


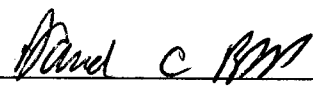


City of Carson Report to Mayor and City Council

July 17 2012
Special Orders of the Day

SUBJECT: CONTINUED PUBLIC HEARING TO CONSIDER RESOLUTION NO. 12-069 FORMING COMMUNITY FACILITIES DISTRICT NO. 2012-1, RESOLUTION NO. 12-070 CALLING A SPECIAL ELECTION FOR COMMUNITY FACILITIES DISTRICT NO. 2012-1 AND RESOLUTION NO. 12-071 DECLARING THE RESULTS OF A SPECIAL ELECTION, AND AN ORDINANCE NO. 12-1492 LEVYING TAXES RELATING TO THE CREATION OF COMMUNITY FACILITIES DISTRICT 2012-1 (THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS-OPERATIONS, MAINTENANCE AND MONITORING)


Submitted by Clifford W. Graves
Economic Development General Manager


Approved by David C. Biggs
City Manager

I. SUMMARY

On April 17, 2012, the City Council adopted Resolution No. 12-043 (Resolution) expressing its intent to form Community Facilities District No. 2012-1 of the City of Carson (the Boulevards at South Bay-Remedial Systems OM&M) (District), and levy special taxes to fund the continued maintenance of the environmental remediation at the Boulevards at South Bay over the life of the project. On June 6, 2012, the City Council continued the public hearing to July 17, 2012, upon finding the complexity of the District and need for public participation pursuant to the Mello Roos Community Facilities Act of 1982.

The City is now required to hold a public hearing to determine if there are any protests to the formation of the District. Staff has filed a Community Facilities District (CFD) report with the City Council describing the Maintenance Services and costs of these services needed to meet the needs of the District. The CFD report is attached as Exhibit No. 1. Following the public hearing, assuming there is no majority protest, the Council may form the District, and an election will be held to put the question of levying special taxes to fund the services and establishing an appropriations limit before the landowners in a landowner election. As of the date of this report, the City has not received any protests to establishing the District. The City has received certain waivers of time periods, arguments and notices relating to conducting the election from landowners. Such waivers are on file at the City Clerk's office.

The financing meets, at this time, all City policies and procedures with respect to financing such services required to be met prior to the establishment of the District.

II. RECOMMENDATION

TAKE the following actions:

1. OPEN the continued public hearing, TAKE public testimony, and CLOSE the continued public hearing.
2. WAIVE further reading and ADOPT Resolution No. 12-069, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, FOR THE FORMATION OF THE COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY - REMEDIAL SYSTEMS - OPERATIONS, MAINTENANCE AND MONITORING), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT."
3. WAIVE further reading and ADOPT Resolution No. 12-070, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CALLING FOR A SPECIAL ELECTION FOR THE COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY - REMEDIAL SYSTEMS-OPERATIONS MAINTENANCE AND MONITORING)."
4. CONDUCT ELECTION by opening ballots, WAIVE further reading and ADOPT Resolution No. 12-071, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY - REMEDIAL SYSTEMS - OPERATIONS, MAINTENANCE AND MONITORING), DECLARING THE RESULTS OF A SPECIAL ELECTION RELATING TO THE CREATION OF A COMMUNITY FACILITIES DISTRICT."
5. WAIVE further reading and ADOPT Ordinance No. 12-1492, "AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY - REMEDIAL SYSTEMS - OPERATIONS, MAINTENANCE AND MONITORING) AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT."

III. ALTERNATIVES

1. Deny the recommendations.
2. Approve to continue hearing to different date.
3. Take another action the City Council deems appropriate.

IV. BACKGROUND

The Mello-Roos Community Facilities Act of 1982 (Act) provides a financing mechanism to fund certain public improvements and services. On July 25, 2006, the Carson Redevelopment Agency approved the Owner Participation Agreement between Carson Marketplace, LLC and the Agency. The Agreement was amended on May 20, 2008, and March 9, 2009 (collectively known as OPA). The terms of the OPA included the formation of a CFD for certain public infrastructure improvements on the site and reimbursement of debt service payments from the Merged and Amended Project Area tax increment. The OPA contemplates that the Agency will issue CFD Bonds to reimburse up to \$20 million in actual public infrastructure costs due to the scale and scope of the project and costly process of remediating the old landfill site and converting it to a usable project. The term of the infrastructure CFD Bonds will not exceed the remaining term of the Merged and Amended Project Area or years 2033/34.

ABX126, as amended by AB 1484 (also known as the Redevelopment Dissolution Bill), may affect some of the Successor Agency's obligations under the OPA. ABX126 dissolved redevelopment agencies, and the implementation of the law is not quite clear, nor is its effect on the Agency's obligations, including the OPA. The Successor Agency, with the assistance of the City and the support of the developer, is moving forward with items listed in the OPA, including the formation of the CFD. The City is also moving forward with the remediation of CFD discussed herein as a mechanism to fund ongoing maintenance. For several years, the parties have been discussing this mechanism for funding ongoing maintenance; however, the environmental CFD was not a requirement of the OPA.

The OPA also provided for the funding of the remediation improvements, which are currently in progress, including (a) a landfill cap (geomembrane) and other associated protective systems and layers over existing waste, (b) an active gas collection and treatment system designed to remove landfill gasses, including methane and volatile organic compounds, migrating upward from under the landfill cap, (c) a groundwater collection and treatment system designed to contain the groundwater plume and treat the extracted groundwater prior to discharge, (d) a building protection system consisting of a secondary membrane liner adhered to foundation slabs, passive venting systems and monitoring equipment to be installed in the buildings to be built on the land, and (e) an

operations center for the monitoring and operation of the remedial systems and components of the landfill gas system and groundwater system.

In conjunction with the remediation systems, Carson Marketplace, LLC requested that the City form a CFD for maintenance of the environmental improvements and systems. This CFD is proposed to be called "Community Facilities District No. 2012-1 of the City of Carson (the Boulevards at South Bay-Remedial Systems OM&M), ("CFD No. 2012-1") is proposed as a services CFD. No CFD Bonds will be authorized or issued. Special taxes will be levied and collected to fund the operations, monitoring and maintenance of the systems. It is proposed that a nonprofit corporation will be formed which will own the sub-ground parcels (which will be subdivided pursuant to the Subdivision Map Act) which contain the remediation improvements and systems and that this nonprofit corporation will administer the CFD. The City and/or CFD No. 2012-1 will enter into an agreement with the nonprofit in connection therewith in order to allow for the transfer of special tax revenue from the CFD to the nonprofit corporation. CFD No. 2012-1 will levy annual taxes to provide funds and reserves to fund the maintenance of the remediation improvements. This includes pollution liability insurance, annual operation, maintenance, and monitoring of the remedial systems, additional future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems for and extraordinary costs related to the remedial systems installed, pay administrative expenses and pay for reasonably anticipated special tax delinquencies based on the delinquency rate for the special tax levy in the previous fiscal year. The annual special tax levy is anticipated to begin at approximately \$500,000 in Fiscal Year 2015/16, and 80% or more would pay to accumulate future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems. In future years, the special tax could be over \$2,000,000 per year. While the actual costs of administering CFD No. 2012-1 may vary, it is anticipated that the amount of special taxes which can be collected will be sufficient to fund at least \$50,000 in annual administrative expenses.

The City has adopted a Land Secured Financing Policy (Policy) in connection with the formation of CFD's. This CFD meets the initial requirements of the policy for taking the step to form CFD No. 2012-1.

The special tax would be levied on the apartments, hotel property and on commercial properties. The total effective tax rate based on projected assessed value is under 2% for this CFD if the reimbursement obligation under the OPA is available and the sales tax threshold is reached for the infrastructure CFD. However, without the reimbursement, the total effective tax rate is over 2% for

the hotel (projected at 2.155%) and apartment projects (projected at 2.155%) and for certain retail properties (projected between 2.155% and 2.853%). The projected tax burden meets the criteria of the policy which specifies the 2% limit for residentially owned properties. Apartment, hotel and commercial property owners are considered sophisticated commercial owners and investors and can assess the impact of higher tax rates. The policy does not require the 2% limit for such properties and allows such exceptions. These calculations are based on the current charges identified on the Los Angeles County property tax bills, discussions with overlapping taxing agencies, proposed CFD special taxes, and on development and estimated assessed value information provided by the developer.

The proposed CFD also provides a public benefit by helping to facilitate the development of the Boulevards at South Bay and the cleanup of an unusable landfill property. The City is required to find that the services to be funded by the Community Facilities District are necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring in the Community Facilities District. Staff believes that assisting with the maintenance services assists the City in its long-range land use planning, as it allows the City to assist in making productive use of the former landfill. By facilitating the clean-up of the landfill, the City is creating jobs, housing and sales tax to improve the lives and safety of its residents. The project and the funding are beneficial to the public and the City. Development of the project would not have occurred without the assistance of the former Redevelopment Agency and the efforts of the City and the property owner.

No special tax shall be levied on sub-surface lots or the operations center property. Additionally, no special tax shall be levied on public property and/or property owner association property in CFD No. 2012-1.

Considering the impact and cost of the clean-up systems on the old landfill to effectuate the project, the fact that the project will create jobs, sales tax, and further residences in the City, the project and funding is beneficial to the public and in the interests of the City and public as required by the Land Secured Financing Policy.

The first step in the formation of the CFD is for the City to express its intention to form the CFD. The resolution of intention describes the services to be funded, attaches a map of the scope of the CFD, and describes the special tax formula.

This step was approved by the City Council on April 17, 2012. The City Council adopted a resolution of intention to form the CFD and set a public hearing for June 6, 2012, to receive input or protests from interested tax-payers,

property owners and the general public. Property owners were notified of the hearing, and the City Clerk published notice of the hearing in Our Weekly newspaper on May 24, 2012. The hearing relates to the remedial services to be provided in the District and the rate and method of apportionment of the District.

On June 6, 2012, due to the complex nature of the District, city staff and the developer requested that the City Council continue the hearing to July 17, 2012. Pursuant to the Resolution of Intention, city staff has prepared a CFD report regarding the services to be provided in the District. The CFD report is attached as Exhibit No. 1 and describes the environmental maintenance services and incidental expenses and costs of these items. An estimate of such cost is identified in Attachment A and Attachment B of the CFD report. The California Department of Toxic Substances Control requires the property owner to fund an insurance policy at 10-year intervals to provide coverage for third-party claims for bodily injury, property damage and clean-up costs arising from on-site or off-site pollution conditions. The property owner has already purchased its initial policy in the aggregate policy amount of one hundred million dollars (\$100,000,000) which will need to be renewed in the year 2016.

The taxes are generally proposed to be as follows:

Hotel property: \$800.00 per unit per year

Apartment property: \$1,000.00 per unit

Commercial property: \$0.75 per square foot of non-residential leasable area

There is a backup tax if the levy is insufficient. The property owner/developer will also arrange for a back-up special assessment by a property owners association or other methodology to the extent special taxes are not collected or are insufficient to fund operations and monitoring. The special assessment will allow for efficient foreclosure of the property. The City will not be responsible for initiating foreclosure for nonpayment of taxes.

Following the completion of the hearing, the City will determine whether to form the District depending on the number of written protests received. Once the City has formed the District, an election will be called and held related to the special tax and the setting of an appropriations limit. The property owner can waive certain time periods with respect to the election and has done so. Once the election takes place and if a 2/3rds vote is received, the City may adopt an ordinance levying the tax. The election will be a special tax election of the landowners in the CFD. The obligation to pay the special tax is equal to the obligation to pay for the infrastructure special taxes.

Copies of the remedial action plan and related documents for the property are available at the Planning Division, City Hall and/or on file with the City Clerk.

V. FISCAL IMPACT

No direct impact on City general fund costs. All costs of CFD formation are funded by the Applicants Deposits and Reimbursement Agreement. The special taxes levied by the CFD will fund all other ongoing costs.

VI. EXHIBITS

1. Draft CFD report. (pgs. 8-39)
2. Resolution No. 12-069 (Resolution forming District). (pgs. 40-57)
3. Resolution No. 12-070 (Resolution calling election). (pgs. 58-64)
4. Resolution No. 12-071 (Resolution declaring election results). (pgs. 65-69)
5. Ordinance No. 12-1492 (Ordinance levying tax). (pgs. 70-83)

Prepared by: Anita Luck, Special Counsel

TO:Rev03-08-12

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council

Date _____ Action _____

COMMUNITY FACILITIES DISTRICT REPORT

**Community Facilities District
No. 2012-1 of the City of Carson
(The Boulevards at South Bay –
Remedial Systems Operations,
Maintenance and Monitoring)**

July 10, 2012

Public Finance
Facilities Planning
Urban Economics

Newport Beach
Fresno
Riverside
San Francisco

EXHIBIT NO. - 1

**COMMUNITY FACILITIES DISTRICT REPORT
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

**COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS
OPERATIONS, MAINTENANCE AND MONITORING)**

Prepared for

**CITY OF CARSON
701 East Carson Street
Carson, CA 90745**

Prepared by

**DAVID TAUSSIG & ASSOCIATES, INC.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660**

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I. INTRODUCTION.....	1
II. PROJECT DESCRIPTION	2
III. DESCRIPTION AND ESTIMATED COSTS OF PUBLIC SERVICES	3
A. Description of Public Services.....	3
B. Estimated Costs of Public Services.....	5
IV. BONDED INDEBTEDNESS AND INCIDENTAL EXPENSES.....	6
A. Projected Bond Sales	6
B. Incidental Expenses to be Included in the Annual Levy of Special Taxes.....	6
V. RATE AND METHOD OF APPORTIONMENT	7
A. Explanation for Special Tax Apportionment	7
B. Maximum Special Tax for Developed Property	8
C. Maximum Special Tax for Undeveloped Property	8
D. Accuracy of Information.....	8
VI. BOUNDARIES OF COMMUNITY FACILITIES DISTRICT	10
VII. GENERAL TERMS AND CONDITIONS	11
A. Substitution of Services	11
B. Appeals and Interpretations	11

ATTACHMENTS

- Attachment A** Estimated Costs of Pollution Liability Insurance Policy Payments
- Attachment B** Estimated Costs of Long Term Operation, Maintenance, and Monitoring
- Attachment C** Rate and Method of Apportionment
- Attachment D** Assigned Special Taxes for Developed Property
- Attachment E** Boundary Map

I. INTRODUCTION

WHEREAS, the City Council of the City of Carson did, pursuant to the provision of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California (hereinafter referred to as the "Act"), and specifically Section 53321.5 thereof, expressly order the filing of a written "Report" with the legislative body of the proposed community facilities district. This community facilities district being Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay – Remedial Systems OM&M) shall hereinafter be referred to as:

"CFD No. 2012-1"; and,

WHEREAS, Resolution No. 12-043, "A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OPERATIONS, MAINTENANCE AND MONITORING) AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT PURSUANT TO THE MELLO ROOS COMMUNITY FACILITIES ACT OF 1982" (hereinafter referred to as the "Resolution of Intention"), adopted by Council on April 17, 2012, did direct that the Report generally contain the following:

1. A brief description of the maintenance services which will be required to adequately meet the needs of CFD No. 2012-1; and
2. An estimate of the cost of funding the maintenance services, including an estimate of the fair and reasonable cost of completed facilities purchases and the incidental expenses proposed to be paid.

WHEREAS, City staff has hereby directed David Taussig & Associates, Inc. to study the proposed CFD No. 2012-1 and, at or before the time of the public hearing on the establishment of CFD No. 2012-1, file the Report with the Council pursuant to the provisions of the Resolution of Intention.

NOW, THEREFORE, David Taussig & Associates, Inc. does hereby submit the Report.



II. PROJECT DESCRIPTION

CFD No. 2012-1 encompasses approximately 157.3 gross acres of land in the City of Carson (hereinafter referred to as the "City") located west of the I-405 San Diego Freeway and south of Del Amo Boulevard. Of this acreage, approximately 146.1 acres are expected to be developed into uses subject to a Mello-Roos Special Tax¹. At buildout, it is currently anticipated that CFD No. 2012-1 will consist of approximately 587 apartment units, approximately 1,374,784 leasable square feet of commercial, retail and entertainment uses, and a 120-room hotel on the Boulevards at South Bay site.

¹ Please note that all capitalized terms used herein, unless otherwise indicated, shall have the meanings defined in the Rate and Method of Apportionment for CFD No. 2012-1.

III. DESCRIPTION AND ESTIMATED COSTS OF PUBLIC SERVICES

A community facilities district may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the community facilities district. In addition, a community facilities district may pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay for any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the community facilities district. A community facilities district may also provide for financing of certain services to meet these demands.

Pursuant to Section 53313(f) of the Act, a community facilities district may finance services with respect to removal or remedial action (as defined in Sections 25322 and 25323 of the California Health & Safety Code) for the cleanup of any hazardous substance (as defined in Section 25281 of the California Health & Safety Code) released or threatened to be released into the environment. Such services include the maintenance and monitoring of such work. Such services are additional services not available in the territory prior to the creation of CFD No. 2012-1. Pursuant to Section 53313.5(k) of the Act, such services may take place on private property.

A. Description of Public Services

The general description of the public services proposed to be eligible for funding by CFD No. 2012-1, as identified in the Resolution of Intention, shall consist of those listed below (the "Services"). The City anticipates entering into an agreement with the property owner and/or other entities in order to provide funding for the Services as authorized services of CFD No. 2012-1, and to confer upon the City full power to provide funding for the Services solely from the proceeds of any Special Taxes authorized to be levied against property within CFD No. 2012-1.

Maintenance Services

The operation, maintenance and monitoring of the remedial systems installed within CFD No. 2012-1, as those terms are described in the Owner Participation Agreement (as defined in the Rate and Method of Apportionment), so long as such services constitute services within the meaning of Section 53313(f) and 53313.5(k) of the Act.

The Services may include the operation, maintenance and monitoring of the remedial systems and compliance with all environmental regulatory requirements that apply to a subsurface lot that was formerly a landfill (the "Remediation Lot"), for the benefit of the owners of the real property and airspace located above the Remediation Lot, to maintain environmental liability insurance to assess potential claims arising from pollution conditions on the Remediation Lot, and to maintain appropriate reserves to fund the obligations of the services required by a non-profit corporation or other entity to operate and monitor the remedial systems. Remedial systems include (a) a landfill cap (geomembrane) and other associated protective systems and layers over existing waste, (b) an active gas collection and treatment system, designed to remove

landfill gasses including methane and volatile organic compounds migrating upward from under the landfill cap, (c) a groundwater collection and treatment system designed to contain the groundwater plume and treat the extracted groundwater prior to discharge, (d) a building protection system consisting of a secondary membrane liner adhered to foundation slabs, passive venting systems and monitoring equipment to be installed in the buildings to be built on the land and (e) an operations center for the monitoring and operation of the remedial systems and components of the landfill gas system and groundwater system. All insurance, operations and monitoring must be pursuant to agreements and policies appropriate and required for the type of services contemplated.

All remediation monitoring systems shall be as required pursuant to the Remedial Action Plan approved by the Department of Toxic Substances Control on October, 25, 1995 ("Remediation Plan"), as amended by the Explanation of Significant Differences from the Remediation Plan, executed on July 31, 2009, as said plans may be implemented and amended from time to time.

**Boulevards at South Bay – Operation, Maintenance
& Monitoring (OM&M) Annual Expenditures**

Task No.	Major Scope Element
1.0	GENERAL TASKS AND ELEMENTS
1.1	Project Management for Insured Scope Items
1.2	Development Team Coordination for Insured Items
1.3	Document Compilation and Data Management for Insured Scope Items
1.4	Permitting for Ground Water Insured Scope Items
1.5	Regulatory Agency Oversight Fees for O&M and Environmental Assurance Agreement
2.0	REMEDIAL ACTION
2.1	Remedial Design - Ground Water
2.2	Groundwater Containment, Ex. And Treatment System
3.0	OPERATIONS AND MAINTENANCE
3.1	Land Fill Gas Collection and Treatment System (O&M)
3.2	LFG Collection and Treatment System LTM/R
3.3a	GW Containment, Ex., and Treatment System (O&M)
3.3b	GW Containment, Ex., and Treatment System (O&M)
3.4	GW Containment, Ex., and Treatment System (LTM/R)
3.5	Landfill Cap Observations and Monitoring
3.6	Landfill Cap Repairs
3.7	Storm water Monitoring and Reporting
3.8	Building Protection System O&M
3.9	Institutional Control Plan

Incidental Expenses

Incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and administrating services to be funded, including the cost of environmental evaluations of those services;
- (b) the cost of insuring services to be funded, including clean up cost cap insurance and pollution and remediation legal liability policy insurance;
- (c) the costs associated with the creation of CFD No. 2012-1, determination of the amount of Special Taxes, collection of Special Taxes, payment of Special Taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2012-1; and
- (d) any other expenses incidental to the construction, completion, and inspection of the authorized work.

B. Estimated Costs of Public Services

CFD No. 2012-1 is expected to finance the annual costs to provide the Services described in Section A above. The Assigned Special Taxes within CFD No. 2012-1 have been established to pay for the costs to provide these Services up to \$1,000 per unit of Residential Property, up to \$800 per hotel room, and up to \$0.75 per square foot of Non-Residential Leasable Area per year. These amounts shall be increased based on the percentage change in the Consumer Price Index, provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year, starting July 1, 2013.

The annual Special Tax levy is anticipated to begin at approximately \$500,000 in Fiscal Year 2015-16 and 80% or more would pay to accumulate future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems for and extraordinary costs related to the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement (as defined in the Rate and Method of Apportionment) to be entered into with the owner of the Remediation Lot. In future years the annual Special Tax levy could generate revenues in excess of \$2 Million per year. The actual costs to provide the Services may/will vary over time, and there is no guarantee that the Special Tax revenues will be sufficient to cover the actual costs to provide such Services. There is a Backup Special Tax if the levy of the Assigned Special Taxes is insufficient to cover the costs to provide the Services. Additionally, the property owner will also arrange for a backup special assessment by a property owner association or other methodology to the extent Special Taxes are not collected or are insufficient to cover the costs to provide the Services.

Refer to Attachment A for an estimate of the pollution liability insurance policy payments authorized to be financed by CFD No. 2012-1. Additionally, refer to Attachment B for an estimate of the long term operation, maintenance, and monitoring costs authorized to be financed by CFD No. 2012-1. The costs identified in Attachment A and Attachment B are estimates only, based upon current maintenance estimates, and actual costs may differ from those estimates therein based upon future economic conditions.

15

IV. BONDED INDEBTEDNESS AND INCIDENTAL EXPENSES

A. Projected Bond Sales

CFD No. 2012-1 is not authorized to sell bonds.

B. Incidental Expenses to be Included in the Annual Levy of Special Taxes

Pursuant to Sections 53317 and 53340 of the Act, the proceeds of any special tax may only be used to pay, in whole or part, the costs of providing public facilities, services and incidental expenses. As defined by the Act, incidental expenses include, but are not limited to, the costs of planning and designing public facilities to be financed, including the costs of environmental evaluations of those public facilities; the costs associated with the creation of the district, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the district; any other expenses incidental to the construction, completion, and inspection of the authorized work; and the costs associated with the retirement of existing bonded indebtedness. While the actual costs of administering CFD No. 2012-1 may vary, it is anticipated that the amount of Special Taxes which can be collected will be sufficient to fund at least \$50,000 in annual administrative expenses.



V. RATE AND METHOD OF APPORTIONMENT

All of the property located within CFD No. 2012-1, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of funding Services authorized to be financed by CFD No. 2012-1. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the costs of making authorized facilities or authorized services available to each parcel or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Attachment C, the proposed Rate and Method of Apportionment provides information sufficient to allow each property owner within CFD No. 2012-1 to estimate the maximum annual Special Tax he or she will be required to pay. Sections A through D below provide additional information on the Rate and Method of Apportionment.

A. Explanation for Special Tax Apportionment

When a community facilities district is formed, a special tax may be levied on each parcel of taxable property within the community facilities district to pay for the construction, acquisition and rehabilitation of public facilities, to pay for authorized services or to repay bonded indebtedness or other related expenses incurred by a community facilities district. This special tax must be apportioned in a reasonable manner; however, the tax may not be apportioned on an ad valorem basis.

When more than one type of land use is present within a community facilities district, several criteria may be considered when apportioning the special tax. Generally, criteria based on building square footage, acreage, and land use are selected, and categories based on such criteria are established to differentiate between parcels of property. These categories are a direct result of the projected product mix, and are reflective of the proposed land use types within that community facilities district. Specific special tax levels are assigned to each land use class, with all parcels within a land use class assigned the same special tax rate.

The Act does not require that special taxes be apportioned to individual parcels based on benefit received. However, in order to insure fairness and equity, benefit principles have been incorporated in establishing the Special Tax rates for CFD No. 2012-1. The major assumption inherent in the Special Tax rates set forth in the Rate and Method of Apportionment is that the level of benefit received from the proposed Services is a function of land use and/or product type. More specifically, benefits from public services for residential and non-residential development tend to vary with building size and type of unit. Larger buildings will generally receive greater benefit than smaller buildings.

Therefore, Special Tax rates have been established for residential and non-residential land use classes for CFD No. 2012-1. In addition, in order to ensure fairness, the Special Tax rates are uniformly applied within each land use class. The Special Tax for an Assessor's Parcel of Residential Property in CFD No. 2012-1 will vary directly with the



number of units on such parcel. The Special Tax for an Assessor's Parcel of Hotel Property in CFD No. 2012-1 will vary directly with the number of hotel rooms on such parcel. The Special Tax for an Assessor's Parcel of Non-Residential Property in CFD No. 2012-1 will vary directly with the amount of Non-Residential Leasable Area on such parcel.

Based on the types of Services that are proposed for CFD No. 2012-1 and the factors described above, the Special Taxes assigned to Developed Properties are generally proportionate to the relative benefits received by them, and, accordingly, the Special Taxes in CFD No. 2012-1 can be considered fair and reasonable.

B. Maximum Special Tax for Developed Property

Pursuant to the Rate and Method of Apportionment, the Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

Attachment D lists the Fiscal Year 2012-13 Assigned Special Tax that may be levied on each Assessor's Parcel classified as Developed Property within CFD No. 2012-1 to fund the Special Tax Requirement (although as referenced in Section III.B herein, and subject to change, the Special Tax levy is anticipated to begin in Fiscal Year 2015-16). The Special Taxes for an Assessor's Parcel of Developed Property cannot exceed the rates shown in Attachment D, except when the Backup Special Tax is applied. The Fiscal Year 2012-13 Backup Special Tax for an Assessor's Parcel of Developed Property shall equal \$16,560 per Acre.

On each July 1, commencing on July 1, 2013, the Assigned Special Tax and the Backup Special Tax shall be increased based on the percentage change in the Consumer Price Index; provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year.

C. Maximum Special Tax for Undeveloped Property

The Fiscal Year 2012-13 Maximum Special Tax for an Assessor's Parcel of Undeveloped Property shall equal \$16,560 per Acre. On each July 1, commencing on July 1, 2013, the Maximum Special Tax for an Assessor's Parcel of Undeveloped Property shall be increased based on the percentage change in the Consumer Price Index; provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year.

D. Accuracy of Information

In order to establish the Maximum Special Tax rates for CFD No. 2012-1 as set forth in the Rate and Method of Apportionment, David Taussig & Associates, Inc. has relied on information including, but not limited to, absorption, land-use types, building square footage, and net taxable acreage provided to it by others, including the developer. David Taussig & Associates, Inc. has not independently verified such data and disclaims responsibility for the impact of inaccurate data, if any, on the Rate and Method of

Apportionment for CFD No. 2012-1, including the inability to meet the financial obligations within CFD No. 2012-1.

VI. BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

The boundaries of CFD No. 2012-1 include all land on which the Special Taxes may be levied. A reduced scale map showing the boundaries of CFD No. 2012-1 is provided as Attachment E. A full scale map is on file with the City Clerk of the City of Carson and was recorded on April 18, 2012 at 4:17pm in the Los Angeles County Recorder's Office in Book 193 of Maps of Assessment and Community Facilities Districts at Pages 69 & 70 (Document No. 20120580929).

VII. GENERAL TERMS AND CONDITIONS

A. Substitution of Services

The descriptions of the Services, as set forth herein, are general in their nature. The City may modify the Services provided and any such substitution shall not be a change or modification in the proceedings as long as the services provide a function substantially similar to that as set forth in this Report.

B. Appeals and Interpretations

Pursuant to Section F of the Rate and Method of Apportionment, any landowner, lessee or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may file a written appeal with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant as appropriate. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator 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, lessee or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Council whose decision shall be final and binding as to all persons.

[http://localhost/resources/Clients/Carson/Mello/Boulevards/CFD Report/Carson CFD No. 2012-1 \(Boulevards\) CFD Report \(3\).docx](http://localhost/resources/Clients/Carson/Mello/Boulevards/CFD Report/Carson CFD No. 2012-1 (Boulevards) CFD Report (3).docx)
Printed: July 10, 2012

ATTACHMENT A

**COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

**ESTIMATED COSTS OF POLLUTION LIABILITY INSURANCE
POLICY PAYMENTS**

**COMMUNITY FACILITIES DISTRICT NO. 2012-1
REMEDIAL SYSTEMS OPERATIONS, MAINTENANCE and MONITORING (OMM)
(PROVIDED BY THE DEVELOPER)
ATTACHMENT A**

An ongoing requirement for the Boulevards at South Bay project (BSB) is for a Pollution Legal Liability (PLL) insurance policy to be in place in the aggregate policy amount of One Hundred Million Dollars (\$100,000,000). This coverage is available for third-party claims for bodily injury, property damage and clean-up costs arising from on-site or off-site pollution conditions.

The intention of the ownership is to renew the PLL policy at ten (10) year intervals at the same coverage amount. Current ownership of BSB has procured the existing PLL policy through Marsh Environmental, a global leader in insurance brokerage and risk management. Marsh is a wholly-owned subsidiary of Marsh & McLennan companies (NYSE: MMC). The current PLL policy will need to be renewed in the year 2016.

Based upon research performed by current ownership of BSB, in conjunction with Marsh Environmental, a projection of future insurance premiums has been completed. Research over the past ten years has shown a decrease in the cost of PLL policy premiums by 35%. This decrease has occurred due to a combination of increased competition within the environmental insurance industry as well as greater knowledge of risks and liability related to environmentally challenged properties.

While the expectation within the insurance industry is for policy premiums to continue to decrease (due to a greater body of knowledge being attained), the current ownership has conservatively projected an annual rate of increase of 2.0% over the term of the CFD. With this annual inflator amount, PLL insurance premiums are forecasted at the following amounts (renewals in ten year increments and a current policy renewal rate of \$3,000,000):

Year 2016	\$3,247,296
Year 2026	\$3,694,541
Year 2036	\$4,503,624
Year 2046	\$5,489,893

Note: All estimated costs are subject to periodic review by The Boulevards at South Bay Nonprofit Corp., the entity which will be administering the CFD revenue for the project.

ATTACHMENT B

**COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

**ESTIMATED COSTS OF LONG TERM OPERATION, MAINTENANCE,
AND MONITORING**

COMMUNITY FACILITIES DISTRICT NO. 2012-1
REMEDIAL SYSTEMS OPERATIONS, MAINTENANCE and MONITORING (OMM)
(PROVIDED BY THE DEVELOPER)
ATTACHMENT B

<u>Task No.</u>	<u>Major Scope Element</u>	<u>Estimated Total Costs</u>		
		<u>(1)</u> <u>2007</u>	<u>(2)</u> <u>2012</u>	<u>(2)</u> <u>2029</u>
1.0	GENERAL TASKS AND ELEMENTS			
1.1	Project Management for Insured scope Items	\$ 66,581	\$ 72,712	\$ 120,182
1.2	Development Team Coordination for Insured Items	\$ -	\$ -	\$ -
1.3	Document Compilation and Data Management for Insured Scope Items	\$ 20,273	\$ 22,140	\$ 36,595
1.4	Permitting for Ground Water Insured Scope Items	\$ -	\$ -	\$ -
1.5	Regulatory Agency Oversight Fees for O&M - EAA	\$ 110,919	\$ 121,133	\$ 200,215
2.0	REMEDIAL ACTION			
2.1	Remedial Design - Ground Water	\$ -	\$ -	\$ -
2.2	Groundwater Containment -Ex and Treatment System	\$ -	\$ -	\$ -
3.0	OPERATIONS AND MAINTENANCE			
3.1	Landfill Gas Collection and Treatment System (O&M)	\$ 408,103	\$ 445,685	\$ 736,649
3.2	LFG Collection and Treatment System (O&M)	\$ 46,445	\$ 50,722	\$ 83,836
3.3a	GW Containment, Extraction and Treatment System (O&M)	\$ 429,407	\$ 468,951	\$ 775,104
3.3b	GW Containment, Extraction and Treatment System (O&M)	\$ -	\$ -	\$ -
3.4	GW Containment, Extraction and Treatment System (LTM/R)	\$ 108,357	\$ 118,335	\$ 195,590
3.5	Landfill Cap Observations and Monitoring	\$ 68,394	\$ 74,693	\$ 123,455
3.6	Landfill Cap Repairs	\$ 47,164	\$ 51,507	\$ 85,134
3.7	Storm Water Monitoring and Reporting	\$ 13,688	\$ 14,949	\$ 24,708
3.8	Building Protection System (O&M)	\$ 156,741	\$ 171,175	\$ 282,926
3.9	ICP	\$ 66,003	\$ 72,081	\$ 119,139
TOTAL		\$1,542,076	\$1,684,084	\$2,783,534

Source:

- (1) Estimated stabilized costs in \$2007 provided by property owner and supportive documentation prepared by Tetra Tech, the Environmental Contractor for the Project (NASDAQ: TTEK). These are estimates only and are subject to change.
- (2) Estimated Costs have been increased through 2012 based on the actual change in the Consumer Price Index for the Los Angeles area, and escalated by an annual increase rate of 3.0% thereafter. These are estimates only and are subject to change.

Note: All estimated costs are subject to periodic review by The Boulevards at South Bay Nonprofit Corp., the entity which will be administering the CFD revenue for the project.

Definitions:

GW - groundwater

O&M - Operations and Maintenance

EAA - Environmental Assurance Agreement - Tetra Tech contract (environmental contractor)

LTM/R - Long Term Monitoring and Reporting

ICP - Institutional Control Plan - defined program for notifications in case of an environmental event

ATTACHMENT C

**COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

RATE AND METHOD OF APPORTIONMENT

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay – Remedial Systems OM&M) ("CFD No. 2012-1") and collected each Fiscal Year commencing in Fiscal Year 2012-13, in an amount determined by the City Council of the City of Carson or its designee, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2012-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area expressed in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map or the land area calculated to the reasonable satisfaction of the CFD Administrator using the boundaries set forth on such map or plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California.

"Administrative Expenses" means the following actual or estimated costs directly related to the administration of CFD No. 2012-1: 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 County or otherwise); the costs of notifying and coordinating with the applicable property owner association, the Boulevards Nonprofit or responsible party for collecting delinquent Special Taxes to fund the maintenance or remediation requirements; the costs to the City, CFD No. 2012-1 or any designee thereof of complying with City or CFD No. 2012-1 disclosure requirements; the costs associated with preparing Special Tax disclosure statements or any State or local requirements related to the Special Tax or CFD No. 2012-2, if any, and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2012-1 or any designee thereof related to an appeal of the Special Tax; the authorized costs of the Boulevards Nonprofit under the Special Tax Agreement; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2012-1 for any other administrative purposes of CFD No. 2012-1, including attorney's fees and other costs related to enforcement of the Special Taxes pursuant to the laws of the State, including but not limited to foreclosure remedies if permitted by law.

"Assessor" means the Office of the Assessor of the County.

"Assessor's Parcel" means a lot or parcel to which an Assessor's parcel number is assigned as determined from an Assessor's Parcel Map or the applicable assessment roll.

"Assessor's Parcel Map" means an official map of the Assessor designating parcels by Assessor's parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Below Ground Parcel(s)" means any lot or parcel within CFD No. 2012-1, regardless of ownership, that is located below the surface of the earth. The Below Ground Parcel is known as Lot One of Tentative Tract Map No. 68888 approved by the City's Planning Commission on May 25, 2010, as amended from time-to-time or modified pursuant to a final tract map or precise site plan for such property.

"Boulevards Nonprofit" means a nonprofit corporation formed pursuant to the California Nonprofit Corporations Law to, among other things, assist with the monitoring and maintenance of remediated land and improvements constituting the project in CFD No. 2012-1, and any successor thereto.

"Certificate of Occupancy" means a certificate issued by the City that authorizes the actual occupancy of a residential and/or non-residential structure or facility.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2012-1" means Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay – Remedial Systems OM&M).

"City" means the City of Carson, California.

"Consumer Price Index" means, for each Fiscal Year, the annual percentage change in the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles-Riverside-Orange County Area, measured as of the month of January in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the Los Angeles-Riverside-Orange County Area.

"Council" means the City Council of the City.

"County" means the County of Los Angeles, California.

"Developed Property" means all Assessor's Parcels of Taxable Property for which a Certificate of Occupancy has been issued by the City on or before June 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Once an Assessor's Parcel has been designated as Developed Property, it will remain classified as Developed Property.

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

"Hotel Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures constituting a place of lodging providing sleeping accommodations and related facilities for travelers.

"Land Use Class" means any of the classes listed in Table 1 below.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Non-Residential Leasable Area" means for Non-Residential Property the total of the leasable area within one or more non-residential structures or facilities. The determination of Non-Residential Leasable Area for an Assessor's Parcel shall be made by reference to the Certificate of Occupancy(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the Building and Safety Division of the Development Services Department, or other applicable City department, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures or facilities, excluding Hotel Property.

"Operations Center Parcel" means property within the boundaries of CFD No. 2012-1 owned by the Boulevards Nonprofit and utilized for the daily operations, maintenance & monitoring of the environmental remediation systems, including the landfill gas collection and treatment system, the groundwater containment and treatment systems, landfill cap monitoring, storm water monitoring and operation and maintenance of the building protection systems.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2012-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual

Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means property within the boundaries of CFD No. 2012-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to, the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment for CFD No. 2012-1.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more attached or detached residential dwelling units, including apartment units which are made available for rental, but not purchase by the general public.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2012-1 to fund the Special Tax Requirement.

"Special Tax Agreement" means an agreement to be entered into by the City and/or CFD No. 2012-1 and Carson Marketplace, LLC, and/or its successor, a California non-profit corporation to be formed with respect to the remediation lots, in order to provide funding for the operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 as authorized services of CFD No. 2012-1, and to confer upon the City full power to provide funding for such operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 solely from the proceeds of any Special Taxes authorized to be levied against Taxable Property within CFD No. 2012-1.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2012-1 to: (i) pay directly for pollution liability insurance policy payments pursuant to the Special Tax Agreement and/or other required insurance meeting the requirements of the Act; (ii) pay directly for the annual operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (iii) pay for other maintenance services as described in the Resolution of Intention to form CFD No. 2012-1; (iv) pay for additional future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems for and extraordinary costs related to the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (v) pay Administrative Expenses; (vi) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, as said levy of delinquencies may be limited by the Act; less (vii) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2012-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2012-1 shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Residential Property shall be assigned to Land Use Class 1, Hotel Property shall be assigned to Land Use Class 2 and Non-Residential Property shall be assigned to Land Use Class 3.

C. MAXIMUM SPECIAL TAX

1. Developed Property

(a). Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

(b). Assigned Special Tax

The Assigned Special Tax that may be levied and escalated as explained further in Section C.1.(d) below in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1

**Assigned Special Taxes for Developed Property in
Community Facilities District No. 2012-1**

Land Use Class	Description	Fiscal Year 2012-13 Assigned Special Tax
1	Residential Property	\$1,000 per unit
2	Hotel Property	\$800 per hotel room
3	Non-Residential Property	\$0.75 per square foot of Non-Residential Leasable Area

(c). Backup Special Tax

The Fiscal Year 2012-13 Backup Special Tax for an Assessor's Parcel of Developed Property shall equal \$16,560 per Acre.

(d). Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2013, the Assigned Special Tax and the Backup Special Tax shall be increased based on the percentage change in the Consumer Price Index; provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year.

(e). Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

2. Undeveloped Property

(a). Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax for an Assessor's Parcel of Undeveloped Property shall equal \$16,560 per Acre.

(b). Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2013, the Maximum Special Tax for Undeveloped Property shall be increased based on the percentage change in the Consumer Price Index provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2012-13 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of residential property for which a Certificate of Occupancy has been issued for private residential use (in accordance with Section 53321 of the Act) be increased by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2012-1. To the extent that the levy of the Special Tax on residential property is limited by the provision in the previous sentence, the levy of the Special Tax on each Assessor's Parcel of non-residential property shall continue in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Tax shall be levied on Below Ground Parcels. Additionally, no Special Tax shall be levied on Public Property, Property Owner Association Property, or an Operations Center Parcel. However, should an Assessor's Parcel no longer be classified as Public Property, Property Owner Association Property or an Operations Center Parcel, it will, from that point forward and without the necessity of any action by the Council, be subject to the Special Tax hereunder.

F. APPEALS AND INTERPRETATIONS

Any landowner, lessee or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may file a written appeal with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant as appropriate. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. This second appeal must specify the reasons for its

disagreement with the CFD Administrator's determination.

The CFD Administrator 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, lessee or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Council whose decision shall be final and binding as to all persons.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2012-1 may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, as permitted by the Act.

H. TERM OF SPECIAL TAX

The Council is authorized to levy the Special Tax in perpetuity to fund the Special Tax Requirement.

ATTACHMENT D

**COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

ASSIGNED SPECIAL TAXES FOR DEVELOPED PROPERTY

**COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

ASSIGNED SPECIAL TAXES FOR DEVELOPED PROPERTY

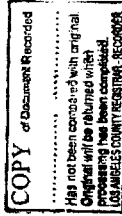
Land Use Class	Description	Fiscal Year 2012-13 Assigned Special Tax
1	Residential Property	\$1,000 per unit
2	Hotel Property	\$800 per hotel room
3	Non-Residential Property	\$0.75 per square foot of Non-Residential Leasable Area
On each July 1, commencing on July 1, 2013, the Assigned Special Tax shall be increased based on the percentage change in the Consumer Price Index; provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year		

ATTACHMENT E

**COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)**

BOUNDARY MAP

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2012-1
OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS OM&M)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**



(1) Filed in the office of the City Clerk of the City of Carson this 17th day of April, 2012.

Donesia Gause
City Clerk, City of Carson

(2) I hereby certify that the within map showing the proposed boundaries of Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay-Remedial Systems OM&M), County of Los Angeles, State of California, was approved by the Council of the City of Carson at a regular meeting thereof, held on this 17th day of April, 2012, by its Resolution No. 12-043.

Donesia Gause
City Clerk, City of Carson

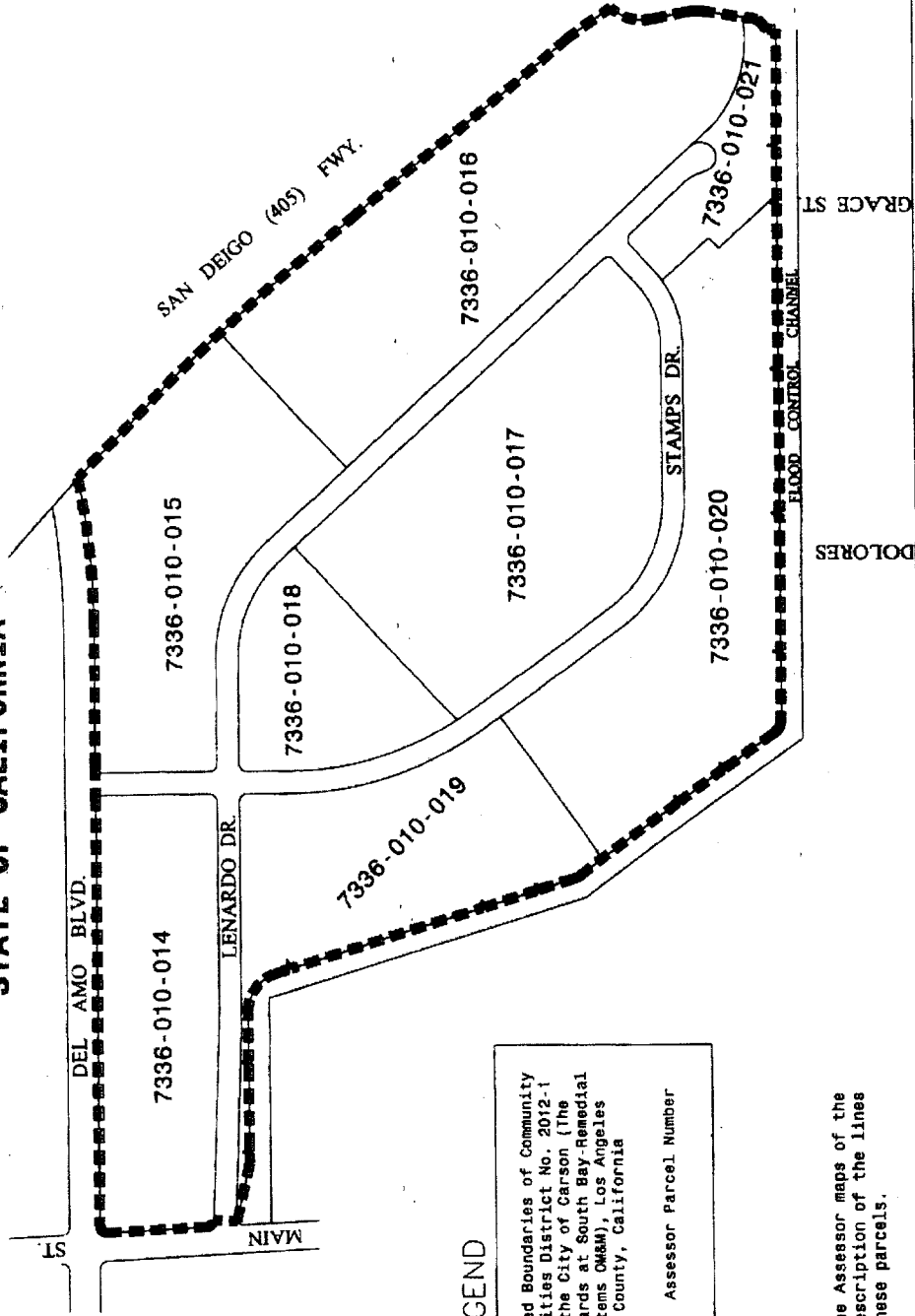
(3) Filed this _____ day of _____, 2012, at the hour of _____ o'clock _____ m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ and as Instrument No. _____ in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk,
County of Los Angeles

By _____ Deputy
Fee _____

Exempt recording requested,
per CA Government Code §6103

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2012-1
OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS OM&M)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**



LEGEND

Proposed Boundaries of Community
Facilities District No. 2012-1
of the City of Carson (The
Boulevards at South Bay-Remedial
Systems OM&M), Los Angeles
County, California

Assessor Parcel Number

7336-010-0nn

Reference is hereby made to the Assessor maps of the
County of Los Angeles for a description of the lines
and dimensions of these parcels.

RESOLUTION NO. 12-069

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, OF FORMATION OF THE COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY - REMEDIAL SYSTEMS - OPERATIONS, MAINTENANCE AND MONITORING), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT

WHEREAS, on April 17, 2012, the City Council (City Council) of the City of Carson adopted a resolution entitled "A Resolution of Intention of the City Council of the City of Carson to Establish Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay-Remedial Systems – OM&M) and to Authorize the Levy of a Special Tax within Said District Pursuant to the Mello Roos Community Facilities Act of 1982" (Resolution of Intention), a copy of which is incorporated herein by this reference, stating its intention to form a community facilities district (Community Facilities District) proposed to be named Community Facilities District No. 2012-1 (The Boulevards at South Bay - Remedial Systems-OM&M) (Community Facilities District) pursuant to the Mello-Roos Community Facilities Act of 1982 (constituting California Government Code Sections 53311 *et seq.*) (Act);

WHEREAS, in the Resolution of Intention, the City Council set forth June 6, 2012, at 6:00 p.m., as the date for the public hearing with respect to the establishment of the Community District to fund Maintenance Services (as defined below) by the levying of special taxes in the District;

WHEREAS, the Resolution of Intention, incorporating by reference a map of the proposed boundaries of the Community Facilities District and describing the Maintenance Services to be financed by the Community Facilities District and the rate and method of apportionment of the special tax to be levied within the Community Facilities District to pay the cost of such services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

WHEREAS, on June 6, 2012, the City Council continued the hearing until July 17, 2012, upon finding that the complexity of the District and the need for public participation required additional time;

WHEREAS, City Council has reviewed the City's Land Secured Policies and determined that the Community Facilities District will be in conformance with all policies to be met on the date of formation; provided however that, the City Council acknowledges a waiver with respect to its maximum tax policy of 2% for residential property due to the sophisticated nature of the owners of the property within the Community Facilities District, including operators of an apartment project, hotel and retail stores and not owners of residential single family homes or condominiums;

WHEREAS, on this date, the City Council conducted a public hearing on the establishment of the Community Facilities District, as required by the Act and the Resolution of Intention;

WHEREAS, at or before the time of the hearing, the report required by Section 53321.5 of the Act (Report) was filed with the City Council;

WHEREAS, the Remedial Action Plan, dated October 25, 1995, as amended by the Explanation of Significant Differences from the Remediation Plan, executed on July 31, 2009, as approved by the Department of Toxic Substances Control, as said plan may be implemented from time to time, has previously been prepared with respect to the remediation and ongoing maintenance of the remediation within the District (Remedial Action Plan), and is on file with the City Clerk;

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the Community Facilities District, the Maintenance Services eligible to be funded by the Community Facilities District, and the levy of the special tax in the Community Facilities District were heard and a full and fair hearing was held; and

WHEREAS, no oral or written protests against the establishment and the extent of the Community Facilities District or the levying of any specified special tax were made or filed at or before the hearing;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carson as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein by this reference.

Section 2. The Report, as now submitted, with such changes as may have been made subsequent to submission to the City Council on June 6, 2012, is hereby approved and is made a part of the record of the hearing, and is ordered kept on file with the transcript of these proceedings and open for public inspection.

Section 3. The type of Maintenance Services authorized to be provided within the District are services the City is authorized by law to finance and which services are

41

necessary to meet increased demands placed upon the local agencies as result of development occurring within the District.

Section 4. The Community Facilities District is hereby established pursuant to the Act.

Section 5. The Community Facilities District is hereby named the "Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay - Remedial Systems-OM&M)".

Section 6. Pursuant to the Act, the Community Facilities District is being formed for the purpose of funding services (Maintenance Services) by the Community Facilities District pursuant to the Act through the levy of special taxes, which Maintenance Services are described under the caption "Maintenance Services" on Exhibit A hereto and by this reference incorporated herein, and on Exhibit A to the Resolution of Intention.. The incidental expenses proposed to be incurred in connection with the Community Facilities District are described under the caption "Incidental Expenses" on Exhibit A hereto.

Section 7. The proposed special tax to be levied within the Community Facilities District has not been precluded by majority protest pursuant to Section 53324 of the Act.

Section 8. Except where funds are otherwise available, a special tax sufficient to fund the Maintenance Services and to pay certain administrative costs, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (Rate and Method), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is attached hereto as Exhibit B hereto and by this reference incorporated herein. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine, including direct billing of the affected property owners.

The name, address and telephone number of the office which will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and which will be responsible for estimating further special tax levies pursuant to Section 53340 *et seq.* of the Act are as follows: City Manager or Treasurer, City of Carson, 701 E. Carson Street, Carson, California 90745, (310) 233-4802.

Section 9. As to the sufficiency of special taxes to fund Maintenance Services and Incidental Expenses, the City and the Community Facilities District (a) is relying upon representations from the developer/landowner regarding all costs that were the basis of the rate and method of apportionment and (b) any costs not covered by the levying of special taxes or any delinquency or shortage in payments by property owners or otherwise will be covered by the

private property owners pursuant to recorded covenants among property owners and/or other methodology but shall not be responsibility of the City or the Community Facilities District.

Section 10.

Section 11. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the Community Facilities District and this lien shall continue in force and effect until the special tax the lien is canceled in accordance with law or until collection of the tax by the City Council, as legislative body, ceases.

Section 12. The Boundary Map of the Community Facilities District has been recorded in Los Angeles County in Book 193 at Pages 69&70 (Document No. 20120580929) of the Book of Maps of Assessments and Community Facilities Districts in the Los Angeles County Recorder's Office, and the boundaries are hereby approved and incorporated herein by this reference, and shall be the boundaries of the Community Facilities District.

Section 13. The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the Community Facilities District is hereby established at \$10,000,000.

Section 14. Pursuant to the provisions of the Act, the levy of the special tax and a proposition to establish the appropriations limit specified above shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The voting procedure shall be by mailed or hand-delivered ballot among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Section 15. Pursuant to the Act, the landowner has waived all notices, preparation of analysis and arguments related to the election and all other requirements of the election. A waiver of the landowner is on file with the City Clerk.

Section 16. Carson Marketplace, LLC (Owner) has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the creation of the Community Facilities District. The City Council proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of special taxes levied within the Community Facilities District, pursuant to a Deposit and Reimbursement Agreement, dated as of September 1, 2006 (Deposit Agreement), by and between the City and the Owner, as said agreement may be amended from time to time. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 17. The City Council hereby determines and finds that all proceedings up to and including the adoption of this Resolution were valid and in conformity with the requirements of the Act. In accordance with Section 53325.1 of the Act, such finding shall be final and conclusive.

Section 18. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby establishes the following accountability measures pertaining to the levy by the Community Facilities District of the special tax ("Special Tax") described herein and in the Resolution of Intention:

A. Such Special Tax shall be levied for the specific purposes set forth therein.

B. The proceeds of the levy of such Special Tax shall be applied only to the specific purpose of Maintenance Services and Incidental Expenses set forth therein.

C. The Community Facilities District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

D. The City Manager and/or Treasurer, or his or her designee, acting for and on behalf of the Community Facilities District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 19. This Resolution shall take effect immediately upon its adoption.

APPROVED and ADOPTED by the City Council of the City of Carson on July 17, 2012.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney William W. Wynder



EXHIBIT A

MAINTENANCE SERVICES

Maintenance Services

The operation, maintenance and monitoring of the remedial systems installed upon the Site pursuant to the Initial Remediation Work, as those terms are defined in the Owner Participation Agreement (The Boulevards at South Bay), dated July 25, 2006, as amended, by and between Carson Redevelopment Agency and Carson Marketplace LLC, so long as such services constitute services within the meaning of Section 53313(f) and 53313.5(k) of the Act.

The Services may include the operation, maintenance and monitoring of the remedial systems and compliance with all environmental regulatory requirements that apply to a subsurface lot that was formerly a landfill (the "Remediation Lot"), for the benefit of the owners of the real property and airspace located above the Remediation Lot, to maintain environmental liability insurance to assess potential claims arising from pollution conditions on the Remediation Lot, and to maintain appropriate reserves to fund the obligations of the services required by a non-profit corporation or other entity to operate and monitor the remedial systems. Remedial Systems include (a) a landfill cap (geomembrane) and other associated protective systems and layers over existing waste, (b) an active gas collection and treatment system, designed to remove landfill gases including methane and volatile organic compounds migrating upward from under the Landfill Cap, (c) a groundwater collection and treatment system designed to contain the groundwater plume and treat the extracted groundwater prior to discharge, (d) a building protection system consisting of a secondary membrane liner adhered to foundation slabs, passive venting systems and monitoring equipment to be installed in the buildings to be built on the land and (e) an operations center for the monitoring and operation of the remedial systems and components of the landfill gas system and groundwater system. All insurance, operations and monitoring must be pursuant to agreements and policies appropriate and required for the type of services contemplated.

All remediation monitoring systems shall be as required pursuant to the Remedial Action Plan approved by the Department of Toxic Substances Control on October, 25, 1995 ("Remediation Plan"), as amended by the Explanation of Significant Differences from the Remediation Plan, executed on July 31, 2009, as said plans may be implemented and amended from time to time.

Boulevards at South Bay – Operation, Maintenance & Monitoring (OM&M) Annual Scenario Expenditures

Task No.	Major Scope Element
1.0	GENERAL TASKS AND ELEMENTS
1.1	Project Management for Insured Scope Items
1.2	Development Team Coordination for Insured Items
1.3	Document Compilation and Data Management for Insured Scope Items
1.4	Permitting for Ground Water Insured Scope Items
1.5	Regulatory Agency Oversight Fees for O&M EAA (Environmental Assurance Agreement)
2.0	REMEDIAL ACTION
2.1	Remedial Design - Ground Water
2.2	Groundwater Containment, Ex. And Treatment System
3.0	OPERATIONS AND MAINTENANCE
3.1	Land Fill Gas Collection and Treatment System (O&M) (Operations and Maintenance)
3.2	LFG Collection and Treatment System LTM/R
3.3a	GW (Groundwater) Containment, Ex., and Treatment System (O&M)
3.3b	GW (Groundwater) Containment, Ex., and Treatment System (O&M)
3.4	GW (Groundwater) Containment, Ex., and Treatment System (LTM/R) (Long Term Monitoring and Reporting)
3.5	Landfill Cap Observations and Monitoring
3.6	Landfill Cap Repairs
3.7	Storm water Monitoring and Reporting
3.8	Building Protection System O&M
3.9	ICP –Institutional Control Plan-defined program for notifications in case of an environmental event

Incidental Expenses

Incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and administrating services to be funded, including the cost of environmental evaluations of those services;
- (b) the cost of insuring services to be funded, including clean up cost cap insurance and pollution and remediation legal liability policy insurance;
- (c) the costs associated with the creation of the Community Facilities District, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

No. 2012-2, if any, and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2012-1 or any designee thereof related to an appeal of the Special Tax; the authorized costs of the Boulevards Nonprofit under the Special Tax Agreement; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2012-1 for any other administrative purposes of CFD No. 2012-1, including attorney's fees and other costs related to enforcement of the Special Taxes pursuant to the laws of the State, including but not limited to foreclosure remedies if permitted by law.

"Assessor" means the Office of the Assessor of the County.

"Assessor's Parcel" means a lot or parcel to which an Assessor's parcel number is assigned as determined from an Assessor's Parcel Map or the applicable assessment roll.

"Assessor's Parcel Map" means an official map of the Assessor designating parcels by Assessor's parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Below Ground Parcel(s)" means any lot or parcel within CFD No. 2012-1, regardless of ownership, that is located below the surface of the earth. The Below Ground Parcel is known as Lot One of Tentative Tract Map No. 68888 approved by the City's Planning Commission on May 25, 2010, as amended from time-to-time or modified pursuant to a final tract map or precise site plan for such property.

"Boulevards Nonprofit" means a nonprofit corporation formed pursuant to the California Nonprofit Corporations Law to, among other things, assist with the monitoring and maintenance of remediated land and improvements constituting the project in CFD No. 2012-1, and any successor thereto.

"Certificate of Occupancy" means a certificate issued by the City that authorizes the actual occupancy of a residential and/or non-residential structure or facility.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

Parcel and/or to the appropriate records kept by the Building and Safety Division of the Development Services Department, or other applicable City department, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures or facilities, excluding Hotel Property.

"Operations Center Parcel" means property within the boundaries of CFD No. 2012-1 owned by the Boulevards Nonprofit and utilized for the daily operations, maintenance & monitoring of the environmental remediation systems, including the landfill gas collection and treatment system, the groundwater containment and treatment systems, landfill cap monitoring, storm water monitoring and operation and maintenance of the building protection systems.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2012-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means property within the boundaries of CFD No. 2012-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to, the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment for CFD No. 2012-1.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more attached or detached residential dwelling units, including apartment units which are made available for rental, but not purchase by the general public.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2012-1 to fund the Special Tax Requirement.

"Special Tax Agreement" means an agreement to be entered into by the City and/or CFD No. 2012-1 and Carson Marketplace, LLC, and/or its successor, a California non-profit corporation to be formed with respect to the remediation lots, in order to provide funding for the operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 as authorized services of CFD No. 2012-1, and to confer upon the City full power to provide funding for such operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 solely from the proceeds of any Special Taxes authorized to be levied against Taxable Property within CFD No. 2012-1.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2012-1 to: (i) pay directly for pollution liability insurance policy payments pursuant to the Special Tax Agreement and/or other required insurance meeting the requirements of the Act; (ii) pay directly for the annual operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (iii) pay for other maintenance services as described in the Resolution of Intention to form CFD No. 2012-1; (iv) pay for additional future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems for and extraordinary costs related to the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (v) pay Administrative Expenses; (vi) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, as said levy of delinquencies may be limited by the Act; less (vii) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2012-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2012-1 shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Residential Property shall be assigned to Land Use Class 1, Hotel Property shall be assigned to Land Use Class 2 and Non-Residential Property shall be assigned to Land Use Class 3.

C. MAXIMUM SPECIAL TAX

1. Developed Property

(a). Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

(b). Assigned Special Tax

The Assigned Special Tax that may be levied and escalated as explained further in Section C.1.(d) below in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1

**Assigned Special Taxes for Developed Property in
Community Facilities District No. 2012-1**

Land Use Class	Description	Fiscal Year 2012-13 Assigned Special Tax
1	Residential Property	\$1,000 per unit
2	Hotel Property	\$800 per hotel room
3	Non-Residential Property	\$0.75 per square foot of Non-Residential Leasable Area

(c). Backup Special Tax

The Fiscal Year 2012-13 Backup Special Tax for an Assessor's Parcel of Developed Property shall equal \$16,560 per Acre.

(d). Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2013, the Assigned Special Tax and the Backup Special Tax shall be increased based on the percentage change in the Consumer Price Index; provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year.

(e). Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

2. Undeveloped Property

(a). Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax for an Assessor's Parcel of Undeveloped Property shall equal \$16,560 per Acre.

(b). Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2013, the Maximum Special Tax for Undeveloped Property shall be increased based on the percentage change in the Consumer Price Index provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2012-13 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of residential property for which a Certificate of Occupancy has been issued for private residential use (in accordance with Section 53321 of the Act) be increased by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2012-1. To the extent that the levy of the Special Tax on residential property is limited by the provision in the previous sentence, the levy of the Special Tax on each Assessor's Parcel of non-residential property shall continue in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Tax shall be levied on Below Ground Parcels. Additionally, no Special Tax shall be levied on Public Property, Property Owner Association Property, or an Operations Center Parcel. However, should an Assessor's Parcel no longer be classified as Public Property, Property Owner Association Property

or an Operations Center Parcel, it will, from that point forward and without the necessity of any action by the Council, be subject to the Special Tax hereunder.

F. APPEALS AND INTERPRETATIONS

Any landowner, lessee or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may file a written appeal with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant as appropriate. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator 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, lessee or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Council whose decision shall be final and binding as to all persons.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2012-1 may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, as permitted by the Act.

H. TERM OF SPECIAL TAX

The Council is authorized to levy the Special Tax in perpetuity to fund the Special Tax Requirement.

CITY CLERK'S CERTIFICATE

I, _____, City Clerk of the City of Carson, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council duly and regularly held on July 17, 2012, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

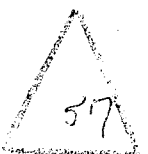
ABSTAIN:

City Clerk Donesia L. Gause, CMC

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2012

City Clerk Donesia L. Gause, CMC



RESOLUTION NO. 12-070

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CALLING FOR A SPECIAL ELECTION FOR THE COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY - REMEDIAL SYSTEMS - OPERATIONS MAINTENANCE AND MONITORING)

WHEREAS, on this date, the City Council (City Council) of the City of Carson (City) adopted a resolution entitled "A Resolution of the City Council of the City of Carson of Formation of the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay - Remedial Systems-OM&M), authorizing the levy of a Special Tax within the District and establishing an appropriations limit for the District" (Resolution of Formation), establishing the City of Carson Community Facilities District No. 2012-1 (Carson Marketplace Remedial Systems-OM&M) (Community Facilities District), authorizing the levy of a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District; and

WHEREAS, pursuant to the provisions of said resolution, the propositions to levy a special tax within the Community Facilities District to fund Maintenance Services (as defined in the Resolution of Formation) and to establish an appropriations limit for the Community Facilities District are to be submitted to the qualified electors of the Community Facilities District as required by the Mello-Roos Community Facilities Act of 1982 (constituting California Government Code Sections 53311 *et seq.* (Act)).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carson as follows:

Section 1. The above recitals are true and correct and incorporated herein by this reference.

Section 2. Pursuant to Sections 53326 and 53325.7 of the Act, the propositions to levy a special tax within the Community Facilities District to fund Maintenance Services and Incidental Expenses (as described in the Resolution of Formation) and to establish an appropriations limit for the Community Facilities District in an amount not to exceed \$10,000,000 shall be submitted to the qualified electors of the Community Facilities District at an election called therefor as provided below.

Section 3. As authorized by Section 53353.5 of the Act, the propositions to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District shall be combined into one ballot proposition.

Section 4. The City Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings heretofore held by the City Council for the purposes of these proceedings. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each landowner who is the owner of record as of the close of such public hearings and not exempt from the special tax, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District.

Section 5. The City Council hereby determines that the services to be funded by the Community Facilities District are necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring in the Community Facilities District. The City Council determines that assisting with the Maintenance Services assists the City in its long range land use planning as it allows the City to assist in making productive use of the former landfill. By facilitating the clean-up of the landfill, the City is creating jobs, housing and sales tax to improve the lives and safety of its residents. The project and the funding are beneficial to the public and the city. Development of the project would not have occurred without the assistance of the former Redevelopment Agency and the efforts of the City and the developer.

Section 6. The City Council hereby calls a special election to submit to the qualified electors of the Community Facilities District the combined proposition to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District, which election shall be held at City Hall Council Chambers, 701 Carson Street, Carson California, on July 17, 2012 at 6. p.m. for the purposes enumerated in the foregoing proposition which shall be united and voted upon as one single proposition, and together shall constitute the specific single purpose election. The City Clerk of the City (the "City Clerk") is hereby designated as the official to conduct said election. The City Council has caused to be provided to the City Clerk the Resolution of Formation, a certified map of sufficient scale and clarity to show the boundaries of the Community Facilities District, and a sufficient description to allow the City Clerk to determine the boundaries of the Community Facilities District.

The voted ballots shall be returned to the City Clerk not later than 6 p.m. on July 17, 2012 provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

Section 7. Pursuant to Section 53327 of the Act, the election shall be conducted by mail or hand-delivered ballot pursuant to Section 4000 of the California Elections

Code. The City Council hereby finds that paragraphs (a), (b), (c) (1) and (c)(3) of said Section 4000 are applicable to this special election.

Section 8. The form of the ballot for said election is attached hereto as Exhibit A and by this reference incorporated herein, and such form of ballot is hereby approved. The City Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration described in clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

Section 9. The City Clerk shall accept the ballots of the qualified electors in the City Clerk's office to and including 6:00 p.m. on July 17, 2012, whether said ballots be personally delivered or received by mail. The City Clerk shall have available ballots which may be marked at said location on the election day by said qualified electors.

Section 10. The City Council hereby finds that the provision of Sections 53326 and 53327 of the Act requiring the special election to be held at least 90 days following the adoption of the Resolution of Formation is for the protection of the qualified electors of the Community Facilities District. There is on file with the City Clerk a written request and waiver executed by each of the qualified electors of the Community Facilities District requesting a shortening of the time for said special election to expedite the process of formation of the Community Facilities District, waiving any requirement for analysis and arguments in connection with the election and waiving any other requirements for and notice of the election. Accordingly, the City Council finds and determines that said qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, waiver of notice and other requirements, and have thereby been fully protected in these proceedings. The City Council also finds and determines that the City Clerk has concurred in the shortened time for the election based on a certificate signed by the City Clerk concurring therein.

60

Section 11. Upon approval of the proposition contained herein, the Community Facilities District shall take such actions as may be necessary to establish an account for deposit of the proceeds of special taxes.

Section 12. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby establishes the following accountability measures pertaining to the levy by the Community Facilities District of the special tax ("Special Tax") described in the Resolution of Formation and in the Resolution of Intention:

A. Such Special Tax shall be levied for the specific purposes set forth therein.

B. The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth therein, being Maintenance Services and Incidental Expenses (as defined therein).

C. The Community Facilities District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

D. The City Manager and/or Treasurer, or his or her designee, acting for and on behalf of the Community Facilities District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 13. This Resolution shall take effect immediately upon its adoption.

APPROVED and ADOPTED by the City Council of the City of Carson on 17th day of July, 2012.

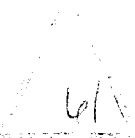
Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney William W. Wynder



CITY OF CARSON)
COUNTY OF LOS ANGELES)
STATE OF CALIFORNIA)

I, DONESIA L. GAUSE, City Clerk of the City of Carson, DO HEREBY CERTIFY that foregoing Resolution was duly passed and adopted at a regular meeting of the Carson City Council held on _____, 2012, with the following roll call vote, to wit:

AYES: CITY COUNCIL MEMBERS:

NOES: CITY COUNCIL MEMBERS:

ABSENT: CITY COUNCIL MEMBERS:

City Clerk Donesia L. Gause, CMC

(SEAL)

The foregoing is the original Resolution, duly passed and adopted by the Carson City Council at its regular meeting held on July 17, 2012.

City Clerk Donesia L. Gause, CMC

EXHIBIT A
OFFICIAL BALLOT
LOS ANGELES COUNTY
July 17, 2012
SPECIAL ELECTION

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Carson no later than ____ p.m. on ____, 2012, either by mail or in person. The City Clerk's office is located at 701 E. Carson Street Carson, California.

INSTRUCTIONS TO VOTERS:

To vote on the measure, mark a cross (+) in the voting square after the word "YES" or after the word "NO". All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Carson and obtain another.

COMMUNITY FACILITIES DISTRICT NO. 2012-1
OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY - REMEDIAL SYSTEMS-OM&M)

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay Remedial Systems-OM&M) be authorized to levy a special tax in order to fund certain Maintenance Services and Incidental Expenses, and shall the annual appropriations limit of the Community Facilities District be established in the amount of \$10,00,000, all as specified in the resolution entitled "A Resolution of the City Council of the City of Carson of Formation of the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay - Remedial Systems-OM&M), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District" adopted by

Yes: ☐

No: ☐

the City Council of the City of Carson on July 17,
2012?

All of the purposes enumerated in the foregoing proposition shall be united and voted upon as one single proposition, and together shall constitute the specific single purpose which is the levy of a special tax to fund maintenance services as described in the above-mentioned resolutions.

By execution in the space provided below, you also indicate your waiver of the time limit pertaining to the conduct of the election and any requirement for analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Sections 53326(a) and 53327(b) of the Mello-Roos Community Facilities Act of 1982.

Number of Votes:

Landowner:

Landowner

RESOLUTION NO. 12-071

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARSON, CALIFORNIA, ACTING IN ITS CAPACITY AS THE
LEGISLATIVE BODY OF THE COMMUNITY FACILITIES
DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE
BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS -
OPERATIONS, MAINTENANCE AND MONITORING),
DECLARING THE RESULTS OF A SPECIAL ELECTION
RELATING TO THE CREATION OF A COMMUNITY
FACILITIES DISTRICT**

The City Council of the City of Carson, California (City Council), in its capacity as the legislative body (Legislative Body) of the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay-Remedial Systems-OM&M) (District), does hereby resolve as follows:

WHEREAS, the Legislative Body called and duly held an election in the District pursuant to Resolution No. 12-070 adopted on July 17, 2012 (Resolution Calling Election) for the purpose of presenting to the qualified electors within the District, a proposition for the creation of a Community Facilities District (Proposition A) as set forth in Resolution No. 12-069 adopted on July 17, 2012 (Resolution of Formation); and

WHEREAS, the landowners of record within the District as of the close of the public hearing held on July 17, 2012 unanimously consented to a waiver of the time limits for setting the election and a waiver of any written analysis, arguments or rebuttals as set forth in California Government Code sections 53326 and 53327. Such waivers are set forth in written certificates executed by the landowners which are on file with the City Clerk as election official (Election Official) concurring therein; and

WHEREAS, pursuant to the terms of the Resolution Calling Election and the provisions of the Mello-Roos Community Facilities Act of 1982 (Act), the special election was held on July 17, 2012; and

WHEREAS, there has been presented to this Legislative Body a Certificate of the Election Official as to the Results of the Canvass of the Election Returns (Certificate of the Election Official), a copy of which is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Carson, California, as follows:

Section 1. The above recitals are true and correct.

Section 2. The canvass of the votes cast in the District at the special election held in the District on July 17, 2012, as shown in the Certificate of the Election Official, is hereby approved and confirmed.

65

Section 3. Proposition A presented to the qualified electors of the District for receipt by the Election Official on July 17, 2012, has received a unanimous vote of the qualified electors voting at said election, and Proposition A has carried. The Legislative Body is hereby authorized to take the necessary steps to create the Community Facilities District described in Proposition A.

Section 4. The City Clerk is hereby directed to enter the title of this Resolution on the minutes of the Legislative Body and to indicate the official declaration of the result of such special election.

Section 5. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Riverside a notice of special tax lien in the form required by the Act, said recording to occur no later than fifteen days following final passage by the City Council of this Resolution.

Section 6. The District is hereby declared to be fully formed with the authority to levy special taxes as heretofore provided in these proceedings and in the Act.

Section 7. It is hereby found that all prior proceedings and actions taken by this Legislative Body with respect to the District were valid and in conformity with the Act.

Section 8. This Resolution shall take effect immediately upon its adoption.

Section 9. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

ADOPTED, SIGNED and APPROVED this 17th day of July, 2012.

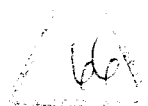
Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney William W. Wynder



STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF CARSON)

I, Donesia L. Gause, CMC, CITY CLERK OF THE CITY OF CARSON, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Carson, acting as the legislative body of Community Facilities District 2012-1 of the City of Carson (The Boulevards At South Bay-Remedial Systems-OM&M) on July 17, 2012, by the following called vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

By: _____
City Clerk Donesia L. Gause, CMC

EXHIBIT A

CITY OF CARSON, CALIFORNIA

**COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF
CARSON (THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS-
OM&M) CERTIFICATE OF THE ELECTION OFFICIAL AS TO THE
RESULTS OF THE CANVASS OF THE ELECTION RETURNS**

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CARSON)

I, DONESIA L. GAUSE, City Clerk in my capacity as Elections Official in the City of Carson, California, in its capacity as the legislative body of the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay-Remedial Systems-OM&M), DO HEREBY CERTIFY, that pursuant to the provisions of Section 53325.4 of the Government Code and Division 15, commencing with Section 15000 of the Elections Code of the State of California, I did canvass the return of the votes cast at the Special Election on July 17, 2012, held in Carson, California

COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS-OM&M)

I FURTHER CERTIFY that the Statement of All Votes Cast, to which this certificate is attached, shows the total number of ballots cast within the Property within the District for the Proposition, and the totals of the respective columns and the totals as shown for the Proposition are full, true and correct.

WITNESS my hand and Official Seal this 17th day of July, 2012.

CITY OF CARSON, CALIFORNIA, acting as the
LEGISLATIVE BODY OF THE COMMUNITY
FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF
CARSON (THE BOULEVARDS AT SOUTH BAY-
REMEDIAL SYSTEMS-OM&M)

By: _____
City Clerk Donesia L. Gause, CMC

68

CITY OF CARSON

**COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON
(THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS-OM&M)**

**STATEMENT OF ALL VOTES CAST
SPECIAL ELECTION
JULY 17, 2012**

<u>Qualified Landowner Votes</u>	<u>Votes Cast</u>	<u>YES</u>	<u>NO</u>
--------------------------------------	-----------------------	------------	-----------

Community Facilities District No.
2012-1 of the City of Carson (The
Boulevards at South Bay-Remedial
Systems-OM&M), Special Election,
July 17, 2012

PROPOSITION A SUBMITTED TO VOTE OF VOTERS: : Shall the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay Remedial Systems-OM&M) be authorized to levy a special tax in order to fund certain Maintenance Services and Incidental Expenses, and shall the annual appropriations limit of the Community Facilities District be established in the amount of \$10,00,000, all as specified in the resolution entitled "A Resolution of the City Council of the City of Carson of Formation of the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay - Remedial Systems-OM&M), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District" adopted by the City Council of the City of Carson on July 17, 2012?

Dated: July 17, 2012

City Clerk and Election Officer

1A

ORDINANCE NO. 12-1492

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY-REMEDIAL SYSTEMS-OPERATIONS, MAINTENANCE AND MONITORING) AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

The City Council of the City of Carson acting in its capacity as the legislative body of the Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay Remedial Systems OM & M does ordain as following:

Section 1. By the passage of this ordinance, the City Council authorizes the levy of a special tax at the rate and formula set forth in Exhibit "A" to Resolution No. 12-069 adopted on July 17, 2012 (the "Resolution"), and which for reference purposes is attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 2. The City Council or its designee is hereby further authorized to determine, by ordinance, resolution, or by other action if permitted by then applicable law, on or before August 1 of each year, the specific special tax to be levied on each parcel of land in the District. The special tax to be levied shall not exceed the maximum rates set forth in Exhibit "A", but the special tax may be levied at a lower rate. The City Clerk is authorized and directed to file with the county auditor on or before the 10th day of August of each tax year a certified copy of such ordinance or resolution accompanied by a list of all parcels subject to the special tax levy with the tax to be levied on each parcel.

Section 3. Properties or entities of the state, federal or other local governments shall be exempt from the above-referenced and approved special taxes only to the extent set forth in Exhibit A hereto and otherwise shall be subject to the tax consistent with the provisions of Section 53317.3 of the Mello-Roos Community Facilities Act of 1982 (the "Act") in effect as of the date of adoption of this Ordinance.

Section 4. All of the collections of the special taxes shall be used only as provided for in the Act and the Resolution. The special taxes shall be levied only so long as needed to accomplish the purposes described in the Resolution.

Section 5. The special taxes shall be collected from time to time as necessary to meet the financial obligations of Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay-Remedial Systems-OM&M) (the

"District") on the secured real property tax roll in the same manner as ordinary *ad valorem* taxes are collected, or other procedures as may be adopted by the City Council. The City Manager and/or Treasurer are each hereby authorized and directed to provide or to cause to be provided all necessary information to the auditor/tax collector of the County of Los Angeles and to otherwise take all actions necessary in order to effect proper billing and collection of the special taxes, so that the special taxes shall be levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District in each fiscal year until the Maintenance Services, as described in the Resolution are no longer needed, and provision has been made for payment of all of the administrative costs of the District. The special taxes may be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for *ad valorem* taxes as such procedure may be modified by law or this City Council from time to time.

Notwithstanding the foregoing, the City Manager and/or Treasurer may collect, or cause to be collected, one or more installments of the special taxes by means of direct billing by the District of the property owners within the District, if, in the judgment of the City Manager, such means of collection will reduce the administrative burden of the District in administering the District where it is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the property owners.

Whether the special taxes are levied in the manner provided in the first or the second preceding paragraph, the special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes.

Section 6. This Ordinance relating to the levy of the special taxes is adopted pursuant to the provisions of Section 53340 of the Government.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall attest to the Mayor's signature and then cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

Section 8. The City Clerk shall certify to the passage of this Ordinance and shall cause the same to be published as required by law.

ADOPTED, SIGNED and APPROVED this 17th day of July, 2017.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney William W. Wynder

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF CARSON)

I, DONESIA L. GAUSE, CITY CLERK OF THE CITY OF CARSON, CALIFORNIA, DO
HEREBY CERTIFY that the foregoing Ordinance Number _____ was duly and regularly
adopted by the City Council of the City of Carson, acting as the legislative body of Community
Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay), at a regular
meeting held the ____ day of ____, 2012, by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Donesia L. Gause, City Clerk



EXHIBIT "A"

RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT No. 2012-1 OF THE CITY OF CARSON (THE BOULEVARDS AT SOUTH BAY – REMEDIAL SYSTEMS OM&M)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay – Remedial Systems OM&M) ("CFD No. 2012-1") and collected each Fiscal Year commencing in Fiscal Year 2012-13, in an amount determined by the City Council of the City of Carson or its designee, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2012-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area expressed in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map or the land area calculated to the reasonable satisfaction of the CFD Administrator using the boundaries set forth on such map or plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California.

"Administrative Expenses" means the following actual or estimated costs directly related to the administration of CFD No. 2012-1: 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 County or otherwise); the costs of notifying and coordinating with the applicable property owner association, the Boulevards Nonprofit or responsible party for collecting delinquent Special Taxes to fund the maintenance or remediation requirements; the costs to the City, CFD No. 2012-1 or any designee thereof of complying with City or CFD No. 2012-1 disclosure requirements; the costs associated with preparing Special Tax disclosure statements or any State or local requirements related to the Special Tax or CFD No. 2012-2, if any, and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2012-1 or any designee thereof related to an appeal

179

of the Special Tax; the authorized costs of the Boulevards Nonprofit under the Special Tax Agreement; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2012-1 for any other administrative purposes of CFD No. 2012-1, including attorney's fees and other costs related to enforcement of the Special Taxes pursuant to the laws of the State, including but not limited to foreclosure remedies if permitted by law.

"Assessor" means the Office of the Assessor of the County.

"Assessor's Parcel" means a lot or parcel to which an Assessor's parcel number is assigned as determined from an Assessor's Parcel Map or the applicable assessment roll.

"Assessor's Parcel Map" means an official map of the Assessor designating parcels by Assessor's parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Below Ground Parcel(s)" means any lot or parcel within CFD No. 2012-1, regardless of ownership, that is located below the surface of the earth. The Below Ground Parcel is known as Lot One of Tentative Tract Map No. 68888 approved by the City's Planning Commission on May 25, 2010, as amended from time-to-time or modified pursuant to a final tract map or precise site plan for such property.

"Boulevards Nonprofit" means a nonprofit corporation formed pursuant to the California Nonprofit Corporations Law to, among other things, assist with the monitoring and maintenance of remediated land and improvements constituting the project in CFD No. 2012-1, and any successor thereto.

"Certificate of Occupancy" means a certificate issued by the City that authorizes the actual occupancy of a residential and/or non-residential structure or facility.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2012-1" means Community Facilities District No. 2012-1 of the City of Carson (The Boulevards at South Bay – Remedial Systems OM&M).

"City" means the City of Carson, California.

"Consumer Price Index" means, for each Fiscal Year, the annual percentage change in the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the Los Angeles-Riverside-Orange County Area, measured as of the month of January in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the Los Angeles-Riverside-Orange County Area.

"Council" means the City Council of the City.

"County" means the County of Los Angeles, California.

"Developed Property" means all Assessor's Parcels of Taxable Property for which a Certificate of Occupancy has been issued by the City on or before June 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied. Once an Assessor's Parcel has been designated as Developed Property, it will remain classified as Developed Property.

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

"Hotel Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures constituting a place of lodging providing sleeping accommodations and related facilities for travelers.

"Land Use Class" means any of the classes listed in Table 1 below.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Non-Residential Leasable Area" means for Non-Residential Property the total of the leasable area within one or more non-residential structures or facilities. The determination of Non-Residential Leasable Area for an Assessor's Parcel shall be made by reference to the Certificate of Occupancy(s) issued for such Assessor's



Parcel and/or to the appropriate records kept by the Building and Safety Division of the Development Services Department, or other applicable City department, as reasonably determined by the CFD Administrator.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures or facilities, excluding Hotel Property.

"Operations Center Parcel" means property within the boundaries of CFD No. 2012-1 owned by the Boulevards Nonprofit and utilized for the daily operations, maintenance & monitoring of the environmental remediation systems, including the landfill gas collection and treatment system, the groundwater containment and treatment systems, landfill cap monitoring, storm water monitoring and operation and maintenance of the building protection systems.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2012-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means property within the boundaries of CFD No. 2012-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to, the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment for CFD No. 2012-1.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued by the City permitting the construction thereon of one or more attached or detached residential dwelling units, including



apartment units which are made available for rental, but not purchase by the general public.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2012-1 to fund the Special Tax Requirement.

"Special Tax Agreement" means an agreement to be entered into by the City and/or CFD No. 2012-1 and Carson Marketplace, LLC, and/or its successor, a California non-profit corporation to be formed with respect to the remediation lots, in order to provide funding for the operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 as authorized services of CFD No. 2012-1, and to confer upon the City full power to provide funding for such operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 solely from the proceeds of any Special Taxes authorized to be levied against Taxable Property within CFD No. 2012-1.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2012-1 to: (i) pay directly for pollution liability insurance policy payments pursuant to the Special Tax Agreement and/or other required insurance meeting the requirements of the Act; (ii) pay directly for the annual operation, maintenance, and monitoring of the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (iii) pay for other maintenance services as described in the Resolution of Intention to form CFD No. 2012-1; (iv) pay for additional future reserves including, but not limited to, future pollution liability insurance policy payments and future operation, maintenance, and monitoring of the remedial systems for and extraordinary costs related to the remedial systems installed within CFD No. 2012-1 pursuant to the Special Tax Agreement; (v) pay Administrative Expenses; (vi) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year, as said levy of delinquencies may be limited by the Act; less (vii) a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2012-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

78

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2012-1 shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Residential Property shall be assigned to Land Use Class 1, Hotel Property shall be assigned to Land Use Class 2 and Non-Residential Property shall be assigned to Land Use Class 3.

C. MAXIMUM SPECIAL TAX**1. Developed Property****(a). Maximum Special Tax**

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

(b). Assigned Special Tax

The Assigned Special Tax that may be levied and escalated as explained further in Section C.1.(d) below in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1

**Assigned Special Taxes for Developed Property in
Community Facilities District No. 2012-1**

Land Use Class	Description	Fiscal Year 2012-13 Assigned Special Tax
1	Residential Property	\$1,000 per unit
2	Hotel Property	\$800 per hotel room
3	Non-Residential Property	\$0.75 per square foot of Non-Residential Leasable

Land Use Class	Description	Fiscal Year 2012-13 Assigned Special Tax
		Area

(c). Backup Special Tax

The Fiscal Year 2012-13 Backup Special Tax for an Assessor's Parcel of Developed Property shall equal \$16,560 per Acre.

(d). Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2013, the Assigned Special Tax and the Backup Special Tax shall be increased based on the percentage change in the Consumer Price Index; provided that the maximum annual increase is no greater than six percent (6%) and no less than zero percent (0%) of the amounts in effect for the previous Fiscal Year.

(e). Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

2. Undeveloped Property

(a). Maximum Special Tax

The Fiscal Year 2012-13 Maximum Special Tax for an Assessor's Parcel of Undeveloped Property shall equal \$16,560 per Acre.

(b). Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2013, the Maximum Special Tax for Undeveloped Property shall be increased based on the percentage change in the Consumer Price Index provided that the maximum annual increase is no greater than six percent (6%) and no

less than zero percent (0%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2012-13 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of residential property for which a Certificate of Occupancy has been issued for private residential use (in accordance with Section 53321 of the Act) be increased by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2012-1. To the extent that the levy of the Special Tax on residential property is limited by the provision in the previous sentence, the levy of the Special Tax on each Assessor's Parcel of non-residential property shall continue in equal percentages at up to 100% of the Maximum Special Tax.



E. EXEMPTIONS

No Special Tax shall be levied on Below Ground Parcels. Additionally, no Special Tax shall be levied on Public Property, Property Owner Association Property, or an Operations Center Parcel. However, should an Assessor's Parcel no longer be classified as Public Property, Property Owner Association Property or an Operations Center Parcel, it will, from that point forward and without the necessity of any action by the Council, be subject to the Special Tax hereunder.

F. APPEALS AND INTERPRETATIONS

Any landowner, lessee or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may file a written appeal with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant as appropriate. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator 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, lessee or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Council whose decision shall be final and binding as to all persons.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2012-1 may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, as permitted by the Act.

82

ORDINANCE NO. _____

H. TERM OF SPECIAL TAX

The Council is authorized to levy the Special Tax in perpetuity to fund the Special Tax Requirement.