (Bridge District)
Annual Special Taxes - Base Year 2009-2010

Annual Special Taxes [1]	Annual Special Tax Rate Base Year 2009-10	Unit of Measure Per Square Foot
Land Special Tax Rate	$0.40	Per Undeveloped Land Area
Developed Special Tax Rate		
Apartments	$0.50	Per Building Area
Single Family Units	$0.55	Per Building Area
Residential Condominiums	$0.55	Per Building Area
Non-Residential Use	$0.50	Per Building Area
Non-Residential Condominium	$0.55	Per Building Area
Mixed Use	$0.50	Per Building Area
Mixed Use Condominium	$0.55	Per Building Area
State Reimbursement Land Special Tax Rate [2]	$1.10	Per Undeveloped Land Area

"att_2"

[1] Increased by the Tax Escalation Factor in each Fiscal Year after the Base Year 2009-2010.

[2] Only collected if the City is required to reimburse to the State of California any Proposition 1-C Housing and Emergency Shelter Trust Fund Act of 2006 for failure to meet the requirements of the grant.

Prepared by EPS 1/20/2010

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Table E-2
West Sacramento CFD No. 27 (Bridge District)
Bridge District One-Time Special Tax - Base Year 2009-2010

	Bridge District One-Time Special Tax Base Year 2009-2010 Tax Rates [1,2]		
	Tax Category		
	Tier 1	Tier 2	Tier 3
Cumulative Building Area	**< 1.0 Million**	**1.0 Mil - 6.0 Mil**	**> 6.0 Million**
Rate per Square Foot of Developed Land Area for a Development Project	**$1.54**	**$7.68**	**$9.22**

"att_3"

[1] Base year rates are increased by the annual escalation factor and through the periodic adjustment process

[2] If a Development Project does not meet the Target FAR a Density Adjustment tax may be added.

Prepared by EPS 1/20/2010

DRAFT

Table E-3
West Sacramento CFD No. 27 (Bridge District)
Regional One-Time Special Tax - Base Year 2009-2010 [1]

Regional One-Time Special Tax	Residential Use Tax Category			Office Use Tax Category			Retail Use Tax Category		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Cumulative Building Area	< 1.0 Million	1.0 Mil - 6.0 Mil	> 6.0 Million	< 1.0 Million	1.0 Mil - 6.0 Mil	> 6.0 Million	< 1.0 Million	1.0 Mil - 6.0 Mil	> 6.0 Million
City Fee Program	*Per Developed Land Area [2]*			*Per Developed Land Area [2]*			*Per Developed Land Area [2]*		
Water	$1.81	$1.81	$1.81	$0.31	$0.31	$0.31	$0.31	$0.31	$0.31
Sewer Collection	$0.00	$2.67	$2.67	$0.00	$0.78	$0.78	$0.00	$0.78	$0.78
Police Facilities	$0.00	$1.00	$1.00	$0.00	$1.84	$1.84	$0.00	$1.10	$1.10
Fire Facilities	$0.80	$0.80	$0.80	$1.67	$1.67	$1.67	$1.01	$1.01	$1.01
Corporation Yard	$0.00	$1.01	$1.01	$0.00	$1.85	$1.85	$0.00	$1.11	$1.11
City Hall Addition	$0.00	$0.56	$0.56	$0.00	$1.02	$1.02	$0.00	$0.62	$0.62
Childcare Facilities	$0.00	$0.40	$0.40	$0.00	$0.62	$0.62	$0.00	$0.96	$0.96
Total	**$2.61**	**$8.25**	**$8.25**	**$1.98**	**$8.09**	**$8.09**	**$1.32**	**$5.89**	**$5.89**

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[1] The Regional One-Time Special Tax Rate is increased by the Regional One-Time Tax Escalation Factor in each Fiscal Year after the Base Year.
[2] Per square foot of Developed Land Area.

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LAND AREAS SUBJECT TO REVISION PRIOR TO BOND SALE

Attachment 1
West Sacramento CFD No. 27 (Bridge District)
CFD Parcels and Assignment of Base Year Land Special Tax (FY 2009-2010)

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Developed Land Area	Undeveloped Land Area [2] [4]	Public Land Area	Tax-Exempt Parcels	Base Year Land Special Tax [5]
							$0.40 per SF
RIVER CITY PARKING LLC	058-310-022-000	60,225.09	0.00	38,045.34	22,179.75	0.00	$15,218
	067-330-010-000	40,506.51	0.00	33,661.96	6,844.55	0.00	$13,465
	067-330-011-000	28,515.35	0.00	25,606.73	2,908.62	0.00	$10,243
	Subtotal	**129,246.95**	**0.00**	**97,314.03**	**31,932.92**	**0.00**	**$38,926**
RIVER ROAD VENTURE LLC	058-320-001-000	143,519.83	0.00	80,911.71	62,608.12	0.00	$32,365
	058-320-022-000	209,806.52	0.00	111,688.40	98,118.12	0.00	$44,675
	058-320-024-000	81,984.94	0.00	64,155.71	17,829.23	0.00	$25,662
	Subtotal	**435,311.29**	**0.00**	**256,755.82**	**178,555.47**	**0.00**	**$102,702**
ROBINSON LEONARD D	058-310-005-000	164,787.93	0.00	126,626.13	38,161.80	0.00	$50,650
SACRAMENTO STUCCO	058-310-018-000	50,526.36	0.00	28,462.08	22,064.28	0.00	$11,385
	058-310-019-000	74,297.95	0.00	44,115.71	30,182.24	0.00	$17,646
	Subtotal	**124,824.31**	**0.00**	**72,577.79**	**52,246.52**	**0.00**	**$29,031**
SMART GROWTH INVESTORS II INC	058-300-005-000	6,440.26	0.00	5,254.87	1,185.39	0.00	$2,102
	058-300-006-000	6,366.38	0.00	6,366.38	0.00	0.00	$2,547
	058-300-007-000	13,007.70	0.00	0.00	13,007.70	0.00	$0
	058-310-012-000	6,435.20	0.00	5,716.47	718.73	0.00	$2,287
	058-310-013-000	10,009.91	0.00	10,009.91	0.00	0.00	$4,004
	058-310-014-000	8,852.68	0.00	8,852.68	0.00	0.00	$3,541
	058-310-015-000	8,334.60	0.00	8,334.60	0.00	0.00	$3,334
	058-310-016-000	367,079.00	0.00	356,031.88	11,047.12	0.00	$142,413
	058-320-044-000	28,086.66	0.00	19,094.63	8,992.03	0.00	$7,638
	058-320-042-000	64,793.26	0.00	55,805.23	8,988.03	0.00	$22,322
	058-330-001-000	130,037.87	0.00	41,874.63	88,163.24	43,206.00	$16,750
	058-330-002-000	117,525.30	0.00	92,299.68	25,225.62	0.00	$36,920
	058-330-003-000	10,121.12	0.00	5,061.77	5,059.35	0.00	$2,025
	058-340-009-000	143,437.59	0.00	126,050.04	17,387.55	0.00	$50,420
	058-340-002-000	59,535.83	0.00	20,280.62	39,255.21	0.00	$8,112
	058-350-002-000	140,549.91	0.00	107,967.48	32,582.43	0.00	$43,187

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LAND AREAS SUBJECT TO REVISION PRIOR TO BOND SALE

Attachment 1
West Sacramento CFD No. 27 (Bridge District)
CFD Parcels and Assignment of Base Year Land Special Tax (FY 2009-2010)

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Developed Land Area	Undeveloped Land Area [2] [4]	Public Land Area	Tax-Exempt Parcels	Base Year Land Special Tax [5]
							$0.40 per SF
	058-350-003-000	40,873.60	0.00	31,145.52	9,728.08	0.00	$12,458
	058-350-004-000	13,535.84	0.00	7,444.38	6,091.46	0.00	$2,978
	058-350-005-000	619,137.04	0.00	422,187.71	196,949.33	0.00	$168,875
	058-350-006-000	479,335.44	0.00	154,221.64	325,113.80	0.00	$61,689
	058-350-007-000	28,250.79	0.00	20,951.31	7,299.48	0.00	$8,381
	Subtotal	**2,301,745.98**	**0.00**	**1,504,951.43**	**796,794.55**	**43,206.00**	**$601,981**
TECON PACIFIC	058-320-018-000	189,235.65	0.00	131,950.40	57,285.25	0.00	$52,780
TIM KRUSE CONSTRUCTION INC	058-310-002-000	31,880.74	0.00	31,880.74	0.00	0.00	$12,752
UNGER DEAN F TR	058-320-045-000	188,199.57	0.00	135,619.74	52,579.83	0.00	$54,248
	058-320-046-000	259,708.68	0.00	44,197.82	215,510.86	0.00	$17,679
	058-340-007-000	122,562.51	0.00	11,496.52	111,065.99	0.00	$4,599
	058-340-005-000	85,825.15	0.00	62,623.12	23,202.03	0.00	$25,049
	Subtotal	**656,295.91**	**0.00**	**253,937.20**	**402,358.71**	**0.00**	**$101,575**
UNION PACIFIC RAILROAD	843-57-6-1	39,169.12	0.00	36,740.16	2,428.96	0.00	$14,696
	843-57-6C-28	523,088.43	0.00	325,721.80	197,366.63	0.00	$130,289
	Subtotal	**562,257.55**	**0.00**	**362,461.96**	**199,795.59**	**0.00**	**$144,985**
WEST SACRAMENTO CITY OF	058-320-009-000	20,991.97	0.00	10,006.87	10,985.10	0.00	$4,003
	058-320-028-000	160,699.50	0.00	0.00	160,699.50	0.00	$0
	058-370-054-000	27,858.68	0.00	11,883.73	15,974.95	0.00	$4,753
	058-380-028-000	80,884.79	0.00	0.00	80,884.79	0.00	$0
	058-380-029-000	10,231.81	0.00	0.00	10,231.81	0.00	$0
	Subtotal	**300,666.75**	**0.00**	**21,890.60**	**278,776.15**	**0.00**	**$8,756**

LAND AREAS SUBJECT TO REVISION PRIOR TO BOND SALE

Attachment 1
West Sacramento CFD No. 27 (Bridge District)
CFD Parcels and Assignment of Base Year Land Special Tax (FY 2009-2010)

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Developed Land Area	Undeveloped Land Area [2] [4]	Public Land Area	Tax-Exempt Parcels	Base Year Land Special Tax [5]
							$0.40 per SF
YOLO CO MOTEL-HOTEL ASSN INC	058-300-011-000	10,616.33	0.00	8,810.64	1,805.69	0.00	$3,524
	Totals	**6,877,022.96**	**0.00**	**4,247,529.79**	**2,629,493.17**	**43,206.00**	**$1,699,012**

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[1] From the Yolo County Assessor.
[2] CFD Parcels shown in Attachment 1 at formation of the CFD are Original Parcels. As Original Parcels are Subdivided, Successor Parcels will be recorded in Attachment 1 with new land area assignments and calculation of the Land Special Tax.
[3] Provided by the City.
[4] Taxable land square feet includes the parcels to be taxed initially in the CFD. Parcels with no taxable square feet may become subject to the Special Tax at a future date.
[5] Land square foot times $0.40 is used to calculete the Land Special Tax.

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LAND AREAS SUBJECT TO REVISION PRIOR TO BOND SALE

Attachment 1
West Sacramento CFD No. 27 (Bridge District)
CFD Parcels and Assignment of Base Year Land Special Tax (FY 2009-2010)

Owner of Record [1]	CFD Parcel [2]	Total Land Area [3]	Developed Land Area	Undeveloped Land Area [2] [4]	Public Land Area	Tax-Exempt Parcels	Base Year Land Special Tax [5]
							$0.40 per SF
ARKAD INCOME PROP LLC	058-320-014-000	40,287.24	0.00	40,287.24	0.00	0.00	$16,115
CARASCO GEORGE T & BETTY J TR	058-300-008-000	7,440.01	0.00	6,634.58	805.43	0.00	$2,654
CLARK-PACIFIC CORP	058-330-005-000	140,617.53	0.00	76,067.78	64,549.75	0.00	$30,427
CONRAD ETHAN & PHILLIPS CORLEY M TR	058-310-001-000	338,649.10	0.00	326,539.48	12,109.62	0.00	$130,616
LONESTAR CALIFORNIA INC	058-350-001-000	234,135.73	0.00	145,167.71	88,968.02	0.00	$58,067
	058-350-008-000	165,004.21	0.00	85,787.07	79,217.14	0.00	$34,315
	Subtotal	**399,139.94**	**0.00**	**230,954.78**	**168,185.16**	**0.00**	**$92,382**
LORIS CHRIS W & NADINE C & FAM 1993 TRUST	058-310-003-000	48,901.23	0.00	36,882.97	12,018.26	0.00	$14,753
	058-310-009-000	132,030.71	0.00	113,881.98	18,148.73	0.00	$45,553
	Subtotal	**180,931.94**	**0.00**	**150,764.95**	**30,166.99**	**0.00**	**$60,306**
RAMOS FRANK C & JOANNE M TR	058-320-019-000	93,657.63	0.00	67,651.22	26,006.41	0.00	$27,060
RAMOS FRANK C TR ETAL	058-320-037-000	81,490.81	0.00	72,253.09	9,237.72	0.00	$28,901
	058-320-039-000	25,725.31	0.00	2,394.82	23,330.49	0.00	$958
	Subtotal	**107,216.12**	**0.00**	**74,647.91**	**32,568.21**	**0.00**	**$29,859**
REDEVELOPMENT AGENCY OF W SAC	058-300-004-000	4,132.45	0.00	3,146.59	985.86	0.00	$1,259
	058-320-041-000	127,904.97	0.00	69,415.44	58,489.53	0.00	$27,766
	058-330-004-000	117,267.54	0.00	85,953.89	31,313.65	0.00	$34,382
	058-330-006-000	15,003.08	0.00	15,003.08	0.00	0.00	$6,001
	067-330-018-000	397,906.02	0.00	231,306.11	166,599.91	0.00	$92,522
	Subtotal	**662,214.06**	**0.00**	**404,825.11**	**257,388.95**	**0.00**	**$161,930**

6/16/2010

SUMMARY OF CAPITALIZED INTEREST SCENARIOS

City of West Sacramento
Community Facilities District No. 27
(Bridge District)

Net Proceeds		Zero Months Capitalized Interest	7 Months Capitalized Interest	13 Months Capitalized Interest
$12,000,000				
	Bond Amount	$13,540,000	$14,135,000	$14,675,000
	MADS (1)	$1,032,299	$1,078,708	$1,117,519
	Amount of Capitalized Interest	$0	$533,155	$1,021,288
	First Tax Payment	12/10/2010	12/10/2010 (2)	12/10/2011

(1) Maximum Annual Debt Service.

(2) Partial year's debt service.

GLOSSARY OF TERMS

GLOSSARY OF TERMS

Unless otherwise noted, the following definitions are from The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Aggregate of Retail Values (ARV): The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions.

As Is Market Value: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Band of Investment: A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Bulk (Discounted) Value: The most probable price, in a sale of all parcels within a tract or development project, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or in terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under stress. (Appraisal Standards For Land-Secured Financing, California Department Advisory Commission, 1994)

Comparative-Unit Method: A method used to derive a cost estimate in terms of dollars per unit of area or volume based on known costs of similar structures that are adjusted for time and physical differences; usually applied to total building area.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

Depreciation: In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Direct Capitalization: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Discount Rate: A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*.

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) consummation of a sale within a future exposure time specified by the client; 2) the property is subjected to market conditions prevailing as of the date of valuation; 3) both the buyer and seller are acting prudently and knowledgeably; 4) the seller is under compulsion to sell; 5) the buyer is typically motivated; 6) both parties are acting in what they consider to be their best interests; 7) an adequate marketing effort will be made during the exposure time specified by the client; 8) payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; 9) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Easement: The right to use another's land for a stated purpose.

Exposure Time: 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

External Obsolescence: An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.

Extraction: A method of estimating land value in which the depreciated cost of the improvements on the improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land.

Extraordinary Assumption: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

Fair Market Value: The highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. (California Code of Civil Procedure, Section 1263.320(a))

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Functional Obsolescence (Incurable): An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected.

Highest and Best Use: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Highest and Best Use of Property as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Highest and Best Use of Land or a Site as though Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Hypothetical Condition: That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Income Capitalization Approach: A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship.

Leasehold Interest: The tenant's possessory interest created by a lease. (Negative leasehold: A lease situation in which the market rent is less than the contract rent. Positive leasehold: A lease situation in which the market rent is greater than the contract rent.)

Liquidation Value: See *Disposition Value*.

Market Value: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: buyer and seller are typically motivated; both parties are well informed or well advised, and acting in what they consider their best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Code of Federal Regulations, Title 12, Part 34, Section 34.42)

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Neighborhood: A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

Obsolescence: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

Prospective Opinion of Value: A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Quantity Survey Method: A cost-estimating method in which the quantity and quality of all materials used and all categories of labor required are estimated and unit cost figures are applied to arrive at a total cost estimate for labor and materials.

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

Reproduction Cost: The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Site Coverage Ratio: The gross area of the building footprint divided by the site area.

Stabilized Occupancy: An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent.

Subdivision Development Method: A method of estimating land value when subdivision development is the highest and best use of the parcel of land being appraised. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or residences), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

Superadequacy: An excess in the capacity or quality of a structure or structural component; determined by market standards.

Unit-In-Place Method: A cost-estimating method in which total building cost is estimated by adding together the unit costs for the various building components as installed; also called the *segregated cost method*.

Yield Capitalization: A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.

Yield Rate: A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment.

QUALIFICATIONS OF APPRAISER(S)

Kevin K. Ziegenmeyer, Partner

Introduction

Mr. Ziegenmeyer is a partner with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, income residential and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Mr. Ziegenmeyer has developed the expertise and background necessary to deal with complex assignments covering a wide range of property types. Over the past several years, Mr. Ziegenmeyer has been handling many of the firm's master-planned property appraisals.

Professional Affiliations

Associate Member (General) - Appraisal Institute
Certified General Real Estate Appraiser - State of California (No. AG013567)

Education

Academic:
Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:
Standards of Professional Practice, Parts A & B
Basic Valuation Procedures
Real Estate Appraisal Principles
Capitalization Theory and Techniques, Part A
Advanced Income Capitalization
Report Writing and Valuation Analysis
Advanced Applications

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Sample of Appraisal Experience

City of Sacramento Development Fee Financing Community Facilities District No. 95-01 Annexation No. 2 (Meadowview Estates) Sacramento, Sacramento County, California	The hypothetical market valuation of partially completed residential subdivision that included 163 improved single-family homes, six model homes, 167 improved single-family residential lots and 183 partially improved single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the City of Sacramento.
Bickford Ranch Community Facilities District No. 2003-1 Placer County, California	The hypothetical market valuation of a proposed master planned community that will include 847.2 acres of land designated for 1,783 residential lots and a 9.7-acre commercial component. The appraisal will be used for bond underwriting purposes and was prepared for the County of Placer.
El Dorado Hills Community Facilities District No. 1992-1 (portion) El Dorado County, California	This assignment involved the hypothetical cumulative or aggregate, valuation of a sizeable portion of the existing Serrano master planned community. The appraisal included 1,597 single-family residential lots, 382 custom single-family residential lots, 33.05 acres of commercial land and 344 existing single-family residences. The appraisal will be used for bond underwriting purposes and was prepared for the County of El Dorado.
Community Facilities District No. 16 West Sacramento, California	This project involved the valuation of Bridgeway Lakes, a high-end 609-lot single-family residential community located in the Southport area of West Sacramento. Lot densities within the project varied from low and medium density to rural estate lots. This report was prepared for the City of West Sacramento.
Community Facilities District No. 17 West Sacramento, California	This assignment concerned the valuation of 252 single-family lots and 252 proposed multifamily units comprising the Parella residential community in the Southport area of West Sacramento. This report was prepared for the City of West Sacramento.

Sample of Appraisal Experience (continued)

Diablo Grande Community Facilities District No. 1 (Series 2002) Stanislaus County, California	The appraisal involved the valuation of a partially improved resort and master planned community offering 1,410 residential lots, multifamily land, commercial land, a hotel site, vineyards and two 18-hole championship golf courses. The appraisal was used for bond underwriting purposes and was prepared for Western Hills Water District
Plumas Lake Community Facilities District No. 2002-1 Yuba County, California	This appraisal included the valuation of a portion of the proposed, and partially improved, Plumas Lake Specific Plan area, and comprised 3,314 detached single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the Olivehurst Public Utility District.
Brentwood Assessment District No. 2003-1 Brentwood, Contra Costa County, California	This assignment involved the valuation of an assessment district containing commercial and residential components comprising 5.66 acres of commercial land, 882 single-family residential lots and 15.8 acres of multifamily land. The appraisal was used for bond underwriting purposes and was prepared for the City of Brentwood.
Patterson Gardens & Keystone Pacific Business Park Patterson, Stanislaus County, California	This appraisal involved the valuation of a 965-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 224-acre industrial park. This report was prepared for Bank of America.
Syrah Condominiums Sacramento, Sacramento County, California	Syrah is a proposed 245-unit residential condominium development with dual phase valuations. This report was prepared for KeyBank.

SJZ Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation
Northern California/Nevada
3825 Atherton Road, Suite 500
Rocklin, California 95765
P: (916) 435-3883 F: (916) 435-4774

Eric A. Segal, Partner

Introduction
Mr. Segal is a Certified General real estate appraiser with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1998, Mr. Segal began his career in real estate as a research analyst/appraiser trainee for SJZ. By 1999, he began writing narrative appraisal reports covering a variety of income properties. Today, Mr. Segal is a partner in the firm and is involved in appraisal assignments covering a wide variety of properties including office, retail, industrial, multifamily housing, master planned communities, Mello-Roos and Assessment Districts, and residential subdivisions. He has developed the experience and background necessary to deal with complex assignments covering an array of property types.

Professional Affiliations
Associate Member (General) - Appraisal Institute
Certified General Real Estate Appraiser - State of California (No. AG026558)

Education
Academic:
Bachelor of Science in Business Administration (Concentrations in Finance and Real Estate & Land Use Affairs), California State University, Sacramento

Appraisal and Real Estate Courses:
Uniform Standards of Professional Appraisal Practice
Appraisal Principles
Basic Income Capitalization
Highest & Best Use and Market Analysis
Advanced Income Capitalization
Report Writing and Valuation Analysis
Appraisal Litigation Practice and Courtroom Management
Computer Enhanced Cash Flow Modeling
Advanced Sales Comparison & Cost Approaches
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Sample of Appraisal Experience

HUD 223(f) Apartment Portfolio San Francisco, San Francisco, California	This appraisal assignment involved the appraisal of nine multifamily properties in San Francisco containing between seven and 50 units, as well as mixed-use properties including ground floor retail tenants. The self-contained appraisals were completed in compliance with Federal regulatory requirements and guidelines that may apply as well as the requirements of the Federal Housing Administration (FHA) MAP Program for a 223(f) Refinance. This report was prepared for Column Guaranteed, LLC.
Reclamation District No. 17 – Mossdale Tract (portion) County of San Joaquin, California	The appraised properties represented a portion of Reclamation District No. 17 identified as vacant residential, vacant commercial and vacant industrial land, and excluded those properties within the boundaries of the District zoned as agricultural and public use, and those properties with an assessed improvement value on the most recent property tax roll. Reclamation District No. 17 (Mossdale Tract) is located in San Joaquin County and contains approximately 16,107.58 acres of land comprising approximately 13,335 assessor's parcels. This report was prepared for Reclamation District No. 17.
The Parkway & Quinto Ranch Santa Nella, Merced County, California	This appraisal involved the valuation of a 1,464-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 1,644-acre ranch subject to a conservation easement. This report was prepared for IndyMac Bank.
Madrone Condominiums Folsom, Sacramento County, California	Madrone is a proposed 219-unit residential condominium development with 16 floor plan valuations. This report was prepared for KeyBank.
City of Sacramento Development Fee Financing Community Facilities District No. 95-01 Annexation No. 2 (Meadowview Estates) Sacramento, Sacramento County, California	The hypothetical market valuation of partially completed residential subdivision that included 163 improved single-family homes, six model homes, 167 improved single-family residential lots and 183 partially improved single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the City of Sacramento.
Bickford Ranch Community Facilities District No. 2003-1 Placer County, California	The hypothetical market valuation of a proposed master planned community that will include 847.2 acres of land designated for 1,783 residential lots and a 9.7-acre commercial component. The appraisal will be used for bond underwriting purposes and was prepared for the County of Placer.

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Sample of Appraisal Experience (continued)

El Dorado Hills Community Facilities District No. 1992-1 (portion) El Dorado County, California	This assignment involved the hypothetical cumulative, or aggregate, valuation of a sizeable portion of the existing Serrano master planned community. The appraisal included 1,597 single-family residential lots, 382 custom single-family residential lots, 33.05 acres of commercial land and 344 existing single-family residences. The appraisal will be used for bond underwriting purposes and was prepared for the County of El Dorado.
Diablo Grande Community Facilities District No. 1 (Series 2002) Stanislaus County, California	The appraisal involved the valuation of a partially improved resort and master planned community offering 1,410 residential lots, multifamily land, commercial land, a hotel site, vineyards and two 18-hole championship golf courses. The appraisal was used for bond underwriting purposes and was prepared for Western Hills Water District.
Plumas Lake Community Facilities District No. 2002-1 Yuba County, California	This appraisal included the valuation of a portion of the proposed, and partially improved, Plumas Lake Specific Plan area, and comprised 3,314 detached single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the Olivehurst Public Utility District.
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Patterson Gardens & Keystone Pacific Business Park Patterson, Stanislaus County, California	This appraisal involved the valuation of a 985-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 224-acre industrial park. This report was prepared for Bank of America.
Syrah Condominiums Sacramento, Sacramento County, California	Syrah is a proposed 245-unit residential condominium development with dual phase valuations. This report was prepared for KeyBank.

APPENDIX C

THE CITY OF WEST SACRAMENTO AND YOLO COUNTY

The following information with respect to the City of West Sacramento and Yolo County is presented for general background data on the area in which the District is located. The Bonds and the Special Tax are not obligations of the City. This information should not be evaluated by investors under a presumption that the City is in any manner obligated to pay the Bonds or the Special Tax.

General

The City of West Sacramento lies in eastern Yolo County between the Sacramento River on the east and the east levee of the Yolo Bypass on the west. It lies immediately across the Sacramento River from the City of Sacramento and is approximately 85 miles east of San Francisco. The City was incorporated on January 1, 1987, and brought together the four communities of West Sacramento, Bryte, Broderick and Southport. The City is a general law city operating under the council-manager form of government.

The City encompasses approximately 23 square miles or 12,300 acres including considerable industrial, commercial, residential and agricultural properties. The City's location and transportation network have contributed to the City's economic growth. The Port of Sacramento is located within the City boundaries and provides direct shipping access to the San Francisco Bay and the Pacific Ocean. The City is served by an interstate transcontinental railroad. Interstate 80 and U.S. 50, two of the nation's principal east-west freeways, traverse the City and connect to Interstate 5, immediately east of the Sacramento River. Interstate 5 extends from Canada to Mexico.

West Sacramento's location on the Sacramento River, its proximity to the State Capitol, Sacramento's downtown and Old Town areas, and excellent transportation network have contributed to the economic growth of the City. Since the City's incorporation, City staff and citizens have formulated a general plan to encourage moderate growth in conjunction with infrastructure improvements.

City Management

The City boundaries were formed by the former boundaries of the East Yolo Community Services District and the Fire District. With incorporation, all duties and obligations of the East Yolo Community Services District and the Fire District became the duties and obligations of the City.

Population

The following table presents population estimates for the City of West Sacramento, Yolo County and the State of California for the years 2006 to 2010:

CITY OF WEST SACRAMENTO, COUNTY OF YOLO AND STATE OF CALIFORNIA
Estimated Population

Year	West Sacramento	Yolo County	State of California
2006	43,219	190,500	37,195,240
2007	45,259	195,354	37,559,440
2008	46,885	198,326	37,883,992
2009	47,839	200,931	38,255,508
2010	48,426	202,953	38,648,090

Source: California Department of Finance, Demographic Research Unit.

Major Employers

Listed below are the major employers for the City of West Sacramento and the County of Yolo.

CITY OF WEST SACRAMENTO
Major Employers
(As Of June 30, 2009)

Employer	Employees	Percent of Total City Employment
United States Postal Service [1]	1,620	13.1%
United Parcel Service (UPS)	1,435	11.6
State of California, General Services [1]	1,200	9.7
Nor-Cal Beverage	1,016	8.2
Washington Unified School District [1]	802	6.5
Raley's/Bel Air	572	4.6
FedEx Freight West, Inc.	492	4.0
City of West Sacramento	422	3.4
First Health Group Corporation	400	3.2
Wal-Mart	391	3.2
Citibank	380	3.1
Prologix Distribution Services	375	3.0
Xyratex International	350	2.8
Tony's Fine Foods	340	2.8
Roadway Express	279	2.3
All Phase Security, Inc.	272	2.2
Bytheways Manufacturing Inc.	265	2.1
Clark Pacific	250	2.0
Siemens Healthcare Diagnostics	235	1.9
KOVR TV 13	230	1.9
Idexx Veterinary Services	222	1.8
Capital Coors Company	214	1.7
Consolidated Procurement Services	200	1.6
Farmer's Rice Cooperative	200	1.6
IKEA	200	1.6
Total	12,140	--

(1) Current year data not available.
Source: City of West Sacramento, Economic Development Department.

COUNTY OF YOLO
Major Employers
2010

Employer Name	Location	Industry
Bel Air Markets	Broderick	Grocers (Retail)
Cache Creek Casino Resort	Brooks	Casino
Cache Creek Indian Casino	Brooks	Casino
Coventry Workers Comp Svc	Broderick	Health Plans
MTS Inc	West Sacramento	Records Tapes & Compact Discs (Retail)
Nor-Cal Beverage Co Inc	West Sacramento	Beverages (Wholesalers)
Norcal Beverage Co	West Sacramento	Vending Machines (Manufacturers)
Pacific Coast Producers	Woodland	Canned Specialties (Manufacturers)
Procurement Office	Broderick	State Government (General Offices)
Raley's Inc.	Broderick	Grocers (Retail)
Raley's Pharmacy	Broderick	Pharmacies
Raley's	West Sacramento	Pharmacies
Rite Aid Customer Support Ctr	Woodland	Warehouses (Private & Public)
Target Distribution Ctr	Woodland	Distribution Services
Tony's Fine Foods Inc	Broderick	Food Brokers (Wholesalers)
University of California-Davis	Davis	Schools (Universities)
UPS	West Sacramento	Delivery Service
Veterinary Medical Teaching	Davis	Animal Hospitals
Walgreens	Woodland	Pharmacies
Walmart Supercenter	Broderick	Department Stores
Woodland Health Ctr	Woodland	Physicians & Surgeons
Woodland Healthcare	Woodland	Hospitals
Woodland Healthcare	Woodland	Clinics
Xyratex International Inc.	Broderick	Machinery (Specially Designed & Built)
Yolo County District Attorney	Woodland	County Government (Legal Counsel)

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2010 2nd Edition.

Employment and Industry

The unemployment rate in the Sacramento-Arden Arcade-Roseville MSA was 12.7% in July, 2010, and above the year-ago estimate of 11.6%. This compares with an unadjusted unemployment rate of 12.8% for California and 9.9% for the nation during the same period. The unemployment rate was 12.2% in El Dorado County, 11.6% in Placer County, 13.1% in Sacramento County, and 12.0% in Yolo County.

The table below provides information about employment by industry type for the Sacramento MSA for calendar years 2005 through 2009.

SACRAMENTO-ARDEN ARCADE-ROSEVILLE MSA
El Dorado, Placer, Sacramento, Yolo Counties
Employment by Industry
Annual Averages

	2005	2006	2007	2008	2009
Civilian Labor Force (1)	1,013,900	1,028,700	1,042,000	1,051,600	1,057,600
Employment	964,100	980,600	987,100	977,500	939,200
Unemployment	49,800	48,100	55,300	73,900	118,400
Unemployment Rate	4.9%	4.7%	5.3%	7.0%	11.2%
Wage and Salary Employment (2)					
Agriculture	7,400	7,500	7,900	8,200	8,700
Natural Resources and Mining	700	700	700	700	500
Construction	73,400	70,700	66,900	56,200	43,000
Manufacturing	43,100	42,800	40,900	38,700	34,400
Wholesale Trade	26,900	28,400	27,900	26,500	24,100
Retail Trade	98,700	100,700	99,800	95,100	87,100
Transportation, Warehousing and Utilities	23,400	24,500	25,400	25,100	23,300
Information	19,900	20,000	20,100	19,200	18,300
Finance and Insurance	47,000	47,700	46,200	43,400	41,000
Real Estate and Rental and Leasing	16,400	16,900	15,700	14,100	12,600
Professional and Business Services	108,600	112,500	112,100	110,100	100,700
Educational and Health Services	88,200	92,100	96,800	99,400	99,400
Leisure and Hospitality	82,100	85,300	86,600	85,900	81,900
Other Services	28,500	28,300	29,000	29,600	28,700
Federal Government	12,800	12,600	12,400	12,500	12,700
State Government	102,500	105,400	109,600	111,400	111,800
Local Government	108,800	110,400	113,100	114,300	114,000
Total, All Industries (3)	888,300	906,600	911,000	890,200	842,100

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Commercial Activity

Total taxable sales during the first two quarters of calendar year 2009 in the City were reported to be $533,465,000, an 11.7% decrease over the total taxable sales of $604,160,000 reported during the first two quarters of calendar year 2008. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table. Annual figures are not yet available for 2009.

CITY OF WEST SACRAMENTO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2004	416	$399,670	1,089	$937,825
2005	441	441,699	1,122	1,049,894
2006	444	531,980	1,151	1,127,417
2007	456	598,481	1,172	1,186,555
2008	484	572,739	1,173	1,296,729

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first two quarters of calendar year 2009 in the County were reported to be $1,402,603,000, a 13.4% decrease over the total taxable sales of $1,619,314,000 reported during the first two quarters of calendar year 2008. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table. Annual figures are not yet available for 2009.

COUNTY OF YOLO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2004	1,686	$1,590,518	3,981	$2,810,318
2005	1,784	1,709,443	4,021	3,093,540
2006	1,819	1,788,729	4,059	3,189,863
2007	1,803	1,848,578	4,084	3,259,843
2008	1,933	1,778,592	4,138	3,347,287

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

The following tables show a five year summary of the number and valuation of building permits issued in the City and the County.

CITY OF WEST SACRAMENTO
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2005	2006	2007	2008	2009
Permit Valuation					
New Single-family	$208,929.6	$62,944.6	$51,896.4	$17,962.1	$18,343.6
New Multi-family	11,145.9	19,670.7	11,887.1	0.0	11,292.2
Res. Alterations/Additions	5,672.9	7,192.0	4,570.0	5,294.7	2,504.9
Total Residential	225,748.3	89,807.2	68,353.5	23,256.8	32,140.7
New Commercial	23,638.3	39,607.8	111,182.7	32,883.9	3,332.5
New Industrial	5,588.3	10,352.4	30,218.0	1,391.0	3,515.0
New Other	4,693.1	5,831.5	3,790.2	6,210.7	3,149.7
Com. Alterations/Additions	18,427.0	42,986.7	72,872.6	26,894.8	28,607.5
Total Nonresidential	$52,346.6	$98,778.4	$218,063.5	$67,380.4	$38,604.7
New Dwelling Units					
Single Family	1,002	331	293	95	88
Multiple Family	100	216	170	0	77
TOTAL	1,102	547	463	95	165

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF YOLO
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2005	2006	2007	2008	2009
Permit Valuation					
New Single-family	$306,121.0	$156,823.9	$137,454.6	$74,075.9	$58,743.6
New Multi-family	38,615.6	40,860.5	15,968.3	0.0	11,821.0
Res. Alterations/Additions	29,782.5	30,017.0	27,568.3	26,201.8	18,301.9
Total Residential	374,519.0	227,701.4	180,991.2	100,277.7	88,866.5
New Commercial	49,448.6	45,314.2	140,563.3	87,935.4	6,199.9
New Industrial	5,588.3	13,120.8	38,384.4	2,191.0	3,515.0
New Other	24,023.8	27,110.6	25,321.6	27,607.1	15,509.7
Com. Alterations/Additions	49,379.2	74,175.7	104,208.3	59,036.7	63,656.0
Total Nonresidential	$128,439.9	$159,721.4	$308,477.6	$176,770.2	$88,880.6
New Dwelling Units					
Single Family	1,366	785	724	338	240
Multiple Family	352	485	200	0	83
TOTAL	1,718	1,270	924	338	323

Source: Construction Industry Research Board, Building Permit Summary.

Community Facilities

Media outlets in the area consist of 24 newspapers (one offers daily delivery), seven television stations (three network, four independents) and 29 radio stations.

Flood Protection

The Sacramento River borders the City to the north and east; the deep water shipping channel bisects the City, joining with the Sacramento Bypass and the Yolo Bypass, forming the western boundaries of the City. All of the City lies within the natural flood plain of the Sacramento River. It is reclaimed land protected from floods by levees and the Yolo and Sacramento Bypasses, which divert water flood flows around the City to the west. The Sacramento River Flood Control Project, authorized by the Flood Control Act of 1917, was established to build this levee system, although many of its levees had been constructed by local interests prior to its enactment and were subsequently upgraded and incorporated into the project.

The levees of the Sacramento River Flood Control System protect an estimated 1.7 million people of which more than 330,000 are protected by the approximately 110 miles of the system located in the Sacramento urban areas. Until recently it was the belief of the City that the levee system along these waterways met and exceeded the level of protection necessary to protect the City from at least a 200-year flood. However, a recent change in FEMA flood standards has caused FEMA to reevaluate its previous designations of flood protection to cities along the Sacramento River Delta.

Based on recently completed preliminary levee evaluation studies initiated by the West Sacramento Flood Control Agency (WSFCA) and the City, evidence exists that the levee system surrounding the City currently does not provide the minimum level (100-year) of flood protection, required by FEMA. A designation by FEMA of sub 100-year flood protection would impact the City in two ways:

- First, property owners in the City would be required to purchase mandatory flood insurance at higher rates than the current preferred rates.

- Second, a sub 100-year flood protection would impact new development. If FEMA designates the City as an AE zone, finished floor elevations would be required to be, at or above, the flood level, which for much of West Sacramento is 15 feet. This would render most development infeasible. If FEMA designates West Sacramento as an AR zone, finished floor elevations would be required to be 3 feet above the ground, which would likely impact feasibility but not necessarily preclude development from occurring.

A series of levee improvements are needed to provide a level of flood protection to the City consistent with FEMA requirements to protect the community from a 100-year flood and meet the City's standards of protecting the community from a minimum 200-year flood event. The City is proposing fees and voter-approved assessments to assist in paying for these levee improvements.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

[closing date]

City Council
City of West Sacramento
City Hall, 1110 West Capitol Avenue
West Sacramento, CA 95691

Re: City of West Sacramento
Community Facilities District No. 27 (Bridge District)
Special Tax Bonds, Series 2010
(*Final Opinion of Bond Counsel*)

Dear Council Members:

We have acted as bond counsel in connection with the issuance by the City of West Sacramento (the "City") of $12,645,000 aggregate principal amount of City of West Sacramento Community Facilities District No. 27 (Bridge District) Special Tax Bonds, Series 2010 (the "Bonds"), under and pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 of the State of California (being §§53311, et seq., of the Government Code of the State of California), and pursuant to the provisions of the Fiscal Agent Agreement dated August 1, 2010 (the "Fiscal Agent Agreement"), between Union Bank, N.A., as fiscal agent, and the City. In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the representations of the City contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The City has duly authorized, executed and delivered the Bonds. The Bonds are valid and binding limited obligations of the City, payable solely from the proceeds of the Special Taxes (as that term is defined in the Fiscal Agent Agreement) and certain funds held under the Fiscal Agent Agreement to the extent specified therein.

2. The Fiscal Agent Agreement constitutes a valid and binding obligation of the City. The Fiscal Agent Agreement creates a valid lien on the Annual Special Taxes and other funds pledged by the Fiscal Agent Agreement for the security of the Bonds.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; nor is such interest taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax

imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from present State of California personal income taxes.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement or other offering materials relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

CITY CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "**Disclosure Agreement**") dated as of September 2, 2010, is by and between the City of West Sacramento, a general law city organized and existing under and by virtue of the laws of the State of California (the "**City**"), and Willdan Financial Services, Temecula, California, in its capacity as Dissemination Agent (the "**Dissemination Agent**").

W I T N E S S E T H :

WHEREAS, pursuant to the Fiscal Agent Agreement, dated as of July 1, 2010 (, the "Fiscal Agent Agreement") between the City and Union Bank, N.A., as Fiscal Agent, the City has issued its Community Facilities District No. 27 (Bridge District) Special Tax Bonds (the "**Bonds**"), in the aggregate principal amount of $12,645,000; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

SECTION 1. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the designees of the City to act as the disclosure representative.

"Dissemination Agent" shall mean Dissemination Agent appointed herein, or any successor Dissemination Agent designated in writing by the City and which has filed with the Dissemination Agent a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement and any other event legally required to be reported pursuant to the Rule.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the Official Statement, dated August 19, 2010, relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 2. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than January 15 after the end of the City's fiscal year, commencing with the fiscal year ending June 30, 2010 (for the report due January 15, 2011), provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 3 of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Report to the Dissemination Agent. The City shall provide a Certificate of the City with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder. The Dissemination Agent may conclusively rely upon such Certificate of the City of the City.

(b) If by fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with subsection (a).

(c) The Dissemination Agent shall file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB. If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall immediately notify the City. If the City is unable to provide to the MSRB an Annual Report by the report due date, the City shall, by written direction, cause the Dissemination Agent to provide to the MSRB a notice, in substantially the form attached as Exhibit A.

SECTION 3. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to that used for the City's audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; provided, that in each Annual Report or other filing containing the City's financial statements, the following statement shall be included in bold type:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following additional items with respect to the Bonds:

(1) Principal amount of Bonds outstanding under the Fiscal Agent Agreement.

(2) Balance in Project Fund.

(3) Balance in Bond Reserve Fund.

(4) Table indicating Special Tax levy, amount collected, delinquent amount and percent delinquent for the most recent year.

(5) Status of foreclosure proceedings and summary of results of foreclosure sales, if available.

(6) Identity of any delinquent taxpayer representing more than 5% of levy and value-to-lien ratios of applicable properties (using assessed values unless more accurate information is available).

(7) Assessed valuation of property shown on County Assessor's tax rolls with no "improvements" value in the District for the current (as of the date of the report) fiscal year.

(8) Number of building permits issued by the City for property in the District for the reported fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the City shall give an officer's certificate including notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modifications to rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls.
5. Defeasances.
6. Rating changes.
7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Unscheduled draws on the debt service reserves, if any, reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. Release, substitution, or sale of property securing repayment of the Bonds.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would constitute material information for Holders of Bonds, provided, that any event under subsection (a)(6) will always be defined to be material.

(c) If the City determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the City shall, or by written direction cause the Dissemination Agent (if not the City) to, promptly file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Fiscal Agent Agreement.

(d) If in response to a request under subsection (b), the City determines that the Listed Event would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e).

SECTION 5. Termination of Reporting Obligation. The obligations of the City, the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 4(e) hereof. If the City's obligations under the Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the

City, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be made without the consent of either such party) and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Issuer, the City and the Dissemination Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Dissemination Agent shall at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds (but only to the extent indemnified to its satisfaction from any cost, liability or expense, including without limitation fees and expenses of its attorneys) take such actions, or any Holder or Beneficial Owner of the Bonds may take such actions, as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed and Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their respective powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bondholders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent may resign at any time by providing at least 30 days' notice in writing to the City.

SECTION 10. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 11. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _________________________, 2010

CITY OF WEST SACRAMENTO

By: _________________________________

AGREED AND ACCEPTED:

WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

By: _________________________________

Title: ________________________________

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of West Sacramento
Name of Bond Issue:	$12,645,000 City of West Sacramento Community Facilities District No. 27 (Bridge District) Special Tax Bonds
Date of Issuance:	September 2, 2010

NOTICE IS HEREBY GIVEN that the City of West Sacramento (the "City") on behalf of City of West Sacramento Community Facilities District No. 27 (Bridge District) has not provided an Annual Report with respect to the above-named Bonds. The City anticipates that the Annual Report will be filed by _____________.

Dated: _______________

____

By: ________________________________
Authorized Officer

cc: City of West Sacramento

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“**DTC**”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the issuer of the Bonds (the “**Issuer**”) nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the “**Agent**”) take any responsibility for the information contained in this Appendix.*

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“**DTC**”), New York, NY, will act as securities depository for the securities (the “**Bonds**”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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