



GOODWIN CONSULTING GROUP

**WEST PATTERSON FINANCING AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(WEST PATTERSON BUSINESS PARK)**

**CFD TAX ADMINISTRATION REPORT
FISCAL YEAR 2023-24**

November 14, 2023

***Community Facilities District No. 2005-1
CFD Tax Administration Report***

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EXECUTIVE SUMMARY

The following summary provides a brief overview of the main points from this report regarding the West Patterson Financing Authority Community Facilities District No. 2005-1 (West Patterson Business Park) (the “CFD” or “CFD No. 2005-1”):

Fiscal Year 2023-24 Special Tax Levy

Number of Parcels Taxed	Total Special Tax Levy
28	\$1,269,998

For further detail regarding the special tax levy, or special tax rates, please refer to Section IV of this report.

Development Status for Fiscal Year 2023-24

Tax Category	Acres
Developed Property	247 Acres
Undeveloped Property	85 Acres

For more information regarding the development status of CFD No. 2005-1, please see Section V of this report.

Outstanding Bonds Summary

Bonds	Original Principal	Amount Retired	Current Amount Outstanding
2015 Special Tax Bonds	\$9,630,000	\$710,000*	\$8,920,000*
2021 Special Tax Bonds	\$6,800,000	\$30,000*	\$6,770,000*

**As of the date of this report.*

I. INTRODUCTION

West Patterson Financing Authority Community Facilities District No. 2005-1

The West Patterson Financing Authority (the “Authority”) CFD No. 2005-1 (“CFD No. 2005-1” or the “CFD”) was established pursuant to a Resolution of Formation adopted on November 1, 2005, and a successful election was held authorizing the issuance of up to \$45,000,000 in bonds. On September 1, 2015, the Authority adopted Resolution No. 2015-15, which approved a supplement to the Rate and Method of Apportionment of Special Tax. The supplement clarified ambiguities in the application of the Special Tax to public properties used for educational purposes.

The CFD is located in the City of Patterson (the “City”), in Stanislaus County, California. The City lies in the Central Valley of California, approximately 90 miles southeast of San Francisco and 90 miles south of Sacramento. The City is located on State Route 33, approximately four miles east of U.S. Interstate Highway 5 and approximately 18 miles southwest of Modesto. CFD No. 2005-1 includes approximately 420 developable acres for construction of commercial, office, and industrial property.

The types of facilities to be funded by special tax revenues generally include certain public infrastructure improvements. These include: a wastewater treatment plant expansion; a water transmission and distribution loop pipeline; roadway improvements in the vicinity of the West Patterson Business Park; and water, sewer, and storm drainage facilities. A complete description of the facilities authorized to be financed by the CFD is shown in Appendix C of this Report.

The Mello-Roos Community Facilities Act of 1982

The reduction in property tax revenue that resulted from the passage of Proposition 13 in 1978 required public agencies and real estate developers to look for other means to fund public infrastructure. The funding available from traditional assessment districts was limited by certain requirements of the assessment acts, and it became clear that a more flexible funding tool was needed. In response, the California State Legislature approved the Mello-Roos Community Facilities Act of 1982, which provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities, and special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

A community facilities district is authorized to issue tax-exempt bonds that are secured by land within the district. If a parcel does not pay the special tax levied on it, a public agency can foreclose on the parcel and use the proceeds of the foreclosure sale to ensure that bondholders receive interest and principal payments on the bonds. Because bonds issued by a community facilities district are land-secured, there is no risk to a public agency’s general fund or taxing capacity. In addition, because the bonds are tax-exempt, they typically carry an interest rate that is lower than conventional construction financing.

II. PURPOSE OF REPORT

This CFD Tax Administration Report (the “Report”) presents findings from research and financial analysis performed by Goodwin Consulting Group, Inc. to determine the fiscal year 2023-24 special tax levy for CFD No. 2005-1. The Report is intended to provide information to interested parties regarding the current financial obligations of the CFD and special taxes to be levied in fiscal year 2023-24. The Report also summarizes development activity as well as other pertinent information (e.g., prepayments) for CFD No. 2005-1.

The Report is organized into the following sections:

- **Section III** identifies financial obligations of the CFD for fiscal year 2023-24.
- **Section IV** provides a summary of the methodology that is used to apportion the special tax among parcels in the CFD.
- **Section V** provides an update of the development activity occurring within CFD No. 2005-1, including new subdivision activity.
- **Section VI** identifies parcels that have prepaid their special tax obligation.
- **Section VII** provides information regarding state reporting requirements.

III. SPECIAL TAX REQUIREMENT

Pursuant to the Rate and Method of Apportionment of Special Tax (the “RMA”), which was adopted as an exhibit to the Resolution of Formation of CFD No. 2005-1, the Special Tax Requirement means the amount necessary in any fiscal year (i) to pay principal and interest on bonds, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on bonds which have occurred in the prior fiscal year or (based on delinquencies in the payment of special taxes which have already taken place) are expected to occur in the fiscal year in which the tax will be collected, (iv) to pay administrative expenses, and (v) to pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2005-1. The amounts referred to in clauses (i) and (ii) above may be reduced in any fiscal year by (i) interest earnings on or surplus balances in funds and accounts for the bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the bond indenture, bond resolution, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent special taxes, and (iii) any other revenues available to pay debt service on the bonds as determined by the Administrator. For fiscal year 2023-24, the Special Tax Requirement is \$1,269,998 and is calculated in the table below.

**Community Facilities District No. 2005-1
Special Tax Requirement for Fiscal Year 2023-24***

Series 2015 Bonds Debt Service Payments	
Interest Due March 1, 2024	\$195,991
Interest Due September 1, 2024	\$195,991
Principal Payment Due September 1, 2024	\$145,000
Series 2021 Bonds Debt Service Payments	
Interest Due March 1, 2024	\$131,375
Interest Due September 1, 2024	\$131,375
Principal Payment Due September 1, 2024	\$10,000
Total Debt Service Payments	\$809,731
Direct Funding of Facilities	\$393,305
CFD Administration Expenses	\$66,962
Fiscal Year 2023-24 Special Tax Requirement	\$1,269,998

** Figures may not sum due to rounding*

IV. SPECIAL TAX LEVY

Special Tax Categories

Special taxes within CFD No. 2005-1 are levied pursuant to the methodology set forth in the RMA. Among other things, the RMA establishes various special tax categories against which the special taxes may be levied, the maximum special tax rates, and the methodology by which the special taxes are applied. Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel number for all Parcels of Taxable Property within CFD No. 2005-1 and shall determine within which Tax Zone each Assessor's Parcel is located. Upon each annexation of property into CFD No. 2005-1, the Administrator shall update Attachment 1 of this RMA to include the new Assessor's Parcel number(s). The Administrator will also coordinate with the City's Building and/or Planning Department to determine the percentage of office space for all buildings on Parcels owned by educational institutions to determine whether the Parcels should be classified as Education-Based Property. *[Capitalized terms are defined in the RMA in Appendix D of this Report.]*

Maximum Special Tax Rates

The maximum special tax rates applicable to each category of property in CFD No. 2005-1 are set forth in Section B of the RMA. Property in the CFD will be subject to one of five maximum special tax rates, depending on the applicable Tax Zone. Appendix A of this Report contains a full summary of the maximum special tax rates in CFD No. 2005-1.

The percentage of the maximum special tax rates that will be levied on each land use category in fiscal year 2023-24 are determined by the method of apportionment included in Section E of the RMA. The table in Appendix A identifies the fiscal year 2023-24 maximum special tax rates and actual special tax rates for Taxable Property in CFD No. 2005-1.

Apportionment of Actual Special Taxes Levied

Each fiscal year, the special tax shall be levied as follows until the amount of the levy is equal to the Special Tax Requirement for that fiscal year.

Prior to the sale of bonds, the maximum special tax shall be levied on all parcels of Developed Property within the CFD. After bonds have been sold, the special tax shall be levied proportionately on each parcel of Developed Property up to 100% of the maximum special tax assigned to each parcel until the amount levied is equal to the Special Tax Requirement.

The special tax roll, which identifies the special tax to be levied against each parcel in CFD No. 2005-1 in fiscal year 2023-24, is provided in Appendix B.

V. DEVELOPMENT UPDATE

As of June 30, 2022, 24 parcels have annexed into the CFD through a Consent and Ballot signed by the applicable property owner. These 24 parcels comprise a total of approximately 282.18 acres.

As of June 1, 2023, the City has issued building permits for the construction of commercial property for 30 parcels within the CFD. These parcels are classified as Developed Property for fiscal year 2023-24. Two of these parcels, comprising approximately 114 acres, have prepaid their special tax obligation, leaving a total of 28 parcels that are classified as Developed Property and subject to the special tax for fiscal year 2023-24.

Based on the current status of development in CFD No. 2005-1, the following table summarizes the allocation of parcels to the special tax categories established in the RMA:

**Allocation to Special Tax Categories
Fiscal Year 2023-24**

Land Use Class	Number of Lots In Special Tax Category	Number of Acres In Special Tax Category
Developed Property	28	247
Undeveloped Property	13	85
Prepaid Parcels	2	114
Exempt Property	7	21

VI. PREPAYMENTS

Property owners of two parcels within CFD No. 2005-1 have fully prepaid their special tax obligation. Those two parcels are identified by assessor's parcel number below:

021-085-014

021-085-021

Since these two properties have fully satisfied their CFD No. 2005-1 special tax obligation, they will no longer be subject to the CFD No. 2005-1 special tax.

VII. STATE REPORTING REQUIREMENTS

Special Tax and Bond Accountability Report (Senate Bill No. 165)

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Pursuant to the Sections 50075.3 and 53411, the “chief fiscal officer” of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the City setting forth (i) the amount of special taxes that have been collected and expended; (ii) the status of any project required or authorized to be funded by the special taxes; (iii) if bonds have been issued, the amount of bonds that have been collected and expended; and (iv) if bonds have been issued, the status of any project required or authorized to be funded from bond proceeds.

Government Code 53343.2

On July 25, 2016, Governor Jerry Brown signed Assembly Bill No. 1666, adding Section 53343.2 to the California Government Code (“GC”). The bill enhances the transparency of community facilities districts by requiring that certain reports be accessible on a local agency’s website. Pursuant to Section 53343.2, a local agency that has a website shall, within seven months after the last day of each fiscal year of the district, display prominently on its website the following information:

Item (a): A copy of an annual report, if requested, pursuant to GC Section 53343.1. The report required by Section 53343.1 includes CFD budgetary information for the prior fiscal year and is only prepared by a community facilities district at the request of a person who resides in or owns property in the community facilities district. If the annual report has not been requested to be prepared, then a posting to the website would not be necessary.

Item (b): A copy of the report provided to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to GC Section 53359.5. Under Section 53359.5, local agencies must provide CDIAC with the following: (i) notice of proposed sale of bonds; (ii) annual reports on the fiscal status of bonded districts; and (iii) notice of any failure to pay debt service on bonds, or of any draw on a reserve fund to pay debt service on bonds.

Item (c): A copy of the report provided to the State Controller’s Office pursuant to GC Section 12463.2. This section refers to the parcel tax portion of a local agency’s Financial Transactions Report that is prepared for the State Controller’s Office annually. Note that school districts are not subject to the reporting required by GC Section 12463.2.

Government Code 65940.1

On October 9, 2019, Governor Gavin Newsom signed Assembly Bill No. 1483, adding Section 65940.1 to the California Government Code. The law requires that a city, county, or special district that has an internet website, maintain on its website a current schedule of fees, exactions, and affordability requirements imposed by the public agency on all housing development projects. Pursuant to Section 65940.1, the definition of an exaction includes a special tax levied pursuant to the Mello-Roos Community Facilities Act.

Assembly Bill No. 1483 defines a housing development project as consisting of (a) residential units only; or (b) mixed-use developments consisting of residential and non-residential land uses with at least two-thirds of the square footage designated for residential use; or (c) transitional housing or supportive housing. Assembly Bill No. 1483 also requires a city, county, or special district to update this information on their website within 30 days of any changes made to the information.

APPENDIX A

*Summary of Fiscal Year
2023-24 Special Tax Levy*

**West Patterson Financing Authority
Community Facilities District No. 2005-1
(West Patterson Business Park)
Fiscal Year 2023-24 Special Tax Levy Summary**

Tax Category	Acres	FY 2023-24 Maximum Special Tax	FY 2023-24 Actual Special Tax	FY 2023-24 Special Tax Revenues
Developed Property				
Tax Zone 1	246.57	\$5,150.69 per acre	\$5,150.69 per acre	\$1,269,998.12
Tax Zone 2	0.00	\$6,180.83 per acre	\$6,180.83 per acre	\$0.00
Tax Zone 3	0.00	\$7,210.97 per acre	\$7,210.97 per acre	\$0.00
Tax Zone 4	0.00	\$8,241.11 per acre	\$8,241.11 per acre	\$0.00
Tax Zone 5	0.00	\$9,271.25 per acre	\$9,271.25 per acre	\$0.00
Undeveloped Property	85.09	\$0.00 per acre	\$0.00 per acre	\$0.00
Prepaid	113.94	\$0.00 per acre	\$0.00 per acre	\$0.00
Exempt	21.14	\$0.00 per acre	\$0.00 per acre	\$0.00
<hr/>				
Total FY 2023-24 Tax Levy	466.74			\$1,269,998.12

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APPENDIX B

*Fiscal Year 2023-24
Special Tax Levy for
Individual Assessor's Parcels*

**West Patterson Financing Authority
Community Facilities District No. 2005-1
(West Patterson Business Park)
Fiscal Year 2023-24 Special Tax Levy Summary**

Tax Category	Acres	FY 2023-24 Maximum Special Tax	FY 2023-24 Actual Special Tax	FY 2023-24 Special Tax Revenues
Developed Property				
Tax Zone 1	246.57	\$5,150.69 per acre	\$5,150.69 per acre	\$1,269,998.12
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Prepaid	113.94	\$0.00 per acre	\$0.00 per acre	\$0.00
Exempt	21.14	\$0.00 per acre	\$0.00 per acre	\$0.00
<hr/>				
Total FY 2022-23 Tax Levy	466.74			\$1,269,998.12

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APPENDIX C

Description of Authorized Facilities

EXHIBIT A

WEST PATTERSON FINANCING AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(WEST PATTERSON BUSINESS PARK)

DESCRIPTION OF FACILITIES TO BE FINANCED BY CFD NO. 2005-1 (the "District")

It is intended that the District will finance all or a portion of the costs of the following:

- Wastewater Treatment Plant Expansion: Includes expansion of detention ponds and treatment facilities to serve the West Patterson Business Park.
- Water Transmission and Distribution Loop Pipeline: Includes a 14/16" transmission and distribution pipeline around the Northern part of the City to complete the loopwater system around the City of Patterson.
- Roadways within and in the vicinity of the West Patterson Business Park, including curb, gutter, sidewalks, street lights, asphalt paving, etc.
- Water, sewer, storm drain distribution and collection infrastructure within the West Patterson Business Park.
- West Patterson Environmental Impact Report Mitigation Measure Improvements: Includes the following list of intersection improvements, some of which are located outside of the City limits:

Sperry Ave./I5 SB Off Ramps	Signalize intersection widen southbound left-turn to two lanes, add a westbound left-turn lane; and add a westbound through lane.
Sperry Ave/ I-5 NB On-Ramps	Signalize intersection, widen underpass to accommodate two eastbound through lanes and a left-turn lane, and a through and left and right-turn lanes in the westbound direction
Sperry Ave/Rogers Road	Eastbound direction add one left-turn lane and a shared through and right-turn lane; Westbound direction add two left-turn lanes and a through lane; in the southbound direction add a through lane; in the northbound direction add a left, through and right turn lane

Sperry Ave/Baldwin Road	Signalize, Eastbound direction add one left-turn lane and a shared through and right-turn lane. Westbound direction add one left-turn lane a through and right turn lane. Southbound add two left turn lanes, Northbound add a left turn lane.
Sperry Ave/American Eagle Drive	Eastbound add one left-turn lane, a through and right-turn lane. Westbound direction add one left-turn land and a through lane. Southbound add a right-turn lane. Northbound add a left-turn lane and a through and right-turn lane
Sperry Ave./Las Palmas Avenue.	Signalize, Eastbound direction add a through and right-turn lane. Westbound direction add a left-turn lane. Northbound add a left-turn and a shared through and right-turn lane.
Sperry Ave/Ward Ave.	Eastbound add one left-turn land and a through lane. Westbound direction add a through lane. Southbound add a left-turn lane. Northbound add a left-turn lane and a right-turn lane.
Sperry/S Del Puerto	Eastbound direction add one left-turn lane and a shared through and right-turn lane. Westbound direction add a left and a shared through and right turn-lane.
Sperry Ave/SR33	Signalize. Eastbound direction add one left-turn lane and a right turn lane. Northbound add a left-turn lane.
SR 33/Las Palmas	Northbound direction add one right-turn lane.
Ward Ave/Salado Ave.	Signalize. Southbound add one left-turn lane. Westbound direction add a left turn lane.
Ward Ave/SR33	Signalize, Southbound direction add one through lane. Northbound direction add a left-turn lane and a through lane.
Zacharias Rd/SR-33	Signalize. Eastbound approach, add a left and right-turn lane; southbound add a through lane, northbound approach on SR-33 add a left-turn lane.
Baldwin Rd/SR33	Signalize. Southbound add one through and right-turn lane. Northbound add a left and right-turn lane.
Rogers Rd/SR33	Signalize. Southbound add one through and

	right-turn lane. Northbound add a left and right-turn lane.
Sycamore/E. Las Palmas Ave	Signalize. Eastbound add a left-turn lane and a through lane. Westbound add a left and through lane. Southbound add a left turn lane.
E. Las Palmas/Poplar	Signalize. Eastbound add a through lane, Westbound add a through lane, Southbound add a left-turn lane.
West Main/ Carpenter Rd.	Signalize. Eastbound add a left-turn and through lane. Westbound add a through lane, southbound add a left-turn lane, northbound add a left-turn lane.
West Main/Crows Landing Rd.	Signalize. Eastbound add left-turn lane. Southbound add a left-turn lane. Northbound add a left and right-turn lane.

The improvements authorized to be financed by the District shall include the acquisition of right of way, the costs of design, engineering and planning, the costs of any environmental or demand, traffic or other studies, surveys or other reports, landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

OTHER

The District may also finance any of the following:

1. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond and underwriters counsel and all other incidental expenses.
2. Administrative fees of the Authority, the City of Patterson and the Bond trustee or fiscal agent related to the District and the Bonds.
3. Reimbursement of costs related to the formation of the District advanced by the Authority, the City of Patterson or any related entity, or any landowner or developer within the District, as well as reimbursement of any costs advanced by the Authority or any related entity, or any landowner or developer within the District, for facilities, fees or other purposes or costs of the District.

APPENDIX D

Rate and Method of Apportionment of Special Tax

**WEST PATTERSON FINANCING AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(WEST PATTERSON BUSINESS PARK)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the West Patterson Financing Authority Community Facilities District No. 2005-1 (West Patterson Business Park) [herein "CFD No. 2005-1"] shall be levied and collected according to the tax liability determined by the Board of Directors of the West Patterson Financing Authority or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2005-1, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2005-1 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area 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, or other recorded County parcel map.

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

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the Authority or the City in carrying out their respective duties with respect to CFD No. 2005-1 and the Bonds, including, but not limited to, the levying and collection of the Special Tax, the fees and expenses of their respective counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or the County Treasurer's Office, costs related to annexing property into CFD No. 2005-1, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements under the California Government Code with respect to the Bonds and the Special Tax, and all other costs and expenses of the Authority and the City in any way related to the establishment or administration of CFD No. 2005-1.

"Administrator" shall mean the person or firm designated by the Authority to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.

"Annual Tax Escalation Factor" means the annual increase applied to the Maximum Special Tax by the greater of (i) two percent (2.0%), or (ii) the increase, if any, in the Engineering News - Record

Construction Cost Index for the San Francisco region that occurred in the one-year period concluding with January 1 of the prior Fiscal Year.

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

“Authority” means the West Patterson Financing Authority.

“Board” means the Board of Directors of the Authority, acting as the legislative body of CFD No. 2005-1.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 2005-1 related to public infrastructure and/or improvements that will serve property included within CFD No. 2005-1 or intended to be annexed into CFD No. 2005-1.

“City” means the City of Patterson.

“County” means the County of Stanislaus.

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD No. 2005-1 for which a building permit for new construction was issued by the City prior to June 1 of the preceding Fiscal Year, but not prior to June 1, 2002.

“Education-Based Property” means a Parcel of Developed Property that is owned by a public education institution such as, but not limited to, a public school district or college district. To be categorized as Education-Based Property, no more than 10% of the building space on an Education-Based Property Parcel, or Parcels owned in aggregate by the same institution, can be office space; the remainder would be used primarily for educational instruction. Education-Based Property is subject to the limitation set forth in Section E.

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

“Maximum Special Tax” means the maximum amount of Special Tax, determined in accordance with Section B below, which can be levied in any Fiscal Year.

“Nonresidential Property” means Developed Property that has or will have a commercial, office, or industrial building(s) constructed on the Parcel.

“Proportionately” means, in any Fiscal Year, that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Property within the CFD.

“Public Property” means any property within the boundaries of CFD No. 2005-1 that is owned by or irrevocably offered for dedication to the federal government, State of California or other local governments or public agencies, but does not include property owned by a public education institution.

“**Special Tax**” means a special tax levied in any Fiscal Year that will be used to pay the Special Tax Requirement, as defined below.

“**Special Tax Requirement**” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which is due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds, (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, (iv) to pay Administrative Expenses, and (v) to pay the costs of public improvements and public infrastructure authorized to be financed by CFD No. 2005-1. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Bond indenture, Bond resolution, or other legal document that set forth these terms, (ii) proceeds from the collection of penalties associated with delinquent Special Taxes, and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

“**Taxable Property**” means all Parcels within the boundary of CFD No. 2005-1 that are not exempt from the Special Tax pursuant to law or Section E below.

“**Tax Zone**” means one of the five (5) mutually exclusive tax zones identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax, as may be updated to include new Parcels added to the CFD as a result of future annexations (which may be noncontiguous with Parcels already in the Tax Zone).

B. MAXIMUM SPECIAL TAX

The following Maximum Special Tax rates apply to all Parcels of Nonresidential Property within CFD No. 2005-1:

Table 1
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2005-06) *

Tax Zone	Maximum Special Tax (Fiscal Year 2005-06) *
1	\$ 2,500 per Acre
2	\$ 3,000 per Acre
3	\$ 3,500 per Acre
4	\$ 4,000 per Acre
5	\$ 4,500 per Acre

** Beginning July 1, 2006 and each July 1 thereafter, all of the Maximum Special Taxes shown in Table 1 above shall be adjusted by applying the Annual Tax Escalation Factor.*

Pursuant to Section 53321 (d) of the Act, the Maximum Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase by more than two percent (2.0%) annually or the Special Tax by more than ten percent (10%) in any year as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

C. METHOD OF LEVY AND COLLECTION OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel number for all Parcels of Taxable Property within CFD No. 2005-1 and shall determine within which Tax Zone each Assessor's Parcel is located. Upon each annexation of property into CFD No. 2005-1, the Administrator shall update Attachment 1 of this RMA to include the new Assessor's Parcel number(s).

The Administrator will also coordinate with the City's Building and/or Planning Department to determine the percentage of office space for all buildings on Parcels owned by educational institutions to determine whether the Parcels should be classified as Education-Based Property.

Each Fiscal Year prior to the sale of Bonds, the Maximum Special Tax shall be levied on all Parcels of Developed Property within the CFD. Each Fiscal Year after Bonds have been sold, the Administrator shall determine the Special Tax Requirement, and the Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax assigned to each Parcel until the amount levied is equal to the Special Tax Requirement.

D. MANNER OF COLLECTION

The Special Tax for CFD No. 2005-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid and authorized facilities to be constructed directly from Special Tax proceeds have been completed. However, in no event shall a Special Tax levied against a Parcel used for private residential purposes be levied after Fiscal Year 2054-55.

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on: i) Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act, or ii) up to thirty (30) acres of Education-Based Property. Public Education Property in excess of 30 total acres will be taxed at the Nonresidential Property rate.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Remaining Facilities Costs” means the Public Facilities Requirement minus public facility costs funded by Outstanding Bonds, direct funding through the annual CFD Special Tax levy, developer equity and/or any other source of funding.

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

“Public Facilities Requirements” means either \$20,000,000 in 2005 dollars, which shall increase on January 1, 2006, and on each January 1 thereafter by the percentage increase, if any, in the Construction Cost Index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News - Record or other comparable source if the Engineering News - Record is discontinued or otherwise not available, or such lower number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by CFD No. 2005-1.

The Special Tax obligation applicable to an Assessor’s Parcel in CFD No. 2005-1 may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	<u>Administrative Fees and Expenses</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the total Maximum Special Tax that could be levied on an Assessor's Parcel whose owner is requesting to prepay the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the Maximum Special Tax revenue that could be generated at buildout of all anticipated Taxable Property in the West Patterson Business Park Master Plan.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the *"Defeasance Requirement"*).
- Step 10.** The administrative fees and expenses of CFD No. 2005-1 are as calculated by the Administrator and include the costs of computation of the prepayment, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).

Step 11. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10 (the “*Prepayment Amount*”).

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

H. INTERPRETATION OF SPECIAL TAX FORMULA

The Authority reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be left to the Authority’s discretion. Interpretations may be made by the Authority by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

I. APPEAL OF SPECIAL TAX LEVY

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than one calendar year after having paid the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the Administrator’s decision relative to the appeal, the owner may then file a written appeal with the Board whose subsequent decision shall be binding. If the decision of the Administrator (if the appeal is not filed with the Board) or the Board (if the appeal is filed with the Board) requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years’ Special Tax levies, but an adjustment shall be made to the next Special Tax levy. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

ATTACHMENT 1

**CITY OF PATTERSON
COMMUNITY FACILITIES DISTRICT 2005-1
(WEST PATTERSON BUSINESS PARK)**

IDENTIFICATION OF TAX ZONES

Tax Zone	Assessor's Parcels Included in Tax Zone *
1	021-023-010; 021-085-007; 021-085-001; 021-085-008; 021-085-002; 021-085-009; 021-085-003; 021-085-010; 021-085-004; 021-085-011; 021-085-005; 021-085-012 021-085-006;
2	
3	
4	
5	

** The property identified by the APNs listed above shall remain part of the identified Tax Zone regardless of changes in the configuration of the Assessor's Parcels or changes to Assessor's Parcel numbers in future Fiscal Years.*

APPENDIX E

*Boundary Map of
CFD No. 2005-1*



GDR ENGINEERING, Inc.

ENGINEERING/SURVEYING/PLANNING
3525 MITCHELL ROAD, SUITE G CERES, CA 95307
TELEPHONE: (209) 538-3360 FAX: (209) 538-7370
E-MAIL: gdreng@gdreng.com

PROPOSED BOUNDARIES OF WEST PATTERSON FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (WEST PATTERSON BUSINESS PARK), COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND PROPOSED BOUNDARIES OF FUTURE AREA THAT MAY BE ANNEXED TO THE COMMUNITY FACILITIES DISTRICT.

JULY, 2005

LEGEND

- COMMUNITY FACILITIES DISTRICT BOUNDARY
- 021-085-002 COUNTY ASSESSOR'S PARCEL NUMBER
- TAX ZONE 1
- FUTURE ANNEXATION AREA

NOTES

1. REFER TO COUNTY OF STANISLAUS ASSESSOR'S PARCEL MAPS AS INDICATED FOR THE LINE AND DIMENSIONS OF THE PARCELS SHOWN HEREON.

FILED IN THE OFFICE OF THE SECRETARY OF THE WEST PATTERSON FINANCING AUTHORITY, THIS ____ DAY OF _____, 2005.

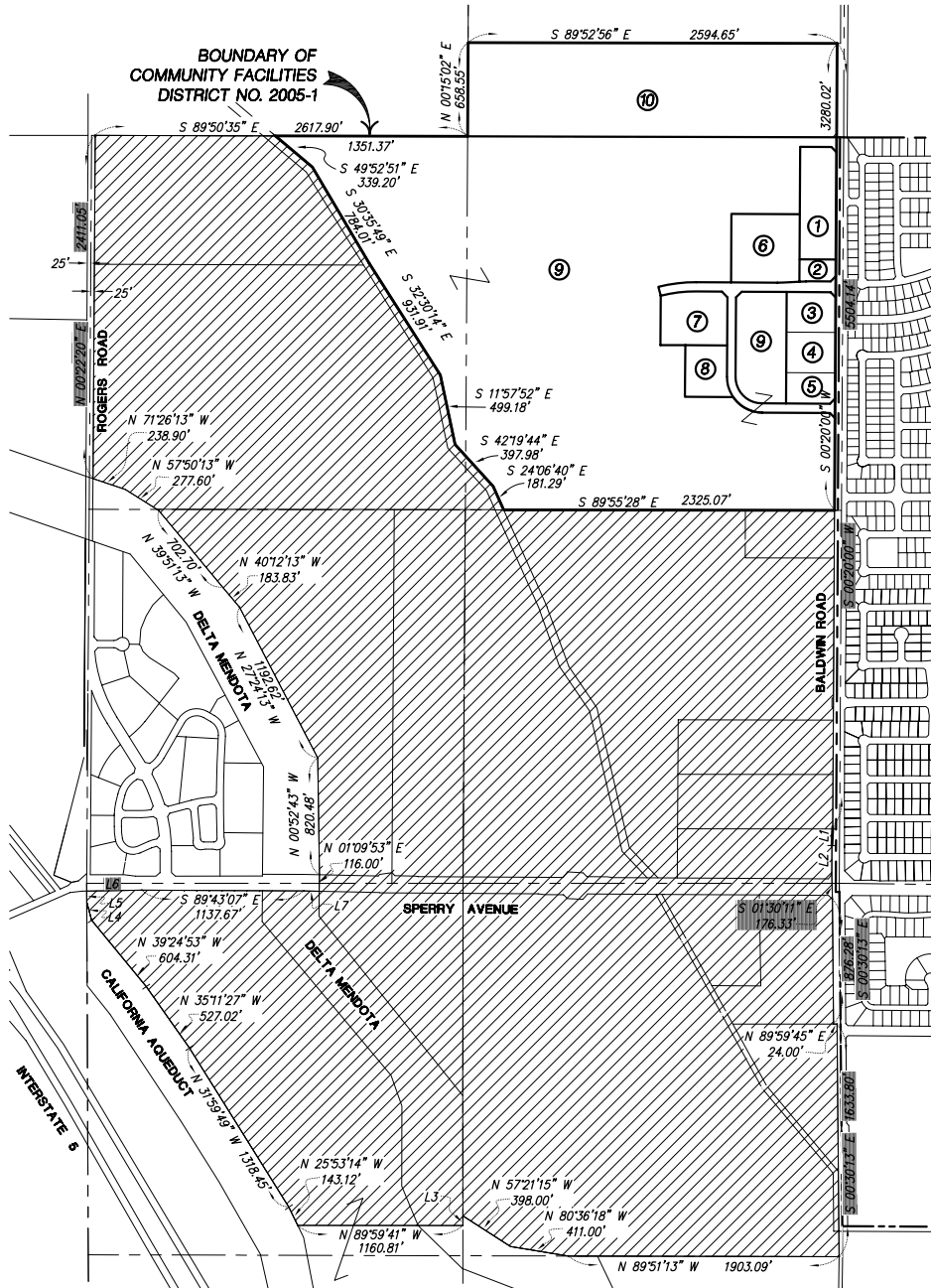
SECRETARY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF WEST PATTERSON FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (WEST PATTERSON BUSINESS PARK), COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF THE WEST PATTERSON FINANCING AUTHORITY AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2005, BY ITS RESOLUTION NO. _____.

SECRETARY

FILED THIS ____ DAY OF _____, 2005, AT THE HOUR OF ____ O'CLOCK ____ M., IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF STANISLAUS



AP.N.	ASSESSED ACREAGE
①	021-085-001 4.86 ACRES
②	021-085-002 0.89 ACRES
③	021-085-003 2.22 ACRES
④	021-085-004 2.25 ACRES
⑤	021-085-005 1.70 ACRES
⑥	021-085-006 5.29 ACRES
⑦	021-085-007 4.00 ACRES
⑧	021-085-008 2.50 ACRES
⑨	021-085-009 156.31 ACRES
⑩	021-023-010 39.25 ACRES

LINE	BEARING	LENGTH
L1	S 02°05'01" W	130.97'
L2	S 00°20'00" W	201.85'
L3	S 00°01'04" W	67.21'
L4	N 15°08'30" W	130.58'
L5	N 00°13'34" W	78.64'
L7	S 88°47'30" E	108.55'



SCALE: 1" = 600'

APPENDIX F

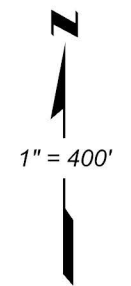
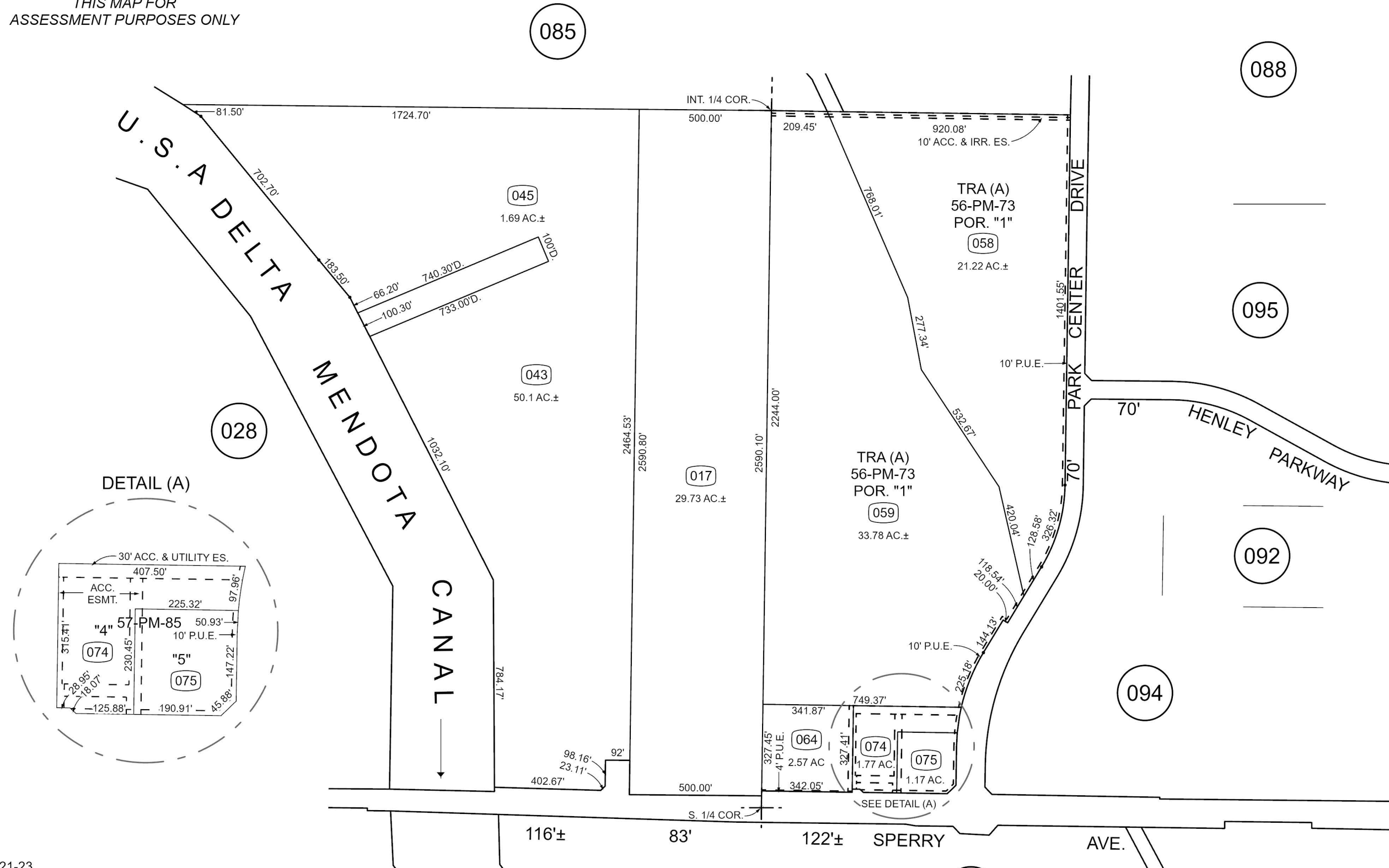
*Assessor's Parcel Maps for
Fiscal Year 2023-24*

POR. S. 1/2 SECTION 26 T.5S. R.7E. M.D.B. & M.

005 047
005 048

021 — 026

THIS MAP FOR
ASSESSMENT PURPOSES ONLY



FROM: 21-23
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REVISED: 03-21-73, 01-21-97, 05-27-97, 07-07-97, 02-13-02 MF, 10-11-02 DH, 01-22-03 DH,
06-23-03 MB, 10-03-03 (V) MB, 10-14-03 MF, 12-17-03 DH, 02-13-04 MB, 06-04-04 DH,
06-30-04 MB, 08-02-04 DH, 09-14-04 DH, 09-20-04 MF, 12-07-04 DH, 01-13-05 DH,
03-21-05 CS, 04-07-05 DH, 07-12-05 MF, 10-13-05 MF, 04-27-06 DH, 05-22-06 CS,
11-03-06 DH, 09-21-07 MF, 12-21-07 CS, 03-04-08 MF, 01-26-09 MF, 02-18-11 MB,
02-06-12 MB, 04-11-12 MB, 11-30-16 MB, 04-17-17 MF, 07-25-17 MF, 07-26-17 MF,
03-07-18 MF, 03-22-18 MB, 01-11-19 (G) DB, 11-13-19 DB, 2-7-20 (G) DB

68,97,98,02,03,04,05,
06,07,13,17,18,19

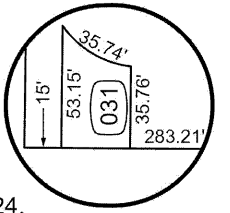
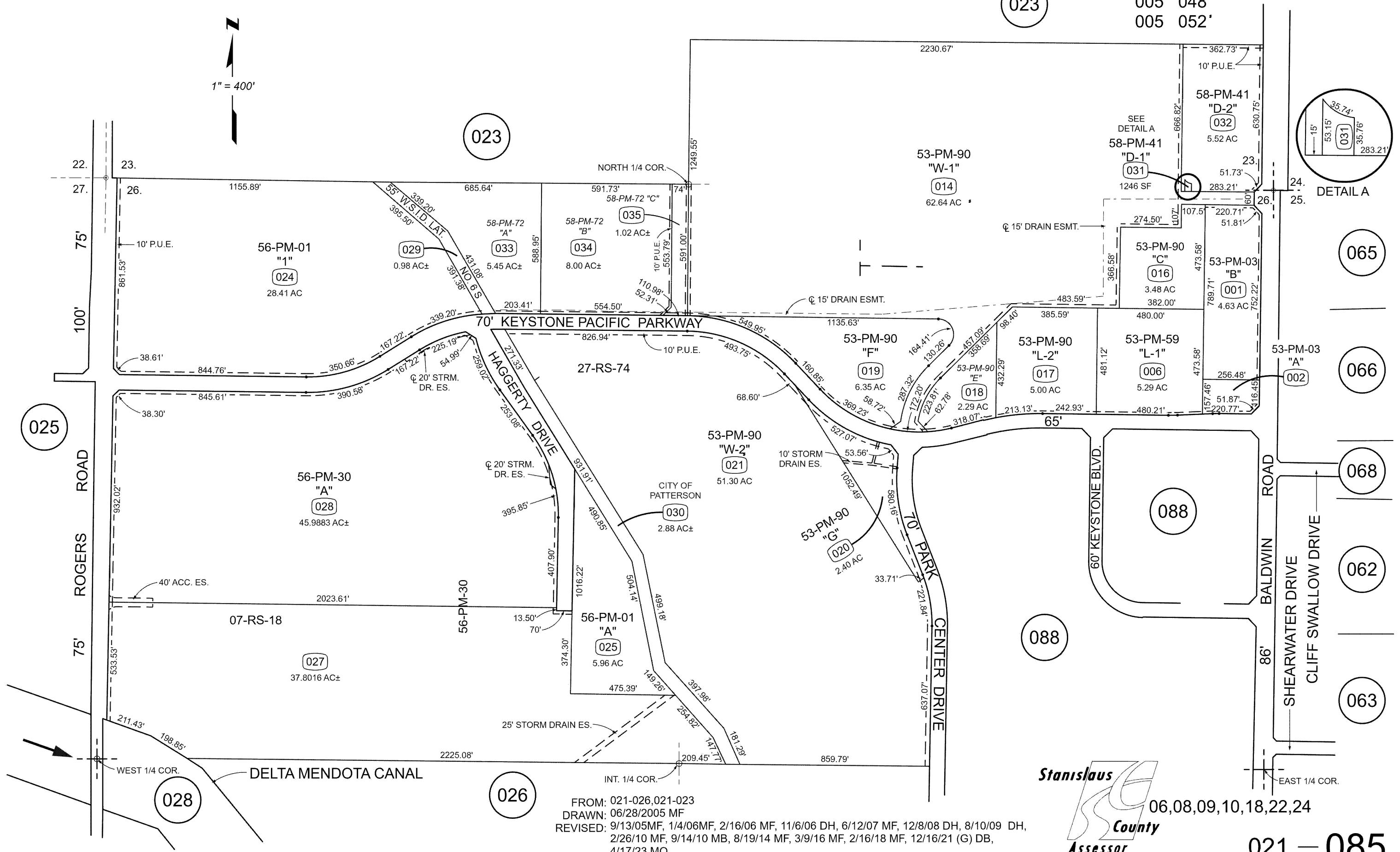
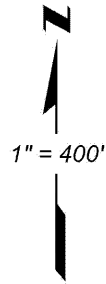
NORTH 1/2 SECTION 26 T.5S. R.7E. M.D.B. & M.

THIS MAP FOR ASSESSMENT PURPOSES ONLY

TRA
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005 048
005 052'

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065

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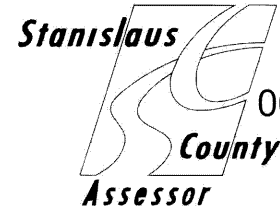
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063

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4/17/23 MQ



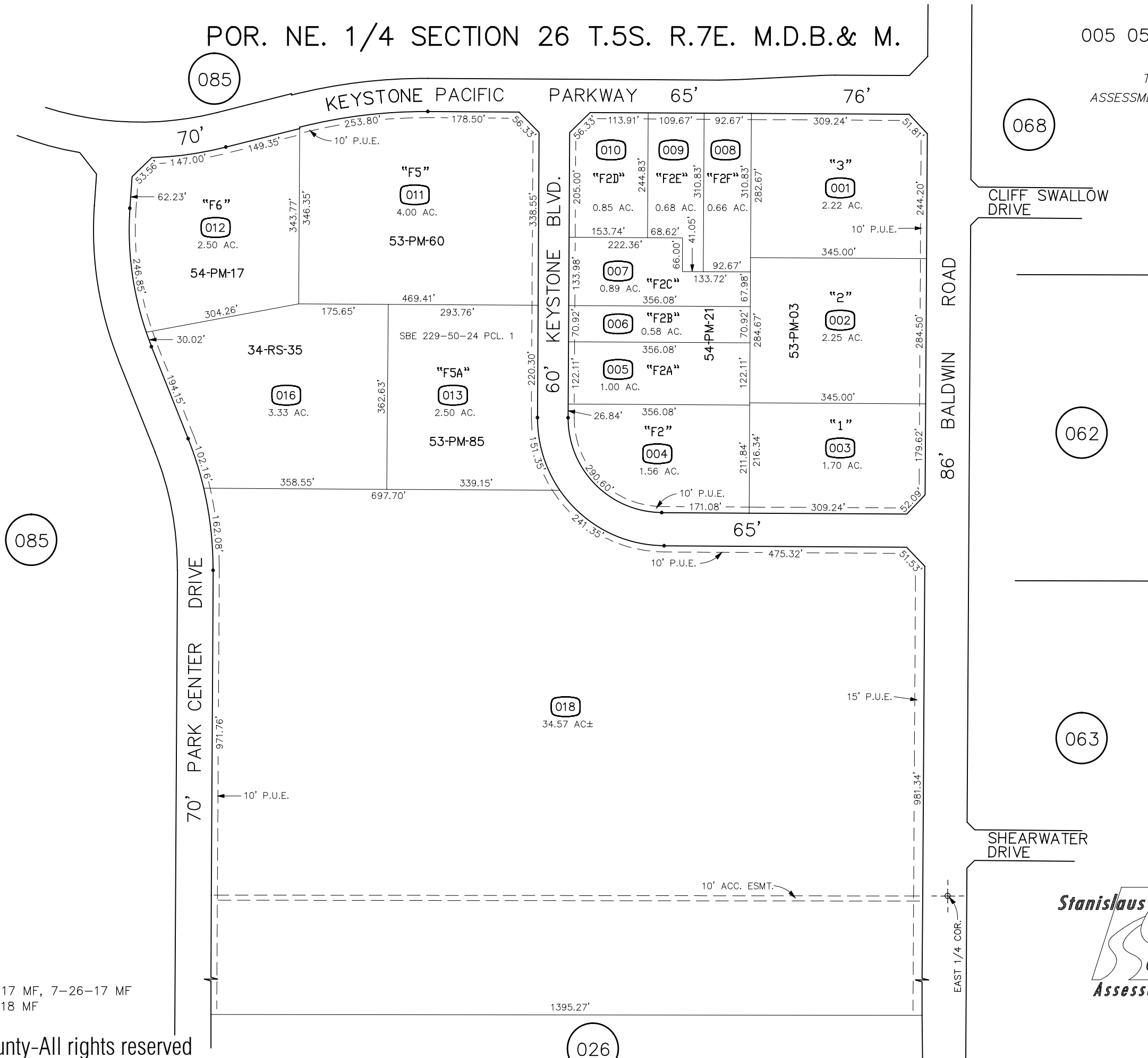
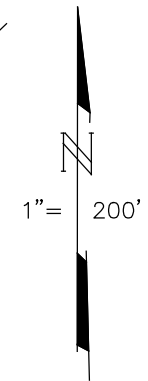
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021 - 085

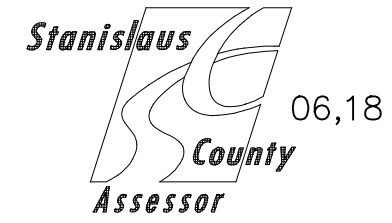
POR. NE. 1/4 SECTION 26 T.5S. R.7E. M.D.B.& M.

005 052 021 - 088

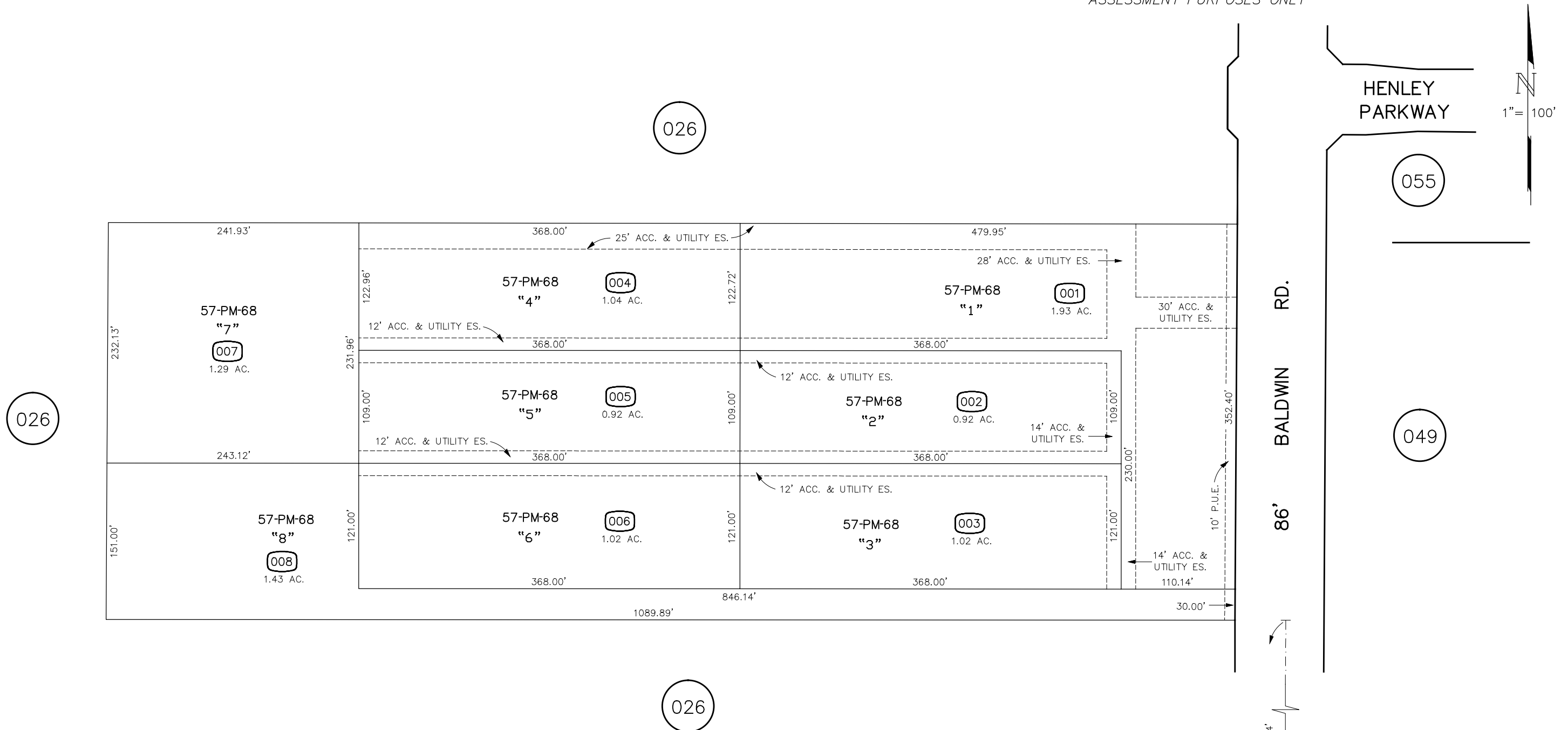
THIS MAP FOR ASSESSMENT PURPOSES ONLY



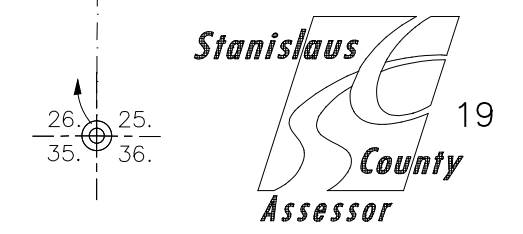
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THIS MAP FOR ASSESSMENT PURPOSES ONLY



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REVISED:

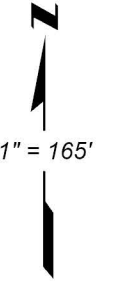


POR. SE. 1/4 SECTION 26 T.5S. R.7E. M.D.B. & M.

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THIS MAP FOR
ASSESSMENT PURPOSES ONLY



026

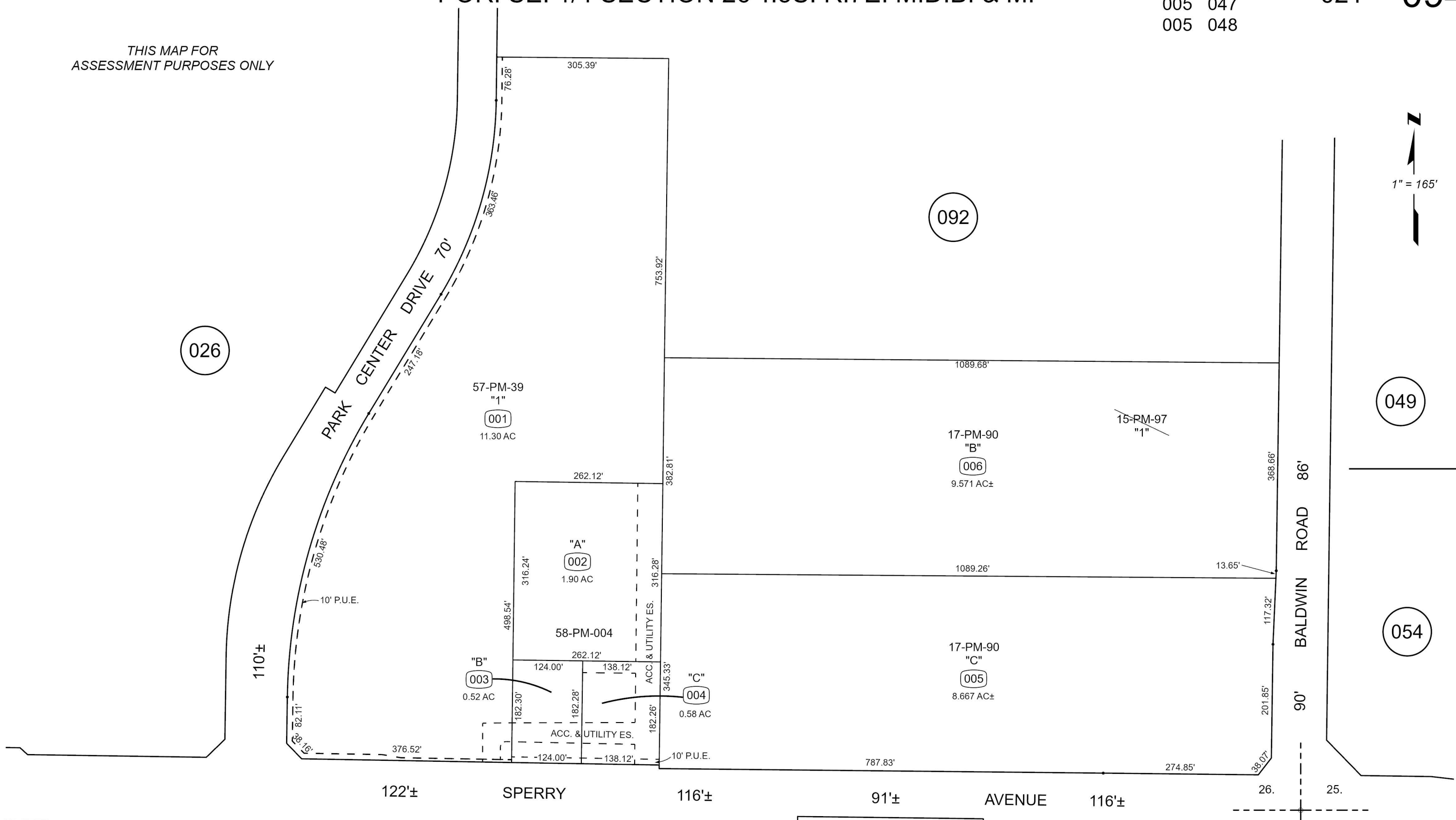
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021 — 094



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REVISED

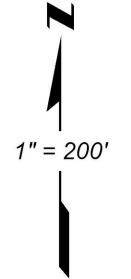
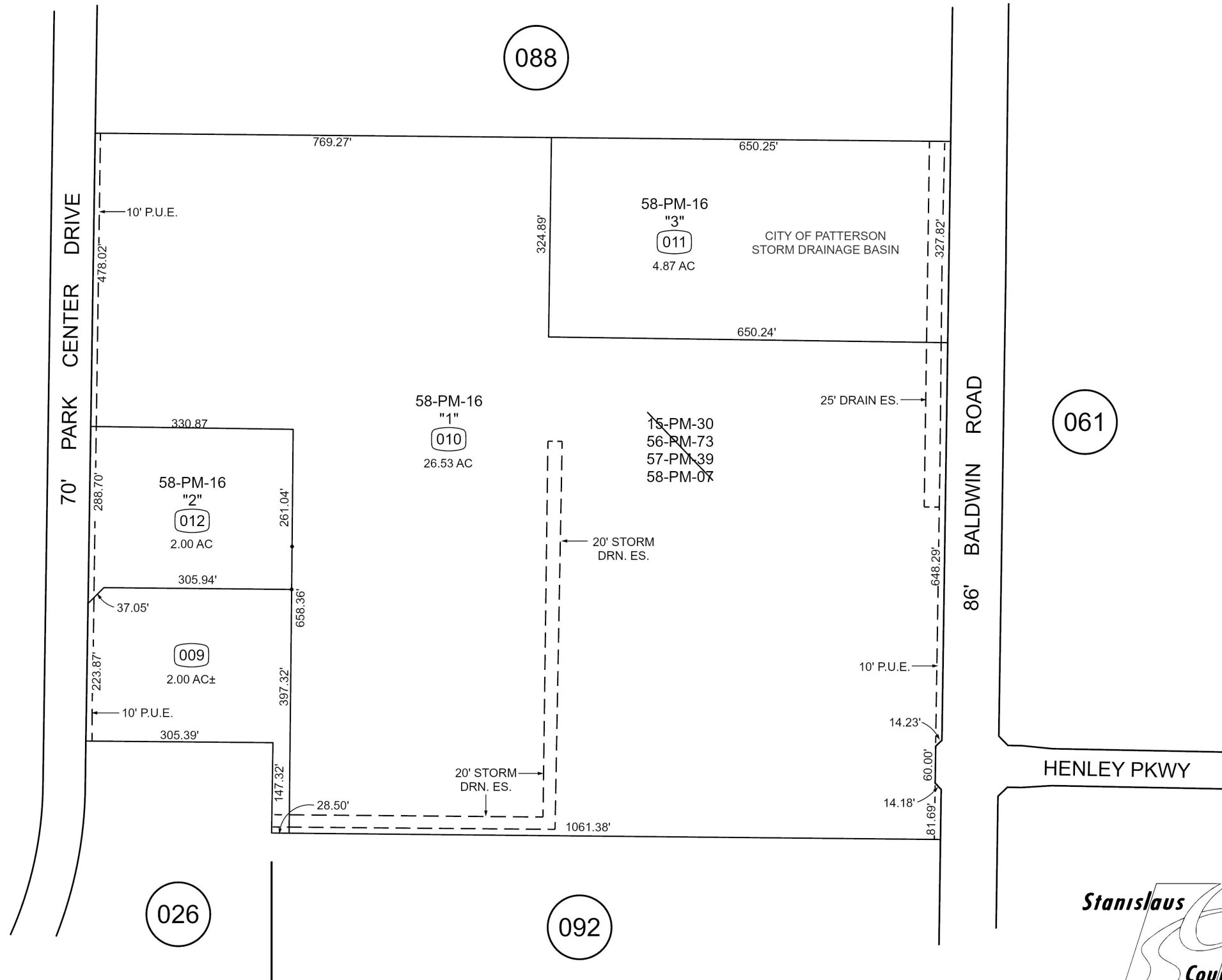


POR. SE 1/4 SECTION 26 T.5S. R.7E. M.D.B. & M.

005 048

021 — 095

THIS MAP FOR
ASSESSMENT PURPOSES ONLY



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DRAWN: 02-06-2020 DB
REVISED: 8-14-20 DB

