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OFFICE OF THE CITY CLERK  
OAKLAND

2015 MAY 28 PM 4:04

## AGENDA REPORT

**TO:** HONORABLE CITY COUNCIL

**FROM:** John A. Flores

**SUBJECT:** Gateway Industrial District  
(Army Base) Community  
Facilities District

**DATE:** May 12, 2015

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**COUNCIL DISTRICT:** 3

### RECOMMENDATION

Staff recommends the City Council accept and adopt:

1) A Resolution Approving Amended and Restated Local Goals and Policies for Special Assessment and Mello-Roos Community Facilities District Financing; and 2) a Resolution of Intention of the City of Oakland to Establish City of Oakland Community Facilities District No. 2015-1 (Gateway Industrial District); Schedule a Public Hearing; Levy a Special Tax to Finance the Maintenance of Certain Public Improvements; and Approve a Proposed Boundary Map for Community Facilities District No. 2015-1 Pursuant to the Mello-Roos Community Facilities Act of 1982

### OUTCOME

Approval of the Resolutions will result in the City: amending and restating its local goals and policies for special assessment and Mello-Roos community facilities district financing, and taking the initial steps toward formation of Community Facilities District 2015-1 at Gateway Industrial District on the former Oakland Army Base.

### EXECUTIVE SUMMARY

A Community Facilities District (CFD) is proposed for the maintenance of the public improvements and infrastructure at the Gateway Industrial District, located on the former Oakland Army Base on Frontage Road between 7<sup>th</sup> Street and West Grand Avenue. A CFD for Gateway Industrial District is being proposed in order to levy and collect funds from the development parcels at the Gateway Industrial District to fund the maintenance and related costs required as conditions of approval for the Gateway Industrial District.

Item: 8

CED Committee

June 9, 2015

As part of this action, staff is proposing to amend the City's local goals and policies for special assessments and Mello-Roos community facility district financing. A public hearing on the intent of formation of Community Facilities District No. 2015-1 (Gateway Industrial District), authorizing the levy of a special tax therein is requested to be scheduled for the City Council meeting on June 16, 2015 at 7:00 pm.

### **FISCAL IMPACT**

The proposed Community Facilities District No. 2015-1 (the "District") will be fully supported by an annual special tax levied on the real property within the District. The City's administrative costs related to the District will be reimbursed from the special tax proceeds. There will be no impact on the City's finances, budget or on the General Purpose Fund.

### **BACKGROUND/LEGISLATIVE HISTORY**

On October 23, 2012, pursuant to City Council Ordinance 13131 C.M.S., the City entered into a Lease Disposition and Development Agreement (the "LDDA") with Prologis CCIG Oakland Global (the "Developer") for the redevelopment of the Gateway Industrial District, located on the former Oakland Army Base. At the same time, pursuant to Ordinance 13131 C.M.S, the City engaged California Capital & Investment Group (CCIG) as its Manager for the design and construction of the public improvements, including new underground utilities, public streets and landscaping and lighting, required to support vertical development at Gateway Industrial District.

On October 16, 2013, CCIG, acting as the City's Manager, entered into a Design Build Contract with Turner/Goodfellow Top Grade/Flatiron Joint Venture (the "Design Build Contractor") for construction of the public improvements, including new underground utilities, public streets and landscaping, and lighting. Once constructed, such improvements require ongoing maintenance.

### **ANALYSIS/OVERVIEW**

A Community Facilities District (CFD) is proposed for the maintenance of the public improvements and infrastructure at the Gateway Industrial District, located on the former Oakland Army Base. A Community Facilities District is a City entity that is formed to maintain and fund the maintenance of typically new public improvements, in this case new streets and utilities at the former Oakland Army Base (Gateway Industrial District). The current City personnel and budget capacity is not sufficient to maintain and operate the new public improvements at the former Oakland Army Base (Gateway Industrial District). Therefore, in order to facilitate and support the development of the former Oakland Army Base property, the City and its developers have agreed to create a Community Facilities District.

Item: \_\_\_\_\_  
CED Committee  
June 9, 2015

The City's local goals and policies are being amended to clarify in accordance with law that only services that are supplemental and in addition to those currently provided by the City can be provided by the CFD and may not supplant services already available within the territory of the CFD. Also, the amended local goals and policies provides the necessary framework so the City can provide savings to special taxpayers by allowing for refinancing. In addition, the amended local goals and policies provides, at a minimum, any disclosures mandated by applicable state law shall apply to each CFD to inform prospective purchasers of property within the CFD of the existence of the special tax lien and their obligations with respect to the special taxes and the CFD.

The City also intends to establish the proposed CFD, which will provide a permanent mechanism to guarantee funding for the maintenance of Gateway Industrial District at the former Oakland Army Base. The entire cost of the District, including any administrative costs incurred by the City, will be covered by the special tax to be levied on the property located within the District.

Staff is recommending the City Council amend the City's local goals and policies for special assessments and Mello-Roos community facility district financing. Staff is also recommending the City Council take the initial step towards the formation of the Gateway Industrial District CFD by adopting the resolution of intention to establish Community Facilities District 2015-1 over the area shown in the proposed boundary map (see *Attachment A*). The CFD formation process requires that the City Council conduct a public hearing on formation of the District, and at a subsequent meeting more than 30 days later, adopt three additional resolutions and approve an ordinance levying a special tax on development parcels within the District.

The Community Facilities Act provides that a public hearing must be held on the establishment of a CFD. At the close of the public hearing, absent any objection by the City, the only property owner within the proposed District, the City Council may determine that there was no majority protest, as defined by the Community Facilities Act. In order to expedite the formation process, the City, the only property owner within the District, intends to sign a waiver and consent form waiving its right to protest at the public hearing and waiving any minimum time periods relative to the landowner election. Additionally, the City has agreed to submit its election ballot(s) prior to July 11, 2015 so that the election results will be available at the meeting.

The specific actions required by Council in this agenda item are:

June 16, 2015

- Adopt Resolution Approving Amended and Restated Local Goals and Policies for Special Assessment and Mello-Roos Community Facilities District Financing.
- Adopt Resolution of Intention of The City of Oakland to Establish City of Oakland Community Facilities District No. 2015-1 (Gateway Industrial District); Schedule a Public Hearing; Levy a Special Tax to Finance the Maintenance of Certain Public Improvements; and Approving a Proposed Boundary Map For Community Facilities District No. 2015-1 Pursuant to the Mello-Roos Community Facilities Act of 1982.

Future actions include:

July 21, 2015

- Conduct a Public Hearing on Formation of Community Facilities District No. 2015-1, Authorizing the Levy of a Special Tax Therein and Submitting the Levy of the Special Tax to the Qualified Electors of the Community Facilities District.
- Adopt Resolution of Formation of Community Facilities District No. 2015-1 and authorizing the Levy of a Special Tax Therein (this resolution formally establishes Community Facilities District No. 2015-1 and states that the matter of the levy of a special tax shall be submitted to the qualified electors of the CFD).
- Adopt Resolution Calling for a Special Mail Ballot Election for Qualified Electors of Community Facilities District No. 2015-1 (this resolution identifies the one property owner, the City of Oakland, has filed a waiver and consent to expedite the process for formation of the CFD and calls for an election by the one property owner regarding the levy of a special tax to fund public service and administrative costs associated with the CFD).
- Adopt Resolution Determining the Result of the Special Mail Ballot Election Held in Community Facilities District No. 2015-1 (this resolution states that more than two-thirds of all votes cast at the special mail election were in favor of the levying of a special tax. In fact the one vote cast was in favor of the levy of a special tax).
- Introduce Ordinance Levying Special Taxes within Community Facilities District No. 2015-1 (first reading).

Item: \_\_\_\_\_  
CED Committee  
June 9, 2015

September 8, 2015

- Approve Final Passage of Ordinance Levying Special Taxes within Community Facilities District No. 2015-1 (second reading).

### **PUBLIC OUTREACH/INTEREST**

The formation of the Community Facilities District is a statutory process that does not require any additional public outreach other than the required posting on the City's website for the proposed adoption of the resolutions and ordinance.

### **COORDINATION**

This action has been coordinated with City Budget Office, City Attorney's Office, California Capital & Investment Group (City's Manager), and Prologis CCIG Oakland Global (the Developer).

### **SUSTAINABLE OPPORTUNITIES**

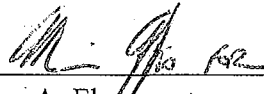
*Economic:* The establishment of the Community Facilities District No. 2015-1 will provide a mechanism to fund the maintenance of public improvements including public access areas, public streets and bike and pedestrian trails in the Gateway Industrial District.

*Environmental:* The District will ensure adequate maintenance for the Gateway Industrial District. The District will use, to the greatest extent possible, best management practices for maintaining the public improvements.

**Social Equity:** The special tax will be apportioned in conformance with the Rate and Method of Apportionment based on square footage. The tax revenue generated will fund the maintenance of public improvements including public access areas, public streets and bike and pedestrian trails in the Gateway Industrial District.

For questions regarding this report, please contact John Monetta, Project Manager I, at (510) 238-7125.

Respectfully submitted,



John A. Flores  
Interim City Administrator

Reviewed by:

Doug Cole, Project Manager III  
Office of the City Administrator  
Oakland Army Base Project

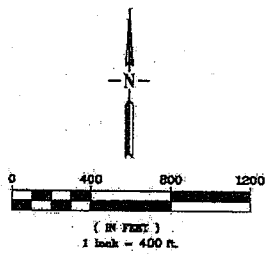
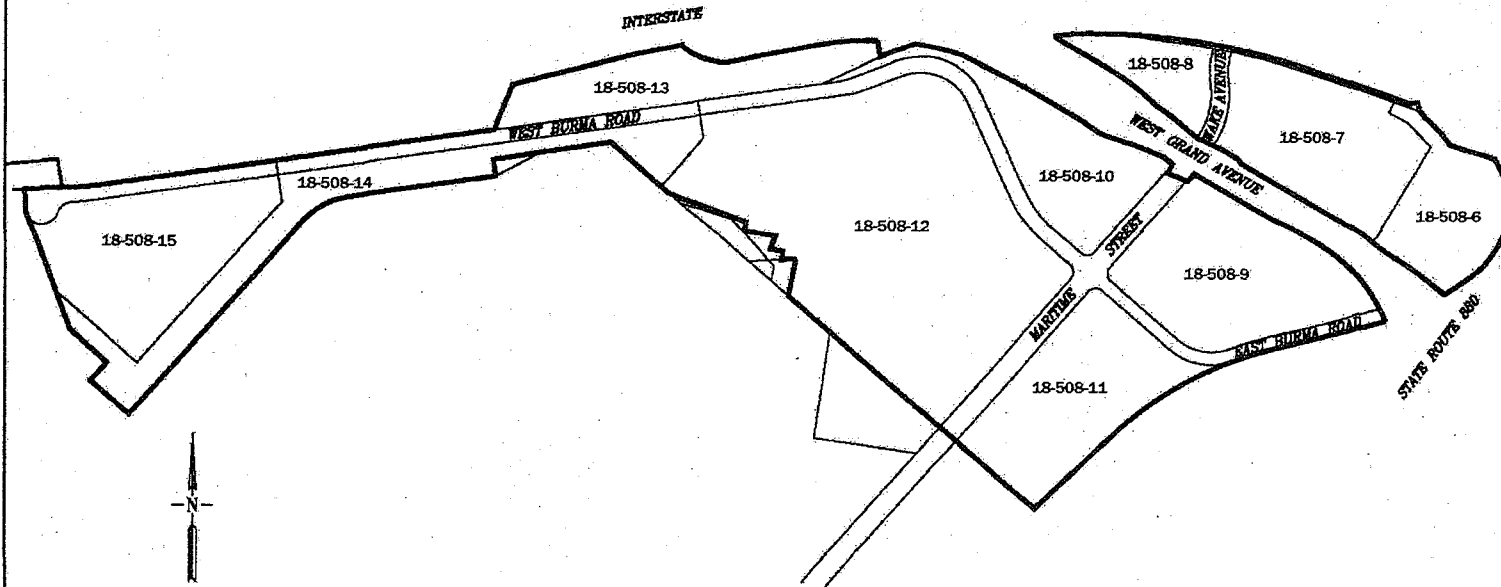
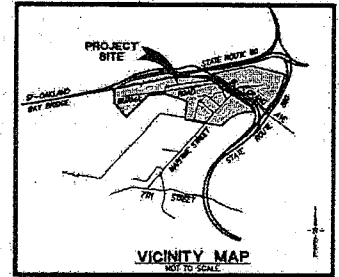
Prepared by:

John Monetta, Project Manager I  
Office of the City Administrator  
Oakland Army Base Project

**Attachment A:** Proposed Boundary  
Map

Item: 8  
CED Committee  
June 9, 2015

**PROPOSED BOUNDARY OF  
COMMUNITY FACILITY DISTRICT No. 2015-01  
OAKLAND ARMY BASE, OAKLAND CALIFORNIA  
STATE OF CALIFORNIA**



**LEGEND:**

————— CFD No. 2015-01  
District Boundary

1 Lot No.

**HARRIS & ASSOCIATES**  
22 Cassette Park, Suite 200  
Irvine, California 92614  
909-827-4901

REFERENCE THE ALAMEDA COUNTY ASSESSOR'S MAPS  
FOR A DETAILED DESCRIPTION OF PARCEL LINES AND  
DIMENSIONS.

FILED IN THE OFFICE OF THE CITY CLERK OF THE  
CITY OF OAKLAND THIS \_\_\_\_ DAY OF \_\_\_\_  
20\_\_

\_\_\_\_\_  
CITY CLERK OF THE CITY OF OAKLAND

I HEREBY CERTIFY THAT THE MAP SHOWING  
PROPOSED BOUNDARY OF THE CITY OF OAKLAND  
COMMUNITY FACILITY DISTRICT No. 2015-01,  
(ARMY BASE), CITY OF OAKLAND, COUNTY OF  
ALAMEDA, STATE OF CALIFORNIA, WAS APPROVED  
BY THE CITY COUNCIL OF THE CITY OF OAKLAND  
AT A REGULAR MEETING THEREOF, HELD ON THE  
\_\_\_\_ DAY OF \_\_\_\_ 20\_\_ BY ITS RESOLUTION  
NO. \_\_\_\_\_

\_\_\_\_\_  
CITY CLERK OF THE CITY OF OAKLAND

FILED IN THE OFFICE OF THE CITY CLERK OF THE  
CITY OF OAKLAND THIS \_\_\_\_ DAY OF \_\_\_\_  
20\_\_

FILED THIS \_\_\_\_ DAY OF \_\_\_\_ 20\_\_ AT THE  
HOUR OF \_\_\_\_ O'CLOCK \_\_\_\_ M, IN BOOK \_\_\_\_ OF  
MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES  
DISTRICTS PAGE Nos. \_\_\_\_ THROUGH \_\_\_\_ AS AN  
AS AN INSTRUMENT No. \_\_\_\_ IN THE OFFICE  
COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

\_\_\_\_\_  
COUNTY RECORDER OF THE COUNTY OF ALAMEDA

Attachment A

**EXHIBIT A**



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2015 MAY 28 PM 4:06

APPROVED AS TO FORM AND LEGALITY

*[Signature]*  
DEPUTY CITY ATTORNEY

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLAND APPROVING AMENDED AND RESTATED LOCAL GOALS AND POLICIES FOR SPECIAL ASSESSMENT AND MELLO-ROOS COMMUNITY FACILITIES DISTRICT FINANCING

**WHEREAS**, under the Mello-Roos Community Facilities Act of 1982, (California Government Code Section 553311 *et seq.*) (the "**Act**"), and prior to the institution of any proceedings thereunder, the City Council of the City of Oakland (the "**City Council**") must adopt goals and policies as provided in the Act; and

**WHEREAS**, on \_\_\_\_\_, this City Council approved "Local Goals and Policies and Appraisal Standards for Community Facilities Districts City of Oakland" (the "**Existing Goals and Policies**"); and

**WHEREAS**, this City Council desires to update and amend the existing Local Goals and Policies; now therefore be it

**RESOLVED**, that the "Amended and Restated Local Goals and Policies for Assessment and Mello-Roos Community Facilities District Financing" (the "**Amended Goals and Policies**") attached hereto as Exhibit A are hereby found to meet the requirements of the Act and are hereby adopted by this City Council for purposes of compliance with the Act, subject to further amendment by this City Council as may be required from time to time; and be it

8-1  
COMMUNITY & ECONOMIC  
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JUN 09 2015

Exhibit A

**FURTHER RESOLVED**, that this resolution and the Amended Goals and Policies shall be effective from and after the date of the adoption of this resolution by this City Council.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2015

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, GALLO, GUILLEN, KALB, KAPLAN, REID, CAMPBELL, WASHINGTON,  
PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the  
Council of the City of Oakland, California

8

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JUN 09 2015

**AMENDED AND RESTATED  
LOCAL GOALS AND POLICIES AND APPRAISAL  
STANDARDS FOR COMMUNITY FACILITIES DISTRICTS  
CITY OF OAKLAND**

The City of Oakland ("City") hereby sets forth the following local goals and policies and appraisal standards ("**Local Goals and Policies**") in compliance with Section 53312.7 of the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) ("**Act**").

**General Policy**

The Local Goals and Policies delineated below have been prepared to provide guidelines for the use of Community Facilities Districts ("**CFD**") in the City. Proceedings to establish a CFD may be initiated by a petition of one or more property owners or by the City through a resolution adopted by the City Council of the City of Oakland ("**City Council**").

The City shall consider the use of CFDs for (1) acquiring, constructing or providing financing for all or a prescribed portion of the cost and expense of public capital improvements ("**Public Improvements**") to be owned by the City or by such other public agencies or regulated public utility companies that serve a public purpose for the City and its inhabitants, (2) financing all or a prescribed portion of the estimated administrative cost and expense of maintaining and operating such Public Improvements, and (3) providing services permitted by the Act.

**Priorities**

The City hereby establishes the following priority for the implementation of CFDs:

1. Public Improvements which provide a community-wide benefit to all inhabitants of the City;
2. Public Improvements needed to serve a community plan or specific plan area that is currently deficient in off-site infrastructure needed to develop the area as planned;
3. Other Public Improvements for which there is a clearly demonstrated public benefit but which benefit is likely to be greater to specific sub-areas of the City rather than *community-wide*;
4. The administrative cost and expense of maintaining and operating any of the foregoing Public Improvements; and
5. Other improvements as permitted under the Act;
6. The cost of services permitted to be paid with special taxes under Section 53313 of the Act. To the extent required by the Act, the CFD may finance

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only services that supplement and are in addition to those provided in the territory of the CFD before creation of the CFD. Such additional services may not supplant services already available within the territory of the CFD when the CFD was created.

The funding of public facilities to be owned and operated by public agencies other than the City shall be considered on a case-by-case basis. If the proposed financing is consistent with a public facilities financing plan approved by the City or the proposed facilities are otherwise consistent with approved land use plans for the property, the City may consider entering into a joint community facilities agreement or joint powers authority agreement to finance these facilities. A joint agreement with the public agency that will own and operate any such facility must be entered at the time or times required by the Act.

A CFD may also be formed for the purpose of refinancing any fixed special assessment or other governmental lien on property, to the extent permitted under the Act.

### **Required Credit Quality**

The City Council adopts the requirements of Section 53345.8 of the Act (a copy of which is set forth in Exhibit 1, attached hereto) as sufficient minimum standards for the credit quality of any bonds issued pursuant to the Act.

### **Disclosure to Property Purchasers**

1. At a minimum, any disclosures mandated by applicable state law shall apply to each CFD to inform prospective purchasers of property within the CFD of the existence of the special tax lien and their obligations with respect to the special taxes and the CFD. On a case-by-case basis, additional requirements may be mandated by the City for particular kinds of financings. The City may prescribe specific forms to be used to disclose the existence and extent of obligations imposed by CFD.

2. The City shall provide a notice of special taxes to sellers of property (other than developers), which will enable them to comply with their notice requirements under Section 1102.6 of the Civil Code. This notice shall be provided by the City after receipt of a written request for the notice from said seller. A reasonable fee may be charged for providing the notice, not to exceed any maximum fee specified in the Act.

### **Requirement for Special Tax Formulas**

The proposed amount and apportionment of the special tax for each CFD shall comply with the following criteria:

1. The special tax formula shall be structured to produce sufficient annual special tax revenue to pay:
  - (a) costs of Public Improvements designated for funding with the CFD special tax;

- (b) at a minimum, an amount equal to 110% gross annual debt service on special tax bonds which have been issued to finance the cost of Public Improvements, if any;
  - (c) amounts needed to replenish any reserve funds for bonds issued to finance the cost of Public Improvements, if any;
  - (d) amounts equal to the differences between expected earnings on any escrow fund and the interest payments due on related bonds of a CFD;
  - (e) annual administrative expenses of the CFD, including, but not limited to, the issue and administration of special tax bonds, if any; and
  - (f) funds reasonably required for future debt service on CFD bonds;
  - (g) the cost of services designated for funding with the CFD special tax;
  - (h) the costs of remarketing, credit enhancement and liquidity facility fees;
  - (i) the cost of acquisition, construction, furnishing or equipping of authorized facilities;
  - (j) lease payments for existing or future facilities;
  - (k) costs associated with the release of funds from an escrow account;
  - (l) the costs of services; and
  - (m) any other costs or payments permitted by law.
2. The CFD may levy sufficient special taxes to protect against unforeseen contingencies, including but not limited to, projected delinquencies in the payment of the special tax.
  3. The rate and method of apportionment may provide for an annual increase in the maximum special tax for residential properties and shall provide for prepayment and discharge of that portion of the special tax obligation on any residential properties pertaining to debt service on special tax bonds, if any.
  4. The total projected annual special tax revenues, less estimated annual administrative expenses and services and pay-as-you-go program costs shall be at minimum equal to the projected annual gross debt service on outstanding special tax bonds, if any.
  5. All property within the CFD not otherwise statutorily exempted or owned (or to be owned) by a public entity and to be benefited shall bear its

appropriate share of the special tax liability, as determined in the rate and method of apportionment of special taxes for the CFD.

6. The special tax shall be allocated and apportioned on the basis of reasonableness to all categories and classes of property within the CFD, as determined by the City Council.
7. The total amount of projected *ad valorem* property tax and other direct and overlapping debt for the proposed CFD (including estimated CFD charges, projected benefit assessments, levies for authorized but unissued debt and any other anticipated municipal charges which may be included on a property owner's annual property tax bill), including the proposed maximum special tax, shall not exceed two and one-half percent (2.5%) of the estimated market value for any single family home, condominium or town home. Any deviations from the foregoing must be specifically approved by the City Council.

Exemptions from the special tax may be given on a case-by-case basis at the discretion of the City, and may include without limitation parcels that are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easements, or that have insufficient value to support bonded indebtedness.

The annual increase, if any, in the maximum special tax for any parcel may not exceed any maximum specified in the Act. The increase in the special tax levied on any parcel as a consequence of delinquency or default by the owner of any other parcel may not exceed any maximum specified in the Act.

Special taxes will be levied only on an entire assessor's parcel, and any allocation of special tax liability of an assessor's parcel to leasehold or possessory interest in the fee ownership of such assessor's parcel shall be the responsibility of the fee owner of such parcel and the City shall have no responsibility therefore and has no interest therein. Failure of an owner of any parcel to pay or cause to be paid any special taxes in full when due, shall subject the entire assessor's parcel to foreclosure in accordance with the Act.

The City may retain a special tax consultant to prepare a report which: (a) recommends a special tax for the proposed CFD, and (b) evaluates the special tax proposed to determine its ability to adequately fund identified public facilities, administrative costs, services and other related expenditures. Such analysis may also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, *ad valorem* taxes and assessments on the properties within the CFD.

## **Appraisal Standards**

The Appraisal Standards for Land Secured Financings published by the California Debt and Investment Advisory Commission dated May 1994, as revised in July 2004, are adopted as the appraisal standards for the City with the following modifications:

1. The independent review appraiser is an option, and not a requirement.
2. The comparable sales method may be used whenever there is sufficient data available in the opinion of the appraiser.
3. The appraiser should assess value based on the assumption that the Public Improvements to be financed with the proposed special tax bonds are already completed.
4. The special tax lien need not be computed as the present value of the future tax payments if there is a pre-payment mechanism or other more appropriate measure.
5. Except where necessary to make a meaningful comparable sale comparison, the appraiser should not discount the value of property for the amount of the special tax lien.

## **Minimum Standards Waivers and Amendments**

The policies set forth herein reflect the minimum standards under which the City will make use of CFDs to fund certain Public Improvements or public services. The City may, in its discretion and to the extent permitted by law, waive any of the policies set forth herein in particular cases.

The goals and policies set forth herein may be amended at any time and from time to time by the City.

EXHIBIT 1

TEXT OF SECTION 53345.8 OF THE ACT

**Section 53345.8.** (a) The legislative body may sell bonds pursuant to this chapter only if it determines prior to the award of sale of bonds that the value of the real property that would be subject to the special tax to pay debt service on the bonds will be at least three times the principal amount of the sum of the following:

(1) The principal amount of the bonds to be sold.

(2) The principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to this chapter on property within the community facilities district or a special assessment levied on property within the community facilities district. The legislative body shall estimate the principal amount of these other bonds that are secured by property within the district by assuming that the maximum allowable tax or assessment applicable to each parcel of property within the district will be levied until the date of maximum maturity of the bonds. Any determination made pursuant to this subdivision shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal of the subject property made in a manner consistent with the policies adopted pursuant to paragraph (5) of subdivision (a) of Section 53312.7 by a state certified real estate appraiser, as defined in subdivision (c) of Section 11340 of the Business and Professions Code. The Treasurer may recommend definitions, standards, and assumptions to be used for these appraisals. These definitions, standards, and assumptions are advisory only, and the definitions, standards, and assumptions to be applied to appraisals will be those adopted by the local agency pursuant to paragraph (5) of subdivision (a) of Section 53312.7.

(b) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines that the proposed bonds do not present any unusual credit risk due to the availability of credit enhancements, or because a sufficient portion of the principal amount of a bond issue has been deposited in a self-financing and self-liquidating escrow account under conditions such that it cannot be withdrawn until the value of real property subject to special taxes has increased sufficiently so that the requirements of subdivision (a) will be met or for other reasons specified by the legislative body, the provisions of subdivision (a) may be disregarded.

(c) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines by a vote of not less than four-fifths of all of its members that the proposed bond issue should proceed for specified public policy reasons, the provisions of subdivision (a) may be disregarded.

A finding and determination by the legislative body pursuant to this subdivision shall be final and conclusive upon all persons in the absence of actual fraud, and neither the legislative body nor the district shall have any liability of any kind whatsoever out of, or in connection with, any finding and determination.

8-1  
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OAKLAND

2015 MAY 28 PM 4: 04

APPROVED AS TO FORM AND LEGALITY

DEPUTY CITY ATTORNEY

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

**A RESOLUTION OF INTENTION OF THE CITY OF OAKLAND TO ESTABLISH CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2015-1 (GATEWAY INDUSTRIAL DISTRICT); SCHEDULE A PUBLIC HEARING; LEVY A SPECIAL TAX TO FINANCE THE MAINTENANCE OF CERTAIN PUBLIC IMPROVEMENTS; AND APPROVE A PROPOSED BOUNDARY MAP FOR COMMUNITY FACILITIES DISTRICT NO. 2015-1 PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

**WHEREAS**, the City of Oakland (the "City") desires to establish a community facility district to provide funds to maintain certain necessary public improvements to be constructed to meet increased demands to be placed on the City as a result of development within the former Oakland Army Base; and

**WHEREAS**, in order to finance the cost of such maintenance (the "Services"), the City proposes to establish a community facilities district in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (Government Code Section 53311 *et seq.*) (the "Act"); and

**WHEREAS**, pursuant to the Act, on \_\_\_\_\_, the City has heretofore adopted local goals establishing policies and appraisal standards for the formation and use of community districts (the "Goals and Policies"); and

**WHEREAS**, the proposed community facilities district is proposed to be known as the "City of Oakland Community Facilities District No. 2015-1 (Gateway Industrial District)" ("CFD No. 2015-1" or the "Gateway Industrial District"); and

**WHEREAS**, the Services and other incidental expenses that are proposed to be financed by the

8-2

Gateway Industrial District are set forth on Exhibit 1 attached hereto and incorporated herein by reference; and

**WHEREAS**, except where funds are otherwise available, the City proposes to levy an annual special tax sufficient to pay for the Services, secured by recordation of a continuing lien against all nonexempt real property within CFD No. 2015-1 (“Special Tax”); and

**WHEREAS**, the proposed rate and method of apportionment of the special tax (the “Special Tax”) to be levied among parcels of non-exempt real property within the Gateway Industrial District, is described in sufficient detail to allow each parcel owner within the proposed Gateway Industrial District to estimate the maximum amount each such owner will have to pay and is set forth in Exhibit 2 attached hereto and incorporated herein by reference (the “Rate and Method of Apportionment”); and

**WHEREAS**, the City desires to proceed with the actions necessary to consider the establishment of the Gateway Industrial District; and

**WHEREAS**, the proposed boundaries of the Gateway Industrial District are shown on the boundary map entitled “Proposed Boundary Map Community Facilities District No 2015-1” (the “Boundary Map”) attached hereto as Exhibit 3 and incorporated herein by this reference; and

**WHEREAS**, the developer and other property owners within CFD No. 2015-1, consisting entirely of the City and representing 100% of the qualified electors within CFD No. 2015-1, will file the City Clerk a Waiver and Consent with Respect to Conduct of Public Hearings and Mail Ballot Election for Landowner Election for a Community Facilities District (“Waiver and Consent”), the form of which is attached as Exhibit 4 and hereby incorporated by reference, by which, among other things, waives the time limits and related requirements with respect to the formation of CFD No. 2015-1 and preparation and distribution of election materials ; and

**WHEREAS**, the Special Tax proposed to be levied on the non-exempt properties within the boundaries of the Gateway Industrial District will be subject to the approval of the qualified electors in said Gateway Industrial District at a mail ballot election; and

**WHEREAS**, the Special Tax will be subject to mandatory annual audits of all funds; and

**WHEREAS**, pursuant to section 53321 of the California Government Code, the City wishes to declare its intention to form a community facilities district based on the Agenda Report submitted to and reviewed by the Rules & Legislation Committee of the City Council on \_\_\_\_\_, and to establish a date, time and place for a public hearing on the formation of the Gateway Industrial District; now, therefore be it

**RESOLVED:** That the City hereby finds and determines that the foregoing recitals are true and correct; and be it

**FURTHER RESOLVED:** That the City Council hereby finds and determines that the proposed formation of CFD No. 2015-1 is in compliance with the Goals and Policies; and be it

**FURTHER RESOLVED:** That the City Council hereby finds and determines that the proposed

Services are in addition to those currently provided by the City and will be of benefit to the City; and be it

**FURTHER RESOLVED:** That the City Council hereby approves the Boundary Map (Exhibit 3) and adopts the boundaries shown thereon as describing the extent of the territory to be included in a proposed community facilities district to be known as “City of Oakland Community Facilities District No. 2015-1 (Gateway Industrial District),” and finds that the Boundary Map is in the form and contains the matters prescribed by applicable law; and be it

**FURTHER RESOLVED:** That the City Clerk is hereby directed to certify the adoption of this resolution on the face of the Boundary map and to file a copy with the County Recorder in the book of maps of assessment and community facilities districts no later than fifteen (15) days after the adoption of this resolution; and be it

**FURTHER RESOLVED:** That the City Council intends to adopt the levy of the Special Tax and the rate and method of apportionment set forth in Exhibit 2 and upon recordation of a notice of special tax lien pursuant to Section 3224.5 of the Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property within CFD No. 2015-1; that pursuant to Section 53340 of the Act, the Special Tax will be collected in the same manner as ordinary ad valorem property taxes, or by any other method or time that the City determines to be in its best interests, including, but not limited to, direct billing of the parcel owners and supplemental billing; and be it

**FURTHER RESOLVED:** That the levy of said proposed special tax shall be subject to the approval of the qualified electors of the CFD No. 2015-1 at a special election, that the proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD No. 2015-1, with each owner having one vote for each gross acre or portion of an acre of land such owner owns in CFD No. 2015-1; and be it

**FURTHER RESOLVED:** That except as may otherwise be provided by law or the Rate and Method of Apportionment of the special tax for CFD No. 2015-1, all lands owned by any public entity, including the United States, the State of California, the City and/or any departments or political subdivisions of any thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Services and any expenses of CFD. No.2015-1; and be it

**FURTHER RESOLVED:** Except where funds are otherwise available, the City shall levy the Special tax secured by recordation of a continuing lien against all nonexempt real property within CFD No. 2015-1; and be it

**FURTHER RESOLVED:** That no bonds are authorized to be issued by these proceedings, and be it

**FURTHER RESOLVED:** That the City Administrator, as the officer who is or will be responsible for providing one or more of the proposed types of services to be financed by the special taxes collected by CFD No 2015-1, in conjunction with a qualified consultant, is hereby ordered to prepare a report containing a brief description of the public facilities, services and costs of providing said services as required by Section 53321.5 of the Act, and it will be considered as part of the public hearing on the formation of CFD No. 2015-1; and be it

**FURTHER RESOLVED:** That the City Council hereby approves the form of the Waiver and Consent and finds that the rights, procedures, and time periods therein waived are solely for the protection of the voters, may be waived under Government Code Section 53326(a), and that the waiver constitutes a full and knowing waiver, by any voter who has executed the form, of those rights, procedures and time periods. Pursuant to the Waiver and Consent, the City Council hereby sets a public hearing to be held on \_\_\_\_\_, at 7:00 p.m., or as soon thereafter so the item may be heard, in the Council Chambers, One Frank Ogawa Plaza, Oakland, California as the time and place for the public hearing on the formation of CFD No. 2015-1; and be it

**FURTHER RESOLVED:** The City Council, as legislative body for CFD No. 2015-1, will conduct a public hearing on the establishment of CFD No. 2015-1, and shall consider and finally determine whether the public interest, convenience and necessity require the formation of CFD No. 2015-1 and the levy of the Special Tax; that at the hearing, testimony concerning the district, the extent of the district or the furnishing of the particular types of public services will be heard and protests will be considered from registered voters residing within CFD No. 2015-1 and persons owning real property within CFD No. 2015-1; written protests by a majority of the registered voters (if at least six such voters protest), or by the owners of a majority of the land which would be subject to special taxation within the proposed CFD No. 2015-1 shall be made available by the City Clerk at or before the time fixed for the hearing, and that such protests are directed only against certain elements of the proposed services or proposed special tax, and if such protests constitute a majority protest, only those elements shall be deleted from the proceedings; and be it

**FURTHER RESOLVED:** The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the Oakland Army Base. The publication shall be completed at least 7 days before the date of the public hearing specified above. The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the notice summarizing the provisions hereby specifically approved; and be it

**FURTHER RESOLVED:** That this Resolution shall take effect upon its adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2015

**PASSED BY THE FOLLOWING VOTE:**

AYES- -BROOKS, GALLO, GUILLEN, KALB, KAPLAN, REID, CAMPBELL,  
WASHINGTON, PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LaTonda Simmons

City Clerk and Clerk of the

Council of the City of Oakland,  
California

**8-2**

**COMMUNITY & ECONOMIC  
DEVELOPMENT CMTE.**

## **Exhibit 1**

“Services” to be Financed by CFD No. 2015-1

Estimate of Annual Maintenance Cost  
COMMUNITY FACILITIES DISTRICT NO. 2015-1 (Gateway Industrial District)

Item Description	Estimated Quantity	Unit	Description of Item	Maintenance/Replacement Cycle (years)	Annual Quantity	Units	Cost (\$/Unit) 2015 costs	Average Annual Cost	Annual Maint. Cost	Annual Capital Reserve Contribution
<b>A - Streets</b>										
Annual Street Maintenance	807,803	SF	Misc. Pavement Repairs/Pothole Repair/Removal of Debris within Roadway	1	1,410	Labor Hrs.	\$ 0.12	\$ 96,936	\$ 96,936	\$ -
Slurry Seals	807,803	SF	Slurry, including traffic control, prep work, and restriping	5	807,803	SF	\$ 0.45	\$ 72,702	\$ -	\$ 72,702
Replacement/Overlay (others)	393,883	SF	Grind and overlay, traffic control, prep work and restriping	20	393,883	SF	\$ 4.00	\$ 78,777	\$ -	\$ 78,777
Replacement/Overlay (Maritime)	413,920	SF	Grind and overlay, traffic control, prep work and restriping	10	413,920	SF	\$ 4.00	\$ 165,568	\$ -	\$ 165,568
Sign Maintenance	112	EA	Inspection or regulatory signs	7	16	Signs	\$ 260.00	\$ 4,160	\$ 4,160	\$ -
							<b>TOTAL</b>	<b>\$ 418,143</b>	<b>\$ 101,096</b>	<b>\$ 317,047</b>
<b>B - Street Sweeping</b>										
Annual Maintenance	5.1	CM	Sweeping frequency is 3 x per week	3 x Week	795.6	Curb miles	\$ 26.00	\$ 20,686	\$ 20,686	\$ -
<b>C - Curb &amp; Gutter</b>										
Maintenance(2%)	26,911	LF	Assumes replacement/repair of 2% per year, includes saw cutting, removal and disposal, root pruning and installation of new concrete sidewalk. Avg. repair 50 SF	1	538	SF	\$ 52.00	\$ 27,987	\$ 27,987	\$ -
<b>D - Sidewalks</b>										
Maintenance(2%)	63,237	SF	Assumes replacement/repair of 2% per year, includes saw cutting, removal and disposal, root pruning and installation of new concrete sidewalk. Avg. repair 50 SF	1	1,265	SF	\$ 22.00	\$ 27,824	\$ 27,824	\$ -
<b>E - Landscaping and Irrigation</b>										
Maintenance	127,388	SF	Planting Area Maintenance (mulch, remove weeds and trash, replace dead plants, repair irrigation)	1	127,388	SF	\$ 1.45	\$ 184,713	\$ 184,713	\$ -
							<b>TOTAL</b>	<b>\$ 184,713</b>	<b>\$ 184,713</b>	<b>\$ -</b>
<b>F - Sanitary Sewer</b>										
Annual Maintenance	12,941	LF	ection every 3 years, FOG, spot jetting, as needed based upon maint. cycle	1	4,314	LF	\$ 1.75	\$ 22,647	\$ 22,647	\$ -
Capital Reserve/ Replacement	2,791	LF	4"SSFM - replacement at end of useful life	75			\$ 40.00	\$ 1,489	\$ -	\$ 1,489
Capital Reserve/ Replacement	1,041	LF	6"SSFM - replacement at end of useful life	75			\$ 50.00	\$ 694	\$ -	\$ 694
Capital Reserve/ Replacement	728	LF	8"SSFM - replacement at end of useful life	75			\$ 60.00	\$ 582	\$ -	\$ 582
Capital Reserve/ Replacement	759	LF	10"SSFM - replacement at end of useful life	75			\$ 60.00	\$ 607	\$ -	\$ 607
Capital Reserve/ Replacement	1,503	LF	8"SS - replacement at end of useful life	75			\$ 60.00	\$ 1,202	\$ -	\$ 1,202
Capital Reserve/ Replacement	5,723	LF	12"SS - replacement at end of useful life	75			\$ 80.00	\$ 6,105	\$ -	\$ 6,105
Capital Reserve/ Replacement	1,139	LF	15"SS - replacement at end of useful life	75			\$ 90.00	\$ 1,367	\$ -	\$ 1,367
Capital Reserve/ Replacement	50	EA	SSM11 - replace as part of line replacement program	75			\$ 4,000.00	\$ 2,667	\$ -	\$ 2,667
							<b>TOTAL</b>	<b>\$ 37,359</b>	<b>\$ 22,647</b>	<b>\$ 14,713</b>
<b>G - Lift Station Maintenance</b>										
Annual Maintenance & Repairs	4	EA	Assumes weekly inspection visit, misc. maint and utilities	1	208	Inspections	\$ 5,520.00	\$ 22,080	\$ 22,080	\$ -
Capital Reserve/Replacement	4	EA	Assumes replacement/rehabilitation @ 50% of initial costs	20	N/A		\$ 450,000.00	\$ 90,000	\$ -	\$ 90,000
							<b>TOTAL</b>	<b>\$ 112,080</b>	<b>\$ 22,080</b>	<b>\$ 90,000</b>
<b>H - Storm Drain</b>										
Annual Maintenance	17,909	LF	Inspection and misc. repairs as needed, removal of silt, trash and debris and compliance activities for City's MS4 permit	1	1	Lump Sum	\$ 0.75	\$ 13,432	\$ 13,432	\$ -
Annual Inlet Cleaning	113	EA	Annual cleaning and inspection of each inlet	1	113	Inlets	\$ 180.00	\$ 20,340	\$ 20,340	\$ -
Capital Reserve/ Replacement	703	LF	SD 12" - replacement at end of useful life	50			\$ 89.00	\$ 1,251	\$ -	\$ 1,251
Capital Reserve/ Replacement	2,214	LF	SD 15" - replacement at end of useful life	50			\$ 95.00	\$ 4,207	\$ -	\$ 4,207
Capital Reserve/ Replacement	3,280	LF	SD 24" - replacement at end of useful life	50			\$ 115.00	\$ 7,544	\$ -	\$ 7,544
Capital Reserve/ Replacement	1,294	LF	SD 36" - replaced at end of useful life	50			\$ 200.00	\$ 5,176	\$ -	\$ 5,176
Capital Reserve/ Replacement	95	LF	SD 42" - replaced at end of useful life	50			\$ 260.00	\$ 494	\$ -	\$ 494
Capital Reserve/ Replacement	1,713	LF	SD 48" - replaced at end of useful life	50			\$ 280.00	\$ 9,593	\$ -	\$ 9,593
Capital Reserve/ Replacement	4,097	LF	SD54" - replaced at end of useful life	50			\$ 300.00	\$ 24,582	\$ -	\$ 24,582
Capital Reserve/ Replacement	4,513	LF	SD60" -replacement at end of useful life	50			\$ 360.00	\$ 32,494	\$ -	\$ 32,494
Capital Reserve/ Replacement	51	EA	Manhole - replaced as part of adjacent project	50			\$ 3,500.00	\$ 3,570	\$ -	\$ 3,570
							<b>TOTAL</b>	<b>\$ 122,682</b>	<b>\$ 33,772</b>	<b>\$ 88,910</b>

Estimate of Annual Maintenance Cost  
COMMUNITY FACILITIES DISTRICT NO. 2015-1 (Gateway Industrial District)

Item Description	Estimated Quantity	Unit	Description of Item	Maintenance/Replacement Cycle (years)	Annual Quantity	Units	Cost (\$/Unit) \$2015 costs	Average Annual Cost	Annual Maint. Cost	Annual Capital Reserve Contribution
<b>H. Storm Drain</b>										
<i>off street</i>										
Annual Maintenance	1,479	LF	Inspection and misc. repairs as needed, removal of silt, trash and debris and compliance activities for City's MS4 permit	1	1	Lump Sum	\$ 0.75	\$ 1,109	\$ 1,109	
Capital Reserve/ Replacement	544	LF	SD 36" - replaced at end of useful life	50			\$ 200.00	\$ 2,176	\$ -	\$ 2,176
Capital Reserve/ Replacement	290	LF	SD 42" - replaced at end of useful life	50			\$ 260.00	\$ 1,508	\$ -	\$ 1,508
Capital Reserve/ Replacement	645	LF	SD54" - replaced at end of useful life	50			\$ 300.00	\$ 3,870	\$ -	\$ 3,870
Capital Reserve/ Replacement	7	EA	Manhole - replaced as part of adjacent project	50			\$ 3,500.00	\$ 490	\$ -	\$ 490
							<b>TOTAL</b>	<b>\$ 9,153</b>	<b>\$ 1,109</b>	<b>\$ 8,044</b>
<b>H. Storm Drain</b>										
<i>at rails and V-ditches</i>										
Annual Maintenance	7,406	LF	Inspection and misc. repairs as needed, removal of silt, trash and debris and compliance activities for City's MS4 permit	1	1	Lump Sum	\$ 0.75	\$ 5,555	\$ 5,555	\$ -
Annual Inlet Cleaning	75	EA	Annual cleaning and inspection	1	75	Inlets	\$ 180.00	\$ 13,500	\$ 13,500	
Capital Reserve/ Replacement	3,614	LF	SD 6" - replacement at end of useful life	50			\$ 79.00	\$ 5,710	\$ -	\$ 5,710
Capital Reserve/ Replacement	3,792	LF	SD 12" - replacement at end of useful life	50			\$ 89.00	\$ 6,750	\$ -	\$ 6,750
Replacement		EA	Manhole	50			\$ 3,500.00	\$ -	\$ -	\$ -
							<b>TOTAL</b>	<b>\$ 31,514</b>	<b>\$ 19,055</b>	<b>\$ 12,460</b>
<b>H. Storm Drain</b>										
<i>under Bioswales</i>										
Annual Maintenance	2,409	LF	Spot repairs as needed	1	2409	LF	\$ 2.25	\$ 5,420	\$ 5,420	\$ -
Capital Reserve/ Replacement	2,409	LF	SD 6" - replacement at end of useful life	25			\$ 79.00	\$ 7,612	\$ -	\$ 7,612
Replacement		LF	SD 12" - replacement at end of useful life	50			\$ 89.00	\$ -	\$ -	\$ -
							<b>TOTAL</b>	<b>\$ 13,033</b>	<b>\$ 5,420</b>	<b>\$ 7,612</b>
<b>H. Storm Drain</b>										
<i>outfall wharf 5</i>										
Capital Reserve/ Replacement	300	LF	5x6 Box Culver	50			\$ 775.00	\$ 4,650	\$ -	\$ 4,650
							<b>TOTAL</b>	<b>\$ 4,650</b>	<b>\$ -</b>	<b>\$ 4,650</b>
<b>I. Bio-Retention Swales</b>										
Annual Filter Maintenance	20,890	SF	Periodic monitoring and maintenacne of vegetation, removal of debris, repair of erosion,	1	20,890.00	SF	\$ 0.45	\$ 9,401	\$ 9,401	\$ -
<b>L. Traffic Signals</b>										
Annual Maintenance & Utilities	4	LS	Monthly Inspection, repairs as needed, utilities	1	48	Inspections	\$ 2,700.00	\$ 10,800	\$ 10,800	\$ -
Capital Replacement/Upgrades	4	LS	Replacement/Upgrades	20			\$ 300,000.00	\$ 60,000	\$ -	\$ 60,000
							<b>TOTAL</b>	<b>\$ 70,800</b>	<b>\$ 10,800</b>	<b>\$ 60,000</b>
<b>J. Street Lights</b>										
Annual Maintenance & Utilities	126	EA	Utilities and maintenance	1			\$ 225.00	\$ 28,350	\$ 28,350	
Capital Replacement/Upgrades	126	EA	Replacement as needed , knockdowns	20			\$ 3,000.00	\$ 18,900	\$ -	\$ 18,900
							<b>TOTAL</b>	<b>\$ 47,250</b>	<b>\$ 28,350</b>	<b>\$ 18,900</b>



Estimate of Annual Maintenance Cost  
COMMUNITY FACILITIES DISTRICT NO. 2015-1 (Gateway Industrial District)

Item Description	Estimated Quantity	Unit	Description of Item	Maintenance Replacement Cycle (Years)	Annual Quantity	Units	Cost (\$/Unit) \$2015 costs	Average Annual Cost	Annual Maint. Cost	Annual Capital Reserve Contribution
<b>K. Driveway/Entrances</b>										
Annual Maintenance	4,572	SF	Assumes replacement/repair of 2% per year, includes saw cutting, removal and disposal and installation of new concrete driveway	1	91	SF	\$ 30.00	\$ 2,743	\$ 2,743	\$ -
<b>L. Fencing</b>										
Annual Maintenance	16,390	LF	removal, installation and clean-up	1.00	328	LF	\$ 20.00	\$ 16,390	\$ 16,390	\$ -
Annual Maintenance	8,559	LF	removal, installation and clean-up	1.00	171	LF	\$ 20.00	\$ 8,559	\$ 8,559	\$ -
Annual Maintenance	5,546	LF	removal, installation and clean-up	1.00	111	LF	\$ 20.00	\$ 5,546	\$ 5,546	\$ -
							<b>TOTAL</b>	\$ 30,495	\$ 30,495	\$ -
<b>M. Railroad Crossings</b>										
Annual Maintenance	1	EA	Inspection and servicing of crossing signals	1			\$ 3,500.00	\$ 3,500	\$ 3,500	\$ -
Capital Replacement/Upgrades	1	EA	Replace/Upgrade	20			\$ 245,000.00	\$ 12,250	\$ -	\$ 12,250
							<b>TOTAL</b>	\$ 15,750	\$ 3,500	\$ 12,250
<b>N. Frontage Road</b>										
Annual Maintenance	230,625	SF	Misc. Repairs/Pothole Repair	1			\$ 0.12	\$ 27,675	\$ 27,675	\$ -
Slurry Seals	230,625	SF	Slurry, including traffic control, prep work, and restriping	5			\$ 0.45	\$ 20,756	\$ -	\$ 20,756
Replacement/Overlay (others)	230,625	SF	Grind and overlay, traffic control, prep work and restriping	20			\$ 4.00	\$ 46,125	\$ -	\$ 46,125
Curb & Gutter Maintenance(2%)	3,075	LF	Assumes replacement/repair of 2% per year	1			\$ 35.00	\$ 2,153	\$ 2,153	\$ -
Annual Maintenance	1.2	CM	Assumes sweeping 3 x per week	1 x Week			\$ 26.00	\$ 1,572	\$ 1,572	\$ -
Street Lights Annual Maint. & Utilities	61	EA	Utilities and maintenance	1			\$ 225.00	\$ 13,725	\$ 13,725	\$ -
Street Lights Capital Replacement/Upgrades	61	EA		20			\$ 3,000.00	\$ 9,150	\$ -	\$ 9,150
Street Trees	186	EA	Trimming 2 year cycle/Replacement as needed	2			\$ 55.00	\$ 5,115	\$ 5,115	\$ -
ROW Maintenance	61,500	SF	Planting Area Maintenance (remove weeds and trash)	1			\$ 0.35	\$ 21,525	\$ 21,525	\$ -
Anti-Graffiti Coating	5,000	SF	Installation of anti-graffiti coating, includes surface preparation	3	1,667	SF	\$ 4.80	\$ 8,000	\$ 8,000	\$ -
Graffiti Removal	1	LS	Annual costs for graffiti removal	1			\$ 40,000	\$ 40,000	\$ 40,000	\$ -
							<b>TOTAL</b>	\$ 195,796	\$ 119,765	\$ 76,031
							Estimated Annual Maintenance Costs	\$ 663,442	\$ 575,469	\$ -
							Annual Replacement Reserve Contribution	\$ 710,617	\$ -	\$ 710,617
							Total Annual Maintenance/Replacement Cost	\$ 1,382,059	\$ 671,442	\$ 710,617
							Annual CFD District Administration @ 10 %	\$ 100,716	\$ 100,716	\$ -
							Admin/Engineering/Inspection @ 35%	\$ 248,716	\$ -	\$ 248,716
							Contingency (10% for Maint. & 20% for Capital)	\$ 317,049	\$ 77,216	\$ 239,833
							<b>Total Annual Funding Requirement</b>	\$ 2,048,541	\$ 849,374	\$ 1,199,167

## Exhibit 2

Rate and Method of Apportionment

**Rate and Method of Apportionment**

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**RATE AND METHOD OF APPORTIONMENT FOR  
COMMUNITY FACILITIES DISTRICT NO. 2015-1 (Gateway Industrial District)  
OF THE CITY OF OAKLAND**

A Special Tax as hereinafter defined shall be levied on each Assessor Parcel in Community Facilities District No. 2015-1 (Gateway Park) of the City of Oakland ("City") and collected according to the tax liability determined by the City according to the Rate and Method of Apportionment of the Special Taxes as described herein, including property subsequently annexed to the District.

The Annual Special Tax levied upon a parcel shall be collected by the Alameda County Auditor-Controller by means of inclusion on the annual ad-valorem property tax billing or in such other manner (including by means of direct billing of the affected Property Owner or Leaseholder) as the City shall determine.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Annual Administrative Expenses"** means the following actual or reasonably estimated costs incurred by the City or the CFD directly related to the administration of CFD No. 2015-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 2015-1 or any designee thereof related to any appeal of the Special Tax; the costs associated with the release of funds from an escrow or appeals account, including appraisal costs; and the City's annual administration fees and third party expenses related to the collection of special taxes, an allocable share of the salaries of City staff directly related thereto and a proportionate share of the City's general administrative overhead related thereto. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the City from its general funds for any other administrative purposes of CFD No. 2015-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**"Annual Inflation Index"** means the annual percentage change in the Engineering News-Record Construction Cost Index for the City of San Francisco, measured as of the calendar year, which ends in the previous Fiscal Year. In the event this index ceases to be published, the inflation index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of San Francisco.

**Rate and Method of Apportionment**

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**“Annual Special Tax Requirement”** means the amount required in any Fiscal Year for CFD No. 2015-1 to pay the CFD Public Facilities Costs and Annual Administrative Expenses. In arriving at the Annual Special Tax Requirement, the CFD Administrator shall take into account the reasonably anticipated delinquent Special Taxes for the next Fiscal Year and shall provide a credit for funds available.

**“Assessor’s Parcel”** means a parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

**“Capital Reserve”** means the amount necessary to create a fund with sufficient revenue to pay for the replacement of all capital facilities for which services are funded by the CFD as determined by the CFD Administrator based upon the estimated useful life of the capital facilities.

**“CFD Administrator”** means the City Administrator of the City of Oakland, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 2015-1”** means Community Facilities District No. 2015-1 (Gateway Park) of the City of Oakland.

**“CFD Public Facilities”** means those public facilities authorized to be maintained by CFD No. 2015-1.

**“CFD Public Facilities Costs”** means the amount necessary in any Fiscal Year (i) to pay for the Services which are anticipated to be required in such Fiscal Year, (ii) to create or replenish the Capital Reserve, and (iii) to create or replenish the Operating Reserve. The CFD Public Facilities Costs for each Fiscal Year shall be based upon a Reasonable Estimate prepared for the Fiscal Year by the City.

**“City”** means the City of Oakland.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 2015-1.

**“County”** means the County of Alameda.

**“Developed Property”** means for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to March 1 of the prior Fiscal Year.

**“Exempt Property”** means any property not subject to the Special Tax as described under Section E, herein.

**Rate and Method of Apportionment**

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**“Final Map”** means a final map or parcel map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots for which building permits may be issued.

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

**“Land Area”** means the acres of land on a Parcel, excluding rights-of-way, as shown on the applicable final map, parcel map, condominium plan, or other recorded parcel map or if the Land Area is not shown on said map, the Land Area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, excluding rights-of-way. If the Land Area is presented in square feet, then the acreage equals the square footage divided by 43,560 (square footage per acre).

**“Maintenance Fund”** means the fund that is used to disburse funds to pay the cost to maintain CFD Public Facilities.

**“Maximum Annual Special Tax”** means the maximum Special Tax, determined in accordance with Section C that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Operating Reserve”** means those funds reasonably estimated to be required by the CFD Administrator to pay for the Services reasonably estimated to be required on an annual basis between the start of the Fiscal Year and the date the City expects to receive the Special Tax revenue to fund the Services.

**“Parcel”** means land that corresponds to the descriptions shown in Exhibit “A,” attached hereto and incorporated herein.

**“Proportionately”** means the ratio of the Annual Special Tax Requirement to the total of the Maximum Annual Special Taxes for Developed Property plus the Maximum Annual Special Taxes for Undeveloped Property.

**“Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property and Undeveloped Property to fund the Annual Special Tax Requirement.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 2015-1, which are not classified as Exempt Property from the Special Tax pursuant to law or Section E, herein.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

**B. CLASSIFICATION OF PROPERTIES**

On July 1 of each year, all Property within CFD No. 2015-1 shall be classified as Developed Property, Undeveloped Property or Exempt Property and shall be subject to the Special

**Rate and Method of Apportionment**

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Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D.

**C. SPECIAL TAX RATE**

**1. Developed Property**

**a. Maximum Annual Special Tax**

The Maximum Annual Special Tax for each Assessor's Parcel of Developed Property shall be \$16,046.39 per acre of Land Area for Fiscal Year 2015-16.

The Maximum Annual Special Tax shall increase each year thereafter, commencing on July 1, 2016 and on July 1 of each Fiscal Year thereafter, by an amount equal to the Annual Inflation Index increase.

**2. Undeveloped Property**

**a. Maximum Annual Special Tax**

The Maximum Annual Special Tax for each Assessor's Parcel of Undeveloped Property shall be \$16,046.39 per acre of Land Area for Fiscal Year 2015-16 and shall increase each year thereafter, commencing on July 1, 2016 and on July 1 of each Fiscal Year thereafter, by an amount equal to the Annual Inflation Index increase.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2016, and for each following Fiscal Year thereafter, the City shall levy the Annual Special Tax until the amount of Special Taxes levied equals the Annual Special Tax Requirement. The Annual Special Tax shall be levied each Fiscal Year as follows:

Step One: Each Year on July 1 determine the Annual Special Tax Requirement for the current Fiscal Year.

Step Two: The Annual Special Tax shall be levied proportionately on each Assessor's Parcel of Developed Property within the boundaries of the CFD up to 100% of the applicable Maximum Annual Special Tax, not to exceed the Annual Special Tax Requirement

Step Three: If additional revenue is required after Step Two, the Annual Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Annual Special Tax, not to exceed the remainder of the Annual Special Tax Requirement after application of Step One.

Rate and Method of Apportionment

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**E. EXEMPTIONS**

The City Council shall classify as Exempt Property: (i) Assessor's Parcels owned by the State of California, Federal or other local governments except for those parcels which have a Ground Lease which has been recorded in the official records of the County; (ii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iii) parcels dedicated to a public agency for right-of-way, open space green belts, etc.; and (iv) any other Assessor's Parcels at the reasonable discretion of the City Council

**F. MANNER OF COLLECTION**

The Maximum Annual Special Tax shall be submitted each year to the Alameda County Auditor-Controller to be placed on the property tax roll and collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2015-1 may directly bill the Special Tax; may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations; and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

**G. TERM OF SPECIAL TAX**

The Maximum Annual Special Tax shall be levied on Developed and Undeveloped Property in perpetuity from the Fiscal Year after which the tax is first levied, unless sooner rescinded by the City Council.

**H. APPEALS**

Any landowner that believes the amount of the Special Tax levied on its Assessor's Parcel is in error may submit a written appeal to CFD No. 2015-1. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified.

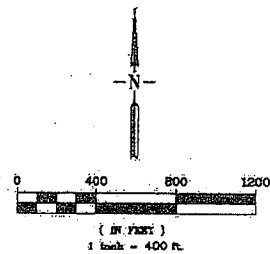
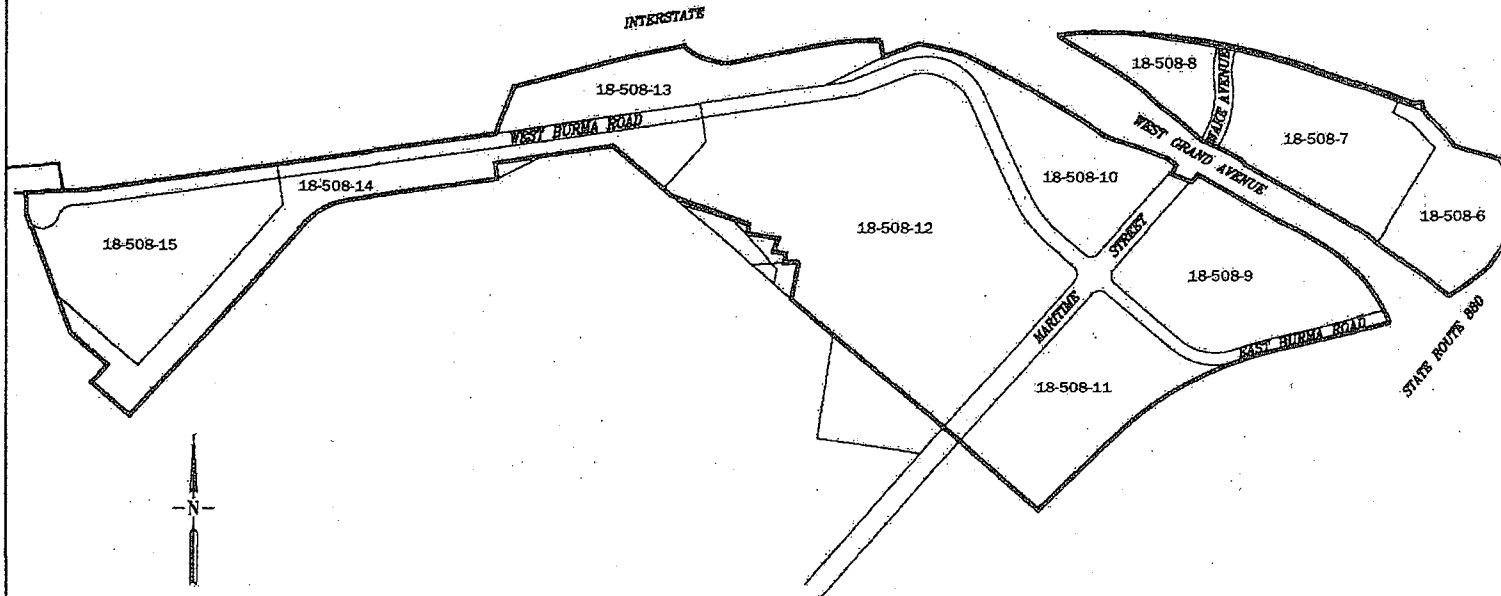
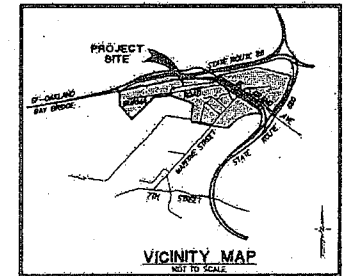
The City Council may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner appeals. Any decision of the City Council shall be final and binding as to all persons.

# Exhibit 3

Boundary Map



**PROPOSED BOUNDARY OF  
COMMUNITY FACILITY DISTRICT No. 2015-01  
OAKLAND ARMY BASE, OAKLAND CALIFORNIA  
STATE OF CALIFORNIA**



**LEGEND:**

- CFD No. 2015-01  
District Boundary
- 1 Lot No.

**HARRIS & ASSOCIATES**  
22 Executive Park, Suite 200  
Irvine, California 92614  
800-827-4901

REFERENCE THE ALAMEDA COUNTY ASSESSOR'S MAPS  
FOR A DETAILED DESCRIPTION OF PARCEL LINES AND  
DIMENSIONS.

FILED IN THE OFFICE OF THE CITY CLERK OF THE  
CITY OF OAKLAND THIS \_\_\_\_ DAY OF \_\_\_\_  
20\_\_

\_\_\_\_\_  
CITY CLERK OF THE CITY OF OAKLAND

I HEREBY CERTIFY THAT THE MAP SHOWING  
PROPOSED BOUNDARY OF THE CITY OF OAKLAND  
COMMUNITY FACILITY DISTRICT No. 2015-01  
(ARMY BASE), CITY OF OAKLAND, COUNTY OF  
ALAMEDA, STATE OF CALIFORNIA, WAS APPROVED  
BY THE CITY COUNCIL OF THE CITY OF OAKLAND  
AT A REGULAR MEETING THEREOF, HELD ON THE  
\_\_\_\_ DAY OF \_\_\_\_ 20\_\_ BY ITS RESOLUTION  
NO. \_\_\_\_

\_\_\_\_\_  
CITY CLERK OF THE CITY OF OAKLAND

FILED IN THE OFFICE OF THE CITY CLERK OF THE  
CITY OF OAKLAND THIS \_\_\_\_ DAY OF \_\_\_\_  
20\_\_

FILED THIS \_\_\_\_ DAY OF \_\_\_\_ 20\_\_ AT THE  
HOUR OF \_\_\_\_ O'CLOCK \_\_\_\_ M. IN BOOK \_\_\_\_ OF  
MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES  
DISTRICTS PAGE Nos. \_\_\_\_ THROUGH \_\_\_\_ AS AN  
AS AN INSTRUMENT No. \_\_\_\_ IN THE OFFICE  
COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

\_\_\_\_\_  
COUNTY RECORDER OF THE COUNTY OF ALAMEDA

## Exhibit 4

### FORM OF WAIVER AND CONSENT WITH RESPECT TO CONDUCT OF PUBLIC HEARINGS AND MAIL BALLOT ELECTION FOR LANDOWNER ELECTION FOR A COMMUNITY FACILITIES DISTRICT

The undersigned \_\_\_\_\_, is an authorized representative of the City of Oakland ("City"), the owner of all land and within Community Facilities District No. 2015-1 ("Gateway Industrial District"), City of Oakland, County of Alameda, State of California ("CFD No. 2015-1").

The undersigned expressly acknowledges having received copies of the boundary map and the hearing report for CFD No. 2015-1, together with any other information the undersigned deemed relevant to an informed decision with respect to CFD No. 2015-1, and as one of the proponents of CFD No. 2015-1 hereby waives any right to protest at the public hearing to be held on June 16, 2015, regarding CFD No. 2015-1.

The undersigned is legally entitled and authorized to cast the ballot for the City in the landowner mail ballot election to be conducted on \_\_\_\_\_, within CFD No. 2015-\_\_\_\_\_ to determine whether the City shall be authorized to levy a special tax pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Sections 53311 *et seq.*) ("Act"), as provided by the Resolution of Formation for CFD No. 2015-1, ("Resolution of Formation") proposed to be adopted by the City on \_\_\_\_\_, a copy of which has been furnished to the undersigned.

The undersigned, on behalf of the City hereby acknowledges receipt of the election ballot and waives each of the following:

1. any and all minimum time periods relative to the public hearing to be held pursuant to Section 53321 of the Act and the publication or mailing of the notice of hearing pursuant to Section 53322 of the Act;
2. if necessary, recordation of the boundary map for CFD No. 2015-1 with the County Assessor's office prior to the hearing on the adoption of a resolution of formation, as required by Section 53321 of the Act and Section 3111 of the Streets and Highways Code;
3. any and all minimum time periods relative to the landowner mail ballot election to be held pursuant to Section 53326(a) of the Act;
4. the preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Section 53327(b) of the Act;
5. the requirement to publish notice of the election under Section 53352 of the Act;

6. the requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101;

7. the requirements regarding identification envelopes for the return of mailed ballots contained in Section 53327.5 of the Act; and

8. any and all defects, whether known or unknown, in notice or procedure in the formation of CFD No. 2015-1, including but not limited to the public hearing and conduct of the election.

The undersigned expressly acknowledges, represents and state that the election is being expedited by the City, pursuant to this waiver and consent, at the request of the undersigned as an authorized representative of City.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_, 2015.

CITY OF OAKLAND

By: \_\_\_\_\_

Its: \_\_\_\_\_

8-2

COMMUNITY & ECONOMIC  
DEVELOPMENT CMTE.

JUN 09 2015