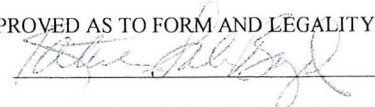


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OFFICE OF THE CITY CLERK
OAKLAND

2015 MAY 28 PM 4:04

APPROVED AS TO FORM AND LEGALITY



DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. 85665 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 6-17-15, 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

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 5-28-15, 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 4/17/15, 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, June 17, 2015

PASSED BY THE FOLLOWING VOTE:

AYES- -BROOKS, GALLO, GUILLEN, KALB, ~~KAPLAN~~, REID, CAMPBELL,
WASHINGTON, PRESIDENT GIBSON MCELHANEY - 6

NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused - Kaplan, Reid

ATTEST: LaTonda Simmons

LaTonda Simmons

City Clerk and Clerk of the

Council of the City of Oakland,
California

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
A. Streets										
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	\$ -
							TOTAL	\$ 418,143	\$ 101,096	\$ 317,047
B. Street Sweeping										
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	\$ -
C. Curb & Gutter										
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	\$ -
D. Sidewalks										
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	\$ -
E. Landscaping and Irrigation										
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	\$ -
							TOTAL	\$ 184,713	\$ 184,713	\$ -
F. Sanitary Sewer										
Annual Maintenance	12,941	LF	section 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	SSMHI - replace as part of line replacement program	75			\$ 4,000.00	\$ 2,667	\$ -	\$ 2,667
							TOTAL	\$ 37,359	\$ 22,647	\$ 14,713
G. Lift Station Maintenance										
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
							TOTAL	\$ 112,080	\$ 22,080	\$ 90,000
H. Storm Drain										
Annual Maintenance	17,909	LF	on street 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" - replaced 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
							TOTAL	\$ 122,682	\$ 33,772	\$ 88,910

**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 cost	Average Annual Cost	Annual Maint. Cost	Annual Capital Reserve Contribution
H. Storm Drain										
<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
							TOTAL	\$ 9,153	\$ 1,109	\$ 8,044
H. Storm Drain										
<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	\$ -	\$ -	\$ -
							TOTAL	\$ 31,514	\$ 19,055	\$ 12,460
H. Storm Drain										
<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	\$ -	\$ -	\$ -
							TOTAL	\$ 13,033	\$ 5,420	\$ 7,612
H. Storm Drain										
<i>outfall wharf 5</i>										
Capital Reserve/ Replacement	300	LF	5x6 Box Culver	50			\$ 775.00	\$ 4,650	\$ -	\$ 4,650
							TOTAL	\$ 4,650	\$ -	\$ 4,650
I. Bio-Retention Swales										
Annual Filter Maintenance	20,890	SP	Periodic monitoring and maintenance of vegetation, removal of debris, repair of erosion,	1	20,890.00	SF	\$ 0.45	\$ 9,401	\$ 9,401	\$ -
I. Traffic Signals										
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
							TOTAL	\$ 70,800	\$ 10,800	\$ 60,000
J. Street Lights										
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
							TOTAL	\$ 47,250	\$ 28,350	\$ 18,900

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
K. Driveway/Entrances										
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	\$ -
L. Fencing										
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	\$ -
TOTAL								\$ 30,495	\$ 30,495	\$ -
M. Railroad Crossings										
<i>Burma & Wake</i>										
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
TOTAL								\$ 15,750	\$ 3,500	\$ 12,250
N. Frontage Road										
<i>7th Street to Grand Ave</i>										
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	\$ -
TOTAL								\$ 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
Total Annual Funding Requirement								\$ 2,048,541	\$ 849,374	\$ 1,199,167

Exhibit 2

Rate and Method of Apportionment

Rate and Method of Apportionment

**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

“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

“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

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

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

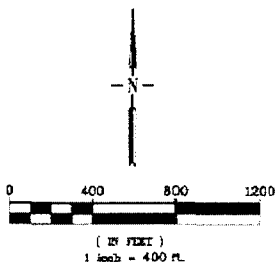
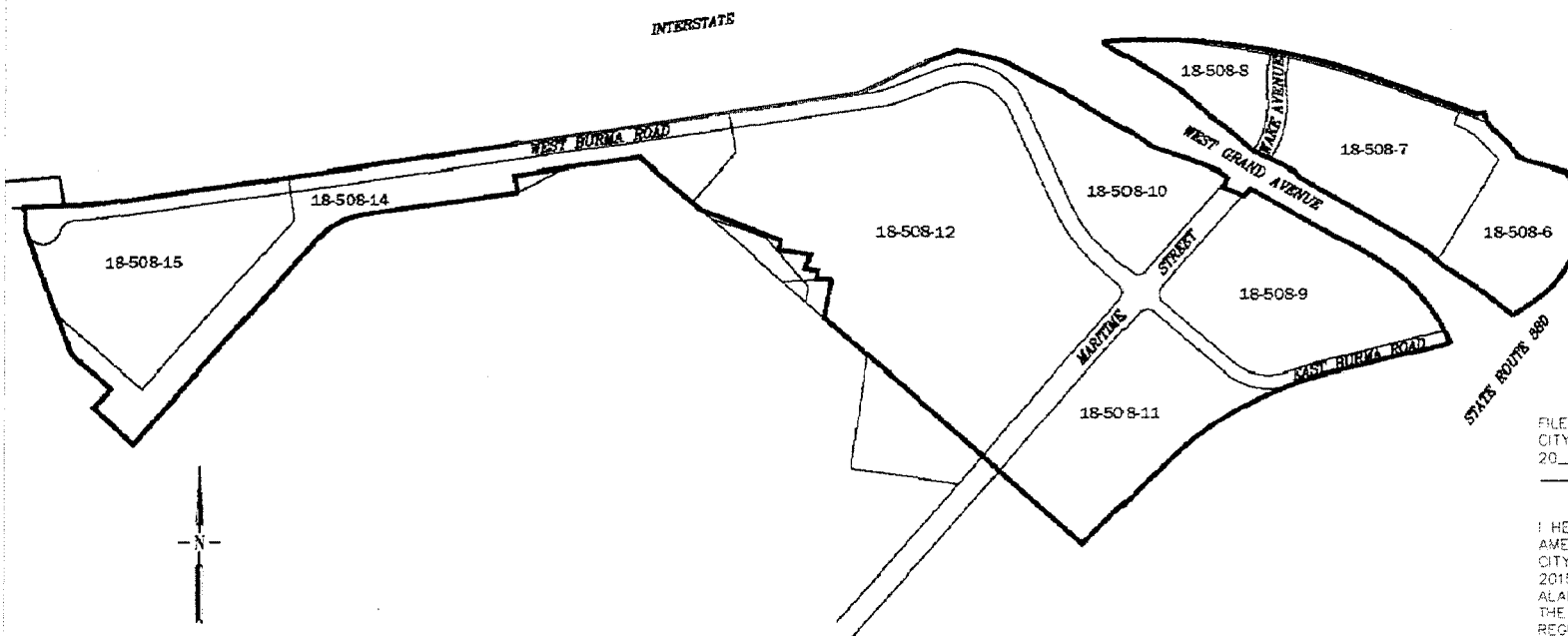
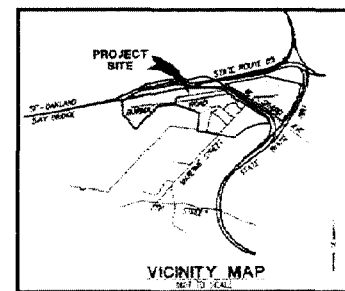
Any landowner that believes the amount of the Special Tax levied on its Assessor's Parcel is in error may submit a written appeal to CFD No. 2015-1. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified.

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

**AMENDMENT NO. 1 TO
PROPOSED BOUNDARY OF
COMMUNITY FACILITY DISTRICT No. 2015-01
OAKLAND ARMY BASE, OAKLAND CALIFORNIA
STATE OF CALIFORNIA**



LEGEND:

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

HARRIS & ASSOCIATES
22 Executive Park, Suite 200
Irvine, California 92614
800-527-4901

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 AMENDMENT NO. 1 TO 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__.

REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF ____ 20__ BY ITS RESOLUTION NO. _____

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 ____ AND AS INSTRUMENT NO. ____ IN THE OFFICE COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

COUNTY RECORDER OF THE COUNTY OF ALAMEDA

REFERENCE IS MADE TO THE ORIGINAL BOUNDARY MAP OF THE DISTRICT, ENTITLED AND RECORDED AS FOLLOWS:

"PROPOSED BOUNDARY OF COMMUNITY FACILITIES DISTRICT NO. 2015-01, OAKLAND ARMY BASE, OAKLAND CALIFORNIA RECORDED ON ____ IN BOOK ____ OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____ IN THE OFFICE ON THE COUNTY RECORDER OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA."

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: _____