Agenda

City Council Regular Meeting

Folsom City Hall | City Council Chambers, First Floor

50 Natoma Street, Folsom, CA 95630

May 13, 2025, 6:30 PM

Welcome to Your City Council Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

Participation

If you would like to provide comments to the City Council, please:

- Fill out a blue speaker request form, located at the back table.
- Submit the form to the City Clerk before the item begins.
- When it's your turn, the City Clerk will call your name and invite you to the podium.
- Speakers generally have three minutes, unless the presiding officer (usually the mayor) changes that time.

Reasonable Accommodations

In compliance with the Americans with Disabilities Act, if you are a person with a disability and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (916) 461-6035, (916) 355-7328 (fax) or CityClerkDept@folsom.ca.us. Requests must be made as early as possible and at least two full business days before the start of the meeting.

How to Watch

The City of Folsom provides three ways to watch a City Council meeting:

In Person	Online	On TV
		
City Council meetings take place at City Hall, 50 Natoma Street	Watch the livestream and replay past meetings on the city website, www.folsom.ca.us	Watch live and replays of meetings on Sac Metro Cable TV, Channel 14

More information about City Council meetings is available at the end of this agenda

City Council Regular Meeting
Folsom City Hall | City Council Chambers, First Floor
50 Natoma Street, Folsom, CA 95630
www.folsom.ca.us

Tuesday, May 13, 2025 6:30 PM

Sarah Aquino, Mayor

Mike Kozlowski, Councilmember | *Barbara Leary, Councilmember*
Justin Raithel, Vice Mayor | *Anna Rohrbough, Councilmember*

AGENDA

CALL TO ORDER

ROLL CALL:

Councilmembers: Kozlowski, Leary, Raithel, Rohrbough, Aquino

The City Council has adopted a policy that no new item will begin after 10:30 p.m. Therefore, if you are here for an item that has not been heard by 10:30 p.m., you may leave, as the item will be continued to a future Council meeting.

PLEDGE OF ALLEGIANCE

AGENDA UPDATE

BUSINESS FROM THE FLOOR:

Members of the public are entitled to address the City Council concerning any item within the Folsom City Council's subject matter jurisdiction. Public comments are generally limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda.

SCHEDULED PRESENTATIONS:

1. Resolution of Commendation Honoring Mark Rackovan for his Outstanding Service to the City of Folsom
2. Proclamation of the Mayor of the City of Folsom Proclaiming May 18 - May 24, 2025 as National Public Works Week and May 21, 2025 as City Works Day
3. Proclamation of the Mayor of the City of Folsom Proclaiming May 11-17, 2025 as National Police Week in the City of Folsom
4. Proclamation of the Mayor of the City of Folsom Proclaiming May 2025 as National Water Safety and Drowning Prevention Month
5. Proclamation of the Mayor of the City of Folsom Proclaiming May 2025 as “May is Bike Month" in the City of Folsom
6. City of Folsom Resolution of Commendation Honoring the Folsom Arts Association for Receiving the 2024 Folsom Arts Achievement Award
7. Annual Presentation by the Sacramento-Yolo Mosquito and Vector Control District regarding Regional Mosquito and Vector Management Efforts

CONSENT CALENDAR:

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Councilmembers may pull an item for discussion.

8. Approval of April 22, 2025 Special and Regular Meeting Minutes
9. Ordinance No. 1349 - An Ordinance of the City of Folsom Amending Subsection E(4) and adding Subsection (E)(7) to Section 17.52.510 of the Folsom Municipal Code Pertaining to Minor Illuminated Open Signs in the Historic District Sutter Street Subarea (Second Reading and Adoption)
10. Ordinance No. 1350 - An Uncodified Ordinance of the City of Folsom to Designate Fire Hazard Severity Zones in the Local Responsibility Area (LRA) (Second Reading and Adoption)
11. Ordinance No. 1351 – An Ordinance of the City of Folsom Amending Sections 5.20.050(C) and 5.20.070(A)(2) of the Folsom Municipal Code to Increase the Number of Card Tables and Specify the Number of Cardrooms and Card Tables in the City (Second Reading and Adoption)
12. Resolution No. 11372 – A Resolution Authorizing the City Manager to Execute an Agreement with Stertil-Koni USA, Inc. to Purchase Mobile Column Lifts to Raise Heavy Vehicles as Required for Maintenance and Repair
13. Resolution No. 11373 – A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the Sacramento Transportation Authority Regarding Coordination of State Transportation Improvement Program Funding Applications and Communication
14. Resolution No. 11378 - A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed $750,000 (Total Aggregate Amount for All Consultants) Annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB and Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas

15. Resolution No. 11380– A Resolution Authorizing the City Manager to Hire a Limited-Term Park Planner II to Support Park and Trail Planning and Development in the Folsom Plan Area and Authorizing the Appropriation of Funds

PUBLIC HEARING:

16. Resolution No. 11371- A Resolution to Amend Resolution No. 11364 and Adopt an Amended User Fee Schedule for Selected Police Department Services

NEW BUSINESS:

17. City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)

    i. Resolution No. 11374– A Resolution of the City Council of the City of Folsom Appointing Consultants, Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)" and to Levy Special Taxes therein

    ii. Resolution No. 11375– A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) and Calling for a Public Hearing thereon

18. Resolution No. 11381- A Resolution Authorizing the City Manager to Execute an Agreement to Purchase 1 Natoma Street (APN 071-0310-014-0000) for Police Department Use

19. Resolution No. 11376- A Resolution Authorizing the City Manager to Execute an Operational Agreement for Use of the Parcel 61 Electronic Readerboard Sign to be Located at the Southwest Corner of East Bidwell Street and Alder Creek Parkway

20. Resolution No. 11370 - A Resolution Replacing Resolution No. 6451 and Establishing City Council Meeting Recesses in July, November, and December

21. Resolution No. 11379 - A Resolution Authorizing the Public Works Department to Implement a Flashing Yellow Arrows Trial Project

CITY MANAGER REPORTS

COUNCIL COMMENTS

ADJOURNMENT

NOTICE: Members of the public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address Council on an issue, which is on this agenda, please complete a blue speaker request card, and deliver it to a staff member at the table on the left side of the Council Chambers prior to discussion of the item. When your name is called, stand to be recognized by the Mayor and then proceed to the podium. If you wish to address the City Council on any other item of interest to the public, when the Mayor asks if there is any "Business from the Floor," follow the same procedure described above. Please limit your comments to three minutes or less.

NOTICE REGARDING CHALLENGES TO DECISIONS: Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or

someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

As presiding officer, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Council, and to enforce the rules of the Council.

PERSONS INTERESTED IN PROPOSING AN ITEM FOR THE CITY COUNCIL AGENDA SHOULD CONTACT A MEMBER OF THE CITY COUNCIL.

This meeting of the City Council is recorded with closed captioning. The recording will be cablecast on Metro Cable Channel 14, the local government affairs channel on the Comcast and DirecTV U-Verse cable system, and will be shown in its entirety on the Friday and Saturday following the meeting, both at 9 a.m. The recording will also be video streamed at metro14live.saccounty.gov.The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14. The City of Folsom provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the online services page of the City's website www.folsom.ca.us.

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Any documents produced by the City and distributed to the City Council regarding any item on this agenda will be made available at the City Clerk's Counter at City Hall located at 50 Natoma Street, Folsom, California and at the Folsom Public Library located at 411 Stafford Street, Folsom, California during normal business hours.

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Resolution of Commendation

Honoring

Mark Rackovan

FOR HIS OUTSTANDING SERVICE TO THE CITY OF FOLSOM

WHEREAS, Mark Rackovan has dedicated 27 years of exemplary service to the City of Folsom, significantly contributing to the development, planning, and safety of the City's transportation network; and

WHEREAS, Mark served as a dedicated member of the Traffic Safety Committee for 22 years, from 1997 to 2019, providing staff support and helping guide critical transportation safety decisions; and

WHEREAS, Mark played an instrumental role in the planning and design of major infrastructure projects that transformed Folsom's transportation system, including Lake Natoma Crossing, Folsom Lake Crossing, East Bidwell Interchange, Empire Ranch Interchange, the Connector, and numerous road widening and extension projects; and

WHEREAS, Mark implemented the City's first Neighborhood Traffic Management Plan, Intelligent Transportation Systems Plan, and Local Road Safety Plan, all of which have provided a foundation for ongoing improvements in Folsom's transportation network; and

WHEREAS, Mark served the Sacramento-Placerville Transportation Corridor Joint Powers Authority for 11 years, preserving it as a historic, cultural, recreational, and transportation asset; and

WHEREAS, Mark's work, leadership, and commitment to improving the quality of life for the residents of Folsom extends far beyond the above-listed accomplishments, making a lasting impact on the City's transportation system, public safety, and overall development.

NOW, THEREFORE, I, SARAH AQUINO, Mayor of the City of Folsom, on behalf of the Folsom City Council and the residents of this community, have the honor to congratulate Mark Rackovan on his retirement from the City of Folsom and convey our warmest wishes to him and his wife, Linda, and family.

COMMENDED, this 13th day of May, 2025.

_____

Sarah Aquino, MAYOR

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Proclamation of the Mayor of the City of Folsom
Proclaiming
May 18 - May 24, 2025 as National Public Works Week
and
May 21, 2025 as City Works Day

WHEREAS, public works services provided in the Folsom community are an essential part of our residents' everyday lives and are vital to the health, safety, and high quality of life that Folsom is known for; and

WHEREAS, these critical services—including traffic engineering, street maintenance, storm drainage, solid waste collection, recycling, and hazardous materials management—could not be provided without the dedicated efforts of public works professionals, including engineers, managers, and staff; and

WHEREAS, the City of Folsom is committed to sharing information with residents about municipal services and programs that support a resilient and sustainable community; and

WHEREAS, City Works Day—taking place on May 21, 2025, at City Lions Park—is designed to inspire residents of all ages to explore and learn about the services provided by the City of Folsom; and

WHEREAS, the year 2025 marks the 65th Annual National Public Works Week, with the theme "People, Purpose, Presence," sponsored by the American Public Works Association, in celebration of the public works professionals who connect us all through service and dedication:

NOW, THEREFORE, I, Sarah Aquino, Mayor of the City of Folsom, on behalf of the Folsom City Council, do hereby proclaim the week of May 18 through May 24, 2025 as National Public Works Week and May 21, 2025 as City Works Day in the City of Folsom, and urge all residents to recognize the invaluable contributions that Public Works and other City departments make every day in protecting public health, safety, and enhancing the quality of life in our community.

PROCLAIMED this 13th day of May 2025.

_____

Sarah Aquino, MAYOR

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

PROCLAMATION
OF THE MAYOR OF THE CITY OF FOLSOM
PROCLAIMING May 11 – 17, 2025
as
NATIONAL POLICE WEEK IN THE CITY OF FOLSOM

WHEREAS, in 1962, President Kennedy issued a proclamation based on a joint resolution of Congress, which proclaimed May 15 as National Peace Officers Memorial Day and the calendar week in which May 15 falls as National Police Week in recognition of those federal, state and local law enforcement officers who have lost their lives or have become disabled in the line of duty for the safety and protection of others; and

WHEREAS, in 2024, a total of 165 peace officers lost their lives either in the line of duty or from injuries received while on duty. This devastating figure is an increase of 6.5% from 2023; and

WHEREAS, the service and sacrifice of all officers killed in the line of duty will be honored and the names of the officers newly engraved on the Memorial will be formally dedicated during the National Law Enforcement Officers Memorial Fund Annual Candlelight Vigil, to be held on the evening of Tuesday, May 13, 2025; and

WHEREAS, it is important that all residents know and understand the duties, responsibilities, hazards and sacrifices of those who dedicate their lives to the law enforcement profession and to keeping our communities safe; and

WHEREAS, Folsom Police officers work selflessly on behalf of the exceptionally supportive people of this great City to safeguard the lives and property of all individuals regardless of the peril or hazard to themselves; and

WHEREAS, by their patriotic service and their dedicated efforts, these men and women have earned the gratitude of the City of Folsom.

NOW, THEREFORE, I, SARAH AQUINO, Mayor of the City of Folsom on behalf of the Folsom City Council, do hereby proclaim the week of May 11-17, 2025, as ***NATIONAL POLICE WEEK*** in the City of Folsom and extend our gratitude to the men and women of the Folsom Police Department for their dedicated service to our community and for their courage, diligence, and dedication to keeping our City and residents safe.

PROCLAIMED this 13th day of May, 2025.

_____
Sarah Aquino, MAYOR

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

PROCLAMATION
OF THE MAYOR OF THE CITY OF FOLSOM
PROCLAIMING MAY 2025
AS
"NATIONAL WATER SAFETY AND DROWNING PREVENTION MONTH"

WHEREAS, the Parks & Recreation Department encourages physical activities by providing safe spaces for popular water activities and swimming programs at the Steve Miklos Aquatics Center; and

WHEREAS, the Parks & Recreation Department provides lifeguard services for public swimming pool usage; the Steve Miklos Aquatics Center received the Gold Standard for facility safety in 2024; and

WHEREAS, the California Department of Public Health reports that between 2018-2023, over 500 children under 5 years of age died from drowning, and over 1,160 were hospitalized and treated in a hospital emergency room for non-fatal water events; and

WHEREAS, the City of Folsom recommends that parents and those with backyard swimming pools take a CPR and First Aid course to acquire skills and knowledge that can help save lives; and

WHEREAS, the Parks & Recreation Department provides more than 1,770 individuals swim lessons and conducts more than 390 classes for educational and safety purposes; and

WHEREAS, the Fire Department responds to emergencies in our rivers, lakes, and open water environments and urges residents to educate themselves on all aspects of water safety, and reminds everyone to always wear a life jacket:

NOW THEREFORE BE IT RESOLVED that, I Sarah Aquino, Mayor of the City of Folsom, do hereby proclaim May 2025 as "***National Water Safety and Drowning Prevention Month***."

PROCLAIMED this 13th day of May 2025.

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Sarah Aquino, MAYOR

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

PROCLAMATION
OF THE MAYOR OF THE CITY OF FOLSOM
PROCLAIMING MAY 2025
AS
"MAY IS BIKE MONTH" IN THE CITY OF FOLSOM

WHEREAS, the bicycle is an economical, healthy, convenient, and environmentally sound form of transportation and is an excellent tool for recreation and enjoyment of Folsom's scenic beauty; and

WHEREAS, on May 3rd, the City of Folsom will kick off "May is Bike Month" on the streets and trails of Folsom and beyond; and

WHEREAS, Folsom is known as a bicycling-friendly community with many cycling advocates and cycling groups; and

WHEREAS, the City promotes bicycle tourism year-round to entice visitors to enjoy our local restaurants, hotels, retail establishments, and cultural and scenic attractions; and

WHEREAS, the Folsom residents and visitors are encouraged to experience the joys of bicycling through educational programs, races, commuting events, charity events, or by simply getting out and going for a ride:

NOW THEREFORE BE IT RESOLVED that, I Sarah Aquino, Mayor of the City of Folsom, do hereby proclaim May 2025 as **"May is Bike Month"**.

PROCLAIMED this 13th day of May 2025.

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Sarah Aquino, MAYOR

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

City of Folsom
Resolution of Commendation

Honoring

The Folsom Arts Association
For Receiving The 2024 Folsom Arts Achievement Award

WHEREAS, the Arts Achievement Award is presented to recognize and honor the Folsom Arts Association; and

WHEREAS, the Folsom Arts Association is a non-profit membership association founded in 2003 and comprised of more than 200 members who are dedicated to the visual arts; and

WHEREAS, the Folsom Arts Association hosts monthly art demonstrations by regional artists that provide unique opportunities for the community to learn and enjoy a variety of art mediums; and

WHEREAS, the Folsom Arts Association provides annual support to the Folsom Parks & Recreation Department at the Gallery at 48 Natoma at artist reception shows, hanging artwork, and judging exhibits that are in the Community Art Gallery; and

WHEREAS, annually the Folsom Arts Association sponsors an amateur photography contest open to the community that are judged and awarded prizes for outstanding photographs; and

WHEREAS, the Folsom Arts Association provides ongoing support through a variety of art forms to the Folsom Parks & Recreation Department and community to build art awareness and define Folsom as a regional art location.

NOW, THEREFORE, I, Sarah Aquino, Mayor of the City of Folsom, on behalf of the Folsom City Council, the Folsom Arts and Culture Commission, and the Folsom community, do hereby extend commendations in the highest regard to the Folsom Arts Association for receiving the 2024 Folsom Arts Achievement Award.

COMMENDED this 13th day of May 2025.

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Sarah Aquino, MAYOR

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Scheduled Presentations
SUBJECT:	Annual Presentation by the Sacramento-Yolo Mosquito and Vector Control District regarding Regional Mosquito and Vector Management Efforts
FROM:	City Clerk's Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council receive an update from Sacramento-Yolo Mosquito and Vector Control District representatives regarding their ongoing work to manage issues and challenges related to mosquito control. No formal action is requested of the Council.

BACKGROUND

The Sacramento-Yolo Mosquito and Vector Control District was established in 1946 following the passage of California's "Mosquito Abatement Act," which allowed for the formation of districts to protect public health from mosquito-borne diseases and serious pest nuisances. The District is governed by a Board of Trustees, with each trustee appointed by a city council or county board of supervisors within the District's boundaries. The City of Folsom's representative on the Board is Craig Burnett, who has served in this capacity since 1978.

The District provides year-round mosquito and vector control services across over 2,000 square miles of urban, commercial, and agricultural land in Sacramento and Yolo counties. It is divided into 26 zones, each managed by state-certified technicians responsible for surveillance, monitoring, and treatment activities.

The District's mission is to provide safe, effective, and economical mosquito and vector control for Sacramento and Yolo counties. This is achieved through continuous surveillance to monitor disease threats and reduce nuisance levels, as well as active collaboration with

residents, property owners, agencies, and community groups. The primary goal is to protect public health from vector-borne illnesses such as West Nile virus, Western Equine Encephalitis, canine heartworm, and malaria.

Each year, representatives from the District provide an annual update to the City Council to share information on current programs, challenges, and activities related to mosquito abatement and public health.

Submitted,

Christa Freemantle, CMC
City Clerk

City Council Special Meeting

MINUTES

Tuesday, April 22, 2025 5:30 PM

CALL TO ORDER

The special City Council meeting was called to order at 5:30 pm with Mayor Aquino presiding.

ROLL CALL:

Councilmembers Present:	Anna Rohrbough, Councilmember Michael Kozlowski, Councilmember Barbara Leary, Councilmember Sarah Aquino, Mayor
Councilmembers Absent:	Justin Raithel, Vice Mayor (*arrived at 5:32*)

ADJOURNMENT TO CLOSED SESSION FOR THE FOLLOWING PURPOSES:

1. Conference with Real Property Negotiator – Pursuant to Government Code section 54956.8: Retail Space at 905 Leidesdorff Street, APN 070-0052-023-0000. Negotiating Parties: City Manager Bryan Whitemyer on behalf of the City of Folsom, and Taryn Grows and Charlie Grows, of Pour Leadership Inc., DBA Uncle Charlie's Firehouse & Brew. Under Negotiation: Price and Terms of Lease

2. Conference with Real Property Negotiator – Pursuant to Government Code section 54956.8: 405 Natoma Station Drive, APN 072-0850-029-0000. Negotiating Parties: City Manager Bryan Whitemyer on behalf of the City of Folsom, and Kelli Vaccaro, DBA Kids Inc. Under Negotiation: Price and Terms of Lease

3. Conference with Real Property Negotiator – Pursuant to Government Code section 54956.8: Right of way at Leidesdorff Street, Burnett Street, and Alleyways Around 1108 Sutter Street, APN 070-0046-024. Negotiating Parties: City Manager Bryan Whitemyer on behalf of the City of Folsom, and Lauren Alexander on behalf of Pacific West Communities. Under Negotiation: Price and Terms of Sale

4. Conference with Real Property Negotiator – Pursuant to Government Code section 54956.8: Real Property Located at 1 Natoma Street in Folsom, APN 071-0310-014-0000. Negotiating Parties: City Manager Bryan Whitemyer on behalf of the City of Folsom, and Mallory Gonzalez on behalf of the Property Owner. Under Negotiation: Price and Terms of Sale

Motion by Councilmember Kozlowski second by Councilmember Leary to adjourn to closed session. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Aquino
NOES: None
ABSENT: Raithel
ABSTAIN: None

RECONVENE

City Attorney Steven Wang announced that no final action was taken during closed session.

ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 6:30 pm.

SUBMITTED BY:

_____
Christa Freemantle, City Clerk

ATTEST:

_____
Sarah Aquino, Mayor

City Council Regular Meeting

MINUTES

Tuesday, April 22, 2025 6:30 PM

CALL TO ORDER

The regular City Council meeting was called to order at 6:30 pm with Mayor Sarah Aquino presiding.

ROLL CALL:

Councilmembers Present:	Anna Rohrbough, Councilmember Michael Kozlowski, Councilmember Barbara Leary, Councilmember Justin Raithel, Vice Mayor Sarah Aquino, Mayor
Councilmembers Absent:	None

PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

AGENDA UPDATE

City Attorney Steven Wang advised that there were agenda updates for items 9, 10 and 14.

BUSINESS FROM THE FLOOR:

There were no requests to speak under this item.

CONSENT CALENDAR:

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Councilmembers may pull an item for discussion.

1. Approval of March 25, 2025 Special, Regular, and Joint Meeting Minutes

2. Approval of April 8, 2025 Special and Regular Meeting Minutes

3. Resolution No. 11350- A Resolution Accepting Funding from the California Governor's Office of Emergency Services for 9-1-1 Equipment Maintenance and Appropriation of Funds

4. Resolution No. 11358 - A Resolution Authorizing the City Manager to Execute an Agreement with Water Works Engineers, LLC for the City's Sanitary Sewer Master Plan

5. Resolution No. 11359 - A Resolution Authorizing the City Manager to Execute the Phase 2 Water Transmission Facilities Reimbursement Agreement between the City of Folsom and Certain Land Owners in the Folsom Plan Area

6. Resolution No. 11360 – A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement to Administering Agency-State Agreement 03-5288F15 for the Folsom Lake Crossing Safety Improvements Phase 2 Project

7. Pulled for discussion

8. Resolution No. 11363 - A Resolution Updating the City of Folsom Legislative Platform and Advocacy Manual

9. Resolution No. 11367- A Resolution Authorizing the City Manager to Execute an Amendment to the Lease Agreement Between the City of Folsom and Kelli Vaccaro, DBA Kids Inc. for the Lease of 405 Natoma Station Drive, APN 072-0850-029-0000

10. Resolution No. 11368- A Resolution Authorizing the City Manager to Execute an Amendment to the Lease Agreement Between the City of Folsom and Pour Leadership Inc. DBA Uncle Charlie's Firehouse & Brew for the Lease of Retail Space at 905 Leidesdorff Street, APN 070-0052-023-0000

11. Pulled for discussion

Motion by Councilmember Kozlowski, second by Councilmember Leary to approve Item Nos. 1-6 and 8-10 of the Consent Calendar. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

PULLED FOR DISCUSSION:

7. Resolution No. 11361 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with Consolidated Engineering, Inc. for the Pavement Repair and Resurfacing Project (Project 8017) FY 2024-25

City Manager Bryan Whitemyer pulled this item to recognize the efforts of Public Works Department staff and to provide additional details regarding the significant upcoming pavement projects.

Public Works Department Engineering Manager Ryan Chance made a presentation and responded to questions from the City Council.

Motion by Councilmember Kozlowski, second by Councilmember Leary to approve Resolution No. 11361 of the Consent Calendar. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

11. Resolution No. 11369 - A Resolution Authorizing Staff to Submit Grant Applications to the Sacramento Area Council of Governments for the 2024-25 State Transportation Improvement Program (STIP) Funding Round

City Manager Bryan Whitemyer pulled this item for further discussion.

Public Works Department Engineering Manager Ryan Chance made a presentation and responded to questions from the City Council.

City Manager Bryan Whitemyer provided additional clarification and responded to questions from the City Council. Public Works Department Director Mark Rackovan confirmed that there is a nexus permitting the use of developer impact fees for the segment of the trail. Community Development Department Pam Johns responded further to questions from the City Council. The City Council engaged in additional discussion, during which Finance Manager Adam Devlin clarified the use of the impact fund.

Motion by Councilmember Rohrbough, second by Councilmember Kozlowski to approve Resolution No. 11369 of the Consent Calendar [with the changes of making the allocation entirely for the trail]. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Aquino
NOES: Raithel
ABSENT: None
ABSTAIN: None

PUBLIC HEARING:

12. Resolutions Enacting the Annual Inflationary Adjustment for City User Fees

i. Resolution No. 11364 – A Resolution Replacing Resolution No. 11219 and Resolution No. 11235 and Enacting the Annual Inflationary Adjustment for City User Fees for Selected City Services

ii. Resolution No. 11365- A Resolution Replacing Resolution No. 11186 and Enacting the Annual Inflationary Adjustment for Selected Community Development User Fees

Finance Department Revenue Services Manager Elizabeth Hanna made a presentation. Community Development Department Planning Manager Desmond Parrington responded to questions from the City Council and Community Development Department Director Pam Johns provided further clarification.

The public hearing was opened at 7:19 pm. Hearing no requests to speak, the public hearing was closed.

Motion by Councilmember Kozlowski, second by Councilmember Leary to approve Resolution No. 11364. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

Motion by Councilmember Kozlowski, second by Councilmember Rohrbough to approve Resolution No. 11365. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

13. Resolution No. 11366- A Resolution Replacing Resolution No. 11233 and Approving the Updated City Impact and Connection Fee Schedule for Law Enforcement, Fire Suppression, General Facilities, Vehicles and Equipment, Park Improvement, Humbug-Willow Creek, Housing Trust, Water, Sanitary Sewer, Solid Waste, Transportation Improvement, Drainage, and Light Rail Impact Fees

Finance Department Revenue Services Manager Elizabeth Hanna made a presentation.

The public hearing was opened at 7:20 pm. Hearing no requests to speak, the public hearing was closed.

Motion by Councilmember Rohrbough, second by Councilmember Leary to approve Resolution No. 11366. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

14. Resolution No. 11356 – A Resolution to Amend Resolution No. 11186 and 11235 and Adopt an Amended User Fee Schedule for Community Development Planning and Engineering Services

Community Development Department Associate Planner Josh Kinkade made a presentation and responded to questions from the City Council.

City Attorney Steven Wang responded to questions from the City Council and provided clarification regarding appeal fees.

The public hearing was opened at 7:39 pm.

The following speakers spoke under this item:

1. Mike Reynolds
2. Loretta Hettinger
3. Vance Jarrard

Hearing no further requests to speak, the public hearing was closed at 7:46 pm.

Motion by Councilmember Kozlowski, second by Councilmember Leary to approve Resolution No. 11356, with the exception of the appeal fees; they would be kept static or develop a much more modest value.

Before the roll call vote, City Manager Bryan Whitemyer expressed support for adopting a modified fee structure that reflects some increases to help offset costs. He emphasized that while the City's primary role is to provide services—not to operate like a business—balancing competing interests is necessary. The intent of the fee adjustments is not to burden applicants, but to protect the General Fund and ensure continued high-quality service delivery to the community.

Mayor Aquino proposed an amendment to Councilmember Kozlowski's motion to set the appeal fee for both staff-level and commission decisions at $1,500. Councilmember Kozlowski declined to accept the amendment to his motion.

The City Council had further discussion and the Community Department Director Pam Johns responded to questions from the City Council. Community Development Planning Manager Desmond Parrington further clarified.

Mayor Aquino made a substitute motion since Councilmember Kozlowski rejected the amended motion.

Substitute motion by Mayor Aquino, second by Vice Mayor Raithel to approve Resolution No. 11356, with the appeal fee for both staff level and commission level decisions set at $1,500. Motion passed by the following roll-call vote:

AYES: Rohrbough, Leary, Raithel, Aquino
NOES: Kozlowski
ABSENT: None
ABSTAIN: None

NEW BUSINESS:

15. Ordinance No. 1349 - An Ordinance of the City of Folsom Amending Subsection E(4) and adding Subsection (E)(7) to Section 17.52.510 of the Folsom Municipal Code Pertaining to Minor Illuminated Open Signs in the Historic District Sutter Street Subarea (Introduction and First Reading)

Community Development Department Assistant Planner Nathan Stroud made a presentation and responded to questions from the City Council. Community Development Department Planning Manager Desmond Parrington further responded.

Motion by Councilmember Leary, second by Councilmember Rohrbough to introduce Ordinance No. 1349. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

16. Ordinance No. 1350 - An Uncodified Ordinance of the City of Folsom to Designate Fire Hazard Severity Zones in the Local Responsibility Area (LRA) (Introduction and First Reading)

Fire Chief Ken Cusano made a presentation and responded to questions from the City Council.

Motion by Councilmember Kozlowski, second by Vice Mayor Raithel to introduce Ordinance No. 1350. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

17. Ordinance No. 1351 – An Ordinance of the City of Folsom Amending Sections 5.20.050(C) and 5.20.070(A)(2) of the Folsom Municipal Code to Increase the Number of Card Tables and Specify the Number of Cardrooms and Card Tables in the City (Introduction and First Reading)

Community Development Department Principal Planner Jessica Brandt made a presentation and responded to questions from the City Council. City Attorney Steven Wang responded to Mayor Aquino's question regarding changes made to the existing ordinance and confirmed that they would have to be preapproved by the State Attorney General's Office first.

Mayor Aquino inquired about the feasibility of striking paragraph 5.20.070(A)(10) of the ordinance to related to the hours of operation**.** Community Development Department Director Pam Johns responded to the City Council questions and City Attorney Steven Wang provided further clarification that any changes to the cardroom ordinance must be previewed and preapproved by the State Attorney General's Office.

Motion by Councilmember Kozlowski, second by Councilmember Leary to introduce Ordinance No. 1351. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None
ABSENT: None
ABSTAIN: None

Mayor Aquino requested that staff bring language amendments back at a later date.

18. Resolution No. 11357 - A Resolution Authorizing the City Manager to Execute an Agreement with HF&H Consultants, LLC for the Water and Wastewater Rate Studies

Environmental Water Resources Department Director Marcus Yasutake made a presentation.

Motion by Councilmember Leary, second by Councilmember Rohrbough to approve Resolution No. 11357. Motion passed by the following roll-call vote:

AYES: Rohrbough, Kozlowski, Leary, Raithel, Aquino
NOES: None

ABSENT: None
ABSTAIN: None

CITY MANAGER REPORTS

City Manager Bryan Whitemyer recognized the outstanding efforts of City staff and partner agencies in successfully managing the recent large-scale event at Folsom Lake College with Senator Bernie Sanders and Representative Alexandria Ocasio-Cortez, which drew over 26,000 attendees. He noted that the event occurred without major incidents, highlighting the professionalism of Police, Fire, Public Works, and Communications teams. He also reminded the public that trail closures near Willow Creek Drive will begin April 30 as part of the City's ongoing water infrastructure improvement project. Construction will occur Monday through Saturday, with efforts made to minimize noise and dust per City and air quality standards. Additional community updates included the release of the Folsom Parks & Recreation Summer 2025 Activity Guide, the upcoming Earth Day event on April 26 at Prospector Park, Prescription Drug Take-Back Day on April 27, and the Folsom City Zoo Sanctuary's new summer hours beginning May 1. The City also welcomed a new zoo resident, Herbie the black bear.

COUNCIL COMMENTS

Councilmember Kozlowski shared insights from a recent SACOG presentation on transportation planning, suggesting potential value in exploring Bus Rapid Transit in Folsom to enhance connectivity with the Gold Line and meet diverse transit needs beyond work commutes.

Councilmember Rohrbough echoed appreciation for staff efforts during the Folsom Lake College event and acknowledged concerns from impacted residents in her district. She emphasized the importance of applying lessons learned to improve future event planning. She also extended early Mother's Day wishes to the community.

Councilmember Leary expressed appreciation for participating in the City's Water Visioning Process, noting strong community engagement and a forthcoming plan to improve water infrastructure and reliability.

Vice Mayor Raithel had no comments.

Mayor Aquino announced adjustments to her weekly office hours due to upcoming travel with the Air District and to Washington D.C. for the Cap-to-Cap program, with Vice Mayor Raithel and Councilmember Leary filling in, respectively. She also noted that outreach to the City's top 25 sales tax producers is underway as outlined in her State of the City address. The Mayor concluded by thanking Council colleagues for a productive policy-focused meeting.

ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:49 pm.

SUBMITTED BY:

_____
Christa Freemantle, City Clerk

ATTEST:

_____
Sarah Aquino, Mayor

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Ordinance No. 1349- An Ordinance of the City of Folsom Amending Subsection E(4) and adding Subsection (E)(7) to Section 17.52.510 of the Folsom Municipal Code Pertaining to Minor Illuminated Open Signs in the Historic District Sutter Street Subarea (Second Reading and Adoption)
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully requests that the City Council conduct the second reading and adopt Ordinance No. 1349- An Ordinance of the City of Folsom Amending Subsection E(4) and adding Subsection (E)(7) to Section 17.52.510 of the Folsom Municipal Code Pertaining to Minor Illuminated Open Signs in the Historic District Sutter Street Subarea

BACKGROUND / ISSUE

The proposed Ordinance is to modify the sign regulations for the Sutter Street Subarea of the Historic District within Section 17.52.510 of the Folsom Municipal Code in order to allow for the use of minor illuminated "open" signs, including specifically internally illuminated and neon "open" signs, within certain design standards.

The Folsom Municipal Code amendment is based on concerns brought by the Sutter Street Merchants Association regarding the visibility of businesses in the evening hours within the Sutter Street Subarea of the Historic District. Currently, internal illumination and neon are prohibited forms of illumination for all signage in the Sutter Street Subarea. During code enforcement efforts after the end of the COVID-19 Public Health Emergency (PHE), it was discovered that several businesses in the Sutter Street Subarea had put up neon and internally illuminated (e.g., LED, etc.) "open" signs in order to clearly identify that they were open, particularly for businesses which were open in the evenings. Staff presented a workshop to the Historic District Commission regarding this issue on June 5, 2024, during which several business owners recommended that certain types of illuminated "open" signs be allowed in order to provide greater visibility for

businesses. At the direction by the Commission, staff prepared a draft Ordinance which would allow for the use of minor illuminated open signs, which is the subject of this report.

The proposed Ordinance was considered by the Historic District Commission at its March 12, 2025 hearing. At this hearing, Judy Collingsworth of the Folsom Historic District Association spoke in support of the ordinance. However, instead of limiting the colors to red or orange as staff had proposed, Ms. Collingsworth, speaking on behalf of the merchants of Sutter Street, voiced a preference for limiting the illumination color to white only. Comment letters have also been submitted by the Heritage Preservation League, who recommended the continued prohibition on neon and recommended the allowance of alternative forms of internal illumination that use warm tones; and by Bob Delp, Historic District resident, who recommended that the City enforce the existing prohibition of neon and internal illuminated signage for the noncompliant "open" signs. The Commission expressed support for the Ordinance, with an amendment to limit the color of illumination to white instead of the red and orange colors as originally proposed by staff. The Planning Commission adopted a motion (5-0-1-1: 5 votes in support, 0 opposed, 1 recusal, and 1 member absent) to recommend approval of the proposed Ordinance to the City Council, subject to the findings included with the report.

The proposed Ordinance was introduced to the City Council at its April 22, 2025 hearing. The City Council voted (5-0-0-0: 5 votes in support, 0 opposed, 0 recusal, and 0 member absent) to introduce and conduct first reading of Ordinance No. 1349- An Ordinance of the City of Folsom Amending Subsection E(4) and adding Subsection (E)(7) to Section 17.52.510 of the Folsom Municipal Code Pertaining to Minor Illuminated Open Signs in the Historic District Sutter Street Subarea. No changes have been made since the first reading.

POLICY / RULE

Under Section 2.12 of the City Charter, amendments to the Folsom Municipal Code require review and approval by the City Council.

ANALYSIS

Under the current sign regulations for the Sutter Street Subarea, "open" signs are limited to externally and nonilluminated signage due to the prohibition of the use of neon and internal illumination for all signage, as outlined in FMC 17.52.510(E)(4). After research around the potential for externally illuminated "open" sign options, staff found that these types of "open" signs are not common or readily available on the market compared to other illuminated "open" sign options, and business owners on Sutter Street have claimed that nonilluminated "open" signs are not easily visible in the evening hours which makes it difficult for customers to clearly identify which businesses are opened or closed.

Additionally, of the historic districts in our region that were evaluated by staff, most either explicitly allowed or did not prohibit the use of neon or internally illuminated signage. Notably, Nevada City's district prohibited internally illuminated signs, including neon, but others, such as Auburn and Woodland, explicitly allow for neon signs. Sacramento and Grass Valley also allow for the use of internally illuminated signage in their historic district standards. Of the illuminated "open" signs allowed in these districts, staff concluded that a controlled approach for the Sutter

street Subarea would help both address the needs of businesses for visibility while maintaining the district's historic character.

Staff has provided proposed modifications to FMC Section 17.52.510 to add a provision to allow businesses in the Sutter Street Subarea the use of one "open" sign of a size no greater than 1.5 square-feet, that may be nonilluminated, externally illuminated, or internally illuminated. A clean version of the proposed ordinance is provided in Attachment 1, and a redlined version showing the edits is provided in Attachment 2. The types of internal illumination are further limited to face-lit, neon-tube, or similar type of illumination. Animated signs and multi-bulb signs would be prohibited alongside any information that would advertise the business, such as trade names, logos, or symbols. Illumination is proposed to be limited to only white colors.

This proposal aims to improve visibility for businesses during evening hours without compromising the historic character of the Sutter Street Subarea. The allowance for internal illumination, including neon, would grant businesses greater visibility in the evenings, while the limitation on the number of signs, the size, and the prohibition on advertisement would ensure that the use of these "open" signs will be as small minor signs, not the main visual draw for the storefront of a business. The size limitation to 1.5 square-feet will also be able to accommodate most readily available "open" sign sizes on the market. The prohibition on animated and multi-bulb signs will also ensure that no modern-appearing signs, such as multi-bulb LED signs, would be used.

Originally staff had recommended that the illumination colors be limited to red and orange, as this was the first colors available for neon signage in the early 1900s and is considered more historically compatible with the Historic District. Additionally, the use of red and orange would effectively limit the brightness, and thus the visual impact, of the signs on the historic street façade. However, a letter from the Folsom Historic District Association recommended that only white illumination be allowed, which was reiterated by their representative at the March 12th Historic District Commission hearing, and at the direction of the Commission staff have modified the color to white illumination only. The limitation to a singular color is intended to prevent the use of modern red and blue neon "open" signs (developed in the 1980s) which are not considered historically accurate to the Sutter Street Subarea.

Overall, the proposed draft ordinance intends to balance the goal to preserve the historic character of the Sutter Street Subarea with the needs of businesses for enhanced evening visibility through allowing the use of small, minor illuminated "open" signs.

FINANCIAL IMPACT

The changes to Section 17.52.510 of the FMC is not anticipated to impact the General Fund.

ENVIRONMENTAL REVIEW

The change to this chapter of the Folsom Municipal Code is not a project under the California Environmental Quality Act (CEQA) and is therefore exempt from environmental review in accordance with Section 15061(b)(3). Additionally, the addition of small illuminated open signs at Sutter Street businesses would be categorically exempt under Section 15301 of the CEQA Guidelines as it is a minor alteration that involves no expansion of the use.

ATTACHMENTS

1. Ordinance No. 1349 – An Ordinance of the City of Folsom Amending Subsection E(4) and adding Subsection (E)(7) to Section 17.52.510 of the Folsom Municipal Code Pertaining to Minor Illuminated Open Signs in the Historic District Sutter Street Subarea
2. Proposed Ordinance amendment in redline version
3. Historic District Commission Staff Report and Attachments, dated March 12, 2025
4. Public Comment Letter, dated March 11, 2025
5. Minutes from March 12, 2025 Historic District Commission Meeting (Draft)

Submitted,



_____

PAM JOHNS
Community Development Director

Attachment 1

ORDINANCE NO. 1349

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SUBSECTION E(4) AND ADDING SUBSECTION (E)(7) TO SECTION 17.52.510 OF THE FOLSOM MUNICIPAL CODE PERTAINING TO MINOR ILLUMINATED OPEN SIGNS IN THE HISTORIC DISTRICT SUTTER STREET SUBAREA

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this ordinance is to amend the Folsom Municipal Code to allow for the use of certain internally illuminated open signs in the Sutter Street Subarea of the Historic District.

SECTION 2 AMENDMENT TO CODE

Subsection (E)(4) of Section 17.52.510 of the Folsom Municipal Code is hereby amended to read as follows:

17.52.510 Sutter Street Subarea Special Use and Design Standards

E. Signs

4. In addition to those signs prohibited in Chapter 17.59, the following signs are prohibited in this subarea, except as expressly provided in this section:
    a. Neon;
    b. Internally illuminated;
    c. Backlit canopies; and
    d. Corporate flags.

SECTION 3 ADDITION TO CODE

Subsection (E)(7) is hereby added to Section 17.52.510 of the Folsom Municipal Code to read as follows:

17.52.510 Sutter Street Subarea Special Use and Design Standards

E. Signs

7. Notwithstanding any other provision of this section, each business is permitted to have one "Open" sign, subject to the following standards:
    a. Size is no greater than 1.5 square feet.
    b. Located indoors, placed on a window or door.
    c. Does not include logos, symbols, or trade names, and shall bear only information indicating if and when the business is open.

d. Nonilluminated, externally illuminated, or internally illuminated "Open" signs are allowed.
e. If internally illuminated, illumination is limited to face-lit, neon-tube, and similar types of illumination.
f. If illumination is used, colors for external and internal illumination shall be limited to white.
g. The use of multiple bulbs to create letters or shapes are prohibited.
h. Animated signs are prohibited.

SECTION 4 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 5 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 6 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on April 22, 2025 and the second reading occurred at the regular meeting of the City Council on May 13, 2025.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 13th day of May, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

ORDINANCE NO. 1349

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SUBSECTION E(4) AND ADDING SUBSECTION (E)(7) TO SECTION 17.52.510 OF THE FOLSOM MUNICIPAL CODE PERTAINING TO MINOR ILLUMINATED OPEN SIGNS IN THE HISTORIC DISTRICT SUTTER STREET SUBAREA

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this ordinance is to amend the Folsom Municipal Code to allow for the use of certain internally illuminated open signs in the Sutter Street Subarea of the Historic District.

SECTION 2 AMENDMENT TO CODE

Subsection (E)(4) of Section 17.52.510 of the Folsom Municipal Code is hereby amended to read as follows:

17.52.510 Sutter Street Subarea Special Use and Design Standards

E. Signs

4. In addition to those signs prohibited in Chapter 17.59, the following signs are prohibited in this subarea**, except as expressly provided in this section**:
    a. Neon;
    b. Internally illuminated;
    c. Backlit canopies; and
    d. Corporate flags.

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SECTION 3 ADDITION TO CODE

Subsection (E)(7) is hereby added to Section 17.52.510 of the Folsom Municipal Code to read as follows:

17.52.510 Sutter Street Subarea Special Use and Design Standards

E. Signs

7. Notwithstanding any other provision of this section, each business is permitted to have one "Open" sign, subject to the following standards:
    a. Size is no greater than 1.5 square feet.
    b. Located indoors, placed on a window or door.

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c. **Does not include logos, symbols, or trade names, and shall bear only information indicating if and when the business is open.**
d. **Nonilluminated, externally illuminated, or internally illuminated "Open" signs are allowed.**
e. **If internally illuminated, illumination is limited to face-lit, neon-tube, and similar types of illumination.**
f. **If illumination is used, colors for external and internal illumination shall be limited to white.**
g. **The use of multiple bulbs to create letters or shapes are prohibited.**
h. **Animated signs are prohibited.**

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SECTION 4 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 5 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 6 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on April 22, 2025 and the second reading occurred at the regular meeting of the City Council on May 13, 2025.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 13th day of May, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 3

AGENDA ITEM NO. 9
Type: Public Hearing
Date: March 12, 2025

Historic District Commission Staff Report

50 Natoma Street, Council Chambers
Folsom, CA 95630

Project:	Zoning Code Amendment to Allow Internally Illuminated Open Signs in the Sutter Street Subarea
File #:	ZCAM25-00032
Request:	Recommend City Council approval of Zoning Code Amendment
Location:	Sutter Street Subarea of Historic District
Parcel(s):	N/A
Staff Contact:	Nathan Stroud, Assistant Planner, (916) 461-6220 nstroud@folsom.ca.us

Project Summary

The proposed zoning code amendment would allow for the use of small internally illuminated open signs in the Sutter Street Subarea of the Historic District, subject to certain design regulations, in order to address concerns by Sutter Street businesses discussed during the Historic District Commission workshop on June 5, 2024. These concerns included the lack of easily identifiable signage which would indicate whether a business was open or closed during the evening hours due to the prohibition on internal illumination. Staff have prepared a draft ordinance to allow for internally illuminated open signs, subject to certain design standards, at the request of the Historic District Commission.

Background

Folsom Municipal Code Section 17.52.510(E)(4) states that internally illuminated signage, including specifically neon signage, is not allowed in the Sutter Street Subarea within the Historic Commercial Primary Area of the Historic District. FMC 17.59.030(C) (applicable throughout the City) states that incidental signs, such as open/closed signs, and window signs that do not cover more than 25 percent of the window, are exempt from sign permit requirements; however, staff have traditionally not allowed these signs to be internally illuminated in the Sutter Street Subarea due to the prohibition on internal illumination.

In order to support local business during the COVID-19 Public Health Emergency (PHE), the City relaxed its enforcement activities on businesses for minor issues such as sign violations. After the end of the PHE, and as a result of complaints received regarding the appearance of several internally illuminated “Open” signs for businesses on Sutter Street, Code Enforcement sent the Folsom Historic District Association (FHDA) a fact sheet on sign requirements in the Historic District, which was distributed to all businesses within the subarea in early August 2023. At that time, staff asked FHDA to remind business owners

that internally illuminated signs, as well as unpermitted temporary banner signs were not allowed on Sutter Street and that City enforcement would begin shortly.

Code Enforcement and Planning staff also met with the Sutter Street Merchants' Association on August 24, 2023, to educate business owners about the sign regulations. Staff explained the regulations to the merchants but received many concerns about the prohibition on minor internally illuminated "Open" signs. Coming out of the COVID-19 PHE, many of the merchants felt that the internally illuminated open signs were important for their businesses to let the public know that they were now open again. This was especially the case for businesses located within buildings where their storefront was not directly facing the street. The merchants generally felt that the City was telling them what they could not do instead of supporting them as they tried to recover from the economic impact of the PHE.

On June 5, 2024, Planning staff presented a workshop to the Historic District Commission (HDC) to discuss the proliferation of the use of internally illuminated open signs in the Sutter Street Subarea since the COVID-19 PHE. As noted previously, internally illuminated signs are a prohibited sign type under Folsom Municipal Code Section 17.52.510(E)(4). During the HDC workshop, several Sutter Street business owners reiterated concerns regarding the prohibition of minor internally illuminated "Open" signs, and recommended that these types of minor signs be allowed, to support their businesses by clearly identifying which stores are open to customers, especially in the evening hours. These issues are discussed further in the analysis section of this report. The Commission requested that staff return with alternative internally illuminated open sign styles which may be acceptable in the Sutter Street Subarea of the Historic District in consideration of the concerns by local Sutter Street businesses.

On July 24, 2024, the FHDA submitted a letter to staff stating that if internally illuminated open signs are determined to be allowed in the Sutter Street Subarea, the association recommended that the allowed signage be limited to only solid white internal illumination, that blinking lights or colorful illumination not be allowed, and that the size be limited to no greater than 12" x 18" (1.5 square foot). The Historic Preservation League (HPL) submitted two letters in February and early March in opposition to the use of neon-type open signs and in support of more historic multi-bulb marquee signs.

Policy/Rule
Under FMC Section 17.52.120, amendments to FMC Chapter 17.52 require review by the Historic District Commission and a recommendation to the City Council. Under Section

2.12 of the City Charter, amendments to the FMC require review and approval by the City Council.

Environmental Review

Under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, this project is categorically exempt from CEQA since this involves a change to the sign standards of Chapter 17.52 of the Folsom Municipal Code. Regardless, the addition of small illuminated open signs at Sutter Street businesses would be categorically exempt under Section 15301 of the CEQA Guidelines as it is a minor alteration that involves no expansion of the use.

Recommendation

Staff respectfully requests that the Commission recommend City Council approval of the draft ordinance, provided in Attachment 7, to allow for the use of small, internally illuminated open signs in the Sutter Street Subarea of the Historic District, subject to specific design standards, based on the findings (Findings A-H) below.

Table of Contents

1 – Description/Analysis
2 – Internally Illuminated Open Signs in the Sutter Street Subarea
3 – Internally Illuminated Open Signs in other Historic Districts
4 – Historic Folsom Residents Association Recommendations
5 – Heritage Preservation League Letter
6 – Draft Sutter Street Subarea Open Sign Guide
7 – Draft Redlined Ordinance
8 – Clean Ordinance

Submitted,



PAM JOHNS
Community Development Director

ATTACHMENT 1
DESCRIPTION/ANALYSIS

Unique Circumstances of Sutter Street Businesses

As discussed during June 5, 2024, Historic District Commission workshop on internally illuminated open signs, business owners expressed concerns with the lack of visibility of their businesses, particularly in the evening hours. According to the business owners present, they noted the following challenges associated with not having illuminated open signs:

1. The lack of illumination for open signs in the evening hours makes it difficult for customers to identify which businesses are open or closed.
2. The inconsistency between the closing hours of businesses reduces the foot traffic for multi-tenant buildings, creating a need to better identify which businesses remain open.
3. The visibility issue in the evening is exacerbated for businesses which are located in interior courts in multi-tenant buildings, who have little to no frontage along Sutter street itself.

Given these circumstances, the Historic District Commission provided direction to staff to prepare a solution in order to address the concerns of businesses within the Sutter Street Subarea. As such, staff has proposed an ordinance which will allow for internally illuminated open signs of a certain size, type, illumination color, and design to be allowed for use for commercial uses in the Sutter Street Subarea. Staff believe that the ordinance as proposed would help support the businesses within the district in the evening hours while limiting the effect of internally illuminated signage on the historic character of the Sutter Street Subarea due to the restrictions on size, type of illumination, and colors.

Sign Illumination Standards of other Historic Districts

Staff also notes that the prohibition on internally illuminated open signs is unique to the Sutter Street Subarea of the Historic District. Aside from Nevada City's Historic District which prohibits internally illuminated signs, including neon, the Historic Districts of Auburn and Woodland explicitly allow for neon signs. Sacramento and Grass Valley also allow for internally illuminated signage in their historic district standards, and businesses within these historic districts have been found to use neon open signs. Several examples of internally illuminated open signs from each of these districts as well as others are provided in Attachment 3.

Addition to FMC 17.52.510(E) - Sutter Street Subarea Special Use and Design Standards; Signs

The intent of the amendment is to both address the concerns of Sutter Street business owners with evening visibility, while also ensuring that the amendment will not cause a detrimental effect to the historic character of the Historic District. If approved, the proposed amendment would allow each business in the subarea to use one open sign of a size no greater than 1.5 square feet, to be located in a window or door which may be nonilluminated, externally illuminated, or internally illuminated, subject to certain standards.

After review of the types of readily available internally illuminated open signs on the market, staff determined that most illuminated open signs were of a size ranging between 1 square foot and 1.5 square feet; thus, staff believe that a maximum size of 1.5 square feet was appropriate to allow for flexibility of choice for businesses when choosing an illuminated open sign. Additionally, this size would prohibit the use of excessively large signage which could detract from the historic character of the Sutter Street Subarea.

Furthermore, the proposed amendment would allow for both externally illuminated and internally illuminated open signs in addition to non-illuminated open signs. However, the provided illumination is restricted to red or orange colors in order to limit brightness and encourage historical consistency. Furthermore, multi-bulb signs would be prohibited due to the prevalence of modern LED multi-bulb signs on the market that would detract from the historic character of the subarea. Internal illumination is further limited to specifically neon and face-lit signage, and Neon-imitation signs which utilize LED tubes, which are more readily able on the market, will also be allowed under the ordinance. Allowing for illumination would address the concerns discussed in the previous section.

Neon as a type of sign illumination has been in use since the 1910s, with its use peaking during the 1930s and 1940s. Its colors were fairly limited to red-orange until the 1920s and 1930s when new technology allowed for the use of more diverse and vibrant colors. Since the peak use of neon is within the time period prescribed for the Historic District (1850 – 1950), staff is supportive of the use of neon as an option for open signs, limited to red and orange colors in order to be more consistent with the early 1900s to increase compatibility with the character of Sutter Street. Additionally, the use of red and orange colors also effectively limits the brightness of the signs, allowing for visibility in the evening hours without compromising the historic feel and appearance of Sutter Street. Examples of red neon signs in other historic districts are shown in Attachment 3, and an example is shown in Figure 1 below. Figure 2 below also shows a multicolored neon sign which would be prohibited by the draft ordinance as proposed.



Figure 1 - Red Neon Open Sign (Grass Valley)



Figure 2 - Multi-Colored Neon Open Sign (Placerville)

Face-lit open signs were also included in the approved types of open sign illumination since this form of illumination is readily available on the market and can provide an alternative to neon tube illumination. The limitation of the illumination red or orange color will also effectively limit the brightness of such signs and thus limit the impact on the historic character of the Sutter Street Subarea. Examples of an appropriate face-lit open sign are shown in Attachment 6 and in Figure 3 below.



Figure 3 - Appropriate Face-Lit Open Sign

Multi-bulb open signs which use multiple bulbs to create letters are proposed to be prohibited in the proposed zoning code amendment since the vast majority of readily available multi-bulb open signs on the market are modern LED multi-bulb signs with a modern appearance. Some examples of these signs are shown in Attachment 2 in Figure 4 below. Additionally, animated signs are also explicitly prohibited, as this would create a more modern effect that would detract from the historic character of the Sutter Street Subarea.



Figure 4 – Prohibited Modern Multi-Bulb Open Sign

Overall, the amendment will allow businesses on Sutter Street to identify whether their business is open or not. This change to the ordinance will allow for the use of open signs which are small, and which may use historically compatible types of illumination used during the 1850 – 1950 timeframe. Furthermore, staff is recommending limiting the illumination to red and orange colors since those colors are more historically compatible for the time period compared to other colors, and would limit the brightness of the open signs thus further preserving the historic character of the Sutter Street Subarea.

Examples of illuminated open signs which would be allowed or prohibited under the draft ordinance are shown in Attachment 6. This open sign guide may be modified and expanded by staff in the future consistent so long as those signs are consistent with the amended ordinance, and will serve as a reference for Sutter Street businesses.

Public Feedback

As noted earlier, staff received a letter from the Folsom Historic District Association (FHDA), provided in Attachment 4, in support of small internally illuminated open signs using white illumination. While staff initially considered allowing only white illuminated

signs, further research showed that the first neon signs of the 1910s were limited to red and orange colors, with other colors being developed later in the 1920s and 1930s. Since the Sutter Street Subarea is intended to preserve the existing pre-1900s design concept, with some allowances for post-1900 design, staff believed that adhering to the earliest neon colors would be more compatible with the historic character of the subarea. Additionally, as noted in the previous sections, the use of red and orange colors also limits the brightness of the sign used, which will help preserve the visual impact of the neon signs during the day while providing increased visibility during the evenings for businesses.

Staff had also received two letters from the Historic Preservation League (HPL), provided in Attachment 5, in opposition to the use of neon signs and recommended that staff prepare a package of sign standards for all signage in the Sutter Street Subarea rather than amending the code for just one type of signage. HPL preferred the use of wooden or metal marquee signs with naked light bulbs, and supported the use of internally illuminated signage so long as the signs utilized warm tones for illumination.

While staff acknowledges that marquee signs are associated with early illuminated signage for the early 1900s, these signs typically were used for the main sign of a commercial space, and not often used for small and minor signs, like open signs. Additionally, neon signs were more commonly used in the Sutter Street Subarea compared to marquee signs based on historical imagery from the 1920s-1950s. Practically speaking for business owners, historically appropriate marquee open signs are difficult to find, and most multi-bulb signs that are readily available are modern multi-bulb LED signs. Regarding the use of warm tones for internal illumination, staff believe that the restriction of illumination colors to red or orange colors is consistent with this recommendation for internally illuminated signage.

With regard to preparing a comprehensive update to signage for the Sutter Street Subarea, staff would like to do that, but staff does not have the resources to do that currently. Ideally, that would be done as part of the comprehensive update to FMC Chapter 17.52.

General Plan Goals and Policies

With regards to the City's General Plan which guides the physical, economic, and environmental growth of the City, the proposed project is consistent with the following General Plan goal and policies:

Goal LU 2.1

Develop and support thriving urban centers that serve as community gathering places.

GP Policy LU 2.1.1 (Historic Folsom)

Maintain the existing street fabric and pattern and enhance the tourist-oriented, historic commercial uses in the Historic Folsom commercial areas to preserve the unique character of Folsom's historic center and support local business.

The proposed project is consistent with this policy in that it will balance the preservation of the historic character of the Historic District with the needs of local businesses for

visibility in the evening hours through the use of sign illumination that imitates that used in the early 1900s.

Recommendation / Historic District Commission Action
Move to recommend City Council approval of the draft ordinance, provided in Attachment 7, to allow for the use of internally illuminated open signs in the Sutter Street Subarea of the Historic District, subject to specific design standards, based on the findings (Findings A-H) below.

GENERAL FINDINGS

A. NOTICE OF HEARING HAS BEEN GIVEN AT THE TIME AND IN THE MANNER REQUIRED BY STATE LAW AND CITY CODE.

B. THE ORDINANCE IS CONSISTENT WITH THE GENERAL PLAN OF THE CITY.

C. THE ORDINANCE SUPPORTS LOCAL ECONOMIC DEVELOPMENT AND LOCAL BUSINESSES IN THE HISTORIC DISTRICT IN PARTICULAR.

CEQA FINDINGS

D. THE ORDINANCE IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER SECTION 15061(B)(3) SINCE THE AMENDMENT OF THE ZONING CODE IS AN ADMINISTRATIVE ACTION THAT DOES NOT RESULT IN A SIGNIFICANT IMPACT ON THE ENVIRONMENT.

E. FURTHERMORE, ALLOWING SMALL ILLUMINATED OPEN SIGNS IS CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW UNDER CEQA GUIDELINES SECTION 15301(EXISTING FACILITIES) AS ALLOWING THIS TYPE OF SMALL SIGN INSTALLATION IS A MINOR ALTERATION OF A PRIVATE STRUCTURE AND INVOLVES NO EXPANSION OF THE USE.

F. THERE ARE NO UNUSUAL CIRCUMSTANCES THAT EXIST TO DISTINGUISH THIS PROPOSED ORDINANCE AMENDMENT FROM OTHER EXEMPT ACTIONS.

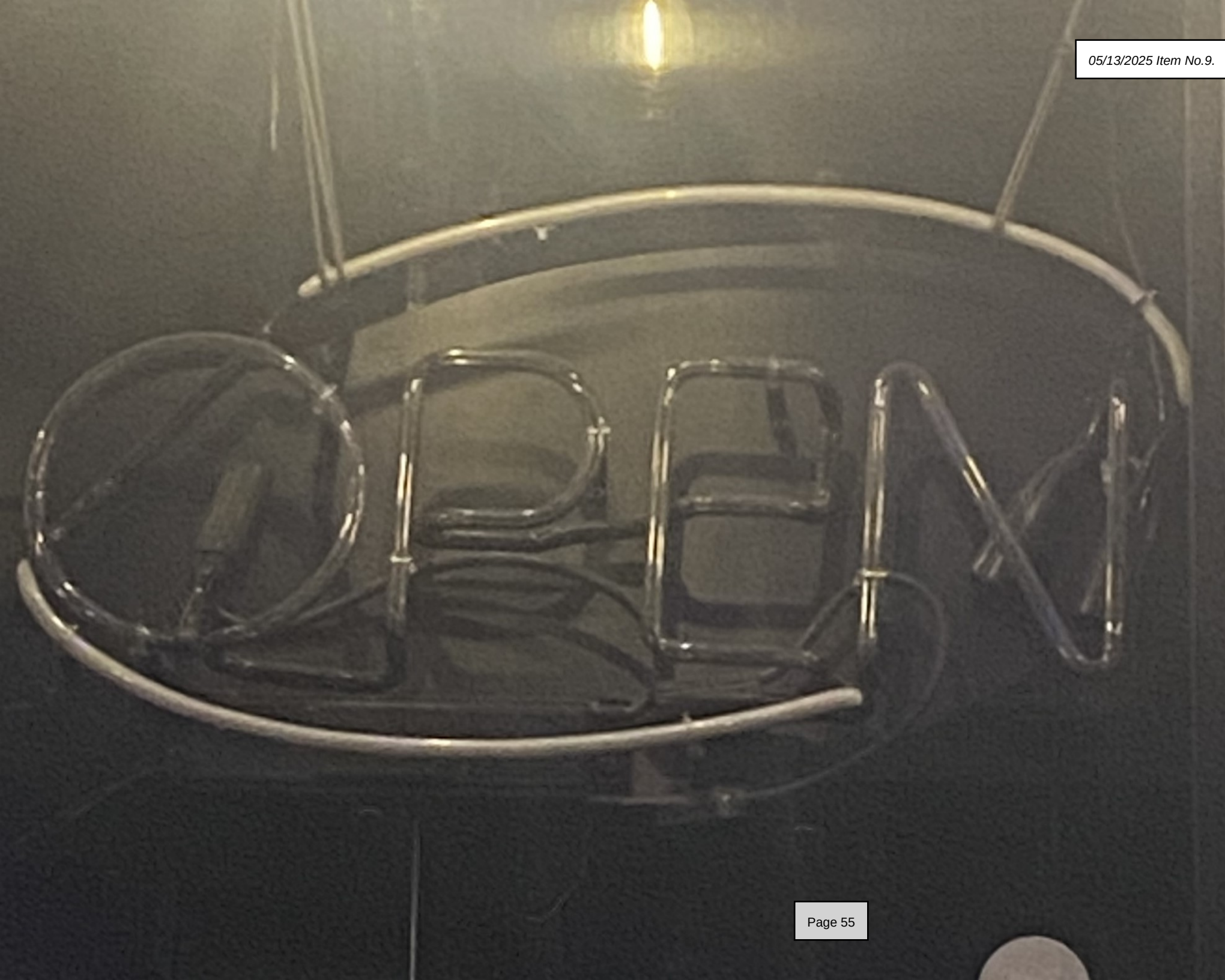
G. THE CUMULATIVE IMPACT IS NOT SIGNIFICANT IN THIS CASE.

H. THE PROPOSED ORDINANCE WILL NOT CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF A HISTORICAL RESOURCE.

Neon Open Signs in Sutter Street Subarea (Attachment 2)


open






OPEN

Face-Lit Open Signs in Sutter Street Subarea (Attachment 2)


OPEN

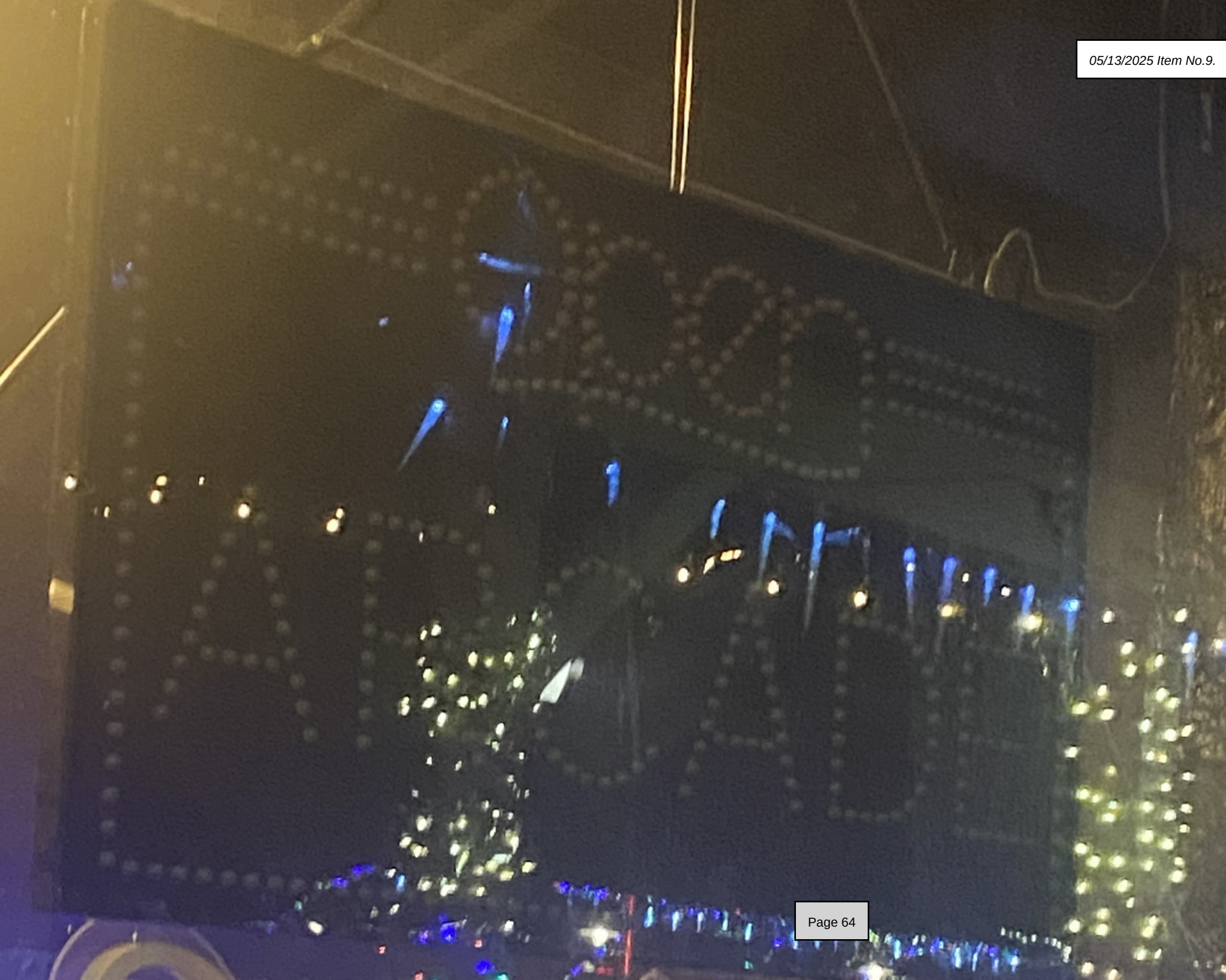

OPEN
BUSINESS HOURS


OPEN


OPEN
BUSINESS HOURS

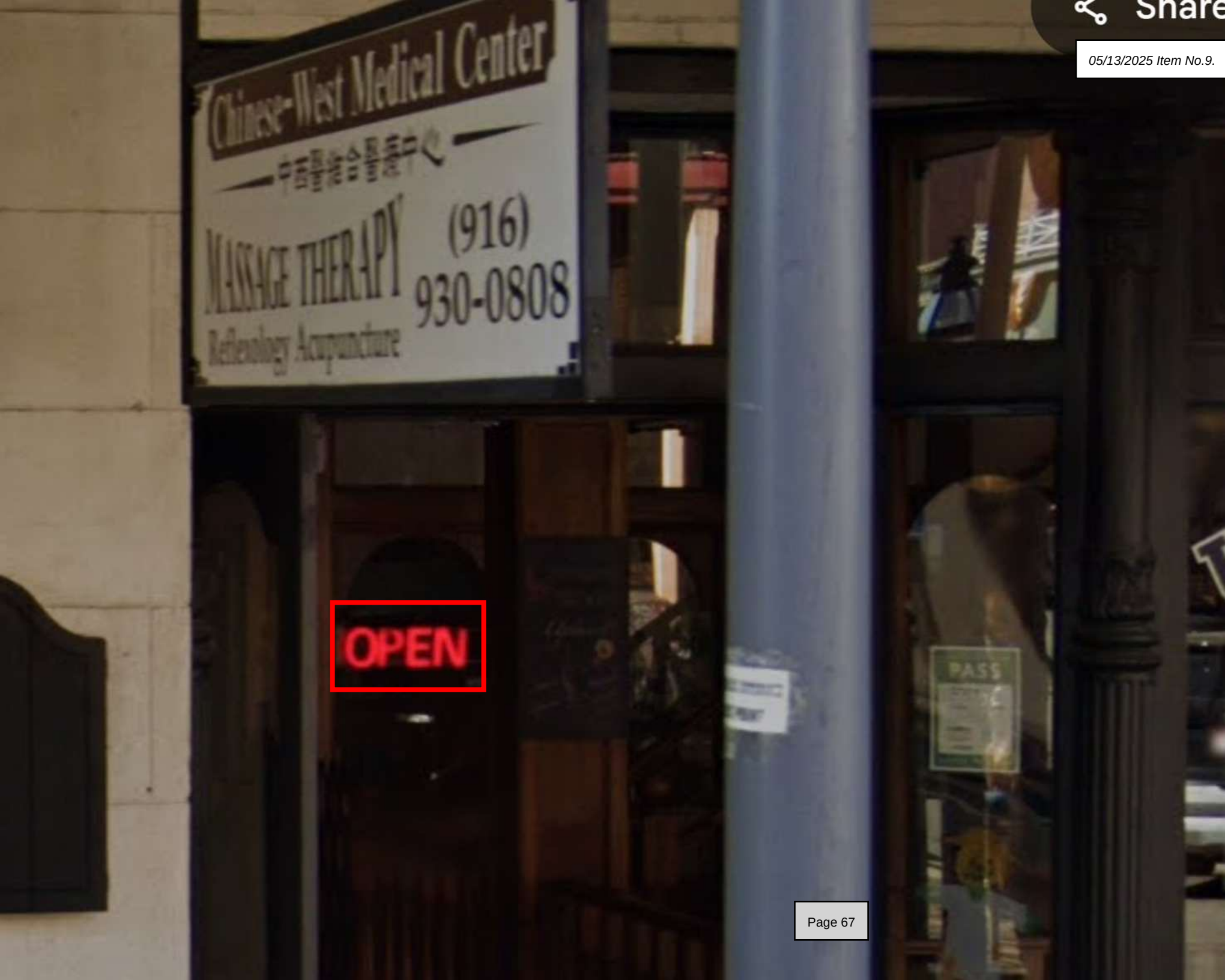
Multi-Bulb Open Signs in Sutter Street Subarea (Attachment 2)

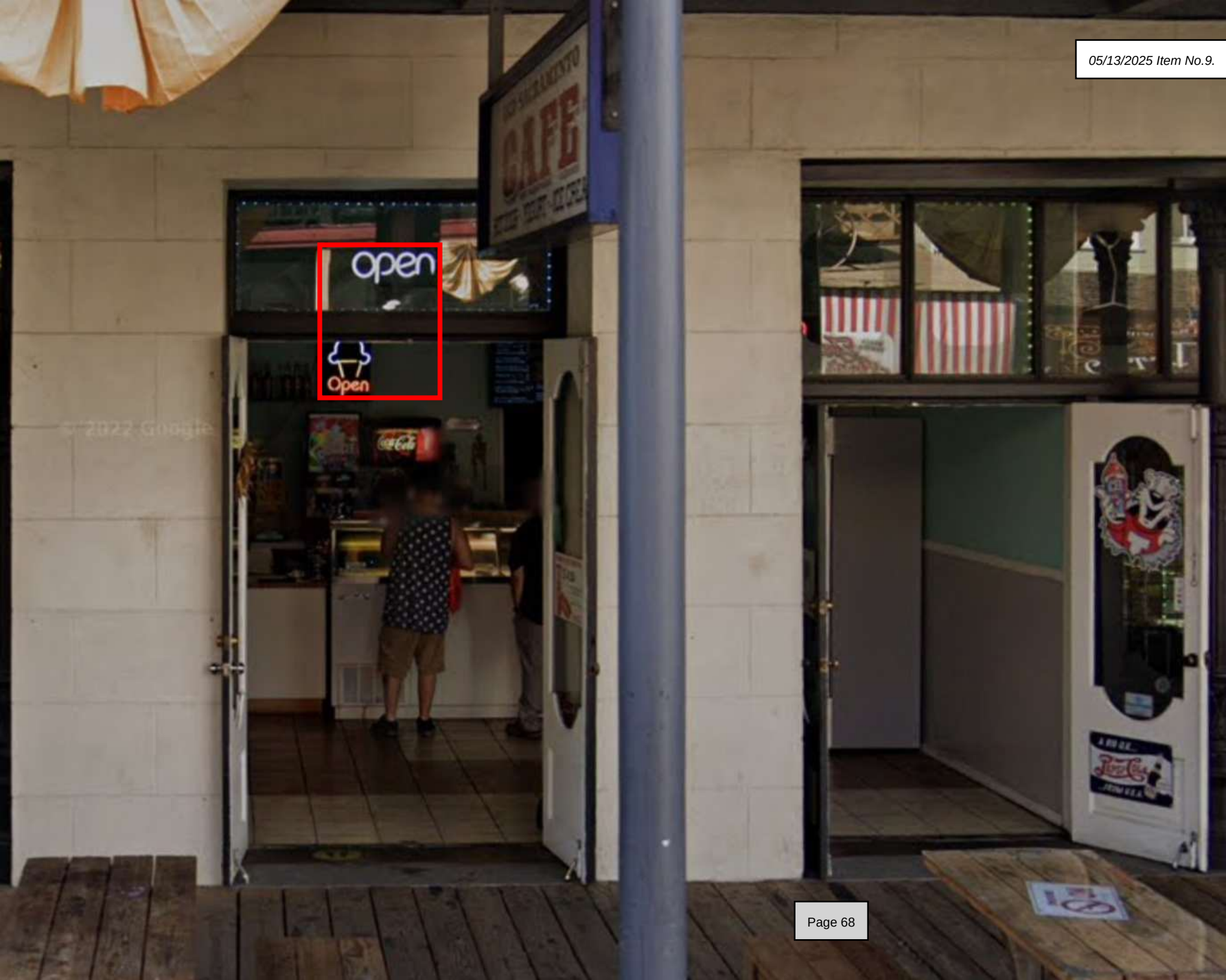




Internally Illuminated Open Signs in Old Town Sacramento (Attachment 3)


WILLIE'S
1989
Beignets!
OPEN


Chinese-West Medical Center
中西醫結合醫療中心
MASSAGE THERAPY
Reflexology Acupuncture
(916)
930-0808
OPEN
PASS


CAFE
open
Open

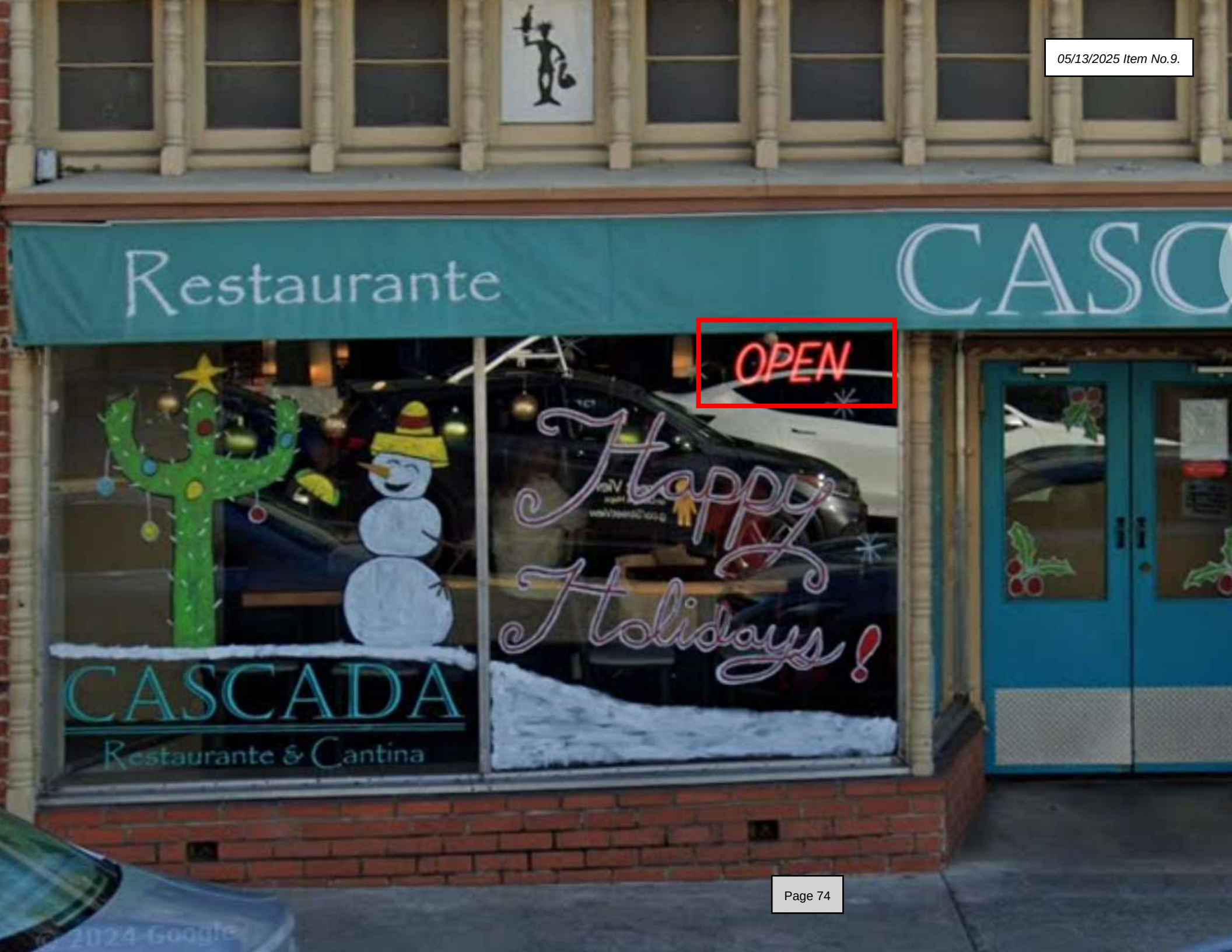

1037
OPEN

Internally Illuminated Open Signs in Downtown Placerville (Attachment 3)


PLACERVILLE
SPORTS AND MORE!
OPEN
TEXACO

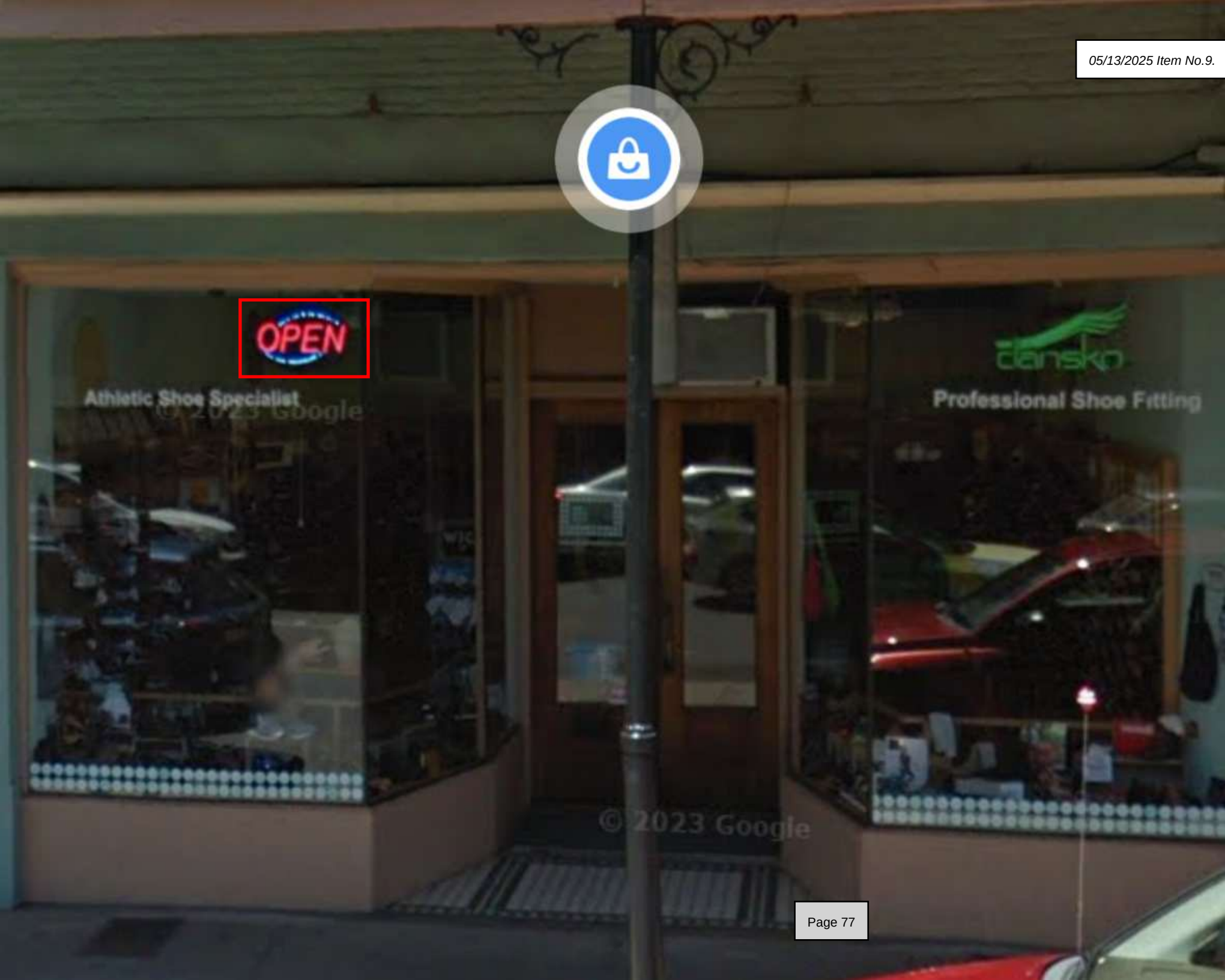

316
316
OPEN
Hangtown
Originals


THE FARM TABLE RESTAURANT
OPEN
LET'S EAT
KITCHEN OPEN
OPEN
© 2024 Google


Restaurante
OPEN
Happy Holidays!
CASCADA
Restaurante & Cantina

Internally Illuminated Open Signs in Historic Downtown Grass Valley (Attachment 3)

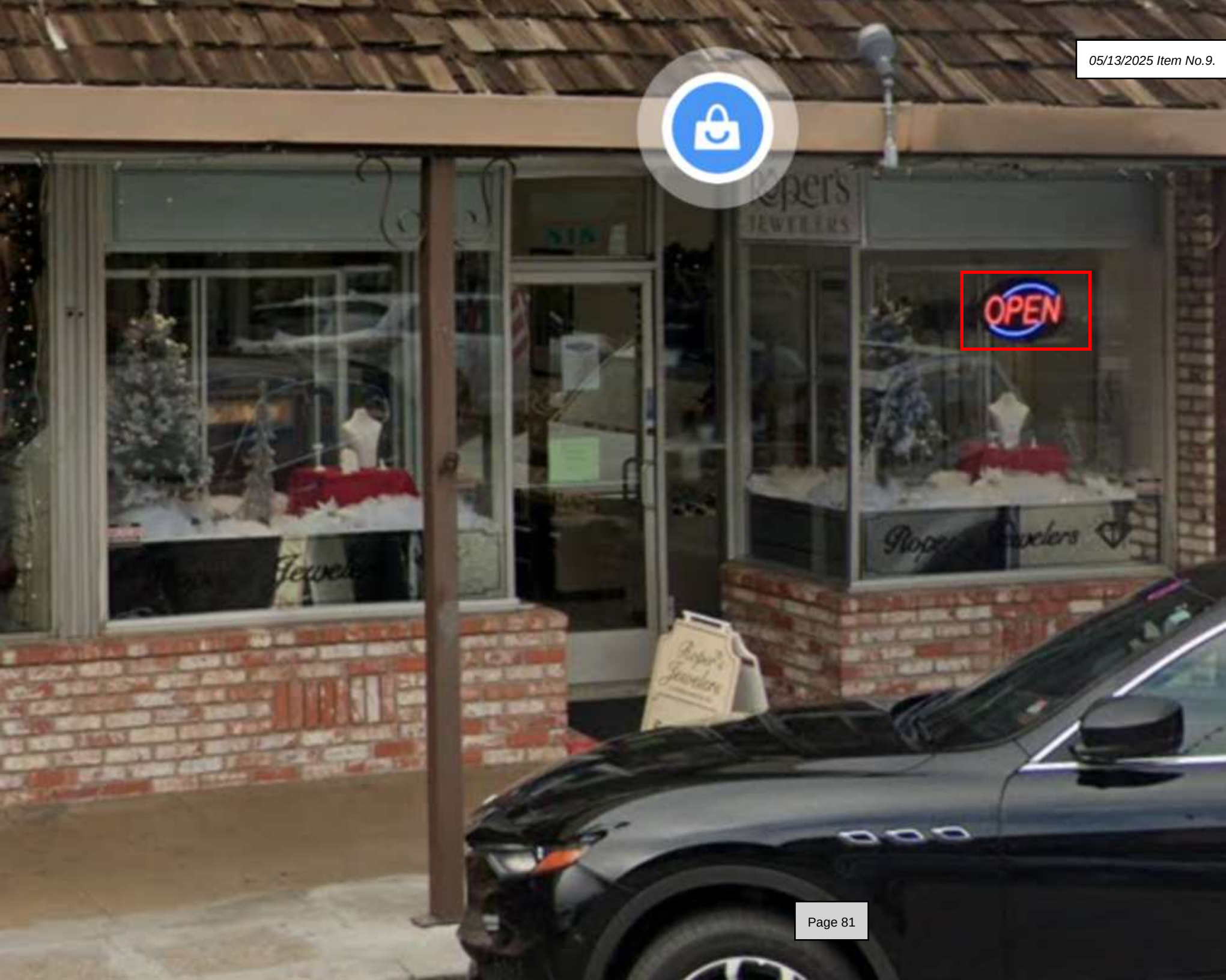

OPEN


OPEN
Athletic Shoe Specialist
© 2023 Google
dansko
Professional Shoe Fitting
© 2023 Google

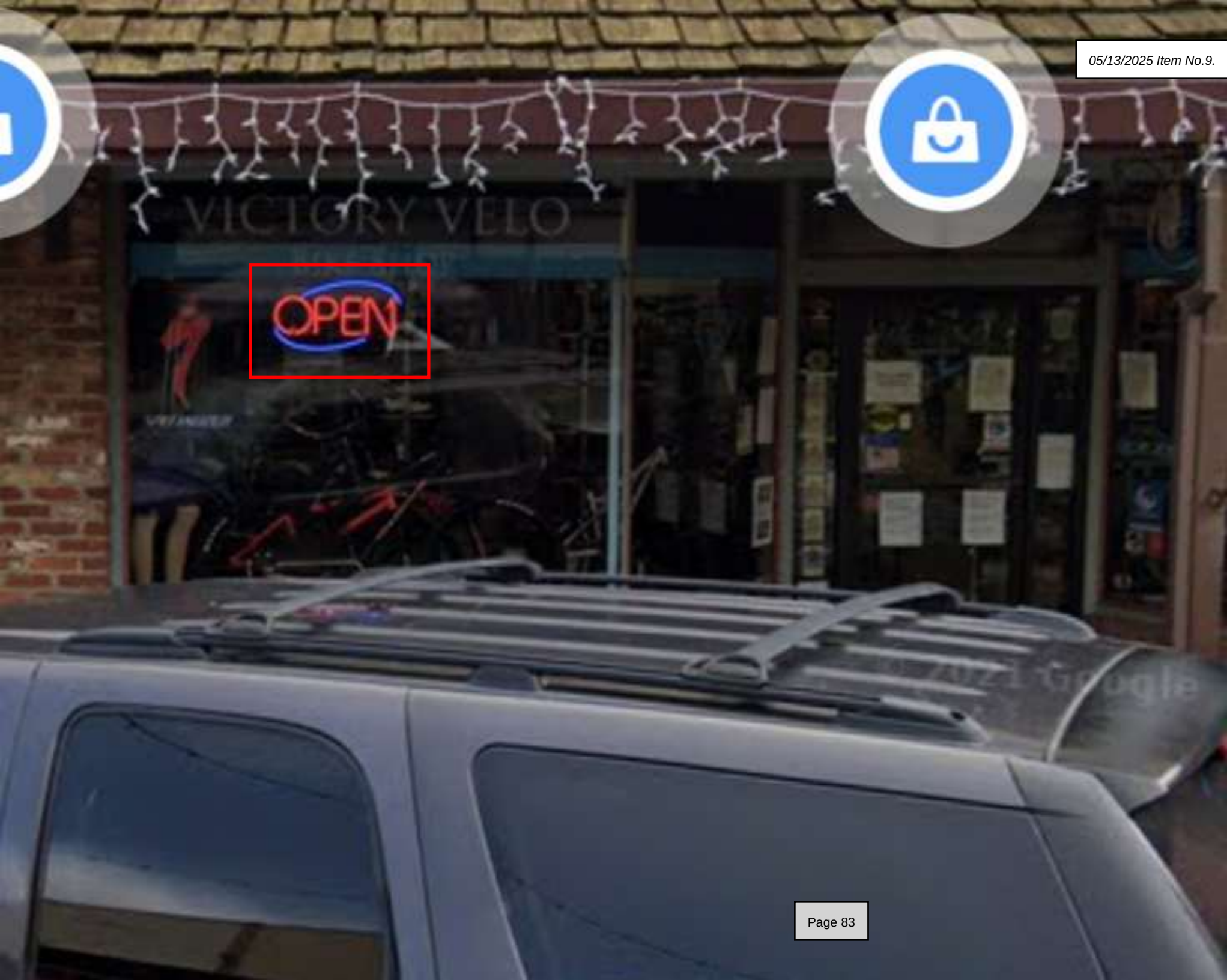

OPEN
"The Oldest Continuous Restaurant in Grass Valley"
OLD TOWN
Cafe
Open
AM
HELP WANTED
110
OLD TOWN
Cafe
BUD LIGHT
WELCOM
TO THE
GOLD COUNTRY
OPEN


THE
ALPHA
BUILDING
SIERRA HERITAGE
REALTY
OPEN

Internally Illuminated Open Signs in Old Auburn Historic District (Attachment 3)


OPEN


OPEN


VICTORY VELO
OPEN

Historic Folsom Residents Association Recommendations (Attachment 4)

Nathan Stroud

From: Judy Collinsworth <[redacted]>
Sent: Thursday, November 21, 2024 7:58 PM
To: Nathan Stroud
Subject: Re: Neon Signs
Attachments: possible alternatives.docx

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Nathan,

D came in first and then E.

The board also liked the idea of simply saying: Your OPEN sign must be static - white only and then give dimensions that are acceptable. We would be very happy with any of these options.

Judy Collinsworth
Executive Director
Folsom Historic District Association
PO Box 515
200 Wool St
Folsom, CA 95630
[redacted]



A. $80.00



B. $39 (19 x 8)



C. $140



D. $169 **#1**



E. $84. **#2**



F. $85

Heritage Preservation League Letters (Attachment 5)

HERITAGE PRESERVATION LEAGUE OF FOLSOM
DISCUSSION POINTS REGARDING DRAFT SIGN ORDINANCE

February 25, 2025

ORDINANCE: Permitting the use of internally illuminated 'Open' signs in the Sutter Street Subarea.

STAFF REPORT: Staff will present the Ordinance to City Council for approval.

SCHEDULE: Notification provided by City planning staff on February 18, 2025. Presentation to Historic District Commission scheduled for March 12th. City Council hearing date to be determined.

SIGNS IN THE SUTTER STREET SUBAREA

General Comment

Sign requirements for the Sutter Street Subarea are specified in the Municipal Code (17.52.510) and further described in the Design & Development Guidelines for the Historic District (Chapter 4 and 5). However, many existing signs do not meet the existing design criteria. The proposed new Ordinance is only addressing 'Open' signs.

Existing Standards

Open signs are normally interior window signs. When these signs are smaller than one square-foot, they are exempt from design review. However, the general restriction against internally illuminated signs and neon signs applies to all signs in the Subarea. In the past, it has been generally accepted that these limitations were necessary to preserve Historic Folsom's image of a small foothill town from the early days of California. It is HPL's opinion that it is important to maintain this restriction.

Marquee Signs

Marquee signs of wood or metal were in use during the early part of the 1900's, before canned or neon signs were available. Because the sign letters on marquee signs are illuminated by small naked bulbs, the overall impression is compatible with signs from the late 1900's. HPL suggests that staff should consider an Ordinance that will permit the use of marquee-type open signs, in-lieu of the proposed internally illuminated signs. These signs should be located inside windows and not along the exterior of the shops.

HPL'S SIGN RECOMMENDATIONS

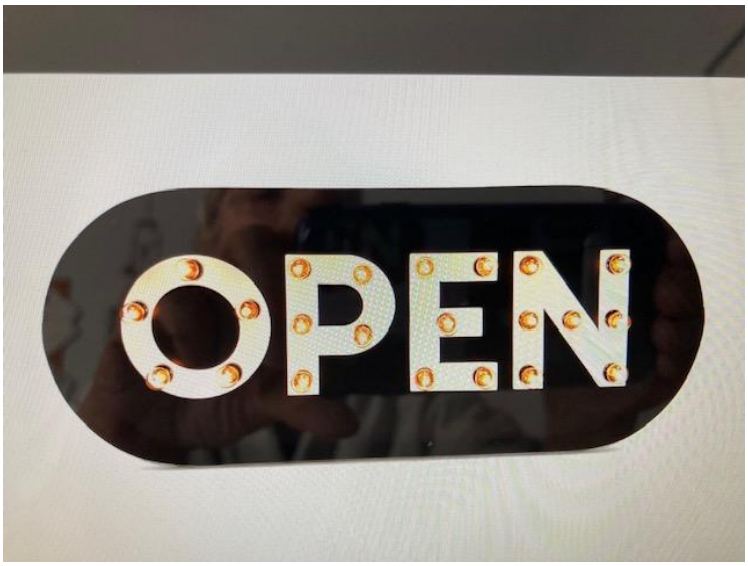
1. Continue to prohibit all internally illuminated and neon signs in the Sutter Street Subarea.

2. Consider permitting smaller, interior, marquee-type 'open' signs in the Sutter Street Subarea.

In addition, HPL believes that it would be beneficial if staff could prepare a complete sign-package for the Sutter Street Subarea, rather than processing one type of sign individually.



Marquee Sign #1



Marquee Sign #2

HERITAGE PRESERVATION LEAGUE OF FOLSOM
DISCUSSION POINTS REGARDING DRAFT SIGN ORDINANCE
RESPONSE TO STAFF'S FEEDBACK 02.28.25

February 30, 2025

ORDINANCE: Permitting the use of internally illuminated and exposed neon 'Open' signs in the Sutter Street Subarea.

STAFF REPORT: Staff will present the Ordinance to City Council for approval.

SUBJECT: City planning staff has clarified that the draft sign ordinance will include exposed neon 'Open' signs (in addition to internally illuminated 'Open' signs)

SCHEDULE: Presentation to the Historic District Commission has been scheduled for March 12th.

SIGNS IN THE SUTTER STREET SUBAREA

General Comment

The Design & Development Guidelines specifies that signs in the Sutter Street Subarea should be …*'directed primarily towards pedestrian, not vehicular traffic*'… [see DDG's 5.02.01(d)(3)]. This guideline is consistent with the prohibition of bright signs, intended to be visible from a distance (including neon, internally illuminated and 'day-glo' signs).

Neon Signs

The early history of neon started in Paris, France (Paris Auto Show in 1910). However, in the early 1900's electricity was still a novelty in the Sacramento Area and neon light was not an option. Exposed neon coils of any color will therefore clash with the Design Criteria for the Sutter Street Subarea.

Marquee Signs

Before canned or neon signs were available, marquee signs provided a greater visual impact. Because these signs are illuminated by small, uncovered light bulbs, they could be considered compatible with externally illuminated signs. However, it is HPL's opinion that marquee signs would not be appropriate along exterior facades.

Internally Illuminated Signs

The first internally illuminated signs were wood boxes with small internal light bulbs. The sign copy was painted on a translucent sheet of glass. This type of sign could also be considered compatible with externally illuminated signs, provided that the light source has a warm tone.

HPL'S SIGN RECOMMENDATIONS

1. Continue to prohibit the use of neon in the Sutter Street Subarea.

2. Consider permitting the following 'open' signs for interior use:
   a) small marquee signs with exposed light bulbs and a warm tone of light',
   b) small box signs with internal light bulbs and a warm tone of light.

Because the Zoning Code Update will not be completed for some time, the ordinance may also need to address letter fonts, the size of 'open' signs and the overall limit of window coverage.



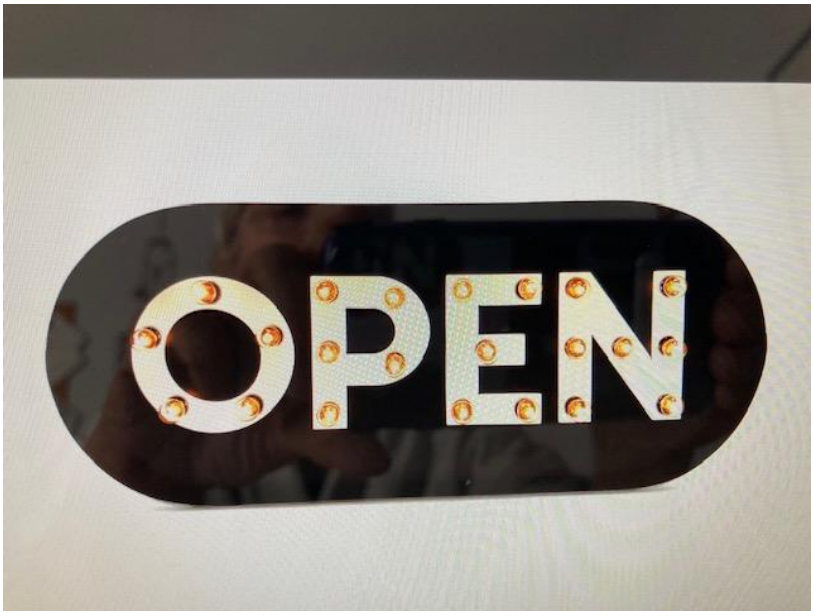
Internal Illumination #1



Internal Illumination #2



Marquee Sign #1



Marquee Sign #2

Draft Sutter Street Subarea Open Sign Guide (Attachment 6)

Historic District Guide:
Approved Illuminated "Open" Signs

Illuminated "Open" Signs

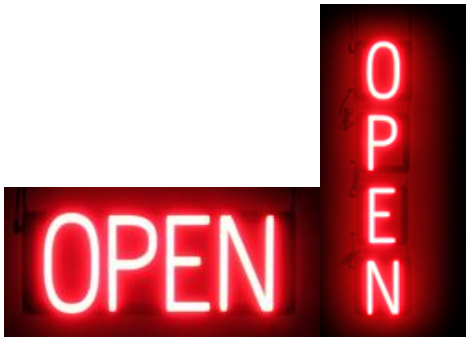
One "Open" sign of a size less than 1.5 square feet is allowed per business in the Sutter Street Subarea, and will count towards the overall 25% window coverage maximum requirement. No Sign Permit is required for "Open" signs.

Nonilluminated and Externally Illuminated "Open" signs are the preferred option in the Historic District.

Illumination for "Open" signs is limited to red and orange hues, including for neon-tube, face-lit, and externally illuminated "Open" signs. "Open" Signs with simple designs are encouraged.

Signs which utilize multiple bulbs to create letters or shapes are prohibited in the Sutter Street Subarea.

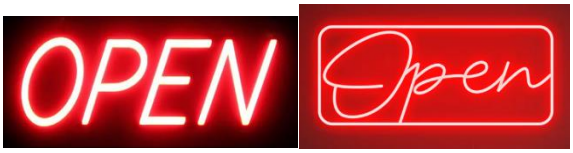
Appropriate Neon "Open" Signs

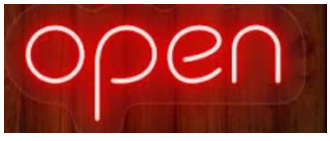


No Restrictions on Orientation

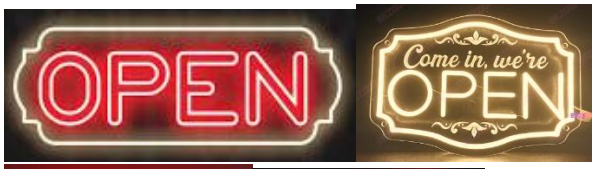


Red or Orange Hues Allowed for Illumination





No Restrictions on Front





Minor Decorative Elements and Words Allowed

Illuminated Open Signs

One “Open” sign of a size less than 1.5 square feet is allowed per business in the Sutter Street Subarea, and will count towards the overall 25% window coverage maximum requirement. No Sign Permit is required for “Open” signs.

Nonilluminated and Externally Illuminated “Open” signs are the preferred option in the Historic District.

Illumination for “Open” signs is limited to red and orange hues, including for neon-tube, face-lit, and externally illuminated “Open” signs. “Open” Signs with simple designs are encouraged.

Signs which utilize multiple bulbs to create letters or shapes are prohibited in the Sutter Street Subarea.

Appropriate Face-Lit “Open” Signs





Red or Orange Hues Allowed for Illumination

Illuminated Open Signs

One "Open" sign of a size less than 1.5 square feet is allowed per business in the Sutter Street Subarea, and will count towards the overall 25% window coverage maximum requirement. No Sign Permit is required for "Open" signs.

Nonilluminated and Externally Illuminated "Open" signs are the preferred option in the Historic District.

Illumination for "Open" signs is limited to red and orange hues, including for neon-tube, face-lit, and externally illuminated "Open" signs. "Open" Signs with simple designs are encouraged.

Signs which utilize multiple bulbs to create letters or shapes are prohibited in the Sutter Street Subarea.

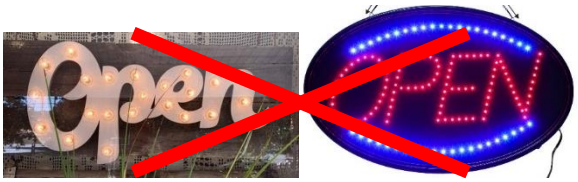
Inappropriate Illuminated "Open" Signs



Colors other than Red or Orange Hues are Prohibited



Elements which Advertise Business, Products, Services are Prohibited



Open Signs which use multiple bulbs to create letters or shapes are Prohibited



Animated Open Signs Are Prohibited

Draft Redlined Ordinance
(Attachment 7)

ORDINANCE NO. 0000

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTION 17.52.510(E) OF THE FOLSOM MUNICIPAL CODE TO ALLOW FOR THE USE OF INTERNALLY ILLUMINATED OPEN SIGNS IN THE SUTTER STREET SUBAREA OF THE HISTORIC DISTRICT

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this ordinance is to amend the Folsom Municipal Code to allow for the use of certain internally illuminated open signs in the Sutter Street Subarea of the Historic District.

SECTION 2 AMENDMENT TO CODE

Section 17.52.510(E) of the Folsom Municipal Code is hereby amended to read as follows:

17.52.510 Sutter Street Subarea Special Use and Design Standards

E. Signs

1. Each business whose entry door is located in the building frontage is permitted 1 wall or window sign. A business whose entry is located within an internal mall or corridor may utilize a nameplate incorporated in a wall sign for the entire building. The length of a wall sign may not exceed 75 percent of the shop's frontage. The total of all window signage may not cover more than 25 percent of the window. Wall signs shall be designed and installed with minimal space between the planes of the wall and of the sign. Businesses with frontage on more than one street and/or public parking lot may place a wall or window sign on each frontage, with subsequent signs to be no larger than half the size specified for the first sign and subject to the other requirements of the first sign.

2. Signs are permitted to be hung under a canopy, but shall not exceed 3 square feet in size with a minimum of 8 feet clearance from the sidewalk in addition to any permitted wall or window signs. Businesses without a canopy may utilize a projecting sign of the same size and clearance for this purpose. The historic district commission may approve an increase in the size of the under-canopy or projecting sign in exchange for a reduction in size of the wall or window sign.

3. Signs exempt in Chapter 17.59 are exempt in this subarea except as follows:

a. On-site directional signs are not exempt unless 2 square feet or smaller and, if freestanding, no higher than 2 feet, including base;
b. Exempt real-estate signs do not require a setback from public right-of-way; and
c. Window or door signs 1 square foot in size or larger and under-canopy signs are not exempt. Window or door signs smaller than 1 square foot are exempt but subject to the overall requirement regarding window coverage.

4. In addition to those signs prohibited in Chapter 17.59, the following signs are prohibited in this subarea**, except as expressly provided in this section:**
   a. Neon;
   b. Internally illuminated;
   c. Backlit canopies; and
   d. Corporate flags.

5. Notwithstanding any other provision of this section, each business is permitted to have one "Open" sign, subject to the following standards:
   a. Size is no greater than 1.5 square feet.
   b. Located indoors, placed on a window or door.
   c. Does not include logos, symbols, or trade names, and shall bear only information indicating if and when the business is open or closed.
   d. Nonilluminated, externally illuminated, or internally illuminated "Open" signs are allowed.
   e. If internally illuminated, illumination is limited to face-lit, neon-tube, and similar types of illumination.
   f. If illumination is used, colors for external and internal illumination shall be limited to red or orange colors.
   g. The use of multiple bulbs to create letters or shapes are prohibited.
   h. Animated signs are prohibited.

~~5.~~6. Freestanding signs are not permitted, unless the historic district commission determines that the exclusive use of wall signage at a particular location is ineffective. The historic district commission may require a reduction in the amount of wall signage otherwise allowed to compensate for the use of a freestanding sign.

~~6.~~7. Buildings with multiple tenants shall be required to submit a uniform signage program (USP) for historic district commission approval. After a USP is approved, tenant sign permits shall be reviewed and approved by the planning, inspections and permitting director.

SECTION 3 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 4 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 5 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on xxx xx, 2025 and the second reading occurred at the regular meeting of the City Council on xxxx xx, 2025.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this XX day of XXXX, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Clean Ordinance
(Attachment 8)

ORDINANCE NO. 0000

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTION 17.52.510(E) OF THE FOLSOM MUNICIPAL CODE TO ALLOW FOR THE USE OF INTERNALLY ILLUMINATED OPEN SIGNS IN THE SUTTER STREET SUBAREA OF THE HISTORIC DISTRICT

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this ordinance is to amend the Folsom Municipal Code to allow for the use of certain internally illuminated open signs in the Sutter Street Subarea of the Historic District.

SECTION 2 AMENDMENT TO CODE

Section 17.52.510(E) of the Folsom Municipal Code is hereby amended to read as follows:

17.52.510 Sutter Street Subarea Special Use and Design Standards

E. Signs

1. Each business whose entry door is located in the building frontage is permitted 1 wall or window sign. A business whose entry is located within an internal mall or corridor may utilize a nameplate incorporated in a wall sign for the entire building. The length of a wall sign may not exceed 75 percent of the shop's frontage. The total of all window signage may not cover more than 25 percent of the window. Wall signs shall be designed and installed with minimal space between the planes of the wall and of the sign. Businesses with frontage on more than one street and/or public parking lot may place a wall or window sign on each frontage, with subsequent signs to be no larger than half the size specified for the first sign and subject to the other requirements of the first sign.

2. Signs are permitted to be hung under a canopy, but shall not exceed 3 square feet in size with a minimum of 8 feet clearance from the sidewalk in addition to any permitted wall or window signs. Businesses without a canopy may utilize a projecting sign of the same size and clearance for this purpose. The historic district commission may approve an increase in the size of the under-canopy or projecting sign in exchange for a reduction in size of the wall or window sign.

3. Signs exempt in Chapter 17.59 are exempt in this subarea except as follows:

a. On-site directional signs are not exempt unless 2 square feet or smaller and, if freestanding, no higher than 2 feet, including base;
b. Exempt real-estate signs do not require a setback from public right-of-way; and
c. Window or door signs 1 square foot in size or larger and under-canopy signs are not exempt. Window or door signs smaller than 1 square foot are exempt but subject to the overall requirement regarding window coverage.

4. In addition to those signs prohibited in Chapter 17.59, the following signs are prohibited in this subarea, except as expressly provided in this section:
   a. Neon;
   b. Internally illuminated;
   c. Backlit canopies; and
   d. Corporate flags.

5. Notwithstanding any other provision of this section, each business is permitted to have one “Open” sign, subject to the following standards:
   a. Size is no greater than 1.5 square feet.
   b. Located indoors, placed on a window or door.
   c. Does not include logos, symbols, or trade names, and shall bear only information indicating if and when the business is open or closed.
   d. Nonilluminated, externally illuminated, or internally illuminated “Open” signs are allowed.
   e. If internally illuminated, illumination is limited to face-lit, neon-tube, and similar types of illumination.
   f. If illumination is used, colors for external and internal illumination shall be limited to red or orange colors.
   g. The use of multiple bulbs to create letters or shapes are prohibited.
   h. Animated signs are prohibited.

6. Freestanding signs are not permitted, unless the historic district commission determines that the exclusive use of wall signage at a particular location is ineffective. The historic district commission may require a reduction in the amount of wall signage otherwise allowed to compensate for the use of a freestanding sign.

7. Buildings with multiple tenants shall be required to submit a uniform signage program (USP) for historic district commission approval. After a USP is approved, tenant sign permits shall be reviewed and approved by the planning, inspections and permitting director.

SECTION 3 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 4 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 5 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on xxx xx, 2025 and the second reading occurred at the regular meeting of the City Council on xxxx xx, 2025.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this XX day of XXXX, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 4

City of Folsom Historic District Commission
50 Natoma Street
Folsom, CA 95630
via email to: ksanabria@folsom.ca.us; pjohns@folsom.ca.us; nstroud@folsom.ca.us

SUBJECT: Comments to HDC for March 12, 2025, Meeting Agenda Item 3 - Zoning Code Amendment to Allow Internally Illuminated Open Signs in the Sutter Street Subarea

Dear Historic District Commissioners:

As I expressed in my June 4, 2024, email to the Historic District Commission (HDC) omitted from your current staff report, **I am writing to express my support for business signage in the Historic District that complies with existing Folsom Municipal Code (FMC) provisions that prohibit, among other sign types, neon and internally illuminated signage, and to express my support for enforcement of the existing prohibitions consistently for all Historic District businesses.** Staff's recommendation to allow red and orange lighted "open" signs will degrade the Sutter Street subarea's historic character and create a downward spiral where additional businesses may also feel the need to use such signage.

If a change is to be made to the FMC regarding internally lit signage, then I request that the change be consistent with that recommended by the Folsom Historic District Association (FHDA) in July 2024 that only solid white internal illumination be allowed and that blinking lights or colorful illumination be prohibited.

It is unclear to me why the Community Development Department (CDD) has invested any staff resources into modifying the existing signage regulation instead of simply enforcing the existing regulations. It seems that a few businesses who do not want to comply with the existing ordinance have influenced CDD to spend staff time and resources on modifying the existing sign regulations in a manner that will degrade the character of the Historic District.

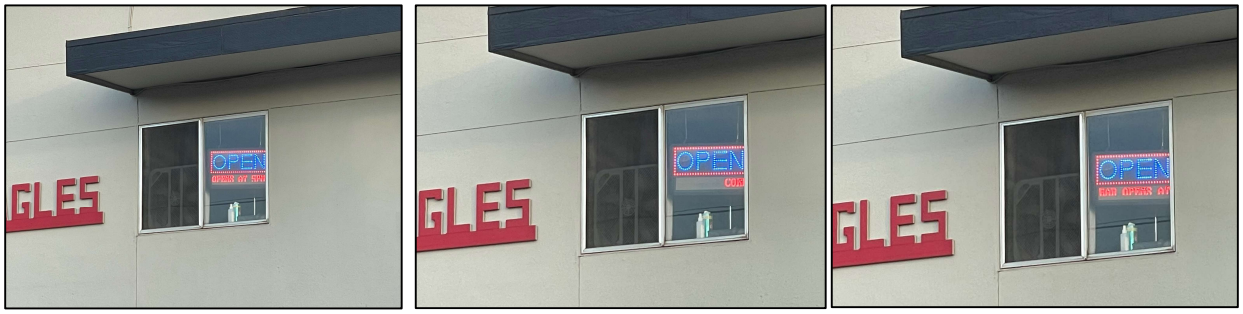
Neon, neon-like, or other internally lit "open" signs on Sutter Street conflict with the purpose and intent of Folsom's Historic District zoning and in particular with FMC 17.52.010(B)(1) purpose "[t]o preserve and enhance the historic, small-town atmosphere of the historic district as it developed between the years 1850 and 1950." Although the first neon signs were used in the U.S. in 1923, the use of neon "open" signs was not common until the mid-1980s (see attached Slate article). Red and orange lighted "open" signs in no way reflect the atmosphere of Folsom's historic district as it developed between 1850 and 1950.

Allowing businesses on Sutter Street to use red and orange internally lit signs as proposed by staff will influence even more business to have such signs as a necessity to show they are also open (see attached Slate article, "*because my competitor on the next block has a neon OPEN sign….they think I'm closed.*" Instead, by creating a level playing field where no businesses are allowed to use such signs, business owners will have incentive to be creative with designing unique, period-appropriate signage. Several businesses along Sutter Street already do this and have unique, visually appealing "open" signs or other clear indications that their businesses are open.

Sutter Street is not a strip mall and it is not a thoroughfare along which a bright red "open" sign is needed to attract the attention of passing motorists. Instead, Sutter Street is a walkable area where pedestrians can easily assess whether or not a business is open without having a blaring red or orange "open" sign drawing attention away from the unique visual setting and historic character of Sutter Street buildings and businesses.

On Monday evening (3/10/25), I photographed few of the existing lighted signs in the Sutter Street subarea. Presumably, these are some of the businesses that are also seeking a change to the sign regulations. However, all of the lighted signs I observed would also be in conflict with staff's proposed modified regulations. Some examples, including the Eagles Lodge with a lighted sign visible from Scott Street, are below.

Eagles Lodge – A window-mounted lighted sign reading "open" with multiple blue bulbs creating individual letters, surrounded by multiple red bulbs creating a border, and an animated streaming line of text created by multiple red bulbs announcing hours and cornhole. This sign violates the existing regulation and would also violate the proposed modified regulation. Moreover, Eagle's Lodge is a private club and has multiple alternative ways to communicate its hours to members without a lighted sign in the window.



The Vine – A window-mounted lighted sign reading "open" with multiple red bulbs creating individual letters that blink on and off, surrounded by multiple blue bulbs creating a border. This sign violates the existing regulation and would also violate the proposed modified regulation. The Vine also has a custom, attractive sandwich board sign on the street which provides a clear indication that The Vine is open, with no need for a lighted open sign in the window.



Pizzeria Classico – A window-mounted lighted sign with orange letters reading "open" encircled by a blue light, with seven red-lighted rows listing hours for each day of the week. This sign violates the existing regulation and would also violate the proposed modified regulation.



Sutter Street Taqueria - A window-mounted lighted sign reading "open" with multiple red bulbs creating individual letters, surrounded by multiple blue bulbs creating an oval border (not lit in photo). This sign violates the existing regulation and would also violate the proposed modified regulation.



Terra Cottage Boutique – A window-mounted white neon sign reading "open". This sign violates the existing regulation and would also violate the proposed modified regulation. However, with its white light it is the least visual intrusive of the internally lighted signs noted here and would be consistent with the FHDA recommendation for white-only neon signs.



Contrasting the business signs above is a great example at **Full Sol Market** with an attractive sandwich sign on the sidewalk and a classic ribbon-hung chalkboard "open" sign in the window. Passersby have no trouble determining that this business is OPEN. Many other businesses along Sutter Street have similarly attractive signage or other indications that the businesses are open without resorting to internally lit signs.



I encourage the HDC to reject staff's recommendation and encourage CDD staff to enforce the existing signage regulations on all business to create a level playing field that promotes and protects the unique character of the Sutter Street subarea.

Thank you for considering my comments.

Sincerely,



Bob Delp
Historic District Resident
Folsom, CA 95630
bdelp@live.com

Attachment: Sign o' the Times - The origins of the neon OPEN sign. - By Michael Dolan - Slate Magazine - March 05, 1998

Sign o' the Times - The origins of the neon OPEN sign. - By Michael Dolan - Slate Magazine - Ma

Neon alters language, its gaseous glow elevating dull verbs (EAT), bland nouns (HOTEL), and vapid antonyms (VACANCY/NO VACANCY). In red and blue neon, even a flat announcement like OPEN acquires a cold yet undeniable fire.

But neon's cool heat alone did not make the OPEN sign the visual loudspeaker of American small business. First, neon had to evolve from handicraft to commodity, from carefully considered decision to impulse purchase, from custom manufacture to mass production. Only then could OPEN join the pay phone and public toilet as invisible icons that don't appear until you look for them.

The sign's ubiquity was a long time coming. Until a decade ago, a simple neon OPEN sign retailed for as much as $400. That's not cheap, but it's far less expensive than the first neon sign sold in the United States, which blinked on in 1923 when a Los Angeles car dealer had a "Packard" sign made for $1,200 (by comparison, the cheapest new Packard on the lot sold for $3,600).

Invented by a Frenchman, the neon sign quickly became an Americanism. "Neon in America meant progress, vitality, urban excitement. It symbolized American energy," writes Rudi Stern in his 1988 book, The New Let There Be Neon. A neon sign in the window also advertised the fact that a merchant was flush enough to have spent some coin. But even after the neon patents expired in the '30s and the form boomed, signs stayed expensive. And thanks to their fragility and artisan nature, they also remained locally produced. In the medium's heyday, the 1940s, the United States boasted more than 2,000 neon shops. Today, there are a mere several hundred.

What changed the neon-sign business was the beer business. In the course of a few postwar decades, outfits like Fallon Luminous Products and Everbrite learned how to manufacture durable, transportable neon signs for Coors, Miller, and the various Anheuser-Busch brands. Protective plastic housings, sturdier mounts, lighter transformers, and shock-resistant shipping boxes gave the signs greater mobility. Mass production cut costs.

But aside from beer logos and a few other popular corporate insignias, neon was a tough mass-market sell, despite competitors' efforts to break new markets. It wasn't until the mid-1980s that Fallon and Everbrite devised blue and red OPEN signs (it's a matter of dispute who made the first one), but the way they sold them–door-to-door, mostly–kept prices high. A generic OPEN cost about what a local shop would charge for one made to order, and the market responded accordingly. In a good year, Everbrite sold only about 500 signs.

Today Everbrite moves 15,000 OPENs a year, and Fallon is just as busy. The market blossomed in the late 1980s, with the rise of wholesale buyer's clubs like Costco and SAM'S Club. "Their customers were mainly small businesses," says Tim Fallon. "We showed a classic size sign to SAM'S. They tested it, and it hit." Everbrite President Jeff Jacobs pitched Costco, which also saw OPEN signs fly out of the aisles. Now SAM'S Club sells Fallon's signs for about $115; at Costco, Everbrite's sell for $119.99.

Experienced production-line workers fashion an OPEN in about 10 minutes. Despite their name, many signs contain gases other than neon. A few puffs of argon fill the blue border of an OPEN; neon itself powers the red portion of the message. In the new generation of OPEN signs, the red is redder and the blue bluer because the glass tubing is coated with colored ink. If reheated, as they would have to be in the course of repair, the inks melt into brown goop, making the signs such a pain to fix that it's easier to buy another than to take a broken model into the shop.

The classic OPEN sign is a 35-inch by 15-inch rectangle, with a dozen feet of 12-millimeter tube in the word OPEN and another 8 feet in the border. One reason the sign has achieved world domination is because the letters' height-to-width ratio approximates the Golden Section–1-to-1.618–so beloved of artists, architects, and the ordinary human eye. Another is that the size fits most transoms, windows, and walls. Still another: The shipping box stacks easily on a standard pallet.

Mavens can discern between makers at a glance. Fallon sets its OPEN in a molded plastic case, while Everbrite's mounts on a metal armature. Everbrite markets the classic rectangle only, while Fallon offers a vertical OPEN, as well as an Art Deco bullet shape.

The OPEN sign's popularity tracks that of the strip mall. Immigrant shopkeepers and boomer entrepreneurs needed to let passers-by know they were ready for business. Fifty years ago they'd have scrawled OPEN on a shirt cardboard and perched it to catch the eye of a passing pedestrian. But who window shops anymore, except at 35 mph, through a window set in the frame of a vehicle?

The lingua franca of commercial America has done what Esperanto could not: achieve universality. In Vienna, a few neon signs do growl GEOFFNET. But more often the word is OPEN–evidence, says one neon connoisseur there, of continental affection for Americana, along with a changing European culture. "In Austria, there used to be customs about when businesses could operate," says Dusty Sprengnagel, who owns a shop called Neon Line and whose book on neon will reach store shelves later this year. "Most shops closed at 6 p.m. weekdays and on Saturday were not open or were open only until noon. We all knew the rules, so no one needed an OPEN sign. But things have changed. Shops may be open later, they may be open all of Saturday. The OPEN sign is not pretty, but it provides the information you need."

With OPEN going platinum, why not a neon CLOSED sign? Everbrite tried one, but it tanked. An OPEN sign is a binary beast, it seemed–if a store owner turned it off, the message was implicit. You couldn't say the same of a CLOSED sign–if it was off, would that mean proprietors lurking in the back waiting to make a sale?

An unlit OPEN has a fearsome power of its own. "We get calls from people whose signs aren't working. They're desperate," Everbrite's Jacobs says. "A guy told me, 'I run a video store. I broke my sign washing my window. I've got to have another one right away, because my competitor on the next block has a neon OPEN sign. People can see that he's open, but with my sign broken they think I'm closed.' "

Attachment 5

CITY OF FOLSOM
DISTINCTIVE BY NATURE

HISTORIC DISTRICT COMMISSION MINUTES
SPECIAL MEETING
February 12, 2025
6:30 p.m.
50 Natoma Street
Folsom, California 95630

CALL TO ORDER HISTORIC DISTRICT COMMISSION:

A regular meeting of the Historic District Commission was called to order at 6:30 p.m. with Chair Kathy Cole presiding.

ROLL CALL:

Commissioners Present:	Mark Dascallos, Commissioner Jennifer Cabrera, Vice Chair Daniel West, Commissioner Mathew Herrera, Commissioner John Lane, Commissioner Kathy Cole, Chair
Commissioners Absent:	John Felts, Commissioner

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited.

CITIZEN COMMUNICATION:

NONE

MINUTES:

The AMENDED minutes of the December 4, 2024 were approved.

The minutes of the February 5, 2025, meeting will be presented for approval.

NEW BUSINESS:

1. DRCL25-00019: 1301 Fong St., Residential Residing Project and Determination that the Project is Exempt from CEQA

A public meeting to request Design Review approval for a residential residing project located at 1301 Fong Street. The project site has a MLD (Multifamily Low Density) General Plan designation and is within the R-M (PD) (Two-Family Residential; Planned Development) Zoning District. The property is located in the Folsom Historic District

within The Preserve Subarea of the Historic Residential Primary Area. The project is categorically exempt under Section 15301 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines. **(Project Planner: Nathan Stroud / Applicant: Monique Lytell)**

COMMISSIONER LANE MOVED TO APPROVE AN APPLICATION (DRCL25-00019) FOR DESIGN REVIEW FOR A RESIDENTIAL RESIDING PROJECT FOR A SINGLE FAMILY RESIDENCE LOCATED AT 1301 FONG STREET, AS SHOWN IN ATTACHMENT 5 BASED ON THE FINDINGS (FINDINGS A-H) BELOW AND SUBJECT TO THE ATTACHED CONDITIONS OF APPROVAL (CONDITIONS 1-10), WITH MODIFICATIONS / CHANGES TO THE FOLLOWING CONDITIONS:

- AMENDMENT OF CONDITIONS OF APPROVAL TITLE

  CONDITIONS OF APPROVAL FOR ~~401 MORMON ST., CANOPY DEMOLITION AND REPLACEMENT PROJECT (DRCL24-00309)~~ 1301 FONG ST., RESIDENTIAL RESIDING PROJECT (DRCL25-00019)

- AMENDMENT OF CONDITION NO. 1

  THE APPLICANT SHALL SUBMIT FINAL SITE DEVELOPMENT PLANS TO THE COMMUNITY DEVELOPMENT DEPARTMENT THAT SHALL SUBSTANTIALLY CONFORM TO THE EXHIBITS REFERENCED BELOW, AS MODIFIED BY THESE CONDITIONS OF APPROVAL:

  - PLAN SET (ATTACHMENT 5)

    THIS PROJECT APPROVAL IS FOR THE ~~401 MORMON ST., CANOPY DEMOLITION AND REPLACEMENT PROJECT (DRCL24-00309) WHICH INCLUDES THE DEMOLITION OF AN EXISTING CANOPY STRUCTURE AND DESIGN REVIEW FOR A 576 SQUARE-FOOT, 12 FOOT TALL NEW CANOPY STRUCTURE OVER A PLAYGROUND FOR A CHILD DAYCARE LOCATED AT 401 MORMON STREET.~~ 1301 FONG ST., RESIDENTIAL RESIDING PROJECT (DRCL25-00019) WHICH INCLUDES THE REPLACEMENT OF STUCCO SIDING WITH HORIZONTAL LAP SIDING FOR A SINGLE-FAMILY RESIDENCE AT 1301 FONG STREET. IMPLEMENTATION OF THE PROJECT SHALL BE CONSISTENT WITH THE ABOVE-REFERENCED ITEMS AS MODIFIED BY THESE CONDITIONS OF APPROVAL.

COMMISSIONER WEST SECONDED THE MOTION.

The Motion carried the following roll call vote:

AYES: DASCALLOS, CABRERA, WEST, HERRERA, LANE, COLE
NOES: NONE
RECUSED: NONE
ABSENT: FELTS

MOTION PASSED

2. USPT24-00300: The Gaslight Company Meeting and Event Space Project and Determination that the Project is Exempt from CEQA

A public hearing to request modification of an existing Conditional Use Permit for the Gaslight Company, located at 718 Sutter Street, Suite 200, for the expansion of the business into Suite 208 to accommodate a banquet room, and to increase the hours of operation. The Gaslight Company is an existing bar and restaurant that also hosts entertainment and private events. The project site has an HF (Historic Folsom Mixed Use) General Plan designation and is within the HD (Historic District) Zoning District. The property is located in the Folsom Historic District within the Sutter Street Subarea of the Historic Commercial Primary Area. The project is categorically exempt under Section 15301 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines. **(Project Planner: Nathan Stroud / Applicant: Mark Dascallos)**

1. Mr. Moe Hirani addressed the Commission in support of the project and the use of the space as a banquet hall.

COMMISSIONER WEST MOVED TO APPROVE AN APPLICATION FOR THE MODIFICATION OF A CONDITIONAL USE PERMIT FOR THE GASLIGHT COMPANY, LOCATED AT 718 SUTTER STREET, SUITE

200, FOR EXPANSION OF THE BUSINESS AND TO INCREASE THE HOURS OF OPERATION, B FINDINGS (FINDINGS A-G) BELOW AND SUBJECT TO THE ATTACHED CONDITIONS OF APPROVAL (CONDITIONS 1-27), WITH MODIFICATIONS / CHANGES TO THE FOLLOWING CONDITIONS:

- AMENDMENT OF CONDITION NO. 6

  THIS CONDITIONAL USE PERMIT SHALL BE DEEMED REVOKED WITHOUT FURTHER ACTION BY THE ~~PLANNING~~ HISTORIC DISTRICT COMMISSION IF THE OPERATION OF THE FACILITY IN THE MANNER DESCRIBED IN THE CONDITIONAL USE PERMIT CEASES FOR ANY CONSECUTIVE PERIOD OF SIX (6) MONTHS.

- AMENDMENT TO ATTACHMENT 4: EXISTING CONDITIONS OF APPROVAL (PN19-305)

  STAFF WOULD LIKE TO NOTE THAT THE ORIGINAL APPROVED CONDITIONS OF APPROVAL (PN19-305) HAD INCORRECTLY STATED THAT THE HOURS OF OPERATION WERE 11 AM TO 1 AM ON THURSDAY AND SATURDAY; HOWEVER, STAFF HAD INTENDED TO STATE THAT THESE HOURS APPLIED FROM THURSDAY THROUGH SATURDAY WHEN THE PN19-305 PROJECT WAS APPROVED AT THAT TIME.

COMMISSIONER LANE SECONDED THE MOTION.

The Motion carried the following roll call vote:

AYES: CABRERA, WEST, HERRERA, LANE, COLE
NOES: NONE
RECUSED: DASCALLOS
ABSENT: FELTS

MOTION PASSED

3. ZCAM25-00032: Zoning Code Amendment to Allow Internally Illuminated Open Signs in the Sutter Street Subarea and Determination that the Project is Exempt from CEQA

A public hearing to consider a Zoning Code Amendment that will allow for the use of small internally illuminated open signs in the Sutter Street Subarea of the Historic District if the open signs meet certain design criteria. The project is categorically exempt under Sections 15061(b)(3) and 15301 of the California Environmental Quality Act (CEQA) Guidelines. **(Project Planner: Nathan Stroud)**

1. Ms. Judy Collinsworth addressed the Commission in support of the project – with the exception of the use of orange and red colors. Ms. Collinsworth spoke on behalf of merchants in the Historic District, who voiced a preference for white neon only.

COMMISSIONER WEST MOVED TO RECOMMEND CITY COUNCIL APPROVAL OF THE DRAFT ORDINANCE, PROVIDED IN ATTACHMENT 7, WITH MODIFICATIONS / CHANGES TO STANDARD F BELOW, TO ALLOW FOR THE USE OF INTERNALLY ILLUMINATED OPEN SIGNS IN THE SUTTER STREET SUBAREA OF THE HISTORIC DISTRICT, SUBJECT TO SPECIFIC DESIGN STANDARDS, BASED ON THE FINDINGS (FINDINGS A-H) BELOW.

- AMENDMENT TO ATTACHMENT 7: DRAFT ORDINANCE
  - SECTION 2 AMENDMENT TO CODE

    SECTION 17.52.510(E) OF THE FOLSOM MUNICIPAL CODE IS HEREBY AMENDED TO READ AS FOLLOWS:

    17.52.510 SUTTER STREET SUBAREA SPECIAL USE AND DESIGN STANDARDS

    E. SIGNS

    5. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, EACH BUSINESS IS PERMITTED TO HAVE ONE “OPEN” SIGN, SUBJECT TO THE FOLLOWING STANDARDS:

A. SIZE IS NO GREATER THAN 1.5 SQUARE FEET.
B. LOCATED INDOORS, PLACED ON A WINDOW OR DOOR.
C. DOES NOT INCLUDE LOGOS, SYMBOLS, OR TRADE NAMES, AND SHALL BEAR ONLY INFORMATION INDICATING IF AND WHEN THE BUSINESS IS OPEN OR CLOSED.
D. NONILLUMINATED, EXTERNALLY ILLUMINATED, OR INTERNALLY ILLUMINATED "OPEN" SIGNS ARE ALLOWED.
E. IF INTERNALLY ILLUMINATED, ILLUMINATION IS LIMITED TO FACE-LIT, NEON-TUBE, AND SIMILAR TYPES OF ILLUMINATION.
F. IF ILLUMINATION IS USED, COLORS FOR EXTERNAL AND INTERNAL ILLUMINATION SHALL BE LIMITED TO WHITE COLOR.
G. THE USE OF MULTIPLE BULBS TO CREATE LETTERS OR SHAPES ARE PROHIBITED.
H. ANIMATED SIGNS ARE PROHIBITED.

COMMISSIONER LANE SECONDED THE MOTION.

The Motion carried the following roll call vote:

AYES: CABRERA, WEST, HERRERA, LANE, COLE
NOES: NONE
RECUSED: DASCALLOS
ABSENT: FELTS

MOTION PASSED

PLANNING MANAGER REPORT:

Planning Manager Desmond Parrington reported that the next Historic District Commission meeting is tentatively scheduled for April 2, 2025.

Planning Manager Desmond Parrington provided an update on the following items:

- New City Manager, Mr. Bryan Whitemyer, was introduced to the Commission.
- Since the last commission meeting, staff has handled two design reviews – one small ADU and one garage door replacement.

There being no further business to come before the Folsom Historic District Commission, Chair Kathy Cole adjourned the meeting at 8:05 p.m.

RESPECTFULLY SUBMITTED,

Karen Sanabria, ADMINISTRATIVE ASSISTANT

APPROVED:

Kathy Cole, CHAIR

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Ordinance No. 1350 - An Uncodified Ordinance of the City of Folsom to Designate Fire Hazard Severity Zones in the Local Responsibility Area (LRA) – (Second Reading and Adoption)
FROM:	Fire Department

RECOMMENDATION / CITY COUNCIL ACTION

The Fire Department recommends that the City Council conduct the second reading and adopt Ordinance No. 1350 - An Uncodified Ordinance of the City of Folsom to Designate Fire Hazard Severity Zones in the Local Responsibility Area (LRA).

BACKGROUND / ISSUE

This agenda item involves adopting an ordinance to designate Fire Hazard Severity Zones within the Local Responsibility Area (LRA) and reference the City of Folsom LRA Fire Hazard Severity Zones Map, published on March 10, 2025.

Under state law, the State Fire Marshal is responsible for classifying lands within State Responsibility Areas (SRA) into Fire Hazard Severity Zones. Following the devastating 1991 Oakland Hills Fire, this requirement was expanded in 1992 to include Local Responsibility Areas, requiring the California Department of Forestry and Fire Protection (CAL FIRE) to assess fire hazard severity in these areas as well. In 2021, CAL FIRE was further directed to identify Moderate and High Fire Hazard Severity Zones, in addition to the previously designated Very High zones in Local Responsibility Areas. This update ensures that LRA maps, which previously only reflected very high hazard classifications, now also include moderate and high hazard zones.

The updated Fire Hazard Severity Zones maps apply to all areas where fire protection is not the responsibility of state or federal agencies. A separate map for State Responsibility Areas was updated and became effective in 2024. CAL FIRE developed the updated maps using a

science-based, field-tested model that assigns hazard scores based on key factors influencing fire likelihood and behavior. The model considers fire history, existing and potential fuel sources such as natural vegetation, predicted flame length, blowing embers, terrain, and typical fire weather conditions.

The maps reflect fire hazard rather than fire risk. Similar to flood zone maps, these designations indicate the probability of fire occurring in a given area over a 30 to 50-year period, without considering mitigation efforts such as home hardening, recent wildfires, or fuel reduction programs.

Under California Government Code Section 51179(3), local agencies cannot reduce the fire hazard severity level assigned by the State Fire Marshal. However, they may increase the designation if they determine a higher hazard level is warranted. Local agencies do not have the authority to remove or lower designated fire hazard severity zones from the CAL FIRE maps. These state-mandated designations play a crucial role in land use planning, fire safety regulations, and emergency preparedness efforts for communities located in fire-prone areas.

On April 22, 2025, the introduction and first reading of Ordinance 1350 was presented to the City Council and the public. There have been no changes to the ordinance since first reading.

POLICY / RULE

California Government Code Section 51179(a) requires local agencies, including cities, counties, or districts responsible for fire protection within a moderate fire hazard severity zone, to designate by ordinance the moderate, high, and very high fire hazard severity zones within their jurisdiction. This designation must occur within 120 days of receiving recommendations from the State Fire Marshal pursuant to Section 51178. The City of Folsom received the Local Responsibility Area Fire Hazard Severity Zones Map on March 10, 2025. As the agency responsible for fire protection within a moderate fire hazard severity zone, the City of Folsom is required to adopt this ordinance.

ANALYSIS

The proposed ordinance would designate Fire Hazard Severity Zones within the Local Responsibility Area (LRA) based on the updated LRA Fire Hazard Severity Zones Map, published on March 10, 2025.

State law requires CAL FIRE to evaluate fire hazard severity in LRAs. In 2021, CAL FIRE expanded its classifications to include Moderate and High hazard zones in addition to Very High zones. The updated maps identify fire hazard levels in areas not covered by state or federal fire services.

Using a scientific model, CAL FIRE assessed fire probability and behavior by analyzing factors such as fire history, vegetation, terrain, and weather conditions. These maps reflect

hazard, meaning the likelihood of fire occurring, rather than risk, which considers actual vulnerability and mitigation efforts.

Under California Government Code Section 51179(3), local agencies are not permitted to reduce designated hazard levels but may increase them if necessary.

FINANCIAL IMPACT

No fiscal impact except staff time to prepare the staff report/ordinance and to publish the ordinance.

ENVIRONMENTAL REVIEW

This action is not considered a project under Section 15061(b)(3) of the California Environmental Quality Act Guidelines, and as such is exempt from environmental review.

ATTACHMENTS

1. Ordinance No. 1350 - An Uncodified Ordinance of the City of Folsom to Designate Fire Hazard Severity Zones in the Local Responsibility Area (LRA)

2. City of Folsom Local Responsibility Area Fire Hazard Severity Zones Map

Submitted,

Ken Cusano, Fire Chief

Attachment 1

ORDINANCE NO. 1350

AN UNCODIFIED ORDINANCE OF THE CITY OF FOLSOM TO DESIGNATE FIRE HAZARD SEVERITY ZONES IN THE LOCAL RESPONSIBILITY AREA (LRA)

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this ordinance is to designate Fire Hazard Severity Zones within the Local Responsibility Area (LRA) and reference the City of Folsom LRA Fire Hazard Severity Zones Map, published March 10, 2025, pursuant to Government Code Section 51178.

SECTION 2 FINDINGS

California Government Code Section 51179(a) requires local agencies, including cities, counties, or districts responsible for fire protection within a moderate fire hazard severity zone, to designate by ordinance the moderate, high, and very high fire hazard severity zones within their jurisdiction. This designation must occur within 120 days of receiving recommendations from the State Fire Marshal pursuant to Section 51178. The City of Folsom received the Local Responsibility Area Fire Hazard Severity Zones Map on March 10, 2025. As the agency responsible for fire protection within a moderate fire hazard severity zone, the City of Folsom is required to adopt this ordinance.

SECTION 3 SCOPE

The proposed ordinance would designate Fire Hazard Severity Zones within the Local Responsibility Area (LRA) based on the updated LRA Fire Hazard Severity Zones Map, published on March 10, 2025.

State law requires CAL FIRE to evaluate fire hazard severity in LRAs. In 2021, CAL FIRE expanded its classifications to include Moderate and High hazard zones in addition to Very High zones. The updated maps identify fire hazard levels in areas not covered by state or federal fire services.

Using a scientific model, CAL FIRE assessed fire probability and behavior by analyzing factors such as fire history, vegetation, terrain, and weather conditions. These maps reflect hazard, meaning the likelihood of fire occurring, rather than risk, which considers actual vulnerability and mitigation efforts.

Under California Government Code Section 51179(3), local agencies are not permitted to reduce designated hazard levels but may increase them if necessary.

SECTION 4 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 5 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on April 22, 2025 and the second reading occurred at the regular meeting of the City Council on May 13, 2025.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 13th day of May, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

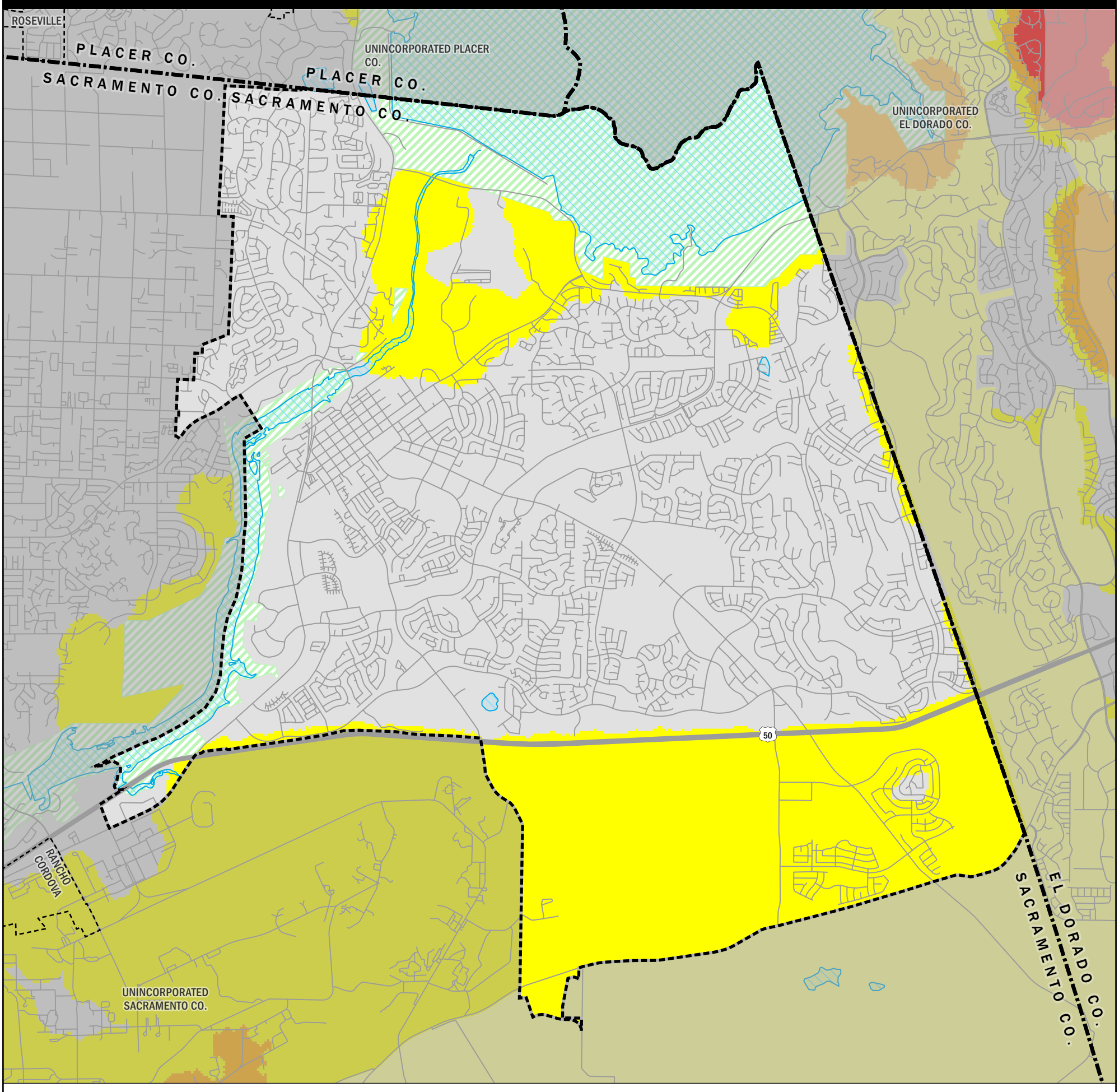
Attachment 2

CITY OF FOLSOM – SACRAMENTO COUNTY

Local Responsibility Area Fire Hazard Severity Zones

As Identified by the State Fire Marshal

March 10, 2025





Fire Hazard Severity Zones (FHSZ) in Local Responsibility Area (LRA), as Identified by the State Fire Marshal

Very High | High | Moderate

Fire Hazard Severity Zones in State Responsibility Area (SRA), Effective April 1, 2024

Very High | High | Moderate

Mi 0 1 2

Km 0 1 2 3 4

Projection: NAD 83 California Teale Albers
Scale: 1:52,000 at 11" x 17"

Incorporated City | Waterbody | Unzoned LRA | Federal Responsibility Area (FRA)

Government Code section 51178 requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Moderate, high, and very high fire hazard severity zones shall be based on fuel loading, slope, fire weather, and other relevant factors including areas where winds have been identified by the Office of the State Fire Marshal as a major cause of wildfire spread.

The State of California and the Department of Forestry and Fire Protection make no representations or warranties regarding the accuracy of data or maps. Neither the State nor the Department shall be liable under any circumstances for any direct, special, incidental, or consequential damages with respect to any claim by any user or third party on account of, or arising from, the use of data or maps.

Gavin Newsom, Governor, State of California

Wade Crowfoot, Secretary for Natural Resources, CA Natural Resources Agency

Joe Tyler, Director/Fire Chief, CA Department of Forestry and Fire Protection

Daniel Berlant, State Fire Marshal, CA Department of Forestry and Fire Protection

Data Sources:

CAL FIRE Fire Hazard Severity Zones (FHSZSRA23_3, FHSZLRA_25_1)

CAL FIRE State Responsibility Areas (SRA25_1)

City and County boundaries as of 10/22/24 (CA Board of Equalization)

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Ordinance No. 1351 – An Ordinance of the City of Folsom Amending Sections 5.20.050(C) and 5.20.070(A)(2) of the Folsom Municipal Code to Increase the Number of Card Tables and Specify the Number of Cardrooms and Card Tables in the City (Second Reading and Adoption)
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council conduct a second reading of and move to adopt Ordinance No. 1351- An Ordinance of the City of Folsom Amending Sections 5.20.050(C) and 5.20.070(A)(2) of the Folsom Municipal Code to Increase the Number of Card Tables and Specify the Number of Cardrooms and Card Tables in the City.

BACKGROUND / ISSUE

Legal gambling establishments, popularly referred to as cardrooms, have existed in California since the 1850s, and for most of that time, regulation of cardroom activities was left almost exclusively to local governments. The Folsom City Council formally began regulating cardrooms in 1988 with the approval of Ordinance No. 618, which enacted Chapter 5.20 Cardrooms of the Folsom Municipal Code.

Control of cardrooms began to shift to the State of California in 1995 when the Legislature enacted a 5-year moratorium that restricted the licensing of new cardrooms within the state. The original intent of the moratorium was to temporarily freeze the expansion of gambling in California while the State Legislature crafted what would eventually become the Gambling Control Act (Act) in 1997, legislation that requires the licensure and regulation of cardrooms on a statewide level.

Passage of the Act ultimately extended the moratorium on issuing any new cardroom licenses and expanded the definition of "expansion of gambling" to also include the number of tables in a local

jurisdiction. Under this definition, a local governmental body is prohibited from amending its Ordinance in a manner that would result in an increase of 25% or more (when compared to that authorized on January 1, 1996) in either the number of gambling tables in the jurisdiction or in the number of gambling tables operated in a cardroom in that jurisdiction.

In the 20 plus years since the Act's passage, the Legislature has enacted several exceptions to the moratorium that allow for a modest increase in the number of tables operated in a licensed gambling establishment (e.g., 2-3 tables). The City of Folsom utilized two of these statutes to increase the number of tables that could be operated in a cardroom from six to nine in 2010 and nine to eleven in 2022. These table limits are codified in Folsom Municipal Code (FMC) Section 5.20.070(A)(2).

Folsom Municipal Code Chapter 5.20 – Cardrooms also includes provisions regarding the number of cardrooms permitted within the City. Specifically, FMC Section 5.20.050 (C) states that no cardroom license shall be granted when the number of cardroom licenses in the City exceeds the ratio of one cardroom for each two thousand five hundred persons in the City according to the last preceding federal census. The 2020 United States Census estimated the population of Folsom at 80,454 persons, thus a maximum of 32 cardrooms would be permitted if consistent with state law.

On February 7, 2025, the City received correspondence from the California Department of Justice, Bureau of Gambling Control (Bureau), notifying us that the current language of FMC Section 5.20.050(C) is inconsistent with the Act (Attachment 2 of this report). Specifically, the Section must be amended to permit a specified number of card tables for the entire jurisdiction that is consistent with the number approved as of January 1, 1996, and any additional tables permitted through a legislative review process thereafter. Further, the Bureau stated that this Section must be amended before the Bureau approves any new cardroom licenses in the City.

On April 22, 2025, the City Council voted to introduce and conduct the first reading of Ordinance 1351 to increase the number of card tables and specify the number of cardrooms and card tables in the City. No changes to the Ordinance have been made since the first reading.

POLICY / RULE

Under Section 2.12 of the City Charter, amendments to the Folsom Municipal Code require review and approval by the City Council.

ANALYSIS

Staff propose to amend FMC Section 5.20.050(C) as follows:

> **5.20.050 Action on applications.**
> C. Only one (1) cardroom is permitted in the City, and only one (1) cardroom license may be issued in the City. ~~Anything to the contrary notwithstanding, no cardroom license shall be granted when the number of cardroom licenses in the city exceeds the ratio of one cardroom for each two thousand five hundred persons in the city according to the last preceding federal census or special census conducted under the supervision of the~~

~~Department of Finance of the State of California at the time of the application; provided, that this population limitation shall not prevent the continuance of any cardroom existing and operating at the time of the passage of the ordinance codified in this chapter. Such continued operation, however, shall be in compliance with the regulations of Section 5.20.070 in all respects. The population standard established in this section is intended to fix a maximum limitation on the number of licenses. The city council may, in its discretion, elect to authorize fewer licenses than such standard would allow.~~

This amendment will bring the FMC into compliance with the Act and clarify applicable limits to cardroom operators looking to establish a business in the City. Any new cardroom would need to obtain both a license, a Conditional Use Permit, and be subject to the State Gambling Control Act restrictions and regulations.

California Business and Professions Code Section 19961.07, subdivision (a), permits up to a 25% increase in card tables allowed by a jurisdiction. As stated in the Background section of this report, the current number of card tables allowed per cardroom is eleven. Staff recommend that the City Council consider also amending FMC Section 5.20.070(A)(2) to permit two additional card tables for a total of thirteen and to reiterate that the total number of card tables permitted within the City is thirteen:

5.20.070 Cardroom regulations.
A. No person shall operate a cardroom in violation of any of the following regulations:
2. No more than ~~eleven~~ thirteen (13) card tables shall be permitted in any cardroom, and no more than thirteen (13) card tables are allowed in the City.

These additional amendments reiterate the jurisdictional card table limits required to comply with the State Gambling Control Act while allowing a potential licensee the maximum number of card tables permitted for our jurisdiction. The proposed amendments were reviewed and deemed acceptable by the Bureau (Attachments 2 and 3).

FINANCIAL IMPACT

No immediate financial impact is expected from these proposed amendments.

ENVIRONMENTAL REVIEW

The project is exempt under Section 15061(b)(3) - Common Sense Rule of the California Environmental Quality Act (CEQA). The proposed amendments to FMC Chapter 5.20 have no potential to cause significant effects on the environment.

ATTACHMENTS

1. Ordinance No. 1351 – An Ordinance of the City of Folsom Amending Sections 5.20.050(C) and 5.20.070(A)(2) of the Folsom Municipal Code to Increase the Number of Card Tables and Specify the Number of Cardrooms and Card Tables in the City
2. California Department of Justice, Bureau of Gambling Control correspondence, dated February 7, 2025.
3. California Department of Justice, Bureau of Gambling Control correspondence, dated February 25, 2025.

Submitted,



PAM JOHNS
Community Development Director

Attachment 1

ORDINANCE NO. 1351

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTIONS 5.20.050(C) AND 5.20.070(A)(2) OF THE FOLSOM MUNICIPAL CODE TO INCREASE THE NUMBER OF CARD TABLES AND SPECIFY THE NUMBER OF CARDROOMS AND CARD TABLES IN THE CITY

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this Ordinance is to amend the Folsom Municipal Code to conform with California Business and Professions Code §19860(a)(5) by regulating the number of cardrooms and card tables in the City, and to increase the number of card tables in the City from 11 to 13 pursuant to the allowance provided by California Business and Professions Code §19961.07(a).

SECTION 2 AMENDMENT TO CODE

Section 5.20.050(C) of the Folsom Municipal Code is hereby amended to read as follows:

5.20.050 Action on applications.
C. Only one (1) cardroom is permitted in the City, and only one (1) cardroom license may be issued in the City.

SECTION 3 AMENDMENT TO CODE

Section 5.20.070(A)(2) of the Folsom Municipal Code is hereby amended to read as follows:

5.20.070 Cardroom regulations.
A. No person shall operate a cardroom in violation of any of the following regulations:

2. No more than thirteen (13) card tables shall be permitted in any cardroom, and no more than thirteen (13) card tables are allowed in the City.

SECTION 4 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 5 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each

section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 6 NO MANDATORY DUTY

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 6 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on April 22, 2025, and the second reading occurred at the regular meeting of the City Council on May 13, 2025.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 13th day of May, 2025 by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

CALIFORNIA
DEPARTMENT OF JUSTICE

Rob Bonta
Attorney General

BUREAU OF GAMBLING CONTROL
2450 DEL PASO ROAD, SUITE 100
SACRAMENTO, CA 95834

February 7, 2025

Via e-mail only
Dan Haverty
Interim City Manager
City of Folsom
50 Natoma Street
Folsom, CA 95630
dhaverty@folsom.ca.us

Re: City of Folsom – Ordinance Amendments

Dear Mr. Haverty:

On January 27, 2025, the Department of Justice (Department), Bureau of Gambling Control (Bureau) received correspondence from the City of Folsom's (City or Folsom) Interim City Manager regarding the City's proposed amendments to its Municipal Code (Proposed Amendment). The City submitted the Proposed Amendment to the Bureau for review in compliance with the City's obligations under Business and Professions Code section 19961.1.[1]

Section 5.20.070 of the City's Municipal Code (Section 5.20.070) governs the operation of gambling establishments[2] within Folsom. The City proposes to amend Section 5.20.070 to establish a table limit within its "jurisdiction."[3] The Bureau offers the following comments to

[1] "Any amendment to a city or county ordinance relating to gambling establishments, or the Gambling Control Act, shall be submitted to the [D]epartment for review and comment, before the ordinance is adopted by the city or county." (Bus. & Prof. Code, § 19961.1.)

[2] Section 5.20.010 of the Municipal Code includes a definition for "cardroom," which the Bureau acknowledges is synonymous with the definition of "gambling establishment" under the Act. (Bus. & Prof. Code, § 19805, subd. (*o*).)

[3] Bus. & Prof. Code, § 19860, subd. (a)(5). In September 2022, the City submitted to the Bureau proposed amendments to Section 5.20.070. The Bureau provided its comments to the City on those proposed amendments in a letter dated October 11, 2022 (2022 Letter). In that letter, the Bureau advised the City of the requirements imposed by Business and Professions Code

the Proposed Amendment and responds to the City's assessment that it possesses a 374-card table limit.

1. Section 5.20.070 – Cardroom Regulations

Section 5.20.070, subdivision 2, specifies that "[n]o more than eleven card tables shall be permitted in any cardroom." The City proposes to amend this subdivision to specify that no more than eleven "card tables" are allowed within the City. (Section 5.20.070, subd. (A)(2).) This Proposed Amendment appears to comply with the Gambling Control Act (Act) and to address the concerns that the Bureau raised in its 2022 Letter. If further amendments are forthcoming, please provide the Bureau with those amendments prior to their adoption in compliance with Business and Professions Code section 19961.1.

2. 374 Card Table Limit

In your January 23, 2025 correspondence, you included an excerpt of the City Attorney's analysis that the City may, under Folsom Municipal Code section 5.20.050 (Section 5.20.050), subdivision C, be allowed to operate 34 cardrooms, and that with a cardroom table limit of 11 tables, the City theoretically would have a jurisdictional table limit of 374 tables. This analysis appears to be at odds with the Proposed Amendment discussed above, is in contravention of applicable statutes, and in our estimation misreads Section 5.20.050, subdivision C.

Specifically, Business and Professions Code section 19961, subdivision (a)(1), prohibits an "expansion of gambling" without the approval of the voters of a city, county, or city and county. Business and Professions Code section 19961, subdivisions (b)(1) and (b)(2), include in the definition of "expansion of gambling" an increase of 25 percent or more in the number of card tables or licensed gambling establishments, respectively, allowed in a city, county, or city and county, when compared to that allowed on January 1, 1996.

In addition, the language of Section 5.20.050, subdivision C, appears to simply place a limit on the number of potentially allowable licensed cardrooms in the City. To the extent Section 5.20.050, subdivision C, may fairly be characterized as purporting to "automatically" increase both the number of tables allowed within the City as well as the number of cardrooms, it conflicts with applicable statutes. As previously noted in the Bureau's 2022 Letter, ordinance language that does not state a jurisdiction's table limit does not comply with Business and Professions Code section 19860, subdivision (a)(5).

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section 19860, including a requirement that a city, county, or city and county have in effect an ordinance governing "the number of tables in each gambling establishment and in the jurisdiction." (*Ibid.*)

The Act provides that an ordinance may be amended to increase the number of tables allowed within a gambling establishment or within the relevant jurisdiction. Approving such an increase necessarily requires an affirmative act by the jurisdiction's legislative body. That such an increase requires an affirmative legislative act is further supported by the plain language of the various sections of the Act pertaining to changes in the number of tables allowed within a gambling establishment and in a jurisdiction, as well as in the number of gambling establishments allowed. (See Bus. & Prof. Code, §§ 19961, subd. (a), 19961.06, 19961.07, subd. (a), 19965.).)

Moreover, the increase in the number of tables allowed within the City, by virtue of an automatic increase in the number of cardrooms read into Section 5.20.505, subdivision C, also runs afoul of Business and Professions Code section 19961, subdivision (a)(1), which requires an affirmative vote of the electors in order to implement an increase of 25 percent or more in the number of tables or cardrooms allowed within the jurisdiction when compared to the number allowed on January 1, 1996. Even then, Business and Professions Code section 19962, subdivision (b)(1), prohibits the amendment of an ordinance that expands gambling until January 1, 2043. (Bus. & Prof. Code, § 19962, subd. (c).) Any amendment to an ordinance or adoption of an ordinance on or after January 1, 2023, by a city, county, or city and county, that results in an expansion of gambling that was not authorized or permitted under the Act as of December 31, 2022, shall be invalid and preempted. (Bus. & Prof. Code, § 19961.07, subd. (b)(3).) Further, until January 1, 2043, the California Gambling Control Commission is prohibited from issuing a state gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, unless an application to operate that establishment was on file with the Department prior to September 1, 2000. (Bus. & Prof. Code, § 19963, subds. (a), (d).) Consequently, the assessment that the City may authorize the operation of a maximum of 374 tables, and that the City may authorize the operation of 34 cardrooms, is misplaced. The Bureau recommends that the City revisit its analysis and amend Section 5.20.050, subdivision C, so as not to conflict with the City's Proposed Amendment and to bring it into compliance with the Act.

While the Bureau is required to review and comment upon proposed ordinance amendments, nothing contained herein shall be construed to authorize the operation of a gambling establishment in any manner that is inconsistent with the Act or any other applicable provision of law.

If you have any questions, or wish to submit further revisions to these ordinances, please contact Analyst Kenneth Larsen at (916) 559-6103, or by email at kenneth.larsen@doj.ca.gov. Thank you for your cooperation regarding this matter.

Sincerely,

Brent Y. Jo

Digitally signed by Brent Y. Jo
Date: 2025.02.07 15:23:32 -08'00'

BRENT Y. JO
Deputy Attorney General

For ROB BONTA
Attorney General

Attachment 3

CALIFORNIA
DEPARTMENT OF JUSTICE

Rob Bonta
Attorney General

BUREAU OF GAMBLING CONTROL
2450 DEL PASO ROAD, SUITE 100
SACRAMENTO, CA 95834

February 25, 2025

Via e-mail only
Dan Haverty
Interim City Manager
City of Folsom
50 Natoma Street
Folsom, CA 95630
dhaverty@folsom.ca.us

Re: City of Folsom – Ordinance Amendments

Dear Mr. Haverty:

On February 7, 2025, the Department of Justice (Department), Bureau of Gambling Control (Bureau) received correspondence from the City of Folsom (City) regarding the City's further proposed amendments to its Municipal Code.[1] The City submitted the proposed amendments to the Bureau for review in compliance with the City's obligations under the Gambling Control Act (Act).[2]

The City proposes amending Section 5.20.050, subdivision (C),[3] which governs both the number of gambling establishments[4] allowed within the City and the number of licenses that

[1] The Bureau provided comments to the City concerning other proposed amendments in a letter dated February 7, 2025. The proposed amendments addressed herein were made in response to those comments.

[2] "Any amendment to a city or county ordinance relating to gambling establishments, or the Gambling Control Act, shall be submitted to the [D]epartment for review and comment, before the ordinance is adopted by the city or county." (Bus. & Prof. Code, § 19961.1.)

[3] Section references are the City's Municipal Code unless otherwise indicated.

[4] Section 5.20.010 includes a definition for "cardroom," which the Bureau acknowledges is synonymous with the definition of "gambling establishment" under the Act. (Bus. & Prof. Code, § 19805, subd. (*o*).)

may be issued by the City, as well as Section 5.20.070, subdivision (A)(2), which governs the number of tables allowed within a gambling establishment within the City. The Bureau offers the following comments.

1. **Section 5.20.050 – Action on application**

Section 5.20.050, subdivision (C) currently provides, in pertinent part, that "no cardroom license shall be granted when the number of cardroom licenses in the city exceeds the ratio of one cardroom for each two thousand five hundred persons in the city." The City's proposed amendment would instead provide that no more than one cardroom is permitted in the City, and that only one cardroom license may be issued by the City.

This proposed amendment appears to comply with the Act, and addresses the concerns raised by the Bureau in its February 7, 2025 comment letter.

2. **Section 5.20.070 – Cardroom regulations**

Section 5.20.070, subdivision (A)(2), currently specifies that "[n]o more than eleven card tables shall be permitted in any cardroom." The City proposes to amend this subdivision to specify that no more than thirteen (13) "card tables" are allowed within a cardroom, and no more than thirteen (13) "card tables" are allowed in the City. (Section 5.20.070, subd. (A)(2).) The proposed increase of two tables is authorized under Business and Professions Code section 19961.07, subdivision (a). This proposed amendment appears to comply with the Act.

While the Bureau is required to review and comment upon proposed ordinance amendments, nothing contained herein shall be construed to authorize the operation of a gambling establishment in any manner that is inconsistent with the Act or any other applicable provision of law.

If you have any questions, or wish to submit further revisions to these ordinances, please contact Analyst Kenneth Larsen at (916) 559-6103, or by email at kenneth.larsen@doj.ca.gov. Thank you for your cooperation regarding this matter.

Sincerely,

Brent Y. Jo

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Date: 2025.02.25 11:06:26 -08'00'

BRENT Y. JO
Deputy Attorney General

For ROB BONTA
Attorney General

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11372 – A Resolution Authorizing the City Manager to Execute an Agreement with Stertil-Koni USA, Inc. to Purchase Mobile Column Lifts to Raise Heavy Vehicles as Required for Maintenance and Repair
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11372 – A Resolution Authorizing the City Manager to Execute an Agreement with Stertil-Koni USA, Inc. to Purchase Mobile Column Lifts to Raise Heavy Vehicles as Required for Maintenance and Repair.

BACKGROUND / ISSUE

The Public Works Department maintains a fleet of vehicles and equipment that is able to provide efficient and reliable service throughout the city. The requirement for this lift system is based on the need to perform inspections, maintenance, and repair of the city's heavy fleet and to continue to provide the current level of service. The greatest need for the mobile column lifts system comes from the Waste and Recycling Division (Solid Waste). The Solid Waste fleet utilizes over 96% of the labor hours that require the mobile column lift system. To continue supporting the Solid Waste fleet, the department is requesting authorization to purchase a new mobile column lift system capable of raising these vehicles off the ground to a height sufficient that repairs to the underside are feasible in a safe manner. The purchase will replace an existing set of mobile column lifts that has aged past its service life and has become obsolete, with replacement parts no longer available.

This resolution will authorize the City Manager to execute an agreement with Stertil-Koni USA, Inc. to purchase one set of mobile column lifts. The total cost for the purchase and installation of this lift system will not exceed $99,011.51. Sufficient funds are budgeted and available in the Fiscal Year 2024-25 Solid Waste Operating Fund (Fund 540).

POLICY / RULE

Section 2.36.080 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of $75,049 or greater shall be awarded by the City Council.

Section 2.36.170 of the Folsom Municipal Code permits cooperative purchasing agreements for the procurement of any supplies, equipment, service, or construction with one or more public procurement units in accordance with an agreement entered into or between the participants.

ANALYSIS

Sourcewell is a national cooperative purchasing entity of which the City of Folsom is a member. The City has purchased numerous items through Sourcewell. Stertil-Koni USA, Inc. has a current contract with Sourcewell for mobile column lifts at a price that has been assessed to be fair, reasonable, and competitive. Municipal Maintenance Equipment is the local representative and distributor for Stertil-Koni USA, Inc. Sourcewell contract number #121223-SKI will be utilized for the purchase of Stertil-Koni USA, Inc. mobile column lifts.

FINANCIAL IMPACT

Sufficient funds are budgeted and available in the Fiscal Year 2024-25 Solid Waste Operating Fund (Fund 540) for the purchase. The Public Works department is requesting that the contract be authorized for a not to exceed amount of $99,011.51.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENT

Resolution No. 11372 – A Resolution Authorizing the City Manager to Execute an Agreement with Stertil-Koni USA, Inc. to Purchase Mobile Column Lifts to Raise Heavy Vehicles as Required for Maintenance and Repair.

Submitted,

Mark Rackovan, Public Works Director

RESOLUTION NO. 11372

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH STERTIL-KONI USA, INC. TO PURCHASE MOBILE COLUMN LIFTS TO RAISE HEAVY VEHICLES AS REQUIRED FOR MAINTENANCE AND REPAIR

WHEREAS, the Public Works Department has validated its need to purchase new mobile column lifts to replace obsolete equipment; and

WHEREAS, this purchase will be made through Sourcewell, which used its recognized cooperative purchasing agreement to award a contract to Stertil-Koni USA, Inc., represented locally by Municipal Maintenance Equipment, in an amount not to exceed $99,011.51; and

WHEREAS, sufficient funds are budgeted and available in the Fiscal Year 2024-25 Solid Waste Operating Fund (Fund 540); and

WHEREAS, staff recommends the execution of a contract with Stertil-Koni USA, Inc. for the purchase of new mobile column lifts; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an agreement with Stertil-Koni USA, Inc. to purchase mobile column lifts for the not to exceed amount of $99,011.51.

PASSED AND ADOPTED this 13th day of May 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11373 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the Sacramento Transportation Authority Regarding Coordination of State Transportation Improvement Program Funding Applications and Communication
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11373 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the Sacramento Transportation Authority Regarding Coordination of State Transportation Improvement Program Funding Applications and Communication.

BACKGROUND / ISSUE

Beginning with SB 45 (Kopp) in 1997, regional and county transportation agencies, specifically Regional Transportation Planning Agencies (RTPAs) were given authority for programming county shares of State Transportation Improvement Program (STIP) funding through a California Transportation Commission (CTC) led process. In this process, each RTPA is tasked with preparing a Regional Transportation Improvement Program (RTIP) consistent with CTC's STIP Guidelines to allocate these funds based on a statutorily defined formula incorporating population (75%) and highway lane miles (25%) as the basis for "county shares."

Sacramento Area Council of Governments (SACOG) serves as the RTPA for Sacramento, Sutter, Yolo, and Yuba counties. SACOG submits its RTIP every two years, programming the county shares of STIP funds for these counties using a pooled competitive approach.

In February 2024, SACOG revamped its STIP funding approach to include both a competitive regional program and individual intra-county competitive programs with a separate call for projects from the federal funding programs. Then in February 2025, SACOG approved a funding estimate for the 2025 Four-County STIP Program, with 90% of each county's share allocated to individual intra-county competitive funding programs, as well as a call for projects. See Table 1, below.

Table 1 County Fund Estimate

County	County Share	Regional (10%)	Intra-County (90%)
Sacramento	$31,562,377	$3,156,237	$28,406,140
Yuba	$ 2,801,345	$ 280,135	$ 2,521,210
Yolo	$ 5,965,048	$ 596,505	$ 5,368,543
Sutter	$ 2,255,930	$ 225,593	$ 2,030,337
Total	$42,584,700	$4,258,470	$38,326,230

At the end of 2024, Yolo County began considering a collectively beneficial approach to the upcoming 2025 Four-County STIP Program with approximately $5.4 million available for the county. The approach would be to partner through an MOU utilizing formulas to allocate STIP funding across eligible agencies to develop and submit a competitive package of projects to SACOG. This approach would improve the certainty of the funding amounts at the agency level and SACOG has expressed a willingness to support this approach by evaluating projects for competitiveness through a pre-application process. This approach also complements the upcoming competitive federal funding programs which will allow each agency to obtain additional federal funding.

In January 2025, STA sent information about Yolo County's approach to several local agencies, including Folsom, for consideration. After some positive feedback, STA held a Professional Advisory Group (PAG) meeting in coordination with SACOG and local agencies on February 20 to introduce the approach to a larger group of agencies along with a concept of how it could work for Sacramento County reflecting 22.5% for transit and rail projects and the remaining 77.5% for roads and active transportation projects using a geographic suballocation approach for the County and Cities using the Measure A formula of 75% population and 25% lane miles. The PAG, including staff from Folsom Public Works Department, was supportive of bringing this concept forward to the STA Governing Board.

In March, the STA Governing Board received a presentation on the SACOG four-county STIP funding program and approved the proposed strategy for a collectively beneficial MOU approach that enhances funding predictability while maintaining regional competitiveness.

POLICY / RULE

For this MOU to be effective it must be signed by all the MOU member agencies prior to submitting final STIP applications on June 6.

ANALYSIS

By entering the MOU, Folsom joins a collective strategic approach among Sacramento County jurisdictions to:

- Reduce competition: Minimize the number of competing applications for the same funds, which can dilute the effectiveness of individual city proposals.
- Improve funding predictability: Member agencies can better anticipate their share of funds each cycle, allowing Folsom to plan capital projects more effectively.
- Prioritize local needs: Ensures that projects aligned with Folsom's priorities have a structured pathway for potential funding.

If the City of Folsom does not enter the MOU, we would forfeit the benefits of strategic coordination with other Sacramento County agencies, making our funding applications more competitive. Folsom would face greater competition, less funding predictability, and a higher administrative burden by having to apply independently without the organizational support of the Sacramento Transportation Authority.

While the City would still retain the right to submit individual project applications, it risks lower competitiveness, reduced funding success, missed opportunities for regional collaboration, and potential strain on relationships with partner agencies. Overall, opting out would increase uncertainty and effort while diminishing Folsom's influence in regional funding decisions.

Approval of this item advances the Highway 50 Class I Trail Undercrossing & Trail Improvements Project, which received Council authorization under Resolution No. 11369 on April 22, 2025, to pursue STIP funding, by supporting the necessary steps to secure funding and initiate project implementation.

FINANCIAL IMPACT

Entering the MOU has no direct financial cost for the City of Folsom, as there are no participation fees or required contributions; the Sacramento Transportation Authority provides administrative coordination at no charge. The primary financial impact is the modest staff time needed to participate in working groups and consensus meetings, which is typical for grant application efforts and could streamline Folsom's workload.

In return, Folsom gains improved access to a predictable share of approximately $28.4 million in STIP funding, greater funding success through coordinated project prioritization, and

protection from financial liabilities through mutual indemnity provisions. Overall, joining the MOU offers substantial financial advantages and risk mitigation with minimal new costs.

If the City of Folsom enters the MOU and is awarded STIP funding, it must be prepared to meet the local match requirements tied to the funding awards. While the MOU itself does not impose any financial obligation, STIP-funded projects typically require a local match, which often ranges from 11.47% to 20%, depending on the funding program rules and project specifics. This means Folsom would need to contribute local funds—such as Measure A revenues, SB-1 gas tax, transportation impact fees, or general fund allocations—to fully leverage any awarded state or federal dollars. Being part of the MOU increases the likelihood of securing STIP funding, but the City must ensure that matching funds are budgeted and available to support project delivery once grants are awarded or risk losing the awarded funding if matching obligations cannot be fulfilled.

ENVIRONMENTAL REVIEW

Entering this MOU does not require environmental review under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA). The MOU itself is purely an administrative and procedural agreement. It does not approve, commit to, or authorize any specific project or physical changes to the environment.

ATTACHMENTS

1. Resolution No. 11373 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the Sacramento Transportation Authority Regarding Coordination of State Transportation Improvement Program Funding Applications and Communication
2. Memorandum of Understanding Regarding Coordination of STIP Funding Applications and Communication on the Federal Funding Program

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

Attachment 1

RESOLUTION NO. 11373

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE SACRAMENTO TRANSPORTATION AUTHORITY REGARDING COORDINATION OF STATE TRANSPORTATION IMPROVEMENT PROGRAM FUNDING APPLICATIONS AND COMMUNICATION

WHEREAS, the City of Folsom seeks to effectively coordinate and enhance its competitiveness in securing State Transportation Improvement Program (STIP) funding for transportation projects; and

WHEREAS, beginning with Senate Bill 45 (Kopp, 1997), Regional Transportation Planning Agencies (RTPAs) were granted authority to program county shares of STIP funding through a process led by the California Transportation Commission (CTC); and

WHEREAS, the Sacramento Area Council of Governments (SACOG) serves as the RTPA for Sacramento County and programs county shares of STIP funding through a competitive regional and intra-county process; and

WHEREAS, in February 2024, SACOG updated its STIP funding approach to include individual intra-county competitive programs, allocating 90% of county shares to local agencies, thereby increasing the need for coordinated applications; and

WHEREAS, the Sacramento Transportation Authority (STA) has proposed a Memorandum of Understanding (MOU) approach among Sacramento County jurisdictions to enhance funding predictability and minimize intra-county competition for STIP funds; and

WHEREAS, entering the MOU allows the City of Folsom to strategically coordinate with other Sacramento County jurisdictions, reduce duplication of efforts, prioritize projects consistent with local needs, and improve funding outcomes; and

WHEREAS, the STA has coordinated a Professional Advisory Group (PAG) process with SACOG and local jurisdictions, including Folsom Public Works Department staff, in support of a geographic suballocation approach based on population and lane miles using the Measure A formula; and

WHEREAS, the STA Governing Board approved a collectively beneficial strategy for the 2025 Four-County STIP Program, supporting the development of coordinated project packages by local agencies; and

WHEREAS, entering the MOU has no direct financial cost to the City of Folsom, aside from minor staff time, and offers substantial benefits including improved access to funding, better project planning, and protection from financial risk through mutual indemnity provisions; and

WHEREAS, entering the MOU does not constitute approval of any specific projects and does not require environmental review under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute a Memorandum of Understanding with the Sacramento Transportation Authority Regarding Coordination of State Transportation Improvement Program Funding Applications and Communication.

PASSED AND ADOPTED this 13th day of May 2025 by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

MEMORANDUM OF UNDERSTANDING REGARDING COORDINATION OF STIP FUNDING APPLICATIONS AND COMMUNICATION ON THE FEDERAL FUNDING PROGRAM (SACRAMENTO COUNTY)
STA-25-005-STIP

This Memorandum of Understanding (MOU) is made as of June 1, 2025 by and between the **Sacramento Transportation Authority**, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority", and the Member Agencies specifically identified in Section 3(g) below.

RECITALS

WHEREAS, every two years the California Transportation Commission (CTC) goes through a process of updating its five-year State Transportation Improvement Program (STIP) for future allocations of Federal and State transportation funds adding two new years to prior programming commitments; and

WHEREAS, STIP funds are calculated by the CTC for each county, based on a statutorily defined combination of population (75 percent) and highway lane miles (25 percent) which make up "county shares" that are available for each county; and

WHEREAS, the Sacramento Area Council Of Governments (SACOG), as the Regional Transportation Planning Agency (RTPA) for the Counties of Sacramento, Sutter, Yolo, and Yuba, must adopt and submit its Regional Transportation Improvement Program (RTIP), which sets out each county's share of STIP funds to the CTC; and

WHEREAS, in January 2008, the SACOG Board approved pooling all four counties' shares of STIP funding for the 2008 STIP cycle and future cycles using a pooled competitive approach to select and award project funding through a combined Four-County federal and state funding approach called the Regional Funding Round; and

WHEREAS, in February 2023, the SACOG Board approved a response to a corrective action issued by the Federal Highway Administration (FHWA) modifying the way projects are selected for federal funding by creating a Six-County Federal Funding Program with individual county funding targets and countywide priorities; and

WHEREAS, in February 2024, the SACOG Board approved a new funding framework for the Six-County Federal Funding Program to align with the corrective actions issued by FHWA as well as a new approach to pooling STIP funding where county shares of STIP dollars would be split between a regional pool program and separate intra-county competitive funding program with the majority of the county shares allocated through the separate intra-county competitive funding program; and

WHEREAS, in October 2024, the SACOG Board approved the new funding guidelines building on the new funding framework approved in February 2024 for a Six-County Federal Funding Program and Four-County STIP Funding Program which emphasized interagency consultation with the Authority; and

WHEREAS, in February 2025, the SACOG Board approved a call for projects and STIP funding estimate for each county, and determined that ninety percent (90%) of each county share would be decided through an intra-county competitive funding program at approximately $28.4 million for the 2025 Four-County STIP Funding Program; and

WHEREAS, there is a desire among local transportation agencies within Sacramento County to strategically coordinate a collectively beneficial approach to the 2025 SACOG Four-County STIP Funding Program to reduce the number of applications submitted, improve coordination, and increase funding predictability for priority projects and local needs by allowing jurisdictions to collectively structure their funding priorities within their respective 90% county share allocation.

NOW, THEREFORE THE AUTHORITY AND MEMBER AGENCIES AGREE AS FOLLOWS:

1. Recitals. The above Recitals are incorporated herein as through set forth as part of this MOU.

2. Purpose. The purpose of this MOU is to strategically coordinate a collectively beneficial partnership approach to the 2025 SACOG Four-County STIP Funding Program. Through the partnership, Member Agencies increase predictability in how much funding will be available each funding cycle which will improve capital projects funding.

3. Definitions. Unless the context otherwise requires, as used in this MOU, the following terms shall have the following meanings:

    a. “Authorized Representative(s)” means the position/individual delegated authority by each Member Agency and the Authority to sign and implement this MOU.

    b. “Carryover” means any unprogrammed category allocation or Geographic Suballocation.

    c. “CMAQ” means the Congestion Mitigation and Air Quality, a federal funding source for SACOG’s Six-County Federal Funding Program.

    d. “Four-County STIP Funding Program” means the four county intra-county competitive funding program administered by SACOG with STIP funding for Sacramento, Sutter, Yolo, and Yuba counties to fund STIP eligible capital projects or transportation demand management projects where SACOG finds the project to be a cost-effective substitute for a capital project.

    e. “Four-County STIP Regional Set-Aside Funding Program” means the four county funding program administered by SACOG with STIP funding pooled for regional projects in Sacramento, Sutter, Yolo, and Yuba counties.

    f. “Geographic Suballocation” means the theoretical fair share amount of formula STIP funding for projects within the cities or the unincorporated county limits based 75% on relative population and 25% on total lane mileage and a minimum amount of $100,000.

g. "Member Agencies" means the Parties to this MOU, other than the Authority, including the County of Sacramento, Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, Isleton, and Sacramento, the Capital SouthEast Connector JPA, Sacramento Metropolitan Air Quality Management District, Paratransit Inc., Sacramento Regional Transit District, and San Joaquin Regional Rail Commission. Member Agencies must have a Federal and/or State Master Agreement in place. An individual member agency may be referred to herein as a "Member Agency."

h. "Non Member Agencies" means agencies that were eligible for the Four-County STIP Funding Program in 2025 but have expressed an interest in only applying for the Four-County STIP Regional Set-Aside Funding Program, including the California Department of Transportation and Capital Corridor Joint Powers Authority.

i. "SACOG" means the Sacramento Area Council Of Governments.

j. "Six-County Federal Funding Program" means the six-county funding program administered by SACOG with CMAQ and STBG Federal funding for El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties.

k. "STBG" means the Surface Transportation Block Grant, a federal funding source for SACOG's Six-County Federal Funding Program.

l. "STIP" means the State Transportation Improvement Program, the funding source for the Four-County STIP Funding Program and Four-County STIP Regional Set-Aside Funding Program.

m. "TDM" means Transportation Demand Management.

n. As used in this MOU, "Sacramento County" refers to the geographic area only, whereas, "the County of Sacramento" refers to the governmental entity that is a subdivision of the State of California.

4. General Provisions.

It is agreed among the Authority and Member Agencies that:

a. Member Agencies' execution of this MOU is voluntary. The term of this MOU shall be nine (9) years unless earlier terminated pursuant to Section 16 below.

b. A mandatory review of this MOU by the Authority and Member Agencies is required after two cycles of awards from the Four-County STIP Funding Program.

c. This MOU may be amended by a two-thirds (2/3) affirmative vote of the Authorized Representatives and reflected in a signed written amendment.

d. This is a consensus-based agreement. Any and all decisions must be unanimous among the Member Agencies. The Authority staff will act as a coordinator and facilitator to assist the Member Agencies in reaching a collective agreed-upon proposal to submit to SACOG. In the event the Member Agencies cannot reach a consensus decision, the parties will retain their discretion to make independent proposals for their own projects to SACOG.

5. Four-County STIP Funding Program Partnership.

a. Member Agencies agree the allocation from Sacramento County's share of the Four-County STIP Funding Program for the rail and transit category shall be 22.5% and each Member Agency's application, should they choose to submit, shall be at least $100,000.

b. For the rail, transit, and TDM category allocation, the Authority and Member Agencies with rail and transit projects will form a rail and transit working group. The working group will meet and confer regarding how to use the category allocation for rail and transit projects while considering geographic balance, project competitiveness, and the ability to meet SACOG and State guidelines for funding eligibility.

c. Member Agencies agree the allocation from Sacramento County's share of the Four-County STIP Funding Program for the roads and active transportation category shall be 77.5% and each Member Agency's application, should they choose to submit, shall be at least $100,000.

d. For the roads and active transportation category allocation, the Authority and Member Agencies with roads and active transportation projects will form a road and active transportation working group. The working group shall utilize the Geographic Suballocations to maintain geographic balance. Geographic Suballocations shall be spent within or for the benefit of the suballocation. The working group will meet and confer regarding how to use the Geographic Suballocations for road and active transportation projects while considering Member Agencies' needs and priorities, project competitiveness, and the ability to meet SACOG and State guidelines for funding eligibility.

e. The Authority, Member Agencies, Working Groups and Authorized Representatives shall employ their best efforts to engage and consult in good faith in an effort to reach a consensus proposal for funding. Each Authorized Representative of a Member Agency shall have one vote. In the event that the Member Agencies, Working Groups, or Authorized Representatives are unable to reach agreement, the Member Agencies may make their own independent funding proposals for their own projects to SACOG.

f. Member Agencies acknowledge that Non Member Agencies may apply for future cycles of the Four-County STIP Funding Program.

g. Member Agencies acknowledge that SACOG updates funding estimates and program guidelines each cycle and may make changes over time such as changing the regional set-aside, changing scoring criteria or adding minimum scoring thresholds.

h. Unprogrammed allocations for each category and Geographic Suballocations shall carryover to subsequent cycles and shall be considered as a Carryover. Unprogrammed allocations may occur for many reasons including but not limited to banking multiple cycles of Geographic Suballocations or a project not meeting the minimum scoring threshold.

i. No guarantees are assumed regarding future State actions of unprogrammed funds.

6. Authority Obligations for the Four-County STIP Funding Program.

a. The Authority shall assign staff to coordinate communication, provide organizational structure, and moderate decision making on a collective approach for the Four-County STIP Funding Program among Member Agencies, working groups, and SACOG staff.

b. Immediately following the SACOG Board's approval of the amount for each county in the Four-County STIP Funding Program, the Authority shall notify the Member Agencies of the total amount available for each allocation category and Geographical Suballocation after considering Carryover.

c. The Authority shall be responsible for coordinating with Non Member Agencies, informing the Working Groups on their potential applications, and providing options to ensure a collectively beneficial approach.

d. The Authority shall track the following for each intra-county competitive funding program:
   i. Amount available for each allocation category
   ii. Amount available for each Geographic Suballocation
   iii. Grant applications submitted
   iv. Funding Awards
   v. Carryovers
   vi. Funding consolidations
   vii. Other administrative tasks as needed.

e. The Authority staff shall be responsible for keeping its Governing Board informed.

7. Member Agencies' Obligations for the Four-County STIP Funding Program.

a. Each Member Agency acknowledges that allocations for each category and Geographic Suballocation as determined in Section 5 and 6 are not automatically programmed by SACOG.

b. Each Member Agency acknowledges allocations for each category and Geographic Suballocation will vary from one cycle to another, and this MOU makes no guarantees regarding future funding availability.

c. Each Member Agency retains discretion to determine which projects to propose to the working groups within the amount available for each allocation and Geographic Suballocation consistent with the guidelines set forth in Section 5 and 6.

d. Each Member Agency commits to conducting pre-application consultations with SACOG staff to determine if proposed projects would achieve the minimum scoring threshold to be competitive and meet SACOG and State Guidelines for funding eligibility.

e. Each Member Agency commits to submitting applications to SACOG consistent with the partnership and obligations set forth in Section 5, 6, & 7

f. Each Member Agency shall notify the Authority of the following in a reasonably timely manner:
   i. Grant applications submitted
   ii. Funding Awards
   iii. Funding consolidations

g. Each Member Agency shall be responsible for keeping its respective governing body informed.

8. Four-County STIP Regional Set-Aside Funding Program.

   a. The Authority and Member Agencies acknowledge that the SACOG Board will identify the total funding amount available for regional projects within Sacramento, Sutter, Yolo, and Yuba counties for each cycle of the Four-County STIP Regional Set-Aside Funding Program.

   b. The Authority shall assign staff to coordinate communication, provide organizational structure, and moderate discussions on regional projects among Member Agencies, SACOG, and other eligible agencies wanting to partner.

9. Six-County Federal Funding Program Coordination.

   a. The Authority and Member Agencies acknowledge that SACOG will identify individual county funding targets for the Six-County Federal Funding Program funded by CMAQ and STBG.

   b. The Authority shall assign staff to coordinate communication on countywide topics for the Six-County Federal Funding Program among Member Agencies and SACOG staff.

10. Reserved.

11. Reserved.

12. Integration and Modification. This MOU sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements,

representations, and negotiations—written, oral, express, or implied—and may only be modified per section 4.c. of this MOU.

13. Indemnity and Hold Harmless. Each Member Agency shall defend, indemnify and hold harmless Authority, its Governing Board of Directors, officers, agents, employees and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the MOU, caused in whole or in part by the negligent or intentional acts or omissions of the Member Agency's officers, directors, agents, employees, contractors, subcontractors or volunteers.

    Authority shall defend, indemnify, and hold harmless each Member Agency , its governing board, officers, directors, agents, employees, subcontractors and volunteers from and against all demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of the MOU, caused in whole or in part by the negligent or intentional acts or omissions of Authority's Governing Board of Directors, officers, directors, agents, employees, contractors, subcontractors, or volunteers.

    It is the intention of Authority and each Member Agency that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective Governing Board, officers, directors, agents, employees, contractors, subcontractors, and volunteers. It is also the intention of Authority and each Member Agency that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its Governing Board, officers, directors, agents, employees, contractors, subcontractors, and volunteers, according to law.

    Notwithstanding anything in the MOU to the contrary, the obligations of this paragraph will survive the termination of this MOU.

14. Counterparts To MOU. This MOU may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, equally admissible in evidence, but all of which together shall constitute one and the same MOU, notwithstanding that the signatures of each party or their respective representatives do not appear on the same page of this agreement. Facsimiles, pdfs, and photocopies of signature pages of the MOU have the same binding effect as originals.

15. Severability. If any provision or any part of any provision of this MOU is, for any reason, held to be invalid, unenforceable, or contrary to any public policy, law, statute, regulation or ordinance, the remainder of this MOU shall not be affected thereby and shall remain valid and fully enforceable.

16. Termination.

a. Notwithstanding section 4.c. of this MOU (requiring a minimum 2/3 affirmative vote to amend this MOU), this MOU may be terminated upon the affirmative vote of a majority of all the Authorized Representatives. A termination vote may be initiated by any Authorized Representative through a written request to all other Authorized Representatives, specifying the reason for termination. Upon receipt of such a request, the Authority shall convene a meeting with all Authorized Representatives within 60 days of the written request to terminate to conduct a formal vote. Each Authorized Representative shall have one vote, and the MOU shall be deemed terminated if the required threshold is met. Termination shall take effect 30 days after the vote, unless otherwise agreed by the Authorized Representatives.

b. Upon termination, the Parties shall cooperate in good faith to wind down any ongoing activities and fulfill Carryover obligations agreed upon in prior funding cycles. The rights and obligations of any Party accrued prior to termination shall survive as necessary to ensure proper closure of joint commitments.

The Authority and Member Agencies promise and agree to abide by the terms of this MOU as set forth above.

SACRAMENTO TRANSPORTATION AUTHORITY

By: _____ Date: _____
Kevin M. Bewsey, Executive Director

Reviewed and Approved as to Form

By: _____ Date: _____
William Burke, Legal Counsel

AGENCY NAME

CITY OF FOLSOM, A Municipal Corporation:

_____	_____
Date	Bryan Whitemyer, City Manager
ATTEST:	FUNDING AVAILABLE:
_____	_____
Christa Freemantle, City Clerk Date	Stacey Tamagni, Finance Director Date
ORIGINAL APPROVED AS TO CONTENT:	ORIGINAL APPROVED AS TO FORM:
_____	_____
Mark Rackovan, Public Works Director Date	Steven Wang, City Attorney Date

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11378 - A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed $750,000 (Total Aggregate Amount for All Consultants) Annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB and Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council move to approve Resolution No. 11378 – A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed $750,000 (Total Aggregate Amount for All Consultants) Annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB and Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas.

BACKGROUND

All building and fire construction plans for proposed development in the City of Folsom are submitted to the Community Development Department, Building Division. The submittals are reviewed by plan check staff for conformance to the California Building Code and local ordinances prior to issuance of the building permit. Once the building permit is issued and construction begins, Building and Fire Inspectors will inspect the site to ensure construction is consistent with the approved plans and Code.

Building activity in the City each year fluctuates in response to a variety of factors including but not limited to economic conditions, market demand, land use trends, land availability and readiness, and the age/conditions of existing structures. Regardless of the fluctuation, the City is obligated to review plans, issue permits, and conduct inspections in a timely manner.

The Community Development Department Building Division currently employs 11 full-time staff for Building Services and the Folsom Fire Department employs one Deputy Fire Marshal to assist in plan review and inspection services for Building Permits as listed below.

Building Division and Fire Dept Positions	# Staff
Permit Technicians	3
Building Plans Coordinator	1
Plan Checker II	1
Plan Check Engineer	1
Building Official	1
Building Inspector I/II	2
Senior Building Inspector	1
Supervising Building Inspector	1
Deputy Fire Marshall	1

The City's current staffing levels represent minimum baseline staffing to support low to moderate levels of building development activity. Over the last ten-year period, the City has experienced consistently high levels of building development activity exceeding staff capacity. In order to meet the customer needs for these higher levels of building development activity, the City has employed supplemental contract services (on call service contracts) for permit processing, plan check, and inspection services paid for by corresponding revenue for services.

The table below summarizes Community Development Building Service supplemental contract costs for the last ten-year period. Consultant costs varied widely from a low of $248,438 in Covid Fiscal Year 2020-21 and a high of $1,327,245 in Fiscal Year 2022-23 in response to the volume, type, and level of services required to meet the customer need.

Fiscal Year	Building Service Consultant Contract Cost
FY 2016/17	$ 419,881
FY 2017/18	$ 321,911
FY 2018/19	$ 666,721
FY 2019/20	$ 1,010,500
FY 2020/21	$ 248,438
FY 2021/22	$ 557,703
FY 2022/23	$ 1,327,245
FY 2023/24	$ 1,014,236
FY 2024/25*	$ 711,705

*Anticipated based on first half of FY

In 2024, the Community Development Department completed a nexus study for permit processing fees and determined $650,000 was a reasonable estimate for the average cost of consultant services for the Building Division. This resolution is requesting authorization of contracts with an aggregate total not to exceed $750,000 annually for building service contracts over the next three years to provide a buffer based on historic service demands and corresponding revenue. Each of the five contractors would receive a portion of the total funding allocation based on assigned work. If development activities slow and the contract service demand is reduced, the full $750,000 allocation would not be utilized. Conversely, if development activities increase and the demand for contract services increases beyond the

$750,000 allocation, staff would return to the City Council to request an additional allocation in keeping with the increased revenue for development activities.

The last on call building services contract with three consultants (4Leaf, Inc., Interwest, and Shums Code Associates) expired in May of 2019. In February of 2025, staff posted a Request for Proposal for On Call Building and Fire Plan Check and Inspection Services. Eighteen Consultant Firms responded with a Statement of Qualifications. Staff rated the Statements of Qualifications and selected five firms to provide the City with On Call Building and Fire Plan Check and Inspection services (see Attachment 2). Firms were ranked based on services offered, staff expertise and availability, specialty skills, and expenditure. Market trends in Folsom include a demand for OSHPD III projects, civil improvement plan review, and availability of inspectors for next day on call services. With limited staff, large projects cannot be reviewed in-house and consultant availability for pre-application meetings is high. Those firms include 4Leaf, Inc., TRB And Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas.

Staff is recommending the City Manager be authorized to execute these five contracts for a three-year period (July 1, 2025, through July 1, 2028), with a cumulative not-to-exceed annual amount of $750,000 utilizing revenue from building services permit, plan check, and inspection fees.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, contracts greater than $73,209 shall be awarded by the City Council.

ANALYSIS

As described in the background section of this report, Folsom has experienced consistently high volumes of building permit, plan check, and inspection activity over the last ten years exceeding our baseline staffing capacity. In order to meet the building service demand, Folsom has utilized on-call consultant service contracts for permit processing, plan check, and/or inspection services. This resolution authorizes the execution of contracts with five firms to allow the Community Development Building Division and Fire Department Deputy Fire Marshall to route plans for review or request inspection services for current applications as needed for timely response for paid building services.

Industry standard practice is that building services consultants receive a percentage of the City's Plan Check Fees for a full plan review (20%-65% depending on scope and type of project). Consultants currently perform a full building plan review on all large multi-family and commercial projects due to the faster turnaround time and larger staffing pool at a fee of 55% of the plan review fee collected. The proposed percentage for the next contract will be an average of 65% among the five selected consultants as shown in the table below.

Consultant Costs for Services					
	Percentage of Plan Review Fee		Hourly Rate for Staff		
Consultant	Commercial	Residential	Permit Technician	Building Inspector	Fire Inspector
4Leaf, Inc.	64%	64%	$80	$115	$155
TRB & Associates	55%	30%	$75	$115	$125
CSG Consultants	65%	45%	$80	$125	$140
BPR Consulting Group	68%	65%	$65	$115	$125
Bureau Veritas	65%	60%	$70	$105	$140

Consultant Inspection and Technician Services are invoiced on an hourly basis and funded through the Permit Issuance Fees collected. Consultant inspection services are utilized for smaller, less complex construction projects such as residential remodels and residential new construction while City Staff inspect larger, more complex projects such as hotels, large apartment complexes, and commercial projects. Permit Technician services are utilized when high volumes of permit applications are anticipated to maintain customer service levels.

Fire Consultant Plan Review and Inspection Services are paid for in full by the applicant per the Fire Master Fee Schedule. Consultant services are utilized for 98% of all Fire plan reviews and 50% of all Fire inspections.

Applicants are also required to contract directly with consultants for OSHPD III projects that require special licensing and certification. Providing five consultants allows for flexibility with the applicants to select a consultant that works best for their scope of work and timeline.

In implementing these contracts for consulting services, Staff will allocate work between the five selected consultants based on workload, expertise, and cost for respective services. It's important to note that Community Development Building Division and Fire Department Staff will retain the flexibility to assign work to one or more of the selected firms within the cumulative not to exceed contract amount of $750,000 for services exceeding staff capacity. In other words, selected firms are not guaranteed assignment of work and are not limited to a fair share portion of the total not to exceed contract amount. This allows Staff the ability to determine how best to meet our contract service needs as those needs arise.

Each fiscal year, the Community Development Staff prepare revenue projections based on discussions with potential developers, landowners, and stakeholders about approved or planned entitlements and projects to predict the level of development activity for the next fiscal year. This projection is used to identify any additional staffing needs/costs and to estimate supplemental contract services needs/costs. Historically, the City's adopted budget includes a conservative percentage of the Staff revenue projection for development activity. For the last ten-year period, actual development activity and corresponding revenue and consultant contract costs have exceeded both the City's adopted budget and the Staff projections. Staff will continue to prepare cost-benefit analysis of high contract service costs vs additional full-time staff to meet building service needs. The proposed on-call service solution for building services with a cumulative not to exceed amount of $750,000 annually for the next three years allows

flexibility in how the City meets our service needs and does not preclude alternative or supplemental solutions (e.g., full time permanent staff, part-time temporary contract staff, pass through funding contracts)

FINANCIAL IMPACT

The cost of Third Party Building Plan Review and Inspection Services is offset by revenue generated by Plan Check and Issuance Fees adopted by City Council Resolution.

The cost of Third Party Fire Plan Review and Inspection Services is directly passed to and paid for in full by the applicant consistent with the fee schedule and Folsom Municipal Code requirements adopted by City Council.

The Building Division contracts have a cumulative proposed maximum annual amount of $750,000; however, actual expenditures will be limited to the amount appropriated in the approved City budget. Any expenditure beyond this amount will require subsequent City Council review and approval. While the full contract authority of $750,000 allows for flexibility in addressing service demand and revenue fluctuations, only the funds appropriated through the City's budget process may be expended. Should service demands necessitate additional spending beyond the initially adopted budget, staff will return to City Council with a request for an additional budget appropriation in order to utilize the remaining contract capacity.

ENVIRONMENTAL REVIEW

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 b (3) (General Rule Exemption) of the CEQA Guidelines.

ATTACHMENT

1. Resolution No. 11378 – A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed $750,000 (Total Aggregate Amount for All Consultants) Annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB and Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas
2. Consultant Ranking Summary

Submitted,



Pam Johns, Community Development Director

Attachment 1

RESOLUTION NO. 11378

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACTS NOT TO EXCEED $750,000 (TOTAL AGGREGATE AMOUNT FOR ALL CONSULTANTS) ANNUALLY FOR BUILDING AND FIRE PLAN CHECK AND INSPECTION SERVICES WITH 4LEAF, INC., TRB AND ASSOCIATES, CSG CONSULTANTS, BPR CONSULTING GROUP, AND BUREAU VERITAS

WHEREAS, the Community Development Department, Building Division, has established the need for as-needed outside plan check and inspection services; and

WHEREAS, consultant firms are selected based on their professional qualifications, experience, and cost; and

WHEREAS, The Building Division contracts have a cumulative proposed maximum annual amount of $750,000; however, actual expenditures will be limited to the amount appropriated in the approved City budget; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute contracts not to exceed $750,000 (total aggregate amount for all consultants) annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB And Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas.

PASSED AND ADOPTED this 13th day of May, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

Attachment 2 – Consultant Ranking Summary

Community Development Department

Building and Fire Plan Check and Inspection Consultant Services

	Firm	Expenditure	Staff Availability	Expertise	Breadth of Staffing	Response to RFP	TOTAL
1	TRB Consultants	5	5	5	4	5	24
2	BPR	3	5	5	4	5	22
3	Bureau Veritas	4	4	5	4	4	21
4	CSG	3	4	4	4	5	20
5	4Leaf	4	4	4	4	4	20
6	Interwest	4	4	3	4	3	18
7	Shums Coda	5	3	3	3	4	18
8	WC3	4	4	3	4	2	17
9	Urban 37	2	4	3	3	3	15
10	UP Avanti	2	3	3	3	3	14
11	Willdan	2	3	2	2	3	12
12	Infrastructure Improvement	2	1	2	1	4	10
13	Lakeside Consultants	2	2	1	3	2	10
14	True North	1	1	1	2	2	7
15	J Lee Engineering	1	1	1	2	2	7
16	Telgian	1	2	1	1	1	6
17	FC Architecture	1	2	1	1	1	6
18	Sacramento Engineering Consultants	1	1	1	1	1	5

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11380 – A Resolution Authorizing the City Manager to Hire a Limited-Term Park Planner II to Support Park and Trail Planning and Development in the Folsom Plan Area and Authorizing the Appropriation of Funds
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Resolution No. 11380 – A Resolution Authorizing the City Manager to Hire a Limited-Term Park Planner II to Support Park and Trail Planning and Development in the Folsom Plan Area and Authorizing the Appropriation of Funds

BACKGROUND / ISSUE

The Folsom Plan Area (FPA) is experiencing rapid residential growth resulting in an increased need for planning, design, and development of parks and trails to meet the recreational needs of the community. City staff currently lack the capacity to manage the anticipated project load associated with this growth. As presented to the City Council on April 8, as part of the Folsom Plan Area Semi-Annual Update, the estimated number of residents in the FPA is 10,500. This population increase generates a need for 52.5 new active parkland acres in accordance with the Quimby Act which prescribes a rate of 5.0 acres of parkland per 1,000 residents. The city has developed 12 acres of new parkland at Prospector Park. The Folsom Plan Area Specific Plan Financing Plan indicates the second park should be developed at a population in the FPA of approximately 6,617.

The Folsom Plan Area Specific Plan provides for the development of approximately 30 miles of Class I trails; to date, an estimated 10 miles have been completed. Of note, there is currently no Class I trail connection between the FPA and areas north of Highway 50, and establishing this connection is a priority for City staff.

The Park and Trail Planning Division is responsible for developing parks, recreation facilities and trails. During the 2009 to 2024 period, the division staff consisted of two filled positions: a Park

Planning Manager and a Trails Planner. In early 2025 the division added a Park Planner II and a part time Special Projects Manager in an effort to meet the park demand from the community. To address this need for recreational facilities in the FPA, staff are proposing the addition of a limited-term Park Planner II position for a term of two years to focus exclusively on park and trail projects in the FPA.

POLICY / RULE

Pursuant to *Folsom Municipal Code 3.02.030 section C:* the budget shall establish the number of authorized positions to be filled by employees,

Pursuant to *Folsom Municipal Code 3.02.030 section H*: The city council may make supplemental appropriations during the course of the fiscal year provided that the City Manager certifies that moneys are available. All such supplemental appropriations shall be made for the fiscal year by resolution, up to the amount of any excess money certified by the City Manager as being available.

ANALYSIS

The proposed Park Planner II will be responsible for project management, planning, and coordination of park and trail development activities in the FPA. Duties will include preparation of plans and specifications, coordination with consultants and contractors, community engagement, and ensuring compliance with applicable standards and policies. The following is a list of potential projects that are not currently included or funded in the Capital Budget. These projects could be assigned to the new position. Staff plans to present these projects to the City Council in future budget years for consideration of their inclusion in the Capital Budget.

Neighborhood Park #2 – This is a 5.6-acre park site located adjacent to Alder Creek Elementary School and Fire Station 34 on Westwood Drive. This park includes a lighted synthetic turf soccer field, basketball court, tennis court, group picnic area, play area, restroom building and parking lot (as identified in the 2015 Parks & Recreation Master Plan).

Highway 50 Class I Trail Undercrossing – This project will be the only Class I trail connection from the FPA to areas of Folsom north of Highway 50. It is located along Old Placerville Road, adjacent to existing railroad tracks. This critical project is necessary to provide pedestrian and bicycle connectivity to the FPA and is also a priority project identified in the Active Transportation Plan.

Ongoing review of FPA entitlement and Engineering Plan packages – This ongoing project provides review and comments of projects/plans submitted by developers to ensure park and trail components are consistent with the City's approved planning documents, design standards, and long-term vision for the FPA. This includes evaluating layouts, access, connectivity, and compliance with parkland dedication requirements.

Other Parks and Trails Projects – Some other projects this position will be responsible for include the Town Center Park development, Community Park West and the Area 40 Land Use Covenants associated with that parcel, and other FPA items as necessary.

This limited-term position will supplement existing Parks & Recreation staff capacity and ensure timely delivery of FPA-related projects.

FINANCIAL IMPACT

If the City Council approves the addition of a limited-term Park Planner II position for a two-year period, the projected cost for salary and benefits for the remainder of Fiscal Year 2024–25 would total $21,433, to be funded through the General Fund (Fund 010). However, staff anticipates that funds from the Folsom Plan Area Impact Fees Fund (Fund 472) of the same amount will be transferred into the General Fund to offset those costs. This will also require a budget appropriation from the General Fund in FY 2025-26. The projected salary and benefit costs for this position are $150,749 in Fiscal Year 2025–26 and $158,782 in Fiscal Year 2026–27, also to be funded through the General Fund (Fund 010) but mostly offset by transfers into the General Fund from Fund 472. If the City Council approves the addition of the position these amounts will be included in the proposed budgets for those respective fiscal years and presented to the City Council for adoption as part of the City's annual budget process.

How will the funding for this position work?

To the extent that work performed by the limited-term Park Planner II position qualifies under the Mitigation Fee Act, staff anticipates that the majority of the General Fund (Fund 010) costs in Fiscal Years 2025–26 and 2026–27 will be offset by reimbursements from the Folsom Plan Area Impact Fees Fund (Fund 472) for eligible activities related to Folsom Plan Area parks and trails capital projects.

ENVIRONMENTAL REVIEW

This action is not a project as defined by the California Environmental Quality Act (CEQA) and is therefore not subject to environmental review.

ATTACHMENTS

1. Resolution No. 11380 – A Resolution Authorizing the City Manager to Hire a Limited-Term Park Planner II to Support Park and Trail Planning and Development in the Folsom Plan Area and Authorizing the Appropriation of Funds

Submitted,

Kelly Gonzalez, Parks and Recreation Director

RESOLUTION NO. 11380

A RESOLUTION AUTHORIZING THE CITY MANAGER TO HIRE A LIMITED-TERM PARK PLANNER II TO SUPPORT PARK AND TRAIL PLANNING AND DEVELOPMENT IN THE FOLSOM PLAN AREA AND AUTHORIZING THE APPROPRIATION OF FUNDS

WHEREAS, the Folsom Plan Area is experiencing rapid residential growth, resulting in an increased need for park and trail planning and development to meet the recreational needs of the community; and

WHEREAS, the Park and Trail Planning Division is responsible for developing parks, recreation facilities, and trails, and currently lacks the capacity to manage the anticipated project load associated with the rapid growth in the Folsom Plan Area; and

WHEREAS, the City has already developed 12 acres of new parkland at Prospector Park and is working to develop additional parks and trails as outlined in the Folsom Plan Area Specific Plan; and

WHEREAS, to address this need, staff proposes the addition of a limited-term Park Planner II position to focus exclusively on Folsom Plan Area park and trail projects for a term of two years; and

WHEREAS, funding for the limited-term Park Planner II position will be funded through the General Fund (Fund 010) for Fiscal Year 2024-25 with costs in Fiscal Years 2025-26 and 2026-27 offset by reimbursements from the Folsom Plan Area Impact Fees Fund (Fund 472) to the extent that work performed qualifies under the Mitigation Fee Act ; and

WHEREAS, a budget appropriation from the General Fund (Fund 010) is necessary to support the salary and benefits of the limited-term position; and

WHEREAS, The projected salary and benefit costs for this position are $150,749 in Fiscal Year 2025–26 and $158,782 in Fiscal Year 2026–27, to be funded through the General Fund (Fund 010), these amounts will be included in the proposed budgets for those respective fiscal years and presented to the City Council for adoption as part of the City's annual budget process;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to add one limited-term position to the Parks & Recreation Department budget in the General Fund (Fund 010) to hire a limited-term Park Planner II to perform park and trail planning and development work in the Folsom Plan Area.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $21,433 in the Parks & Recreation Department Budget in the General Fund (Fund 010)to cover salary and benefits of the limited-term Park Planner II position for the remainder of Fiscal Year 2024-25.

PASSED AND ADOPTED this 13th day of May, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

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CITY OF
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Folsom City Council
Staff Report

MEETING DATE:	5/13/2024
AGENDA SECTION:	Public Hearing
SUBJECT:	Resolution No. 11371 – A Resolution to Amend Resolution No. 11364 and Adopt an Amended User Fee Schedule for Selected Police Department Services
FROM:	Police Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommend that the City Council (1) hold a public hearing to receive input regarding the adoption of proposed updates to the Police Department's User Fee Schedule; and (2) at the conclusion of the public hearing, adopt Resolution No. 11371- A Resolution to Amend Resolution No. 11364 and Adopt an Amended User Fee Schedule for Selected Police Department Services

BACKGROUND / ISSUE

Tax revenues fund essential City services such as public safety, streets, and infrastructure. However, discretionary services that primarily benefit specific users rather than the entire community are funded partially or entirely by user fees. Under state law, cities like Folsom can recover costs for discretionary services through these fees. Any costs not covered by user fees are subsidized by the General Fund or other sources. Examples include Police report copies and clearance letters, which provide direct benefits to individuals rather than the broader community.

By law, user fees cannot exceed the reasonable cost of providing the service. Propositions 218 and 26 amended the California Constitution to ensure fees remain within this limit. As long as the fees do not exceed the reasonable cost of providing the service, a simple majority vote by the City Council is required for approval. If a fee exceeds the cost of service, it is classified as a tax and requires voter approval. To maintain compliance and financial transparency, cities conduct periodic cost studies to assess the full cost—both direct and indirect—of providing various services before adjusting or implementing fees.

The last time the City of Folsom underwent a comprehensive Cost Allocation Plan and User Fee Study was in 2006. Since that time, individual Departments have undertaken this task separately or adjusted fees annually based on the Consumer Price Index. Under best practices, user fees should be re-examined, and the associated fee study should be updated every three to five years.

During recent years, the Police Department has added several pieces of new technology (body worn cameras, in-car cameras, traffic cameras, online report request system, etc.) that are now subject to requests from specific individuals. The Department currently has no mechanism to recover the costs of providing these services.

On September 3rd, 2024, the Police Department released a Request for Proposal for a comprehensive Police Services User Fee Study. The department received three responses by the October 1st, 2024 deadline. The review committee selected Government Consulting Partners, Inc. (GCP) based on their experience, familiarity with the City of Folsom, and competitive quote.

During the past several months, GCP's analysis of the proposed fees involved the following steps:

- Department / Staff Interviews: The consultant interviewed department staff regarding their interaction with each proposed fee, for clarification regarding the existing fee structure, and for the addition of new user fees;
- Data Collection: Data was collected by the consultant for each permit / service, including time estimates to complete the service;
- Cost Analysis: The fully burdened rate of providing each service included in the analysis was established; and
- Review and Approval of Results with Department Staff: Department management has reviewed and approved these documented results.

While working with GCP, staff reviewed the following as part of the fee study:

- Ensuring that proposed fees were in accordance with state and federal guidelines;
- Comprehending the current cost to provide each of these services; and
- Establishing fees that reasonably recover the City's cost to provide each of these services.

The final report is attached to this staff report and titled "Police Services User Fee Study". The study provides data regarding the current service levels and the cost and demand for those services. It also identifies new proposed fees and the maximum fees that the City can charge for each related service.

POLICY / RULE

The objectives of the fee study, along with the methodology used and the development of outcomes and recommended fee adjustments, were heavily guided by Article XIII C of the

California Constitution, including Propositions 218 (1996) and 26 (2010), as well as Section 66016 of the California Government Code and Folsom Municipal Code 3.50.050, which describe the procedure for adopting various fees.

Article XIII C states that, "*the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payer's burdens on, or benefits received from, the governmental activity."*

Additionally, Article XIII C identifies the following types of fees as items that are not defined as taxes:

- A charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege [Art. XIII, C, 1(e)(1)].

- A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product [Art. XIII, C, 1(e)(2)].

- A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof [Art. XIII, C, 1(e)(3)].

Section 66016(a) of the California Government Code includes the following, "*Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting."*

Folsom Municipal Code 3.50.050 states, "*Pursuant to California Government Code Sections 66016 et seq., the city clerk shall cause notice to be provided as set out in said California Government Code Sections 66016 and 6062a concerning the fees and charges proposed to be increased or added. Such public meeting notice shall be provided prior to city council taking any action on any new or increased fees or charges*."

ANALYSIS

The basic concept of a user fee study is to determine the reasonable cost of each service provided by the City for which it charges a user fee. The full cost of providing a service

serves as the objective basis as to the maximum amount that can be collected for that service. Working with Police Department staff, GCP developed an understanding of the existing fee structure, developed cost and cost recovery projections for each proposed fee, and recommended new fees where the department lacked the mechanism to recover costs.

Methodology:

GCP uses a per-unit or case study methodology of analysis whereby one individual unit of service is analyzed in detail and the results extrapolated for a year's worth of activity. This is the prevalent method of analyzing user fee schedules throughout California because it ensures that one fee or group of fees does not subsidize another group. To calculate the estimated reasonable cost of providing each Police fee-related service, GCP requested staffing reports, departmental budgets, and internal overhead documents.

A description of the various cost elements incorporated into GCP's user fee calculations is provided below.

Cost Element	Description
Direct Labor Costs	Salary and benefit costs of staff directly involved with service provision. Direct contractor costs.
Direct Materials Costs	Material costs that benefit a particular fee service. Example: public noticing costs for planning entitlements.
Department/Divison Indirect Costs	Administrative staff (managers, clerical, analysts) within a department/division and line-item expenditures not specific to one fee service.
Citywide Overhead	Central support department budgets (HR, Attorney, Finance, etc.) are divided by direct public-facing City budgets. The resulting 10.8% markup is added to direct-labor costs.

GCP's methodology re-casted the above cost elements into Fully Burdened Hourly Rates (FBHR) that were then applied to staff time using a three-step process:

1. Establishing cost pools representing staff providing services
2. Determining the average annual work hours for staff, considering average compensated absences and the resulting standard annual productive hours per employee
3. Divide the full cost of each staff position cost pool for standard productive hours

Once all fee structure decisions were finalized, GCP and the City's subject matter experts began developing reasonable time estimates for each proposed fee category. GCP conducted a series of focus meetings with staff to identify the necessary tasks and time requirements broken down by task. (See example below)

Fee Category	TASK	Police Officer		Records Tech		Dispatcher II	
		Min.	Cost	Min	Cost	Min	Cost
Vehicle Release		50	$124	30	$40	20	$44
	Officer calls/waits for tow	30		10			
	Dispatch runs the plate					5	
	Dispatch calls Tow company					5	
	Inventory search & records	10					
	Double check registered					10	
	owner/s						
	Check that dispatch entered vehicle			10			
	into SVS stored vehicle system						
	at DMV						
	Records staff enters into system			10			
	Officer signs off form	10					

Projecting Annual Cost and Revenue:

In addition to 100% full cost calculations, GCP projected annual funds for each fee-service based on demand estimates. Demand estimates for existing fees were based on FY 2024. Estimates for new or restructured fees were based on available data from each position. The following table summarizes the potential fiscal impact of the proposed user fee schedule, based on their analysis:

FEE AREA	COST OF FEE RELATED SERVICES	CURRENT USER FEE REVENUE[5]	COST RECOVERY RATE	GENERAL FUND SUBSIDY	PROJECTED REVENUE FROM PROPOSED FEES	COST RECOVERY RATE AT PROPOSED FEES	PROJECTED REVENUE INCREASE
Alarm-related Fees	$107,225	$44,370	41%	$62,855	$65,675	61%	$21,305
Records/Data Requests	$27,580	$3,000	11%	$24,580	$26,699	97%	$23,699
Hourly Officer Charges	$74,547	$68,170	91%	$6,377	$74,547	100%	$6,377
General Fees	$34,252	$28,542	83%	$5,710	$32,100	94%	$3,558
TOTAL	$243,604	$144,082	59%	$99,522	$199,021	82%	$54,939

The table above presents the Police Department's fee/cost recovery services organized into four major components: Alarm permits and response fees, requests for records or media,

hourly charges for Officer services (DUI Cost Recovery, special events, etc) and general fees, that would include such items as vehicle releases and VIN verifications

Projected proceeds from fee services under review totaled $144,082 during FY 2024/25. The fully burdened cost to provide these services is $234,604 creating a $99,522 General Fund subsidy. If all proposed fee adjustments are adopted, the City should anticipate an increase of $54,939 in annual fees paid, reducing the General Fund subsidy to $44,583.

The proposed fee schedule adds new categories, eliminates others, and modifies certain categories to better reflect the services that the Police Department is actually offering and providing.

FINANCIAL IMPACT

As drafted, the proposed changes are expected to generate approximately $199,021 annually, or an increase of $54,939 in annual cost recovery, depending on service activity levels. Adjusting the User Fee Schedule will impact the budget by offsetting the costs of existing services rather than funding new ones. The general fund subsidy for providing these services will be reduced by more than one half, if the proposed fee schedule is adopted. While fees may increase yearly, labor and contract service costs, the primary drivers of fee-related expenses—also tend to rise every year.

It is important to note that the proposed user fee changes will not serve as a source of funding for expanded services. However, updating these fees ensures that we are recovering more of the cost to provide existing services from those who use the services, rather than relying on the general fund to subsidize this work.

ATTACHMENTS

1. Resolution No. 11371- A Resolution to Amend Resolution No. 11364 and Adopt an Amended User Fee Schedule for Selected Police Department Services

2. Police Services User Fee Study

Submitted,

_____

Richard Hillman, Chief of Police

Attachment 1

RESOLUTION NO. 11371
A RESOLUTION TO AMEND RESOLUTION NO. 11364 AND ADOPT AN AMENDED USER FEE SCHEDULE FOR SELECTED POLICE DEPARTMENT SERVICES

WHEREAS, City of Folsom Municipal Code Section 3.50.020 states "The city manager is hereby directed to recommend to the council the adjustment of fees and charges to recover the percentage of costs reasonably borne in providing the regulation, products or services enumerated in this chapter and on the schedule of rate review as hereinafter established in this chapter"; and

WHEREAS, the City Council on May 13, 2025, held a public hearing on the proposed fee updates for the Police Department and considered public comment; and

WHEREAS Resolution No. 11364 adopted by City Council on April 22, 2024, set the most recent User Fee schedule for the City including the Police Department; and

WHEREAS, the City had a consultant that performed a reasonableness test on the proposed fees and this test confirmed that fees do not exceed the actual staff costs associated with this work and are consistent with State law; and

WHEREAS notice has been given at the time and in the manner required by State Law and City Code; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby Amends Resolution No. 11364 and adopts the amended user fee schedule for selected Police Department Services, as shown in Exhibit "A".

PASSED AND ADOPTED this 13th day of May 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Exhibit "A"

POLICE DEPARTMENT			PER UNIT ANALYSIS				
	Fee Code	Fee Category	# PER YEAR	Current Fee	Cost Per Unit	Cost Recovery	Proposed Fee
1	P-3	Alarm Permit		$47	$0	100%	$47 flat
2	P-3b	Alarm Permit (Renewal - Commercial)	240	$18	$24	100%	$20 flat
3	P-4	False Alarm (2nd false alarm)	300	$0	$153	100%	$0 flat
4	P-4b	False Alarm (3rd false alarm)	120	$101	$153	100%	$150 flat
5	P-4c	False Alarm (4th false alarm)	245	$114	$153	100%	$175 flat
6	P-4d	False Alarm (5th false alarm)		$174	$153	100%	$200 flat
7	new	Alarm Permit: Late Filing Fee			$24	100%	$20 flat
8	new	Fee waiver request of false alarm fee			$13	100%	$10 flat
9	new	Alarm Permit: Failure to Register	31		$24	100%	$20 flat
						Subtotal Alarm-Related Fees	
10	P-18	Police Report Copy	600	$5	$27	100%	$25 flat
11	new	Digital Media Storage	145		$12	100%	$12 flat
12	new	Audio/Video/Media reprod. (per 15 minutes)	500		$20	100%	$20 15 min
						Subtotal Records/Data Requests	
13		DUI Cost Recovery		Hourly	Hourly	100%	Hourly Rates
14		Law Enforcement Svcs: Officer (per hour)	428	$135	$149	100%	$149 per hr
15		Law Enforcement Svcs: Corporal (per hour)	36	$155	$165	100%	$165 per hr
16		Law Enforcement Svcs: Sergeant (per hour)	22	$178	$178	100%	$178 per hr
17		Law Enforcement Svcs: Lieutenant (per hour)	4	$240	$269	100%	$269 per hr
						Subtotal Hourly Staff Charges	
18	P-1	Vehicle Release	126	$183	$207	100%	$200 flat
19	P-2	Livescan	60	$27	$60	100%	$50 flat
20	P-6	Repossessions	57	$15	$16	100%	$15 flat
21	P-7	VIN Verification	6	$46	$73	100%	$70 flat
22	P-8	Clearance Letter	33	$41	$40	100%	$25 flat
23	P-9	Vehicle Sign-off	30	$46	$63	100%	$60 flat
24	P-15	Adult Businesses		$149	$361	100%	$360 flat
25		Subpoena Duces Tecum		$15	$15	100%	$15 flat
26		Civil Subpoena		$275	$275	100%	$275 flat
27	new	Factual Innocence Petition			$103	100%	$100 flat
28	P-10	~~Firearms Permit (CCW)~~		$492	n/a	100%	Remove
29	P-17	~~HS 11590 Registration~~		$27	n/a	100%	Remove

Attachment 2

CITY OF
FOLSOM
DISTINCTIVE BY NATURE



POLICE SERVICES
USER FEE STUDY

April 2025

GCP

GOVERNMENT CONSULTANTS, INC.

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BACKGROUND

Government Consulting Partners, Inc (GCP) is a Sacramento-based consulting firm specializing in cost and revenue studies for state and local government.

Background

The City of Folsom engaged GCP to conduct a comprehensive analysis of the City's Police-related user fees. A majority Police services are not fee-related and are funded with general tax dollars. However, the department does provide special services which benefit private individuals or businesses and where a user fee charge is appropriate. Police user fees were last reviewed comprehensively in 2005. Since that time minor adjustments have taken place, including adjusting fees annually for inflation.

The Government Finance Officers Association (GFOA) recommends that cities periodically study their fee schedules to ensure profits are not being generated and costs are recovered at levels reflective of Council's policies and values. As more fiscal limitations are imposed on local government, user fees have become an important source of revenue. A user fee is a payment made by an individual for a service that primarily benefits the individual. Public agencies can impose a user fee for a service when 1) the individual's decision to use the service is voluntary, and 2) the fee charged to an individual user is reasonably related to the level of service rendered and the cost of providing that service.

User fees in California are required to conform to the statutory requirements of the California Constitution, Proposition 218 and the California Code of Regulations, including Government Code 66000 et seq. By law, user fees may not exceed the estimated reasonable cost of providing the services for which they were levied, unless approved by a two-thirds vote of the electorate.

This report presents GCP's comprehensive review of Folsom's Police Department user fees with the goal of aligning fees with current fiscal policy and Council priorities.

The City's scope for this project includes the following components:

1. Calculate the full cost of each Police fee service in accordance with the legal requirements of Proposition 218 and California Government Code 66000 et seq.
2. Ensure proposed fees are reasonable, fair and equitable in nature.
3. Ensure specific state and federal fee limitations are observed.
4. Prepare a schedule of fully-burdened hourly rates (FBHR's) for use in hourly billings.
5. Report on other matters identified throughout the study.
6. Provide the City with an Excel-based updatable fee model.

Folsom Police Department's Fee Schedule Priorities

GCP initially met with Folsom Police staff to better understand the Department's and the City's priorities for the fee schedule. The following priorities were established from this process:

- Accurately reflects and recovers the City's cost of providing services, where feasible;
- Streamlines the manner in which fees for permits and data requests are calculated and assessed to the public.
- Is easily updated for future costs and other changes.

Existing Council Policy on User Fees

In addition to the priorities spelled out in the City's RFP, GCP also referred to the City's policy direction on user fees general. The following excerpt is from the Finance Department's *Fees and Purchasing* webpage.

CITY USER FEES

> *The city collects user fees for a variety of services provided to its constituents. Charges or fees are imposed on the user for a specific service rendered based on the rationale that the benefiting party should bear the cost of the service rather than the general public.*

This statement encapsulates a growing trend among City management…that subsidy provided to the public should be scrutinized and eliminated unless it furthers an established City priority. That there should be a transparent logical framework for deciding which fees receive subsidy. In adherence with established City policy, proposed fees have been set at 100% cost recovery levels, with the exception of fees with specific State imposed limits.

The overall goal of this report is to provide the study's findings in a relevant yet concise format that allows City decision-makers to make informed user fee pricing decisions.

STUDY METHODOLOGY

GCP uses a per-unit or case study methodology of analysis whereby one individual unit of service is analyzed in detail and the results extrapolated for a year's worth of activity. This is the prevalent method of analyzing user fee schedules throughout California because it ensures that one fee or group of fees doesn't subsidize another group. To calculate the estimated reasonable cost of providing each Police fee-related service, GCP requested staffing reports, departmental budgets and internal overhead documents.

A description of the various cost elements incorporated into GCP's user fee calculations is provided below. Incorporating all of these cost elements ensures that the full business-cost of providing each service is identified.

Cost Element	Description
Direct Labor Costs	Salary and benefit costs of staff directly involved with service provision. Direct contractor costs.
Direct Materials Costs	Material costs that benefit a particular fee service. Example: public noticing costs for planning entitlements.
Department/Divison Indirect Costs	Administrative staff (managers, clerical, analysts) within a department/division and line-item expenditures not specific to one fee service.
Citywide Overhead	Central support department budgets (HR, Attorney, Finance, etc.) are divided by direct public-facing City budgets. The resulting 10.8% markup is added to direct-labor costs.

Fully Burdened Hourly Rates

GCP's methodology recasted the above cost elements into Fully burdened hourly rates (FBHR's) that were then applied to staff time using a simple three-step process:

1. Establish cost pools representing staff providing services.

LABOR

BUDGETED POSITIONS	SALARY & BENEFITS	Police Officer	Police Sergeant	Records Tech
Police Officer	$207,912	207,912		
Police Sergeant	248,617		248,617	
Police Records Technician	116,992			116,992
Police Sr Records Technician	231,376			
Police Records Supervisor	376,089			
Dispatcher II	175,810			
Communications Supervisor	202,912			
Admin Division Staff	1,200,000			
Other Police Staff	22,986,578			
SUBTOTAL LABOR	$25,746,286	$207,912	$248,617	$116,992
RE-ALLOCATION OF ADMIN STAFF		$ 10,164	$ 12,154	$ 5,719
COST-POOL TOTAL: LABOR		$218,076	$260,771	$122,711

2. Determine the average annual work hours for City staff. GCP worked with Police staff to identify average compensated absence hours and the resulting standard annual productive hours per employee.

STANDARD ANNUAL AVAILABLE HOURS CALCS	Weeks per year		52
	Work hours per week		40
			2,080
	LESS:		
	Holiday	80	
	Sick	96	
	Vacation	112	
	Misc		
	TOTAL	288	-288
	STANDARD PRODUCTIVE HOURS PER FTE		1,792

3. Divide the full cost of each staff position cost pool by standard productive work hours.

	Police Officer	Police Sergeant	Records Tech	Corporal	Lieutenant	Dispatcher II	Disp. Supervisor	Patrol Vehicle
FULLY BURDENED HOURLY RATE	$266,323	$318,463	$149,860	$296,379	$481,747	$225,202	$259,918	$50,000
	1,792	1,792	1,881	1,792	1,792	1,722	1,672	2,080
FB HR	$149	$178	$80	$165	$269	$131	$155	$24
FB Min	$2.48	$2.96	$1.33	$2.76	$4.48	$2.18	$2.59	$0.40

Time requirement interviews

Once all fee structure decisions were finalized, GCP and the City's subject matter experts undertook the next phase of the project: developing reasonable time estimates for each proposed fee category.

California law states that user fees must not exceed the estimated reasonable cost of providing a particular service. For example, to ensure legal defensibility, proposed fees must not exceed the average time required for Police staff to issue permits or process records requests.

Per-Unit Case Study Analysis

GCP conducted a series of focus meetings with subject matter experts to identify the tasks necessary to perform each permit and application, and the associated time requirements broken-down by task. A sample of final time-requirement data is provided below.

Fee Category	TASK	Police Officer Min.	Police Officer Cost	Records Tech Min	Records Tech Cost	Dispatcher II Min	Dispatcher II Cost
Vehicle Release		50	$124	30	$40	20	$44
	Officer calls/waits for tow	30		10			
	Dispatch runs the plate					5	
	Dispatch calls Tow company					5	
	Inventory search & records	10					
	Double check registered					10	
	owner/s						
	Check that dispatch entered vehicle			10			
	into SVS stored vehicle system						
	at DMV						
	Records staff enters into system			10			
	Officer signs off form	10					

STUDY METHODOLOGY

After several rounds of reasonableness checks and revisions, GCP entered final time figures into the fee model along with associated cost data. The table below illustrates several examples of reasonableness-checks.

These checks were used to focus GCP and staff's internal quality control reviews on anomalous or outlier fees.

REASONABLENESS CHECKS
- Compare the cost of one service against others
- Percentage increase from existing fee
- Percentage of staff positions devoted to fees
- Comparison to other fees charged in the region

Projecting Annual Cost and Revenue Information

In addition to 100% full cost calculations, GCP projected annual revenue for each fee-service based on demand estimates. Demand estimates were based on the set of assumptions in the table to the right.

Demand figures were adjusted in several cases to approximate actual 2024/25 revenue figures.

ANNUAL DEMAND FOR SERVICES
FY 2024 demand is the best predictor of short-term demand for each service.
Estimates are used for new or restructured fee categories.

FISCAL IMPACT: COST VS REVENUE MATCHUP

In collaboration with Police Department staff, GCP developed cost and revenue projections for each existing and proposed service studied. Costs and revenues were projected by extrapolating individual per-unit results for an entire year of demand/activity. **Table 1** summarizes the fiscal impact of our analysis and our recommended adjustments.

Table 1: Fiscal Impact of Proposed Fee Adjustments

FEE AREA	COST OF FEE RELATED SERVICES	CURRENT USER FEE REVENUE[1]	COST RECOVERY RATE	GENERAL FUND SUBSIDY	PROJECTED REVENUE FROM PROPOSED FEES	COST RECOVERY RATE AT PROPOSED FEES	PROJECTED REVENUE INCREASE
Alarm-related Fees	$107,225	$44,370	41%	$62,855	$65,675	61%	$21,305
Records/Data Requests	$27,580	$3,000	11%	$24,580	$26,699	97%	$23,699
Hourly Officer Charges	$74,547	$68,170	91%	$6,377	$74,547	100%	$6,377
General Fees	$34,252	$28,542	83%	$5,710	$32,100	94%	$3,558
TOTAL	$243,604	$144,082	59%	$99,522	$199,021	82%	$54,939

The table above presents the Police Department's fee services organized into four major sections: Alarm permits and response fees, requests of records or media, hourly charges for DUI response and other cost-recovery purposes, and general fees.

Projected revenue from fee services under review totaled $144,082 in Fiscal Year 2024/25. The fully burdened cost to perform these services is $243,604 creating a $99,522 General Fund subsidy. If all proposed fee adjustments are adopted, the City should anticipate a revenue increase of $54,939 in annual fee revenue.

The proposed fee schedule adds new fee categories, eliminates others and modifies certain categories to better reflect Council's priorities for the Police fee schedule.

CITY OF FOLSOM POLICE DEPARTMENT			PER UNIT ANALYSIS					ANNUALIZED PROJECTIONS					
	Fee Code	Fee Category	# PER YEAR	Current Fee	Cost Per Unit	Cost Recovery	Proposed Fee	Current Fee Revenue	Annual Cost	Subsidy/ Surplus	Proposed Revenue	Revenue Increase/ Decrease	Notes
1	P-3	Alarm Permit		$47	$0	100%	$47 flat	$0	$0	$0	$0	$0	
2	P-3b	Alarm Permit (Renewal - Commercial)	240	$18	$24	100%	$20 flat	$4,320	$5,706	$1,386	$4,800	$480	
3	P-4	False Alarm (2nd false alarm)	300	$0	$153	100%	$0 flat	$0	$45,798	$45,798	$0	$0	*2nd false alarm fee is allowed by City code, but not enforced*
4	P-4b	False Alarm (3rd false alarm)	120	$101	$153	100%	$150 flat	$12,120	$18,319	$6,199	$18,000	$5,880	*Proposed false alarm fees escalate as a deterrant as per the industry best practice*
5	P-4c	False Alarm (4th false alarm)	245	$114	$153	100%	$175 flat	$27,930	$37,402	$9,472	$42,875	$14,945	
6	P-4d	False Alarm (5th false alarm)		$174	$153	100%	$200 flat	$0	$0	$0	$0	$0	
7	new	Alarm Permit: Late Filing Fee			$24	100%	$20 flat	n/a	n/a	n/a	n/a	n/a	
8	new	Fee waiver request of false alarm fee			$13	100%	$10 flat	$0	$0	$0	$0	$0	
9	new	Alarm Permit: Failure to Register	31		$24	100%	$20 flat	n/a	n/a	n/a	n/a	n/a	*Folsom recovers these via False alarm fee.*
		Subtotal Alarm-Related Fees						**$44,370**	**$107,225**	**$62,855**	**$65,675**	**$21,305**	
10	P-18	Police Report Copy	600	$5	$27	100%	$25 flat	$3,000	$15,934	$12,934	$15,000	$12,000	
11	new	Digital Media Storage	145		$12	100%	$12 flat	$0	$1,688	$1,688	$1,740	$1,740	
12	new	Audio/Video/Media reprod. (per 15 minutes)	500		$20	100%	$20 15 min	$0	$9,959	$9,959	$9,959	$9,959	
		Subtotal Records/Data Requests						**$3,000**	**$27,580**	**$24,580**	**$26,699**	**$23,699**	
13		DUI Cost Recovery		Hourly	Hourly	100%	Hourly Rates	n/a	n/a	n/a	n/a	n/a	*Not on City's fee schedule*
14		Law Enforcement Svcs: Officer (per hour)	428	$135	$149	100%	$149 per hr	$57,729	$63,608	$5,880	$63,608	$5,880	
15		Law Enforcement Svcs: Corporal (per hour)	36	$155	$165	100%	$165 per hr	$5,564	$5,954	$390	$5,954	$390	
16		Law Enforcement Svcs: Sergeant (per hour)	22	$178	$178	100%	$178 per hr	$3,917	$3,910	($8)	$3,910	($8)	
17		Law Enforcement Svcs: Lieutenant (per hour)	4	$240	$269	100%	$269 per hr	$960	$1,075	$115	$1,075	$115	
		Subtotal Hourly Staff Charges						**$68,170**	**$74,547**	**$6,377**	**$74,547**	**$6,377**	
18	P-1	Vehicle Release	126	$183	$207	100%	$200 flat	$23,058	$26,117	$3,059	$25,200	$2,142	
19	P-2	Livescan	60	$27	$60	100%	$50 flat	$1,620	$3,593	$1,973	$3,000	$1,380	*includes $32 DOJ fee*
20	P-6	Repossessions	57	$15	$16	100%	$15 flat	$855	$908	$53	$855	$0	*Limited to $15 by Cal Government Code 41612*
21	P-7	VIN Verification	6	$46	$73	100%	$70 flat	$276	$435	$159	$420	$144	*Make non-refundable?*
22	P-8	Clearance Letter	33	$41	$40	100%	$25 flat	$1,353	$1,315	($38)	$825	($528)	*Limited to $25 per Penal Code 13322*
23	P-9	Vehicle Sign-off	30	$46	$63	100%	$60 flat	$1,380	$1,885	$505	$1,800	$420	
24	P-15	Adult Businesses		$149	$361	100%	$360 flat	$0	$0	$0	$0	$0	
25		Subpoena Duces Tecum		$15	$15	100%	$15 flat	$0	$0	$0	$0	$0	*Not on City's fee schedule. $15 State limit.*
26		Civil Subpoena		$275	$275	100%	$275 flat	$0	$0	$0	$0	$0	*Not on City's fee schedule. $275 State limit.*
27	new	Factual Innocence Petition			$103	100%	$100 flat	$0	$0	$0	$0	$0	*Set at Sacramento's Fee of $103. Refunded if found innocent*
28	P-10	~~Firearms Permit (CCW)~~		$492	n/a	100%	Remove	n/a	n/a	n/a	n/a	n/a	*Done by Sheriff. Remove from fee schedule.*
29	P-17	~~HS 11590 Registration~~		$27	n/a	100%	Remove	n/a	n/a	n/a	n/a	n/a	*Remove from fee schedule. Obsolete.*
		Subtotal General Police Fees						**$28,542**	**$34,252**	**$5,710**	**$32,100**	**$3,558**	
		Grand Total Police Services						**$144,082**	**$243,606**	**$99,524**	**$199,021**	**$54,939**	

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	New Business
SUBJECT:	City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2): Resolution No. 11374 – A Resolution of the City Council of the City of Folsom Appointing Consultants, Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)" and to Levy Special Taxes therein Resolution No. 11375– A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) and Calling for a Public Hearing thereon
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the City Council approve the following resolutions:

Resolution No. 11374– A Resolution of the City Council of the City of Folsom Appointing Consultants, Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)" and to Levy Special Taxes therein

Resolution No. 11375 – A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) and Calling for a Public Hearing thereon

BACKGROUND / ISSUE

Community Facilities District No. 20 (Russell Ranch) (CFD No. 20) was established by the City Council of Folsom under the Mello-Roos Act to support the construction and acquisition of public improvements for properties within the district. CFD No. 20 spans approximately 437.6 acres located in the City of Folsom, east of Placerville Road between Highway 50 and White Rock Road. The district was formally created on November 14, 2017, through Resolution No. 10035.

Planned development within CFD No. 20 includes a total of 1,025 residential units: 175 single-family units, 618 high-density single-family units, and 232 low-density multi-family units. The property development within CFD No. 20 is progressing in three main phases, with properties at various stages, including completed homes, homes under construction, finished lots, and partially improved lots. Each phase includes multiple villages. Phase 1 consists of lots owned by TNHC Northern California and Anthem United, while Phases 2 and 3 comprise lots owned by Lennar Homes of California, LLC (the Developer), AG Essential Housing CA 4, L.P., and TPG AG EHC III (LEN) CA 5, L.P. (the Landbank).

CFD No. 20 has issued two series of special tax revenue bonds. The first, Series 2018, was issued on June 5, 2018, for $13,255,000 to fund improvements acquired from TNHC Russell Ranch, LLC, as outlined in the Acquisition and Shortfall Agreement with the City of Folsom. The second, Series 2022, issued on December 8, 2022, for $11,225,000, supports improvements acquired from Lennar Homes of California, LLC, per the First Amendment to the Acquisition and Shortfall Agreement.

The estimated cost for constructing all required facilities for CFD No. 20 is approximately $108,153,600, covering backbone infrastructure, soft costs, and subdivision infrastructure. Backbone infrastructure improvements include upgrades to transportation, water systems, recycled water systems, drainage, wastewater, parks, parkways, and open spaces. Subdivision infrastructure encompasses underground utilities, roadways, street lighting, sound walls, and landscaping.

The Developer has requested the City's approval for an overlay district, City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) (CFD No. 20-1) within a portion of CFD No. 20. This overlay CFD No. 20-1 would be comprised of the parcel within Phase 2, Village 5, Assessor's Parcel Number 072-3510-005-0000. The proposed boundary map for CFD No. 20-1 is included as Attachment 4. Village 5, projected to contain 118 multi-family low-density units, had not yet seen any building permits or Certificates of Occupancy issued as of April 30, 2025. The Developer proposed including all 118 units in the overlay district.

POLICY / RULE

Chapter 5 of the Folsom Plan Area Public Facilities Financing Plan authorizes the formation of CFD's to finance the construction, acquisition, and servicing of Folsom Plan Area backbone infrastructure and public facilities

Section 2.5.3 of the First Amended and Restated Tier 1 Development Agreement authorizes the formation of infrastructure CFDs.

Resolution No. 9282 – A Resolution of the City Council of the City of Folsom Approving Goals and Policies for Community Facilities Districts, provides guidance and minimum credit criteria for the issuance of CFDs.

ANALYSIS

CFD No. 20-1 would be structured as a standard-term CFD and would provide the necessary funding to help fund a portion of the CFD 20 subdivision infrastructure. These subdivision infrastructure costs will be financed using both bond proceeds and Pay-As-You-Go (PAYGO) special tax revenues. PAYGO may only be levied against developed property, and after the issuance of the first series of Bonds, PAYGO costs will no longer be levied and will not be included in determining the annual special tax requirement. The subdivision costs to be funded via CFD No. 20-1 were originally anticipated to be funded by CFD No. 20 and include items listed in the First Amendment to the Acquisition and Shortfall Agreement dated August 25, 2023 between the City and the Developer.

The special tax revenue generated from taxable parcels within CFD No. 20-1 will be comprised solely of a special tax to fund facilities. The CFD No. 20-1 special tax will not provide funding for Russell Ranch specific services. The 2025/26 maximum special tax rates, set forth in the Rate and Method of Apportionment of Special Taxes for each residential floor plan, are provided in the table below:

Land Use Category	Residential Floor Area	2025-2026 Maximum Special Tax Rate	Taxed Per
Developed Property:			
Multi Family Low Density Property	≥ 2,000	$1,534	Residential Unit
Multi Family Low Density Property	1,800 – 1,999	1,336	Residential Unit
Multi Family Low Density Property	< 1,800	1,280	Residential Unit
Other Taxable Property	Not Applicable	13,400	Acre
Small Lot Final Map Property:			
Multi Family Low Density Property	Not Applicable	$1,280	Residential Lot
Large Lot Property:	Not Applicable	$13,400	Acre

The CFD No. 20-1 special tax can be levied and collected through Fiscal Year 2064/65. Each fiscal year, commencing with 2026/27, the maximum special tax rate will be increased by 2% annually.

Excluding the overlay CFD No. 20-1, the estimated effective tax rate for developed residential property within Village 5 is approximately 1.60%. Upon inclusion of CFD No. 20-1, the total projected effective tax rate for developed residential property within CFD 20-1 is 1.80% and shall not exceed 2.0% of the estimated sales price of the respective homes to be constructed in CFD 20-1.

Approving the resolutions attached also approves the boundary map for CFD No. 20-1, and approves the following consultants to assist with CFD No. 20-1:

Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Disclosure Counsel:	Orrick, Herrington & Sutcliffe LLP
Tax Consultant:	NBS
Financial Advisor:	Fieldman, Rolapp & Associates
Market Absorption Consultant:	The Gregory Group

Upon passage of these resolutions, a Public Hearing, concerning the formation of CFD No. 20-1, will be scheduled, along with an election of owners of property within CFD No. 20-1, for June 24, 2025.

FINANCIAL IMPACT

The CFD No. 20-1 formation, bonded indebtedness, and expenses are solely the responsibility of CFD No. 20-1. There is no direct General Fund impact on the City of Folsom.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (SCH No. 2014062018) was previously certified for the Russell Ranch project on May 15, 2015 by the City Council in accordance with the requirements of the California Environmental Quality Act (CEQA) and the CEQA Guidelines. Staff has determined that no new impacts will result from this proposal that were not already considered with the previous approval. No further environmental review is required.

ATTACHMENTS

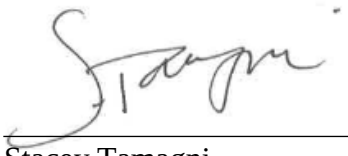
1. Resolution No. 11374– A Resolution of the City Council of the City of Folsom Appointing Consultants, Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)" and to Levy Special Taxes therein

2. Resolution No. 11375– A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) and Calling for a Public Hearing thereon

3. Landowner Petition and Waiver

4. Boundary Map of Proposed CFD No. 20-1 (Russell Ranch 2)

Submitted,



Stacey Tamagni
Finance Director

Attachment 1

RESOLUTION NO. 11374

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM APPOINTING CONSULTANTS, APPROVING A PROPOSED BOUNDARY MAP AND DECLARING INTENTION TO FORM A COMMUNITY FACILITIES DISTRICT TO BE NAMED "CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 20-1 (RUSSELL RANCH 2)" AND TO LEVY SPECIAL TAXES THEREIN

WHEREAS, in accordance with the provisions of Section 53312.7 and 53345.8 of the California Government Code, the City Council (the "City Council") of the City of Folsom (the "City") previously adopted the Local Goals and Policies (the "City Goals and Policies") concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, the City Council has received a petition (the "Petition") from the landowner of a portion of the area of the City known as "Russell Ranch" requesting the institution of proceedings to establish a community facilities district under and pursuant to the Act; and

WHEREAS, pursuant to Section 53320 of the Act, within 90 days of the receipt of the Petition, the City Council, as the legislative body of the City, shall adopt a resolution of intention to establish a community facilities district; and

WHEREAS, the name of the proposed community facilities district shall be "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)" ("CFD 20-1" or the "CFD"); and

WHEREAS, the proposed boundaries of CFD 20-1 are shown on the boundary map entitled "Proposed Boundaries of City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)," on file with the City Clerk (the "Boundary Map"); and

WHEREAS, the types of public facilities (the "Facilities") proposed to be financed by CFD 20-1 are set forth in Exhibit A attached hereto, and the City finds that the Facilities are necessary to meet increased demands placed upon the City as the result of new development occurring and anticipated within CFD 20-1; and

WHEREAS, the types of incidental expenses proposed to be incurred are set forth in Exhibit B attached to this resolution;

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

Section 1. The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The City Council hereby finds and determines that CFD 20-1 is in compliance with the City Goals and Policies, and to the extent of any non-compliance with the City Goals and Policies, such compliance is hereby waived by the City.

Section 3. It is the intention of the City Council to establish and the City Council hereby proposes to establish a community facilities district under and pursuant to the terms and provisions of the Act to be known and designated as the "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)." The boundaries of the territory proposed for inclusion in CFD 20-1 are more particularly described and shown on the Boundary Map now on file in the office of the City Clerk. The City Council hereby approves the Boundary Map and adopts the boundaries shown on the Boundary Map as describing the extent of the territory included in CFD 20-1. The City finds that the Boundary Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code and directs the City Clerk to certify the adoption of this resolution on the face of the Boundary Map, and to file a copy of the Boundary Map with the County Recorder for placement in the Book of Maps of Assessment and Community Facilities Districts no later than fifteen (15) days after the adoption of this resolution.

Section 4. It is the intention of the City Council to finance the Facilities described in Exhibit A attached hereto and made a part hereof. All of the Facilities to be financed will have an estimated useful life of at least five (5) years. They are public facilities that the City or another governmental entity is authorized by law to construct, own or operate or to which they may contribute revenue. The Facilities to be financed need not be physically located within CFD 20-1.

Section 5. Except where funds are otherwise available, special taxes sufficient to pay for all Facilities will be annually levied within CFD 20-1. 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 the related levy of the special tax shall attach to all nonexempt real property within CFD 20-1, and the lien shall continue in force and effect until the special tax obligation (or any portion thereof) is paid or prepaid and permanently satisfied and the related special tax lien is cancelled in accordance with law or until collection of the related special tax by the City ceases. The rate and method of apportionment of the special tax to be levied in CFD 20-1 is set forth in Exhibit C, attached to this resolution. The special tax with respect to the Facilities on any parcel within CFD 20-1 shall not be levied after Fiscal Year 2064-65. In the case of any special tax to pay for the Facilities and to be levied against any parcel used for private residential purposes, under no circumstances will the special tax levied against any parcel be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within CFD 20-1 by more than 10 percent of the special tax for Facilities that would be levied in that Fiscal Year but for such delinquencies or defaults.

Section 6. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within CFD 20-1, may be reimbursed from bond proceeds or from special tax revenue or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.

To the extent the Facilities will not be constructed by the City, in the opinion of the City Council, the public interest will not be served by allowing the property owners in CFD 20-1 to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

Section 7. The City intends to reserve to itself the right and authority to allow bond tenders from any interested landowner within CFD 20-1 to be accepted under Government Code

sections 53344.1 and 53356.8 in full or part payment of any installment of the special taxes or the interest or penalties thereon.

Section 8. The City Council hereby sets Tuesday, June 24, 2025, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for the public hearing on the formation of CFD 20-1. At the hearing, oral and written testimony concerning the formation of CFD 20-1, the extent of CFD 20-1 and the furnishing of the Facilities will be heard and protests will be considered from registered voters residing within CFD 20-1 and persons owning real property within CFD 20-1. Written protests against the formation of CFD 20-1 by a majority of the registered voters (if at least six such voters protest) or by the owners of a majority of the land which would be subject to special taxation within CFD 20-1 will require the suspension of proceedings to form CFD 20-1 and to levy the specified special tax for at least one year. If such protests constitute a majority protest and are directed only against a specified type or types of the Facilities or against levying a specified special tax, only those types of Facilities or the specified special tax will be eliminated from the proceedings. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. Written protests must be filed with the City Clerk at or before the time fixed for the hearing.

Section 9. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution authorizing the issuance of bonds or indenture authorized thereby.

Section 10. It is anticipated that the special tax will be billed as a separate line item on the regular secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes. However, the City reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing, and when lawfully available, judicial foreclosure of the special tax lien.

Section 11. The City Manager or his/her designee is directed to study CFD 20-1 and prepare for filing at the public hearing the report required by Section 53321.5 of the Act (the "CFD Hearing Report"). The City Manager may delegate to consultants the duty to perform the study and prepare the CFD Hearing Report.

Section 12. If elections are held in these proceedings, it is the intention of the City Council that the electors will be the owners of property within CFD 20-1 pursuant to Sections 53326 and 53350 of the Act.

Section 13. The City Council also intends to establish the annual appropriations limit of CFD 20-1 at $3,500,000 for the 2025-26 fiscal year.

Section 14. The City Clerk is hereby directed to have the Notice of Public Hearing in the form attached to this resolution as Exhibit D published once in a newspaper of general circulation in the vicinity of CFD 20-1, no later than ten (10) days prior to the public hearing.

Section 15. The City hereby appoints the following consultants in connection with CFD 20-1 and hereby authorizes or ratifies, as the case may be, the execution by the City Manager or the Finance Director of agreements with said firms in substantially the forms on file with the City Clerk. In addition, the City Manager and the Finance Director are each individually authorized to enter into an agreement with an appraiser in connection with CFD 20-1 on the basis of a request for proposals distributed by City staff.

Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Disclosure Counsel:	Orrick, Herrington & Sutcliffe LLP
Tax Consultant:	NBS
Financial Advisor:	Fieldman, Rolapp & Associates, Inc.
Market Absorption Consultant:	The Gregory Group

Section 16. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 13th day of May 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

EXHIBIT A

AUTHORIZED FACILITIES
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 20-1
(RUSSELL RANCH 2)

Facilities

Authorized facilities include any and all improvements that are included in the Specific Plan Infrastructure Fee Program adopted by the City Council on September 8, 2015, as amended to the date hereof and including any future amendments thereto. These facilities, include, but are not limited to:

- Zone 4/5 Booster Pump Station;
- Zone 5 Water Tank and Zone 6 Booster Pump Station;
- Highway 50 Water Transmission Line;
- Alder Creek Parkway Improvements; and
- Grand Prairie Improvements.

Transportation Improvements

Eligible roadway improvements include, but are not limited to: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, Bus Rapid Transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and recycled water, sanitary sewer, and storm drainage system improvements.

Authorized facilities include the following transportation improvements:

- Placerville Road—from Highway 50 to White Rock Road.
- Alder Creek Parkway—from Scott Road to the Empire Ranch Road.
- Grand Prairie Road—from Alder Creek Parkway to Placerville Road.

- Scott Road—from Alder Creek Parkway to Street "A."

- Empire Ranch Road—from property line to White Rock Road.

- Other public roadway improvements designed to meet the needs of development within CFD No. 20-1, including internal subdivision streets and related underground utilities.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water and recycled (or non-potable water facilities) designed to meet the needs of development within CFD No. 20-1. These facilities include, but are not limited to, potable and non-potable mains, valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading, and paving; services, and appurtenances; wells; water treatment, distribution, and storage facilities; curbs and gutters; booster pump stations; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; and striping and signage.

Drainage System Improvements

Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development within CFD No. 20-1. These facilities include, but may not be limited to excavation and grading, pipelines and appurtenances, outfalls, and water quality measures; detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; access roads, gates and fencing; and striping and signage and other improvements related thereto.

Wastewater System Improvements

Authorized facilities include any and all wastewater facilities designed to meet the needs of development within CFD No. 20-1. These facilities include, but may not be limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; and permitting related thereto; and related sewer system improvements.

Park, Parkway, Open Space and Preserve Improvements

Authorized facilities include any and all improvements to parks, parkways, and open space required for development within CFD No. 20-1. These facilities include, but may not be limited to grading; turf, shrubs and trees; landscaping irrigation; site lighting; drainage; sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges; public art; active and passive park and open space improvements (including respites and overlooks); related monumentation and signage; storm drain crossings; environmental mitigation for wetlands, hawk, and other species for infrastructure under the Specific Plan Infrastructure Fee Program and authorized facilities herein; access gates and fencing; and related park, open space and preserve improvements.

Other Incidental Expenses and Bond Issuance Costs

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the Mello-Roos CFD; issuance of bonds (if any); determination of the amount of taxes; collection of taxes; payment of taxes; costs of calculating and providing reimbursements from one-time special tax payments; or costs otherwise incurred in order to carry out the authorized purposes of the CFD; and any other expenses incidental to the formation and implementation of the CFD and to the construction, completion, inspection and acquisition of the authorized facilities.

EXHIBIT B

INCIDENTAL EXPENSES AND BOND ISSUANCE COSTS
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 20-1
(RUSSELL RANCH 2)

It is anticipated that the following incidental expenses may be incurred for CFD 20-1:

Engineering services
Special tax consultant services
City review and administration
Bond counsel services
Bond counsel expenses
Disclosure counsel services
Disclosure counsel expenses
Independent financial advisor services
Appraiser services
Market absorption study and real estate economist services
Initial bond transfer agent, fiscal agent, registrar and paying agent fees
Rebate calculation service set up charge
Bond printing
Offering memorandum printing and mailing costs
Publishing, mailing and posting of notices
Underwriter's discount
Bond reserve fund
Capitalized interest
Bond syndication costs
Governmental notification and filing costs
Credit enhancement costs
Real estate acquisition costs
Rating agency fees
Charges and fees of City other than those waived

Certain annual costs may be included in each annual special tax levy. These include:

Annual bond transfer agent, fiscal agent, registrar and paying agent fees
Annual rebate calculation costs
Special tax consultant costs
Other necessary consultant costs
Costs of posting and collecting the special taxes
Personnel and Administrative costs of the City
Arbitrage rebate
Continuing disclosure reporting and compliance

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 20-1
(RUSSELL RANCH 2)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
FOR CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 20-1
(RUSSELL RANCH 2)

A Special Tax, as hereinafter defined, shall be levied and collected within the City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) ("CFD No. 20-1") each Fiscal Year commencing in Fiscal Year 2025-2026, in an amount determined by the application of the procedures below. All Taxable Property within CFD No. 20-1, as hereinafter defined, 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. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Residential Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a Residential Unit.

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2 of Title 5 of the Government Code of the State.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 20-1 including, but not limited to, the following: the costs of any paying agents/fiscal agents/trustees related to Bond payments (including the fees and expenses of related counsel); the costs of computing the Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, County Tax Collector's Office or County Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements associated with applicable federal and state securities laws, or otherwise related to CFD No. 20-1 or the Bonds; the City's annual administration fees and third party expenses; costs of responding to public inquiries

regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Tax or interpretation of this Rate and Method of Apportionment of Special Taxes; amounts needed to pay any required arbitrage rebate to the federal government related to the Bonds; the costs associated with the release of funds from any escrow account; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD No. 20-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 20-1 for any other administrative purposes of CFD No. 20-1.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

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

"Assessor's Parcel Number" or "APN" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Bond Year" means a one year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

"Bonds" means bonds or other debt (as defined in section 53317 of the Act), whether in one or more series, issued or assumed by or on behalf of the City for CFD No. 20-1 under the Act, and secured by the pledge of the Special Taxes.

"Building Permit" means a permit issued by the City for new construction of a residential or non-residential building on an Assessor's Parcel.

"CFD No. 20-1" means City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2), established by the City Council pursuant to the Act.

"CFD No. 20-1 Administrator" means the City's Finance Director, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"City" means the City of Folsom, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 20-1.

"County" means the County of Sacramento, California.

"Debt Service" means for each Bond Year, the total amount of principal and interest due on any Outstanding Bonds.

"Developed Property" means, for each Fiscal Year, all Taxable Property for which a Building Permit for new construction was issued prior to June 30 of the previous Fiscal Year.

"Exempt Property" means all property located within the boundaries of CFD No. 20-1 which is exempt from the Special Tax pursuant to the Act or Section E below.

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

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Property" means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property or Small Lot Final Map Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which Building Permits may be issued for Residential Units.

"Maximum Special Tax" means the total maximum annual Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Maximum Special Tax Rate" means the maximum annual Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Minimum Special Tax Revenue" means the minimum amount of total CFD No. 20-1 Maximum Special Tax, as adjusted annually by the Special Tax Escalation Factor, less any Maximum Special Tax amounts prepaid and permanently satisfied pursuant to Section I. The Minimum Special Tax Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes.

"Multi Family Low Density Property" means, for each Fiscal Year, all Taxable Property for which a Building Permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Open Space Property" means property within CFD No. 20-1 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

"Other Taxable Property" means all other land uses of Taxable Property, for which a Building Permit for new construction can be issued. Other Taxable Property does not include Multi Family Low Density Property land use categories.

"Outstanding Bonds" means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

"Pay As You Go Costs" means that portion of the Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 20-1. Special Taxes attributable to Pay As You Go Costs may only be levied against Developed. After the issuance of the first series of Bonds, Pay As You Go Costs will no longer be levied and will not be included in determining the annual Special Tax Requirement.

"Planned Development" means the planned number of Residential Units and Other Taxable Property Acreage planned within CFD No. 20-1, set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 20-1.

"Property Owner Association Property" means any property within CFD No. 20-1 which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

"Proportionately" means for Taxable Property that the ratio of the Special Tax levy to the Maximum Special Tax is equal for all Assessors' Parcels within each land use category (Developed Property, Small Lot Final Map Property, Large Lot Property, etc.) within CFD No. 20-1.

"Public Property" means any property within CFD No. 20-1 which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other governmental agency.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 20-1 Administrator by reference to appropriate records kept by the City's building department. Residential Floor Area for a residential structure will be based on the Building Permit(s) issued for such structure prior to it being classified as Developed Property and will not be adjusted as a result of future development modifications.

"Residential Lot" means an individual residential lot within a recorded Small Lot Final Subdivision Map on which a Building Permit has been or is permitted to be issued for construction of one or more Residential Units.

"Residential Property" means, for each Fiscal Year, all Taxable Property for which a Building Permit has been issued for purposes of constructing Residential Units, including Multi Family Low Density Property.

"Residential Unit" means an individual single family detached residential unit or an individual residential unit within an apartment building, duplex, triplex, fourplex, townhome or condominium structure. The number of Residential Units assigned to each Assessor's Parcel may be determined by

(a) referencing Assessor's Data, (b) site surveys and physical unit counts, and/or (c) other research by the CFD Administrator. An Accessory Dwelling Unit shall not be considered a Residential Unit for the purposes of the Special Tax.

"Small Lot Final Map Property" means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

"Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

"Special Tax Escalation Factor" means two percent (2%) annually.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 20-1 to (1) pay Debt Service on all Outstanding Bonds due in the succeeding Bond Year; (2) pay Debt Service on Bonds expected to be issued on behalf of CFD No. 20-1 due in the succeeding Debt Year; (3) Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any CFD No. 20-1 Bonds; (5) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (3) or (4); and (6) account for Pay As You Go Costs. The amounts referred to in clauses (1) through (5) of the preceding sentence may be reduced in any Fiscal Year (in the City's sole discretion) by (i) surplus balances in funds and accounts for CFD No. 20-1 Bonds to the extent that such balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding Bonds or other indebtedness as determined by the CFD Administrator.

"Special Tax Term" means Fiscal Year 2064-2065.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the CFD No. 20-1 Boundaries that are not exempt from the CFD No. 20-1 Special Tax pursuant to law or Section E below.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Welfare Exempt Property" means, in any Fiscal Year, all Assessor Parcels within the boundaries of CFD No. 20-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within CFD No. 20-1 shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, or Large Lot Property and shall be subject to the levy of the annual Special Tax determined pursuant to Section C below. Once Taxable Property is classified as Developed Property, it shall remain classified as Developed Property and shall not be reclassified, regardless of changes in land use or development modifications.

C. SPECIAL TAX

A Maximum Special Tax shall be assigned to all Taxable Property within CFD No. 20-1 according to the Maximum Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment of Special Taxes.

Once assigned, the sum of the total Maximum Special Tax shall be equal to or greater than the Minimum Special Tax Revenue. The Minimum Special Tax Revenue for Fiscal Year 2025-2026 is set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes.

On each July 1, commencing on July 1, 2026, the Maximum Special Tax Rates and Minimum Special Tax Revenue shall be increased by the Special Tax Escalation Factor of the Maximum Special Tax Rates and Minimum Special Tax Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes

The Maximum Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Maximum Special Tax revenue is not less than the Minimum Special Tax Revenue set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes.

Large Lot Property Subdividing into Small Lot Final Map Property

When Large Lot Property subdivides into Small Lot Final Map Property, the Maximum Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Special Tax for any remaining Large Lot Property shall be based upon the Planned Development of the Large Lot Property.

If the sum of the total expected Developed Property Maximum Special Tax is greater than or equal to the Minimum Special Tax Revenue, there will be no further adjustments to the Developed Property and Small Lot Final Map Property Maximum Special Tax Rates for the Small Lot Final Map Property and Small Lot Final Map Remainder Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Special Tax is less than the Minimum Special Tax Revenue, and such difference is not eliminated by the full or partial prepayment of the Maximum Special Tax pursuant to Section I, the Developed Property and Small Lot Final Map Property Maximum Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property and Small Lot Final Map Remainder Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Special Tax is equal to the Minimum Special Tax Revenue. Attachment B of this Rate and Method of Apportionment of Special Taxes shall be updated to reflect any increases to the Maximum Special Tax Rates from the Large Lot Property subdivision. The Developed Property and Small Lot Final Map Property Maximum Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property or Small Lot Final Map Property created prior to the Large Lot Property subdivision.

C.2. Method of Apportionment of Special Tax

Using the definitions and procedures described herein, the CFD No. 20-1 Administrator shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Taxes 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 all Developed Property at a rate up to 100% of the Maximum Special Tax in order 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 all Small Lot Final Map Property at a rate up to 100% of the Maximum Special Tax. The Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Special Tax. The Special Tax shall be levied on Large Lot Property for the entire portion of the Special Tax Requirement, excluding only Pay As You Go Costs.

D. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 20-1 Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 20-1 Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

E. EXEMPTIONS

E.1. The CFD No. 20-1 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

E.2. No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

E.3. The Maximum Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

E.4. If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section E.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

F. INTERPRETATIONS

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

G. REVIEW/APPEALS

The CFD No. 20-1 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 20-1 Administrator shall interpret this Rate and Method of Apportionment of Special Taxes and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 20-1 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes 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 Taxes are in error. The CFD No. 20-1 Administrator shall review the appeal, meet with the appellant if the CFD No. 20-1 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 20-1 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, by the City Manager, the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 20-1 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

H. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 20-1, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

I. PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that 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 CFD No. 20-1 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 20-1 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of

redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 20-1 Administrator may charge a fee for providing this service.

The following definitions apply to this Section I:

"Authorized Facilities" means the public facilities authorized to be financed, in whole or in part, by CFD No. 20-1.

"Buildout" means the state of maximum development of CFD No. 20-1, based on plans and anticipated development.

"CFD Public Facilities Cost" means $3,889,000 for CFD No. 20-1, expressed in 2025 dollars, which shall increase by the annual percentage change in the Construction Inflation Index on July 1, 2026 and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD No. 20-1 Administrator as sufficient to provide the public facilities to be funded by CFD No. 20-1 or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment of Special Taxes as described in Section C.

"Construction Inflation Index" means the annual percentage change in the Engineering News-Record Construction Cost Index, measured as of the calendar year which ends in the previous Fiscal Year, but not less than zero percent. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Construction Cost Index.

"Future Facilities Costs" means, as of the date of prepayment, the CFD Public Facilities Costs minus the portion of the CFD Public Facilities Costs previously funded from (a) proceeds of all Previously Issued Bonds, which were, at the time of issuance, available to the City for Authorized Facilities, (b) interest earnings on the improvement fund actually earned prior to the date of prepayment, and (c) proceeds of the Special Tax dedicated to Pay-As-You-Go Costs. In no case shall the Future Facilities Costs be less than zero.

"Previously Issued Bonds" means all Outstanding Bonds that have been issued on behalf of CFD No. 20-1 prior to the date of prepayment.

I.1. Prepayment in Full

If a prepayment is made prior to the issuance of Bonds, the Redemption Premium, Interest Amount, Reserve Fund Credit, and Capitalized Interest Credit as calculated below, shall be zero. The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount:	
Plus	Future Facilities Amount
Plus	Redemption Premium
Plus	Interest Amount
Plus	Administrative Fees and Expenses
Less	Reserve Fund Credit

Less Capitalized Interest Credit
Total: Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be calculated by the CFD No. 20-1 Administrator as follows:

Step 1: Confirm that no Special Tax delinquency applies to such Assessor's Parcel, and if delinquencies are applicable compute all amounts due, including interest and penalties.

Step 2: For Assessor's Parcels of Developed Property compute the Maximum Special Tax. For Assessor's Parcels of Small Lot Final Map Property and Large Lot Property to be prepaid, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the expected development for that Assessor's Parcel.

Step 3: Divide the Maximum Special Tax computed pursuant to Step 2 by the total estimated Maximum Special Tax for CFD No. 20-1 based on the Developed Property Maximum Special Tax which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 20-1. (the "*Maximum Special Tax Percentage*").

Step 4: Multiply the Maximum Special Tax Percentage by the Outstanding Bonds to compute the principal amount of Outstanding Bonds to be redeemed (the *"Bond Redemption Amount"*).

Step 5: Compute the Future Facilities Costs.

Step 6: Multiply the Maximum Special Tax Percentage by the total Future Facilities Costs to compute the Future Facilities amount to be prepaid (the *"Future Facilities Amount"*).

Step 7: Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*") determined by reference to the Indenture.

Step 8: Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds (the "*Interest Amount*").

Step 9: Verify the administrative fees and expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").

Step 10: If reserve funds for the Outstanding Bonds held under the Indenture, if any, are at or above 100% of the then reserve requirement (as required by the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve requirement for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the applicable reserve requirement on the prepayment date or if the Reserve Fund is satisfied by a credit instrument rather than cash funded.

Step 11: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the Maximum Special Tax Percentage by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

Step 12: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 8 and 9 less the amount computed pursuant to Steps 10 and 11 (the "*Prepayment Amount*").

Step 13: From the Prepayment Amount, the amounts computed pursuant to Step 6 shall be used by the City to pay for Future Facilities Costs. The amounts computed pursuant to Steps 4, 6, 7 and 8 shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make Debt Service payments. The amount computed pursuant to Step 9 shall be retained by the City for the payment of Administrative Fees and Expenses.

Current year Special Taxes that are not yet paid will remain outstanding and will be collected in the manner billed. With respect to any Assessor's Parcel that is prepaid, the CFD No. 20-1 Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax and the obligation of such Assessor's Parcel has been satisfied.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes, net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual Debt Service on all Outstanding Bonds to be paid from the Maximum Special Taxes in each Fiscal Year.

I.2. Prepayment in Part

The Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section I.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((P_E - A) \times F) + A$$

These terms have the following meaning:

PP = the Partial Prepayment Amount
$\mathbf{P_E}$ = the Prepayment Amount calculated according to Section I.1 above
A = the Administrative Fees and Expenses calculated according to Section I.1 above
F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Special Tax obligation shall notify the CFD No. 20-1 Administrator of (i) such owner's intent to partially prepay the Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior

to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 20-1 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 20-1 Administrator shall indicate in the records of CFD No. 20-1 that there has been a partial prepayment of the Special Tax obligation and that a portion of the Special Tax obligation equal to the outstanding percentage (1.00 – F) of the remaining Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Special Taxes, net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual Debt Service on all Outstanding Bonds to be paid from the Maximum Special Taxes in each Fiscal Year.

J. TERM OF SPECIAL TAX

The Maximum Special Tax shall be levied commencing in Fiscal Year 2025-2026 to the extent necessary to fully satisfy the Special Tax Requirement and shall be levied for the Special Tax Term.

Attachment A
City of Folsom
Community Facilities District No. 20-1 (Russell Ranch 2)
Maximum Special Tax Rates
(Fiscal Year 2025-2026)

Land Use Category	Residential Floor Area	2025-2026 Maximum Special Tax Rate[(1)]	Taxed Per
Developed Property:			
Multi Family Low Density Property	≥ 2,000	$1,534	Residential Unit
Multi Family Low Density Property	1,800 – 1,999	1,336	Residential Unit
Multi Family Low Density Property	< 1,800	1,280	Residential Unit
Other Taxable Property	Not Applicable	13,400	Acre
Small Lot Final Map Property:			
Multi Family Low Density Property	Not Applicable	$1,280	Residential Lot
Large Lot Property:	Not Applicable	$13,400	Acre

(1) On each July 1, commencing on July 1, 2026, the Maximum Special Tax Rates shall be increased by the Special Tax Escalation Factor of the Maximum Special Tax Rates in effect for the previous Fiscal Year.

Attachment B
City of Folsom
Community Facilities District No. 20-1 (Russell Ranch 2)
Minimum Special Tax Revenue
(Fiscal Year 2025-2026)

Land Use Category	Planned Residential Units / Acres	2025-2026 Developed Property Maximum Special Tax Rate[(1)(2)]	2025-2026 Minimum Special Tax Revenue[(1)(3)]
Developed Property:			
Multi Family Low Density Property	118	$1,280	$151,040
Other Taxable Property	0.0	13,400	0
Total Minimum Special Tax Revenue			**$151,040**

(1) On each July 1, commencing on July 1, 2026, the Developed Property Maximum Special Tax Rates and Minimum Special Tax Revenue shall be increased by the Special Tax Escalation Factor of the Developed Property Maximum Special Tax Rates and Minimum Special Tax Revenue in effect for the previous Fiscal Year.

(2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Special Tax Rates for Developed Property may exceed the Developed Property Maximum Special Tax Rates set forth in this table.

(3) The total Minimum Special Tax Revenue may be decreased as result of all or a portion of Maximum Special Tax obligations being prepaid and permanently satisfied pursuant to Section I.

(4) Based upon the Developed Property Maximum Special Tax Rate for Multi Family Low Density Property with Residential Floor Area of less than 1,800 square feet.

EXHIBIT D

NOTICE OF PUBLIC HEARING REGARDING THE FORMATION OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 20-1 (RUSSELL RANCH 2), AND LEVYING OF SPECIAL TAXES THEREIN

NOTICE IS HEREBY GIVEN that on Tuesday, May 13, 2025, the City of Folsom (the "City") duly adopted its Resolution No. XXXX (the "Resolution of Intention") wherein it declared its intention to form a community facilities district to be known as "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)" ("CFD 20-1" or the "CFD") and to levy a special tax within CFD 20-1 and to pay the costs of certain public facilities, including, transportation improvements; potable and non-potable water system improvements; drainage system improvements; wastewater system improvements; park, parkway, open space and preserve improvements; and other incidental expenses and bond issuance costs (collectively, the "Facilities"), all as more specifically described in the Resolution of Intention, and its Resolution No. 11374 (the "Resolution Declaring the Necessity for Incurring Bonded Indebtedness") wherein it declared its intention to incur bonded indebtedness in a principal amount not to exceed three million five hundred thousand dollars ($3,500,000) to finance the acquisition and construction of the Facilities within CFD 20-1 under and pursuant to the terms and provisions of the "Mello Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act").

This Notice contains a brief summary of the Proposal (as described below), but you are referred to the City's Resolution of Intention and its Resolution Declaring the Necessity for Incurring Bonded Indebtedness on file with the City Clerk for the definitive description of the Proposal, including a description of the Facilities, a list of incidental expenses and bond issuance costs and the rates and methods of apportionment of the special tax.

The Proposal consists of the authorization of (1) a special tax within CFD 20-1, (2) the issuance of bonds to finance the Facilities and (3) the annual appropriations limit of CFD 20-1 to be set at $3,500,000 for the 2025-26 fiscal year.

In order to confer the authority upon the City to levy the special tax and to issue the bonds, a public hearing must be held on the Proposal, the City must determine to form CFD 20-1, and, finally, the qualified electors within CFD 20-1 must approve the Proposal by a two-thirds vote. Where a proposed community facilities district is uninhabited or inhabited by fewer than 12 registered voters (there are no registered voters inhabiting CFD 20-1) the qualified electors are, pursuant to the Act, the owners of property within the proposed community facilities district.

THIS IS THE NOTICE OF THE PUBLIC HEARING.

The public hearing will be held during the City Council meeting on Tuesday, June 24, 2025, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630.

At the hearing, oral and written testimony of all interested persons or potential special taxpayers for or against the formation of CFD 20-1, the extent of CFD 20-1, the furnishing of the Facilities, the authorization to levy a special tax within CFD 20-1 and the authorization to issue the bonds will be heard. Written protests against the formation of CFD 20-1 delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, CFD 20-1 will be counted toward a possible majority protest against such formation and designation. Written protests by a majority of the registered voters residing within CFD 20-1 (provided they number at least 6) or by the owners of a majority of the land area within CFD 20-1 that is or will be subject to the related special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the formation of CFD 20-1 and the levy of the related specified special tax to be eliminated from immediate consideration and prevent their being included in a subsequent proceedings for at least one year. If such protests constitute a majority protest and are directed only against the furnishing of a specified type or types of the Facilities or against levying a specified special tax, only those types of Facilities or the specified special tax will be eliminated from the proceedings.

Questions should be directed to Stacey Tamagni, Finance Director, telephone (916) 461-6080.

Dated: _____, 2025.

City Clerk of the
CITY OF FOLSOM

Attachment 2

RESOLUTION NO. 11375

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM DECLARING THE NECESSITY FOR INCURRING BONDED INDEBTEDNESS IN AND FOR THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 20-1 (RUSSELL RANCH 2) AND CALLING FOR A PUBLIC HEARING THEREON

WHEREAS, the City Council (the "City Council") of the City of Folsom declares and finds that in order to finance the acquisition and construction of public improvements described in Resolution No. 11374 (the "Resolution of Intention"), it is necessary to incur bonded indebtedness; and

WHEREAS, the purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay for the cost of said public improvements;

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

Section 1. The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The maximum amount of the proposed bonded indebtedness of the City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) is $3,500,000.

Section 3. The City Council hereby sets Tuesday, June 24, 2025, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for a hearing by the City Council on the proposed bond issue. At that time and place any persons interested, including any persons owning property in the proposed community facilities district, will be heard.

Section 4. It is the intention of this City Council that any such bonds issued shall be made callable in accordance with the terms of the Mello-Roos Community Facilities Act of 1982.

Section 5. The City Clerk of the City of Folsom shall have a copy of the Notice of Public Hearing published pursuant to the Resolution of Intention.

Section 6. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 13th day of May 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 3

PETITION

TO CREATE A

COMMUNITY FACILITIES DISTRICT
(Including Landowner Waiver and Appointment of Representative)

City Council
City of Folsom
50 Natoma Street
Folsom, California

Members of the City Council:

This is a petition to create a community facilities district, a waiver with respect to certain procedural matters, under the Mello-Roos Community Facilities Act of 1982 (the "Act") and an appointment of representative to act for the property owner in voting and casting ballots under the Act, and the undersigned hereby states as follows:

1. Landowner. This Petition is submitted by TPG AG EHC III (LEN) CA 5, L.P., a Delaware limited partnership (the "Landowner"), as the owner of 100% of the area of land proposed to be included within the community facilities district and not proposed to be exempt from the special taxes proposed to be levied in the community facilities district.

2. Proceedings Requested. The Landowner hereby requests that the City Council (the "City Council") of the City of Folsom (the "City") institute proceedings pursuant to the Act to establish a community facilities district to be named "City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)" (the "Community Facilities District"), to levy special taxes in the Community Facilities District and to authorize special tax bonds for the Community Facilities District in an amount of not to exceed $3,500,000.

3. Boundaries of Community Facilities District. The boundaries of the territory proposed for inclusion in the Community Facilities District are described in Exhibit A attached hereto and made a part hereof.

4. Facilities. The facilities to be financed by the Community Facilities District are described in Exhibit B attached hereto and made a part hereof.

5. Rate and Method of Apportionment. The proposed Rate and Method of Apportionment of Special Tax is described in Exhibit C attached hereto and made a part hereof.

6. Elections. The Landowner hereby requests that the special elections to be held under the Act to authorize the special taxes in the Community Facilities District, to authorize the issuance of the bonds for the Community Facilities District and to establish an appropriations limit for the Community Facilities District be consolidated into a single election and that the elections be conducted by the City and its officials using mailed or hand-delivered ballots and that such ballots be opened and canvassed and the results certified at the same meeting of the

City Council as the public hearings on the Community Facilities District under the Act, or as soon thereafter as possible.

7. Waiver. To expedite the completion of the proceedings for the Community Facilities District, the Landowner hereby waives all notices of hearings (other than published notices required under the Act) and all notices of election, all applicable waiting periods under the Act for the elections, all ballot analysis and arguments for the elections and all requirements as to the form of the ballots.

Without limiting the generality of the foregoing paragraph, the Landowner hereby specifically certifies, waives, agrees, states and consents as follows:

(a) the Landowner certifies that, as of the date of this Petition, it is the entity that would be legally entitled and authorized to cast the ballots attributable to the parcels listed on Exhibit A hereto in the above-referenced elections.

(b) the Landowner waives any and all minimum time periods relative to the elections pursuant to Government Code Section 53326(a);

(c) the Landowner waives the preparation and distribution of an impartial analysis of the ballot measures, as well as arguments in favor and against, under the authority of Government Code Section 53327(b);

(d) the Landowner waives the requirement to publish notice of the elections under Government Code Section 53352;

(e) the Landowner waives the requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101, and agrees that either mailed service or personal service of the ballots will be sufficient;

(f) the Landowner waives the requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5;

(g) the Landowner waives any and all defects in notice or procedure in the conduct of the elections, whether known or unknown (except the right to vote and to have the ballots fairly counted), and states that the elections are being expedited, pursuant to this Petition, at the particular instance and request of the Landowner; and

(h) the Landowner consents to the levy and collection of the special tax on all parcels listed on Exhibit A hereto and waives any and all rights to challenge the inclusion of any of such parcels in the Community Facilities District and any and all other proceedings related thereto.

The Landowner hereby represents that it has obtained such information with respect to the waivers contained herein as it has deemed necessary or appropriate. The Landowner hereby confirms and represents that it is fully informed with respect to such waivers and fully understands the consequences thereof.

8. Representations and Warranties; No Registered Voters. The Landowner hereby represents and warrants to the City that (a) the Landowner is, as of the date of this Petition, the legal owner of the fee interest in 100% of the property proposed to be included within the Community Facilities District and not proposed to be exempt from the special taxes and that no other person or entity is the legal owner of all or any portion of the fee interest in any of such property, (b) the Landowner has the power and authority to execute and deliver this Petition, and has taken all action necessary to cause this Petition to be executed and delivered on its behalf, and this Petition has been duly and validly executed and delivered on behalf of the Landowner. There are no registered voters residing within the boundaries of the territory proposed for inclusion in the Community Facilities District and there have been none during the 90-day period preceding the date of this Petition.

9. Appointment of Representative. The Landowner hereby authorizes Steven S. Benson, Manager of Essential Housing Asset Management, LLC, and Arizona limited liability company, the Authorized Agent of the Landowner, to act in all respects for the parcels listed on Exhibit A hereto and in casting the votes and executing the ballots assigned to the parcels listed on Exhibit A for the elections described in paragraph 6 of this Petition.

10. Mailing Address. The address of the Landowner for receiving notices is: c/o Essential Housing Asset Management, LLC, 8585 East Hartford Drive, Suite 118, Scottsdale, Arizona 85255.

[Signature Page Follows]

This Petition is dated as of April 28, 2025.

TPG AG EHC III (LEN) CA 5, L.P.,
a Delaware limited partnership

By: Essential Housing Asset Management, LLC,
an Arizona limited liability company,
its Authorized Agent

By: _____

Name: Steven S. Benson

Title: Manager

EXHIBIT A

BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

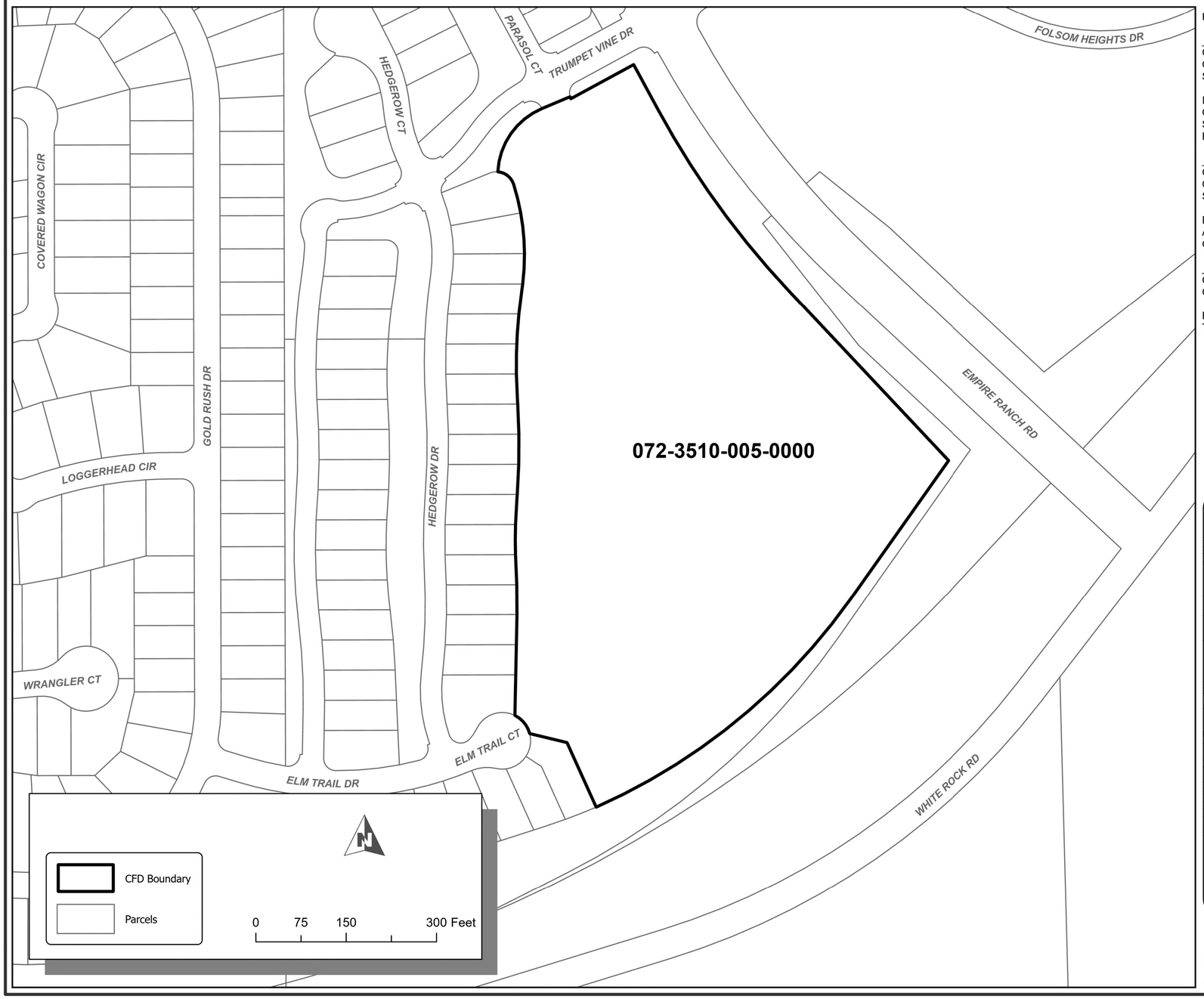
The boundaries of the territory which is proposed for inclusion in the Community Facilities District are depicted in the attached map entitled "Proposed Boundaries of City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2)."

APN	Owner
072-3510-005-0000	TPG AG EHC III (LEN) CA 5, L.P.

[Boundary Map Attached]

PROPOSED BOUNDARIES OF CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 20-1 (RUSSELL RANCH 2)

CITY OF FOLSOM
COUNTY OF SACRAMENTO
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FOLSOM THIS _____ DAY OF _____, 202__.

_____
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

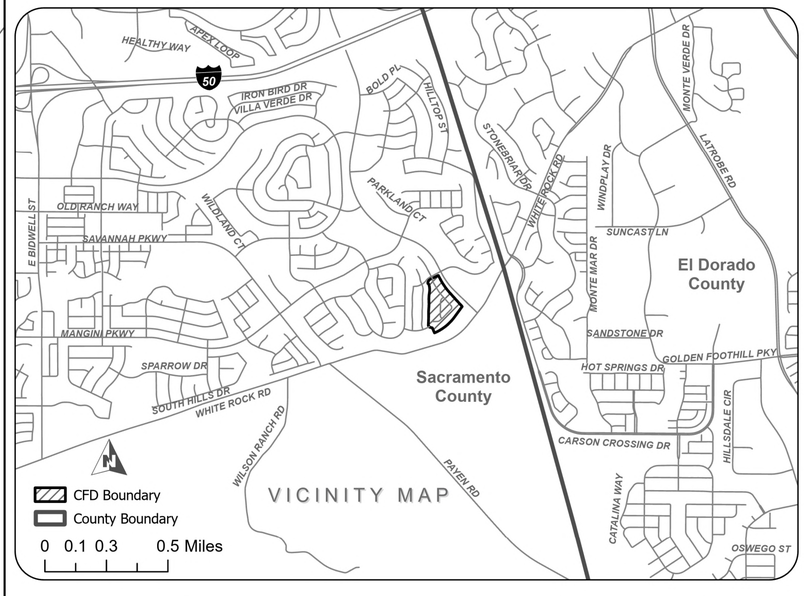
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 20-1 (RUSSELL RANCH 2), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 202__, BY ITS RESOLUTION NO. _____.

_____
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____, 202__, 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 OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

_____
COUNTY RECORDER
COUNTY OF SACRAMENTO, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS THE ASSESSOR, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.



Source: Sacramento County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California II FIPS 0402 Feet

EXHIBIT B

FACILITIES

Authorized facilities include any and all improvements that are included in the Specific Plan Infrastructure Fee Program adopted by the City Council on September 8, 2015, as amended to the date hereof and including any future amendments thereto. These facilities, include, but are not limited to:

- Zone 4/5 Booster Pump Station;
- Zone 5 Water Tank and Zone 6 Booster Pump Station;
- Highway 50 Water Transmission Line;
- Alder Creek Parkway Improvements; and
- Grand Prairie Improvements.

Transportation Improvements

Eligible roadway improvements include, but are not limited to: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, Bus Rapid Transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed above also include any and all necessary underground potable and recycled water, sanitary sewer, and storm drainage system improvements.

Authorized facilities include the following transportation improvements:

- Placerville Road—from Highway 50 to White Rock Road.
- Alder Creek Parkway—from Scott Road to the Empire Ranch Road.
- Grand Prairie Road—from Alder Creek Parkway to Placerville Road.
- Scott Road—from Alder Creek Parkway to Street “A.”
- Empire Ranch Road—from property line to White Rock Road.

- Other public roadway improvements designed to meet the needs of development within CFD No. 20-1, including internal subdivision streets and related underground utilities.

Potable and Non-Potable Water System Improvements

Authorized facilities include any and all on- and off-site backbone water and recycled (or non-potable water facilities) designed to meet the needs of development within CFD No. 20-1. These facilities include, but are not limited to, potable and non-potable mains, valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading, and paving; services, and appurtenances; wells; water treatment, distribution, and storage facilities; curbs and gutters; booster pump stations; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates and fencing; and striping and signage.

Drainage System Improvements

Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development within CFD No. 20-1. These facilities include, but may not be limited to excavation and grading, pipelines and appurtenances, outfalls, and water quality measures; detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; access roads, gates and fencing; and striping and signage and other improvements related thereto.

Wastewater System Improvements

Authorized facilities include any and all wastewater facilities designed to meet the needs of development within CFD No. 20-1. These facilities include, but may not be limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; and permitting related thereto; and related sewer system improvements.

Park, Parkway, Open Space and Preserve Improvements

Authorized facilities include any and all improvements to parks, parkways, and open space required for development within CFD No. 20-1. These facilities include, but may not be limited to grading; turf, shrubs and trees; landscaping irrigation; site lighting; drainage; sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges; public art; active and passive park and open space improvements (including respites and overlooks); related monumentation and signage; storm drain crossings; environmental mitigation for wetlands, hawk, and other species for infrastructure under the Specific Plan Infrastructure Fee Program and authorized facilities herein; access gates and fencing; and related park, open space and preserve improvements.

Other Incidental Expenses and Bond Issuance Costs

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the Mello-Roos CFD; issuance of bonds (if any); determination of the amount of taxes; collection of taxes; payment of taxes; costs of calculating and providing reimbursements from one-time special tax payments; or costs otherwise incurred in order to carry out the authorized purposes of the CFD; and any other expenses incidental to the formation and implementation of the CFD and to the construction, completion, inspection and acquisition of the authorized facilities.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT

[Attached]

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
FOR CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 20-1
(RUSSELL RANCH 2)

A Special Tax, as hereinafter defined, shall be levied and collected within the City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2) ("CFD No. 20-1") each Fiscal Year commencing in Fiscal Year 2025-2026, in an amount determined by the application of the procedures below. All Taxable Property within CFD No. 20-1, as hereinafter defined, 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. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Residential Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a Residential Unit.

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2 of Title 5 of the Government Code of the State.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 20-1 including, but not limited to, the following: the costs of any paying agents/fiscal agents/trustees related to Bond payments (including the fees and expenses of related counsel); the costs of computing the Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, County Tax Collector's Office or County Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements associated with applicable federal and state securities laws, or otherwise related to CFD No. 20-1 or the Bonds; the City's annual administration fees and third party expenses; costs of responding to public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Tax or interpretation of this Rate and Method of Apportionment of Special Taxes; amounts needed to pay any required arbitrage rebate to the federal government related to the Bonds; the costs associated with the release of funds from any escrow account; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD No. 20-1. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 20-1 for any other administrative purposes of CFD No. 20-1.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

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

"Assessor's Parcel Number" or "APN" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Bond Year" means a one year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

"Bonds" means bonds or other debt (as defined in section 53317 of the Act), whether in one or more series, issued or assumed by or on behalf of the City for CFD No. 20-1 under the Act, and secured by the pledge of the Special Taxes.

"Building Permit" means a permit issued by the City for new construction of a residential or non-residential building on an Assessor's Parcel.

"CFD No. 20-1" means City of Folsom Community Facilities District No. 20-1 (Russell Ranch 2), established by the City Council pursuant to the Act.

"CFD No. 20-1 Administrator" means the City's Finance Director, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"City" means the City of Folsom, California.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 20-1.

"County" means the County of Sacramento, California.

"Debt Service" means for each Bond Year, the total amount of principal and interest due on any Outstanding Bonds.

"Developed Property" means, for each Fiscal Year, all Taxable Property for which a Building Permit for new construction was issued prior to June 30 of the previous Fiscal Year.

"Exempt Property" means all property located within the boundaries of CFD No. 20-1 which is exempt from the Special Tax pursuant to the Act or Section E below.

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

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Property" means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property or Small Lot Final Map Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which Building Permits may be issued for Residential Units.

"Maximum Special Tax" means the total maximum annual Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Maximum Special Tax Rate" means the maximum annual Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Minimum Special Tax Revenue" means the minimum amount of total CFD No. 20-1 Maximum Special Tax, as adjusted annually by the Special Tax Escalation Factor, less any Maximum Special Tax amounts prepaid and permanently satisfied pursuant to Section I. The Minimum Special Tax Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes.

"Multi Family Low Density Property" means, for each Fiscal Year, all Taxable Property for which a Building Permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Open Space Property" means property within CFD No. 20-1 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

"Other Taxable Property" means all other land uses of Taxable Property, for which a Building Permit for new construction can be issued. Other Taxable Property does not include Multi Family Low Density Property land use categories.

"Outstanding Bonds" means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

"Pay As You Go Costs" means that portion of the Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 20-1. Special Taxes attributable to Pay As You Go Costs may only be levied against Developed. After the issuance of the first series of Bonds, Pay As You Go Costs will no longer be levied and will not be included in determining the annual Special Tax Requirement.

"Planned Development" means the planned number of Residential Units and Other Taxable Property Acreage planned within CFD No. 20-1, set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 20-1.

"Property Owner Association Property" means any property within CFD No. 20-1 which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

"Proportionately" means for Taxable Property that the ratio of the Special Tax levy to the Maximum Special Tax is equal for all Assessors' Parcels within each land use category (Developed Property, Small Lot Final Map Property, Large Lot Property, etc.) within CFD No. 20-1.

"Public Property" means any property within CFD No. 20-1 which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other governmental agency.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 20-1 Administrator by reference to appropriate records kept by the City's building department. Residential Floor Area for a residential structure will be based on the Building Permit(s) issued for such structure prior to it being classified as Developed Property and will not be adjusted as a result of future development modifications.

"Residential Lot" means an individual residential lot within a recorded Small Lot Final Subdivision Map on which a Building Permit has been or is permitted to be issued for construction of one or more Residential Units.

"Residential Property" means, for each Fiscal Year, all Taxable Property for which a Building Permit has been issued for purposes of constructing Residential Units, including Multi Family Low Density Property.

"Residential Unit" means an individual single family detached residential unit or an individual residential unit within an apartment building, duplex, triplex, fourplex, townhome or condominium structure. The number of Residential Units assigned to each Assessor's Parcel may be determined by (a) referencing Assessor's Data, (b) site surveys and physical unit counts, and/or (c) other research by the CFD Administrator. An Accessory Dwelling Unit shall not be considered a Residential Unit for the purposes of the Special Tax.

"Small Lot Final Map Property" means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

"Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

"Special Tax Escalation Factor" means two percent (2%) annually.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 20-1 to (1) pay Debt Service on all Outstanding Bonds due in the succeeding Bond Year; (2) pay Debt Service on Bonds expected to be issued on behalf of CFD No. 20-1 due in the succeeding Debt Year; (3) Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any CFD No. 20-1 Bonds; (5) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (3) or (4); and (6) account for Pay As You Go Costs. The amounts referred to in clauses (1) through (5) of the preceding sentence may be reduced in any Fiscal Year (in the City's sole discretion) by (i) surplus balances in funds and accounts for CFD No. 20-1 Bonds to the extent that such balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding Bonds or other indebtedness as determined by the CFD Administrator.

"Special Tax Term" means Fiscal Year 2064-2065.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the CFD No. 20-1 Boundaries that are not exempt from the CFD No. 20-1 Special Tax pursuant to law or Section E below.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Welfare Exempt Property" means, in any Fiscal Year, all Assessor Parcels within the boundaries of CFD No. 20-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January

1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within CFD No. 20-1 shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, or Large Lot Property and shall be subject to the levy of the annual Special Tax determined pursuant to Section C below. Once Taxable Property is classified as Developed Property, it shall remain classified as Developed Property and shall not be reclassified, regardless of changes in land use or development modifications.

C. SPECIAL TAX

A Maximum Special Tax shall be assigned to all Taxable Property within CFD No. 20-1 according to the Maximum Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment of Special Taxes.

Once assigned, the sum of the total Maximum Special Tax shall be equal to or greater than the Minimum Special Tax Revenue. The Minimum Special Tax Revenue for Fiscal Year 2025-2026 is set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes.

On each July 1, commencing on July 1, 2026, the Maximum Special Tax Rates and Minimum Special Tax Revenue shall be increased by the Special Tax Escalation Factor of the Maximum Special Tax Rates and Minimum Special Tax Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes

The Maximum Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Maximum Special Tax revenue is not less than the Minimum Special Tax Revenue set forth in Attachment B of this Rate and Method of Apportionment of Special Taxes.

Large Lot Property Subdividing into Small Lot Final Map Property

When Large Lot Property subdivides into Small Lot Final Map Property, the Maximum Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Special Tax for any

remaining Large Lot Property shall be based upon the Planned Development of the Large Lot Property.

If the sum of the total expected Developed Property Maximum Special Tax is greater than or equal to the Minimum Special Tax Revenue, there will be no further adjustments to the Developed Property and Small Lot Final Map Property Maximum Special Tax Rates for the Small Lot Final Map Property and Small Lot Final Map Remainder Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Special Tax is less than the Minimum Special Tax Revenue, and such difference is not eliminated by the full or partial prepayment of the Maximum Special Tax pursuant to Section I, the Developed Property and Small Lot Final Map Property Maximum Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property and Small Lot Final Map Remainder Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Special Tax is equal to the Minimum Special Tax Revenue. Attachment B of this Rate and Method of Apportionment of Special Taxes shall be updated to reflect any increases to the Maximum Special Tax Rates from the Large Lot Property subdivision. The Developed Property and Small Lot Final Map Property Maximum Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property or Small Lot Final Map Property created prior to the Large Lot Property subdivision.

C.2. Method of Apportionment of Special Tax

Using the definitions and procedures described herein, the CFD No. 20-1 Administrator shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Taxes 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 all Developed Property at a rate up to 100% of the Maximum Special Tax in order 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 all Small Lot Final Map Property at a rate up to 100% of the Maximum Special Tax. The Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Special Tax. The Special Tax shall be levied on Large Lot Property for the entire portion of the Special Tax Requirement, excluding only Pay As You Go Costs.

D. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 20-1 Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 20-1 Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above

the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

E. EXEMPTIONS

E.1. The CFD No. 20-1 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

E.2. No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

E.3. The Maximum Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

E.4. If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section E.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

F. INTERPRETATIONS

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

G. REVIEW/APPEALS

The CFD No. 20-1 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 20-1 Administrator shall interpret this Rate and Method

of Apportionment of Special Taxes and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 20-1 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes 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 Taxes are in error. The CFD No. 20-1 Administrator shall review the appeal, meet with the appellant if the CFD No. 20-1 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 20-1 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, by the City Manager, the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 20-1 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

H. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 20-1, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

I. PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that 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 CFD No. 20-1 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 20-1 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 20-1 Administrator may charge a fee for providing this service.

The following definitions apply to this Section I:

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 20-1.

“Buildout” means the state of maximum development of CFD No. 20-1, based on plans and anticipated development.

"CFD Public Facilities Cost" means $3,889,000 for CFD No. 20-1, expressed in 2025 dollars, which shall increase by the annual percentage change in the Construction Inflation Index on July 1, 2026 and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD No. 20-1 Administrator as sufficient to provide the public facilities to be funded by CFD No. 20-1 or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment of Special Taxes as described in Section C.

"Construction Inflation Index" means the annual percentage change in the Engineering News-Record Construction Cost Index, measured as of the calendar year which ends in the previous Fiscal Year, but not less than zero percent. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Construction Cost Index.

"Future Facilities Costs" means, as of the date of prepayment, the CFD Public Facilities Costs minus the portion of the CFD Public Facilities Costs previously funded from (a) proceeds of all Previously Issued Bonds, which were, at the time of issuance, available to the City for Authorized Facilities, (b) interest earnings on the improvement fund actually earned prior to the date of prepayment, and (c) proceeds of the Special Tax dedicated to Pay-As-You-Go Costs. In no case shall the Future Facilities Costs be less than zero.

"Previously Issued Bonds" means all Outstanding Bonds that have been issued on behalf of CFD No. 20-1 prior to the date of prepayment.

I.1. Prepayment in Full

If a prepayment is made prior to the issuance of Bonds, the Redemption Premium, Interest Amount, Reserve Fund Credit, and Capitalized Interest Credit as calculated below, shall be zero. The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount:	
Plus	Future Facilities Amount
Plus	Redemption Premium
Plus	Interest Amount
Plus	Administrative Fees and Expenses
Less	Reserve Fund Credit
Less	Capitalized Interest Credit
Total:	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be calculated by the CFD No. 20-1 Administrator as follows:

Step 1: Confirm that no Special Tax delinquency applies to such Assessor's Parcel, and if delinquencies are applicable compute all amounts due, including interest and penalties.

Step 2: For Assessor's Parcels of Developed Property compute the Maximum Special Tax. For Assessor's Parcels of Small Lot Final Map Property and Large Lot Property to be prepaid, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the expected development for that Assessor's Parcel.

Step 3: Divide the Maximum Special Tax computed pursuant to Step 2 by the total estimated Maximum Special Tax for CFD No. 20-1 based on the Developed Property Maximum Special Tax which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 20-1. (the "*Maximum Special Tax Percentage*").

Step 4: Multiply the Maximum Special Tax Percentage by the Outstanding Bonds to compute the principal amount of Outstanding Bonds to be redeemed (the *"Bond Redemption Amount"*).

Step 5: Compute the Future Facilities Costs.

Step 6: Multiply the Maximum Special Tax Percentage by the total Future Facilities Costs to compute the Future Facilities amount to be prepaid (the *"Future Facilities Amount"*).

Step 7: Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*") determined by reference to the Indenture.

Step 8: Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds (the "*Interest Amount*").

Step 9: Verify the administrative fees and expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").

Step 10: If reserve funds for the Outstanding Bonds held under the Indenture, if any, are at or above 100% of the then reserve requirement (as required by the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve requirement for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the applicable reserve requirement on the prepayment date or if the Reserve Fund is satisfied by a credit instrument rather than cash funded.

Step 11: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the Maximum Special Tax Percentage by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

Step 12: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 8 and 9 less the amount computed pursuant to Steps 10 and 11 (the "*Prepayment Amount*").

Step 13: From the Prepayment Amount, the amounts computed pursuant to Step 6 shall be used by the City to pay for Future Facilities Costs. The amounts computed pursuant to Steps 4, 6, 7 and 8 shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make Debt Service payments. The amount computed pursuant to Step 9 shall be retained by the City for the payment of Administrative Fees and Expenses.

Current year Special Taxes that are not yet paid will remain outstanding and will be collected in the manner billed. With respect to any Assessor's Parcel that is prepaid, the CFD No. 20-1 Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax and the obligation of such Assessor's Parcel has been satisfied.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes, net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual Debt Service on all Outstanding Bonds to be paid from the Maximum Special Taxes in each Fiscal Year.

I.2. Prepayment in Part

The Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section I.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((P_E - A) \times F) + A$$

These terms have the following meaning:

PP = the Partial Prepayment Amount
$\mathbf{P_E}$ = the Prepayment Amount calculated according to Section I.1 above
A = the Administrative Fees and Expenses calculated according to Section I.1 above
F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Special Tax obligation shall notify the CFD No. 20-1 Administrator of (i) such owner's intent to partially prepay the Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 20-1 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 20-1 Administrator shall indicate in the records of CFD No. 20-1 that there has been a partial prepayment of the Special Tax obligation and that a portion of the Special Tax obligation equal to the outstanding percentage (1.00 – F) of the remaining Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Special Taxes, net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual Debt Service on all Outstanding Bonds to be paid from the Maximum Special Taxes in each Fiscal Year.

J. TERM OF SPECIAL TAX

The Maximum Special Tax shall be levied commencing in Fiscal Year 2025-2026 to the extent necessary to fully satisfy the Special Tax Requirement and shall be levied for the Special Tax Term.

DRAFT

Attachment A
City of Folsom
Community Facilities District No. 20-1 (Russell Ranch 2)
Maximum Special Tax Rates
(Fiscal Year 2025-2026)

Land Use Category	Residential Floor Area	2025-2026 Maximum Special Tax Rate[(1)]	Taxed Per
Developed Property:			
Multi Family Low Density Property	≥ 2,000	$1,534	Residential Unit
Multi Family Low Density Property	1,800 – 1,999	1,336	Residential Unit
Multi Family Low Density Property	< 1,800	1,280	Residential Unit
Other Taxable Property	Not Applicable	13,400	Acre
Small Lot Final Map Property:			
Multi Family Low Density Property	Not Applicable	$1,280	Residential Lot
Large Lot Property:	Not Applicable	$13,400	Acre

(1) On each July 1, commencing on July 1, 2026, the Maximum Special Tax Rates shall be increased by the Special Tax Escalation Factor of the Maximum Special Tax Rates in effect for the previous Fiscal Year.

DRAFT

Attachment B
City of Folsom
Community Facilities District No. 20-1 (Russell Ranch 2)
Minimum Special Tax Revenue
(Fiscal Year 2025-2026)

Land Use Category	Planned Residential Units / Acres	2025-2026 Developed Property Maximum Special Tax Rate[(1)(2)]	2025-2026 Minimum Special Tax Revenue[(1)(3)]
Developed Property:			
Multi Family Low Density Property	118	$1,280	$151,040
Other Taxable Property	0.0	13,400	0
Total Minimum Special Tax Revenue			**$151,040**

(1) On each July 1, commencing on July 1, 2026, the Developed Property Maximum Special Tax Rates and Minimum Special Tax Revenue shall be increased by the Special Tax Escalation Factor of the Developed Property Maximum Special Tax Rates and Minimum Special Tax Revenue in effect for the previous Fiscal Year.

(2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Special Tax Rates for Developed Property may exceed the Developed Property Maximum Special Tax Rates set forth in this table.

(3) The total Minimum Special Tax Revenue may be decreased as result of all or a portion of Maximum Special Tax obligations being prepaid and permanently satisfied pursuant to Section I.

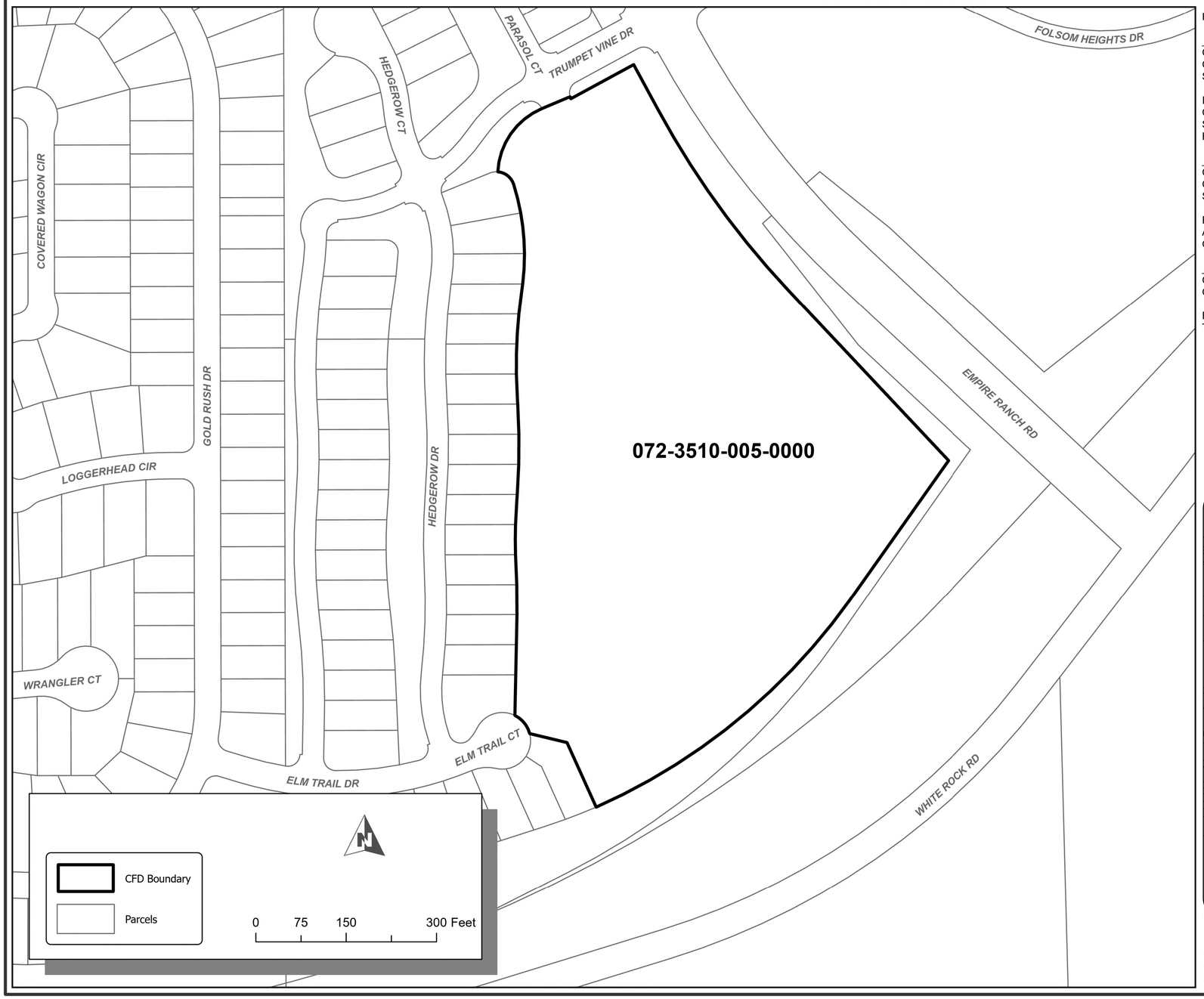
(4) Based upon the Developed Property Maximum Special Tax Rate for Multi Family Low Density Property with Residential Floor Area of less than 1,800 square feet.

DRAFT

Attachment 4

PROPOSED BOUNDARIES OF CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 20-1 (RUSSELL RANCH 2)

CITY OF FOLSOM
COUNTY OF SACRAMENTO
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FOLSOM THIS _____ DAY OF _____, 202__.

_____
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

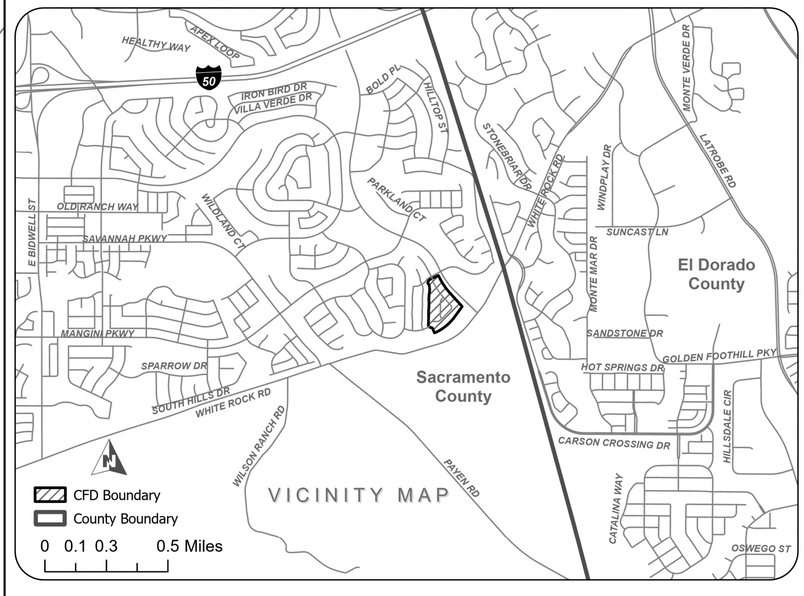
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 20-1 (RUSSELL RANCH 2), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 202__, BY ITS RESOLUTION NO. _____.

_____
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____, 202__, 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 OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

_____
COUNTY RECORDER
COUNTY OF SACRAMENTO, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS THE ASSESSOR, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.



Source: Sacramento County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California II FIPS 0402 Feet

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11381 - A Resolution Authorizing the City Manager to Execute an Agreement to Purchase 1 Natoma Street (APN 071-0310-014-0000) for Police Department Use
FROM:	Police Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council pass and adopt Resolution No. 11381- A Resolution Authorizing the City Manager to Execute an Agreement to Purchase 1 Natoma Street (APN 071-0310-014-0000) for Police Department Use.

BACKGROUND / ISSUE

The existing Police Department Building was constructed in 1991 as part of the overall City Hall Campus and has served the Department for over 30 years. From 1991 to present time there have been many changes in growth of the City, growth of the Department, Technology, and Policing Standards. The current facility is no longer large enough to house the personnel needed to provide police services to Folsom. In 2023, we began using rental space inside 11 Natoma Street to house our Neighborhood Services Unit, consisting of our Traffic Bureau, School Resource Officers, Homeless Outreach Team, Problem Oriented Policing Team and Animal Control Officers.

The building at 11 Natoma Street has been recently sold to a new owner, with plans to use the building for other purposes. We have been notified that we need to move out of that current space. A separate building in that complex is available, located at 1 Natoma Street. Additionally, this investment directly addresses the substantial and sustained growth our city is experiencing, particularly in the Folsom Plan Area.

POLICY / RULE

Section 2.36.080 of the Folsom Municipal Code requires that contracts above $75,049 be awarded by the City Council.

ANALYSIS

Over the past several years, our city has experienced one of the most significant growth periods in its history. Since 2018, the population has increased by approximately 17,500 residents-a 23 percent rise from our base of approximately 75,000. Much of this growth has been concentrated in the Folsom Plan Area, where new development continues at a strong pace. 4,299 building permits have been issued in the area as of March 2025. With an estimated 2.6 occupants per unit, this accounts for roughly 11,000 new residents currently living in the Folsom Plan Area. At full buildout, this area is expected to house approximately 34,500 residents within the next six to ten years. This growth was anticipated, and the City collected impact fee revenue to meet the city facility demands created by this growth.

As the population has grown, so too have traffic volumes, calls for service, and demand for law enforcement. To keep up, the Police Department has expanded its staffing, which quickly exceeded our existing office capacity. We reached a point where specialized teams were working out of spaces designed for individual staff members or much smaller units.
In 2023, the department began leasing space at 11 Natoma Street to house our Neighborhood Services Unit. This unit includes the Traffic Bureau, School Resource Officers, Homeless Outreach Team, Problem-Oriented Policing Team, and Animal Control Officers. Recently, however, the ownership of these buildings changed, and the new owner has informed us that we will need to vacate the space by the end of 2025 due to new plans for the property.

Fortunately, a nearby building in the same complex, 1 Natoma Street, is now available for purchase. The building is approximately 8,148 square feet and represents a rare opportunity to secure permanent space for our Neighborhood Services Unit. Ownership would provide long-term stability, protect the City from future displacement, and eliminate ongoing rental expenses. It would also allow us to design the interior to suit our operational needs as our services continue to evolve alongside population growth.

The building is currently configured with several large, single offices, and would require some interior reconfiguration to accommodate our staff and work groups. Additionally, upgrades to IT infrastructure and security systems will be necessary to support safe and effective police operations. The purchase price of the building has been negotiated at $2,700,000 and we estimate the cost of improvements at approximately $1,000,000.

The Folsom Plan Area is responsible for the majority of this increased service demand. Based on call volume and service patterns since the area’s development began, we estimate that approximately 90 percent of the need for this project stems directly from the growth in that area. This estimate is supported because from 2018 to the current budget year, we added an Animal Control Officer, 7 Police Officers, two Community Service Officers, one Sergeant, one Corporal and one Communications Supervisor, which were all attributed to the

growth in the Folsom Plan area. Additionally, we expect continued growth in personnel to adequately serve the Folsom Plan Area, 25 more personnel by 2035. This purchase addresses that expected need.

The purchase of 1 Natoma Street would also provide a solution to another challenge facing the Police Department. Our Communications Center has outgrown its current space due to the increased volume of emergency and non-emergency calls. There is no feasible way to expand within our current facility without sacrificing some other capability. If we acquire 1 Natoma Street, we would be able to relocate the Investigations Division there, which would in turn free up space to expand the Communications Center at our main police facility. This shift would also allow us to enlarge the Records Department while continuing to maintain front-counter services to the public.

Without adequate space to support our staff and services, our ability to respond promptly and maintain service quality will suffer. Delays and inefficiencies could ultimately erode public trust and diminish quality of life. Securing a permanent facility now ensures that we can continue to deliver the high standard of police services our community expects and deserves.

It's important to recognize that the need for a long-term police presence in the Folsom Plan Area is apparent to us. The population will continue to grow, and the demand for public safety services—emergency response, traffic enforcement, school safety, homeless outreach, and more—will grow with it. As a companion to the 1 Natoma Street acquisition, we also plan to open a Police Services counter inside Fire Station 34, located in the heart of the Folsom Plan Area. A portion of the project's improvement funds would be used to build out a small office and signage. The substation would be open to the public and staffed by a Records Technician or police volunteer, providing assistance with reports, questions, and potentially other City services.

This is a financially responsible and strategic decision. The funds needed to purchase 1 Natoma Street were specifically collected to support facility investments related to growth in the Folsom Plan Area. Acting now allows us to avoid higher future costs, protect against inflation, and ensure that we are being good stewards of taxpayer resources. Continuing to lease short-term space carries the risk of rising rents, disruption to services, and operational instability.

The City is at a critical decision point. With continued growth in the Folsom Plan Area, the upcoming loss of our leased space, and the rare opportunity to purchase a well-located facility, the case for action is clear. For these reasons, I respectfully recommend that the City Council approve the use of impact fee funds to purchase 1 Natoma Street. This will allow us to maintain essential police operations, respond to a growing community, and invest in long-term stability for our City.

FINANCIAL IMPACT

The purchase price of the building has been negotiated at $2,700,000 with an additional $1,000,000 needed for improvements. Staff estimates that population growth in the Folsom Plan Area, and related growth in Police Department staffing, accounts for 90% of the need for additional office space. Staff is requesting an appropriation of $370,000 in the Police Capital Improvement Fund (Fund 428) for 10% of the funds and an appropriation of $3,330,000 in the Folsom Plan Area Capital Improvement Fund (Fund 472) for 90% of the funds needed for the purchase of this building and related improvements, totaling $3,700,000. Both the Police Capital Improvement Fund and the Folsom Plan Area Capital Improvement Fund have sufficient funds available for this purchase and related building improvements.

ATTACHMENT

Resolution No. 11381- A Resolution Authorizing the City Manager to Execute an Agreement to Purchase 1 Natoma Street (APN 071-0310-014-0000) for Police Department Use.

Submitted,

_____

Richard Hillman, Chief of Police

RESOLUTION NO. 11381

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO PURCHASE 1 NATOMA STREET (APN 071-0310-014-0000) FOR POLICE DEPARTMENT USE

WHEREAS, the City has elected to purchase an existing office building at 1 Natoma Street (APN 071-0310-014-0000) from JimBob Properties, LLC, for Police use; and

WHEREAS, the City Manager has negotiated a fair price of $2,700,000 for the purchase of the property; and

WHEREAS, the cost of improvements to tailor the office space for police needs, as well as safety-related additions and modifications is estimated to be $1,000,000; and

WHEREAS, the purchase of the building and related building improvements will be funded by the Police Capital Improvement Fund (Fund 428) and the Folsom Plan Area Capital Improvement Fund (Fund 472); and

WHEREAS, sufficient funds are available in both the Police Capital Improvement Fund and the Folsom Plan Area Capital Improvement Fund for this purchase and related building improvements; and

WHEREAS, the agreement will be in a format acceptable to the City Attorney.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby authorizes the City Manager to execute a purchase agreement with JimBob Properties, LLC for the property located at 1 Natoma Street (APN 071-0310-014-0000) in the amount of $2,700,000.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $2,700,000 for the purchase of the building and $1,000,000 for related improvements. The appropriation will be in the Police Capital Improvement Fund (Fund 428) in the amount of $370,000 and in the Folsom Plan Area Capital Improvement Fund (Fund 472) in the amount of $3,330,000.

APPROVED AND ADOPTED this 13th day of May 2025, by the following roll call vote:

AYES: Councilmembers(s)
NOES: Councilmembers(s)
ABSENT: Councilmembers(s)
ABSTAIN: Councilmembers(s)

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11376 - A Resolution Authorizing the City Manager to Execute an Operational Agreement for Use of the Parcel 61 Electronic Readerboard Sign to be Located at the Southwest Corner of East Bidwell Street and Alder Creek Parkway
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to adopt Resolution No. 11376 – A Resolution Authorizing the City Manager to Execute an Operational Agreement for use of the Parcel 61 Electronic Readerboard Sign to be Located at the Southwest Corner of East Bidwell Street and Alder Creek Parkway.

BACKGROUND / ISSUE

On November 15, 2023, the Planning Commission recommended approval to the City Council of a request for approval of a Specific Plan Amendment to modify FPASP Table A.7 (Transportation, Communication, Infrastructure) in order to add "Electronic Readerboard Sign" as a conditionally permitted use in the Regional Commercial Planned Development District (SP-RC-PD). A condition of approval (Condition No. 7) placed on the aforementioned project required the owner/applicant to enter into an operation, maintenance, and advertising agreement (OA) with the City for the Parcel 61 Electronic Readerboard Sign prior to City Council consideration of the Folsom Plan Area Specific Plan (FPASP) Amendment for Electronic Readerboard Sign project.

Ultimately, the FPASP Amendment was approved by the City Council on January 9, 2024, without the approval of an OA (Resolution #11139). Condition No. 7 was not removed, however, and City staff and the applicant were directed to continue crafting an OA to bring back to the Council for consideration.

During development of the OA, the applicants also submitted a Conditional Use Permit application for the Electronic Readerboard Sign, which will be brought forward to the Planning Commission for consideration should the City Council authorize the City Manager to execute the proposed OA. Staff wishes to note that the preliminary design of the Electronic Readerboard Sign has been modified since it was shown to the City Council as part of the FPASP Specific Plan Amendment. The original preliminary design is included with this report as Attachment 3. The applicant stated that they have since learned that the original square design for the digital billboard does not fit standard billboard marketing materials and would be difficult to sell to potential advertisers. They will be proposing that the Planning Commission approve a rectangle design that is more standard for billboard marketing. The preliminary design package for the Digital Billboard Sign (Sign 'B' of the overall pylon sign package) is included with this report as Attachment 4 for reference.

The City, in conjunction with the Developer (Eagle Commercial Properties, LLC), has crafted an OA for use and operation of the Parcel 61 Electronic Readerboard Sign. The OA, which mirrors the operating agreement approved for the Palladio at Broadstone Electronic Readerboard Sign by the City Council in 2014 as well as the operating agreement approved for the electronic readerboard for the Folsom Lake Auto Mall, addresses advertisement scheduling, revenue sharing and payment, and third-party advertising content. In relation to advertising and scheduling, the Developer has agreed to allocate 10% of all display advertisements to the City of Folsom for public service messages. A sliding scale of between 50% and 40% of display advertisements will be reserved for Folsom Plan Area tenants and Folsom Plan Area event advertising, with the scale fluctuating depending on market conditions for Folsom Plan Area tenants, Folsom Plan Area events, and advertising sales. A sliding scale of between 40% and 50% of the display advertisements will be available for sale to, in order of priority, Folsom Based Businesses (defined in the OA as businesses located outside the Folsom Plan Area) and Folsom based events located outside the Folsom Plan Area and Third-Party Advertisers (defined in the OA as advertisers for businesses or events located outside Folsom). These percentages use a sliding scale that is dependent on market conditions for Folsom Plan Area tenants, Folsom Plan Area events, and advertising sales. For example, if 47% of advertisements are for Folsom Plan Area tenants and events then 53% can be for advertisements of events and businesses in Folsom outside of the Folsom Plan Area as well as for Third-Party Advertisers. The remaining 10% would be for City of Folsom public service messages and amber alerts. These ad scheduling percentages are identical to those contained in the two existing electronic readerboard sign agreements in the City.

With respect to revenue sharing and payment, the Developer has agreed to contribute ten percent (10%) of the net revenue from the sale of advertising time on the Parcel 61 Electronic Readerboard Sign to the City. Net revenue is the gross advertising receipts for Folsom Based Businesses, Folsom based events located outside the Folsom Plan Area, and Third Party Advertisers, less advertising sales commissions, programming fees, and maintenance fees charged to the Developer for the operation of the Sign and any expenses incurred by the Developer in the direct marketing of advertising time to Folsom Based Businesses, Folsom based events located outside the Folsom Plan Area, and Third Party Advertisers in compliance with the

Agreement. It is important to note that the City will have the right to review all books and records kept by the Developer and any advertising agencies contracted by the Developer in connection with the operation and services performed under the operating agreement.

In terms of third-party advertising content (advertising content other than those for Folsom Plan Area Businesses, Folsom-Based Businesses, or City of Folsom public service messages), the Developer intends to focus on businesses complementary to the Folsom Plan Area's core business, such as retail brands, restaurants, shops, professional service providers, lending institutions, professional offices, and medical institutions. The Developer also agrees to focus on Folsom-based businesses wishing to advertise on the Parcel 61 Electronic Readerboard Sign, with advertisements featuring out-of-town businesses being infrequent enough to be considered incidental to the Folsom Plan Area's core business and to the total advertising time available for the Electronic Readerboard Sign. It is important to recognize that the Electronic Readerboard Sign is a private sign and the City does not dictate or control the advertising content. The Developer acknowledges that it controls the advertising content of the Electronic Readerboard Sign and further agrees not to advertise adult-related businesses or commercial cannabis-related products, as defined within the operating agreement.

ANALYSIS

As referenced earlier within this report, the Parcel 61 Electronic Readerboard Sign Operating Agreement is designed to mirror or copy all of the terms established for the Palladio at Broadstone Electronic Readerboard Sign Operating Agreement including advertising scheduling, revenue sharing and payment, and third-party advertising content. One of the key benefits to the City in terms of advertising scheduling is that ten percent (10%) of display advertisements will be allocated to the City for the purpose of providing public services messages. It should be noted that the Developer has agreed to display "Amber Alert" messages as requested by the City at any time of day or night at no cost to the City. Another important benefit to the City associated with advertising scheduling is that the display advertisements will be focused on Folsom Plan Area tenants and Folsom-based businesses. As the City competes with other surrounding cities to retain and attract quality businesses, the availability of display advertising will be helpful to Folsom businesses and the local economy. Based on the aforementioned consideration, staff is supportive of the advertising scheduling outlined in the operating agreement.

As mentioned previously within this report, the Developer has agreed to contribute ten percent (10%) of the net revenue from the sale of advertising time on the Parcel 61 Electronic Readerboard Sign to the City. As noted earlier, the City will have access to all documentation associated with the display advertising on either quarterly or semi-annual basis in order to confirm the net revenue figures. The obvious benefit to the City is that it will receive a continuous annual stream of income from the sale of display advertising on the Electronic Readerboard Sign. While the actual revenue figure is not known at this time, staff is projecting that the City will receive between $15,000 and $20,000 during the first full year of operation of the Electronic Readerboard Sign. Based on the aforementioned information, staff is in support of the revenue sharing and payment described in the operating agreement.

As described in the preceding section of this report, the Parcel 61 Electronic Readerboard Sign Operating Agreement addresses third-party advertising content. The most noteworthy aspect of the third-party advertising content is that the Developer is committed to focusing its efforts on businesses that correspond to the Folsom Plan Area core business including retail brands, restaurants, shops, professional service providers, lending institutions, professional offices, and medical institutions. The Developer has agreed to concentrate their efforts on Folsom-based businesses that might benefit from freeway-oriented display advertising. In addition, the Developer has agreed to the provision that advertising of adult-related business and/or products and cannabis will not be permitted on the Electronic Readerboard Sign. Based on the aforementioned factors, staff has determined that the operating agreement adequately addresses third-party advertising content.

FINANCIAL IMPACT

The Parcel 61 Electronic Readerboard Sign is expected to provide the City with approximately $15,000 to $20,000 in revenue on an annual basis. Although not directly quantifiable, there may be secondary economic benefits relative to increased property tax and sales tax associated with new business locating in the Folsom Plan Area partly because of the increased visibility and project identification the Electronic Readerboard Sign will provide.

ATTACHMENTS

1. Resolution No. 11376 - A Resolution Authorizing the City Manager to Execute an Operational Agreement for Use of the Parcel 61 Electronic Readerboard Sign to be Located at the Southwest Corner of East Bidwell Street and Alder Creek Parkway
2. Proposed Operating Agreement
3. Preliminary Electronic Readerboard Sign Design Package, Dated August 21, 2022
4. Preliminary Electronic Readerboard Sign Design Package, Dated April 4, 2025

Submitted,

PAM JOHNS
Community Development Director

Attachment 1

RESOLUTION NO. 11376

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPERATIONAL AGREEMENT FOR USE OF THE PARCEL 61 ELECTRONIC READERBOARD SIGN TO BE LOCATED AT THE SOUTHWEST CORNER OF EAST BIDWELL STREET AND ALDER CREEK PARKWAY

WHEREAS, the Developer is required to obtain a Conditional Use Permit from the Planning Commission to establish the final location and design of the Parcel 61 Electronic Readerboard Sign; and

WHEREAS, Condition No. 7 of the Specific Plan Amendment for Electronic Readerboard Sign project (SPPL23-00051) requires the Developer to enter into an operational agreement with the City; and

WHEREAS, City and Developer desire to enter into an operational agreement to allow and to define permissible third-party, off-site advertising on the Parcel 61 Electronic Readerboard Sign; and

WHEREAS, Developer offers to remit to the City 10% of the net revenue from the sale of advertising time on the Parcel 61 Electronic Readerboard Sign; and

WHEREAS, Developer voluntarily agrees to focus third-party advertising on those businesses complementary to the Folsom Plan Area core businesses, to proactively seek Folsom-based businesses wishing to advertise on the Parcel 61 Electronic Readerboard Sign, and to restrict adult-related businesses and cannabis-related products and businesses from advertising on the Parcel 61 Electronic Readerboard Sign;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the City Manager is authorized to execute an operational agreement for the use of an electronic readerboard sign located at the southwest corner of the intersection of East Bidwell Street and Alder Creek Parkway in a form acceptable to the City Attorney.

PASSED AND ADOPTED this 13th day of May, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

CITY OF
FOLSOM
DISTINCTIVE BY NATURE

OPERATIONAL AGREEMENT
PARCEL 61 ELECTRONIC READERBOARD SIGN

This Operational Agreement, for the Parcel 61 Electronic Readerboard Sign ("Agreement"), for reference dated _____ __, 2025, is made by and between the City of Folsom, a Municipal Corporation, hereinafter referred to as "City" and Eagle Commercial Properties, LLC ("Developer").

WITNESSETH:

WHEREAS, the Planning Commission of the City of Folsom recommended to the City Council approval of the Folsom Plan Area Specific Plan Amendment for Electronic Readerboard Sign project ("Sign Project") on November 15, 2023; and

WHEREAS, the City Council of the City of Folsom approved the Sign Project on January 9, 2024; and

WHEREAS, the Sign Project is to be located on Assessor's Parcel Number 072-3190-052, also known as Parcel 61A-1, Folsom, CA 95630 located at the southwest corner of East Bidwell Street and Alder Creek Parkway and depicted on Exhibit "A" and described on Exhibit "B" attached hereto; and

WHEREAS, Condition No. 7 of the conditions of approval for the Sign Project requires Developer to enter into an operation, maintenance, and advertising agreement with the City; and

WHEREAS, City and Developer desire to enter into an operation, maintenance, and advertising agreement for the Parcel 61 Electronic Readerboard Sign ("Sign") as well as define permissible off-site advertising on the Sign; and

WHEREAS, Developer intends to contract with a third-party sign operator with expertise

in the marketing and operation of the Sign (the "Sign Operator"); and

WHEREAS, Developer agrees to cause the Sign Operator to proactively seek Folsom-based businesses wishing to advertise on the Sign, and

WHEREAS, Developer agrees to cause the Sign Operator to focus off-site advertising on those businesses that are complementary to the Folsom Plan Area's core businesses, and

WHEREAS, Developer agrees to restrict Adult-Related Businesses including Cannabis-Related Products and Businesses from advertising on the Sign; and

WHEREAS, the City will receive public benefits from the operation of the Sign.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, do hereby agree as follows:

I. Agreement

This Agreement is made with Developer, but all terms and conditions contained herein are fully applicable to any agents or contractors of Developer, including but not limited to, any of Developer's Sign Operators, successors and assigns, and any person or entity responsible for the development, sale, and display of messages on the Sign.

II. Advertisement Scheduling

A. Developer, through its Sign Operator, shall display advertisements on the Sign according to the following time allocations:

%	Purpose
10	For City of Folsom public service messages and advertising, including Amber Alerts (1)
50-40	Reserved for Folsom Plan Area Businesses and Folsom Plan Area event advertising (2)
40-50	For off-site advertising, in order of priority for a) Folsom Based Businesses and Folsom based events located outside the Folsom Plan Area; and b) Third Parties Advertisers (2)

(1) Consistent with existing practices on other electronic signs within the City.
(2) Sliding scale depending on market conditions for Folsom Plan Area businesses, Folsom Plan Area events, and advertising sales.

B. Definitions:

1. "Business" means activities, services, products and goods sold, conducted, marketed, promoted or rendered, or otherwise made available to the public.

2. "City Messaging" means messages by the City that advertise City organized

events, programs, and activities, and City-sponsored events, including such events that are sponsored but not organized or operated by the City.

3. "Folsom Plan Area Business" means existing or future business uses located within the Folsom Plan Area Specific Plan. Folsom Plan Area Businesses may also be referred to herein as "Folsom Plan Area Customers."

4. "Folsom-Based Business" means existing or future business uses located within the City of Folsom but outside of the Folsom Plan Area Specific Plan. Folsom-Based Businesses may also be referred to herein as "Folsom-Based Business Customers."

5. "Third-Party Advertisers" or "Offsite Advertisers" means off-site advertisers that are not a party to this Agreement and are neither Folsom Plan Area Businesses nor Folsom-Based Businesses.

6. "Third-Party Advertising" or "Offsite Advertising" means off-site advertising by a Third-Party Advertiser and excludes Adult-related Businesses including Cannabis-Related Products and Businesses as further defined in Section IV.

D. Developer, through its Sign Operator, agrees to display "Amber Alert" messages as needed upon request by the City. The emergency messaging will take priority over the other messaging, as provided in the Outdoor Advertising Association of America (OAAA) standards. If any modification to the Sign is required to accommodate "Amber Alert" messages at any time of day or night, or if the Sign Operator charges Developer additional payments or fees of any nature associated with Amber Alert messages, such costs, if any, shall be the sole responsibility of Developer and shall not be factored into the revenue or expenses referenced in the following section. Amber Alert messages shall be counted towards the City's 10% of time on the Sign for City Messaging.

III. Revenue Sharing and Payment

A. Developer will contribute to the City ten percent (10%) of the net revenue from the sale of advertising time on the Sign. Net revenue is the gross advertising receipts for Folsom Based Businesses, Folsom based events located outside the Folsom Plan Area, and Third Party Advertisers, less advertising sales commissions, programming fees, and maintenance fees charged to the Developer for the operation of the Sign and any expenses incurred by the Developer in the direct marketing of advertising time to Folsom Based Businesses, Folsom based events located outside the Folsom Plan Area, and Third Parties Advertisers in compliance with this Agreement.

B. Developer shall submit advertising documentation and payment to City not more frequently than quarterly and not less frequently than semi-annually for City's share of advertising revenue for the preceding period. Together with such payments Developer shall submit documentation describing the advertising time share displayed, the total revenue received, and all

other associated costs, including advertising sales commissions and programming fees, maintenance fees paid in the operation of the Sign, and expenses incurred in direct marketing of advertising time on the Sign.

C. The City shall have the right to review all books and records kept by Developer and any Sign Operator or other agent contracted with Developer in connection with the operation and services performed under this Agreement.

D. Developer shall transmit documentation and payment required by this Agreement to City as follows:

Department of Finance, Revenue Division
City of Folsom
50 Natoma Street
Folsom, California 95630

IV. Third Party Advertising Content

A. "Third-Party Advertising" has the meaning assigned to it under Section II. Developer intends to focus Third-Party Advertising on those businesses complementary to the Folsom Plan Area's core business, including, but not limited to, retail brands, restaurants, shops, professional service providers and professional offices, lending institutions, medical institutions, and other such businesses. Developer will proactively seek Folsom Based Businesses wishing to advertise on the Sign. Advertisements featuring out-of-town businesses and/or Third Party Advertisers should be infrequent enough to be considered incidental to the total advertising time capacity of the Sign.

B. The City and Developer acknowledge that the Sign is a private sign, and that the City does not dictate nor control the advertising content thereon. Developer agrees that it controls the advertising content on its private sign and further agrees, as additional consideration for this Agreement, not to advertise Adult-Related Businesses as defined in Folsom Municipal Code Section 17.24.010 or Commercial Cannabis-Related Products and Businesses (also known as commercial nonmedical marijuana uses) as defined in Folsom Municipal Code Section 17.113.020.A. on the Sign.

V. Conditional Use Permit

In addition to the terms contained herein, Developer is subject to all terms in the Conditional Use Permit ("CUP") for operation of the Sign, and all future amendments thereto. Nothing in this Agreement shall be construed to limit the power, right, and authority of City and its governing bodies from granting, denying, or modifying the terms of the CUP or revoking or conditioning the CUP as otherwise permissible by law following the procedures in City Code and state law.

VI. Severability

If any provision of this Agreement is found illegal or unenforceable, the legality and enforceability of the other provisions of this Agreement will not be affected. Notwithstanding the foregoing, City and Developer expressly agree that if any provision of this Agreement is found illegal or unenforceable, City and Developer will negotiate a replacement section within a reasonable time of a final ruling declaring the provision illegal or unenforceable. In the event that the parties are unable to reach agreement on a replacement section within that time, the City may terminate this Agreement immediately.

VII. Term and Termination

City and Developer intend to continue this Agreement in perpetuity, commencing upon digital activation of the Sign, as long as the City allows and as long as Developer includes, advertising by Folsom Based Businesses, and Folsom based events located outside the Folsom Plan Area, and Third Party Advertisers on the Sign.

Nothing in this Agreement shall be construed to limit the power, right, and authority of the City from modifying the Folsom Plan Area Specific Plan relating to advertising by Folsom Based Businesses, Folsom based events located outside the Folsom Plan Area, or Third Party Advertisers on the Sign in any way, including but not limited to allowing or disallowing such advertising.

In the event that the City should exercise its power, right, and authority to modify the Folsom Plan Area Specific Plan in any manner that would restrict the ability to display advertising by Folsom Based Businesses, Folsom based events located outside the Folsom Plan Area, or Third Party Advertisers on the Sign, the City may immediately terminate this Agreement. This provision is to be broadly construed to assure the City retains all its power, right, and authority to enact ordinances and to terminate this Agreement without any risk of damages or liability to the Developer.

In the event this agreement is terminated, Developer expressly waives any claims or causes of action for damages of any kind associated with termination of this Agreement.

VIII. Good Faith Efforts and Dispute Resolution

The City and Developer will create a relationship committee that will meet no less than twice per year in order to review the operation of the Sign. Both parties will work in good faith to resolve any conflicts regarding this Agreement, the Sign operation and advertising content, including reasonable opportunity to cure any asserted default by either party.

IX. Governing Law and Venue

This Agreement and all matters relating to it shall be governed by the laws of the State of California. Any action brought relating to this Agreement shall be held exclusively in a state court in the County of Sacramento.

X. Amendments

This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

XI. Waiver

In the event that either party shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

XII. Entire Agreement

The Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

XII. Counterpart Execution

This Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument. Facsimile or e-mailed PDF signatures to this Agreement shall be binding upon the Parties.

END OF TEXT -SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

DEVELOPER: Eagle Commercial Properties, LLC.	*(If a corporation, must be signed by two officers of the corporation per Corporations Code section 313.)*
_____ Date	_____ Tax I.D. Number
_____ Signature	_____ Signature
Jim Galovan Print Name	_____ Print Name
_____ Title	_____ Title

CITY OF FOLSOM, A Municipal Corporation:

_____ Date	_____ Bryan Whitemyer, City Manager
ATTEST:	FUNDING AVAILABLE:
_____ Christa Freemantle, City Clerk Date	_____ Stacey Tamagni, Finance Director Date
ORIGINAL APPROVED AS TO CONTENT:	ORIGINAL APPROVED AS TO FORM:
_____ Pam Johns, Community Development Director Date	_____ Steven Wang, City Attorney Date

NOTICE: SIGNATURE(S) ON BEHALF OF DEVELOPER MUST BE NOTARIZED.
A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of consultant. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made.

EXHIBIT A

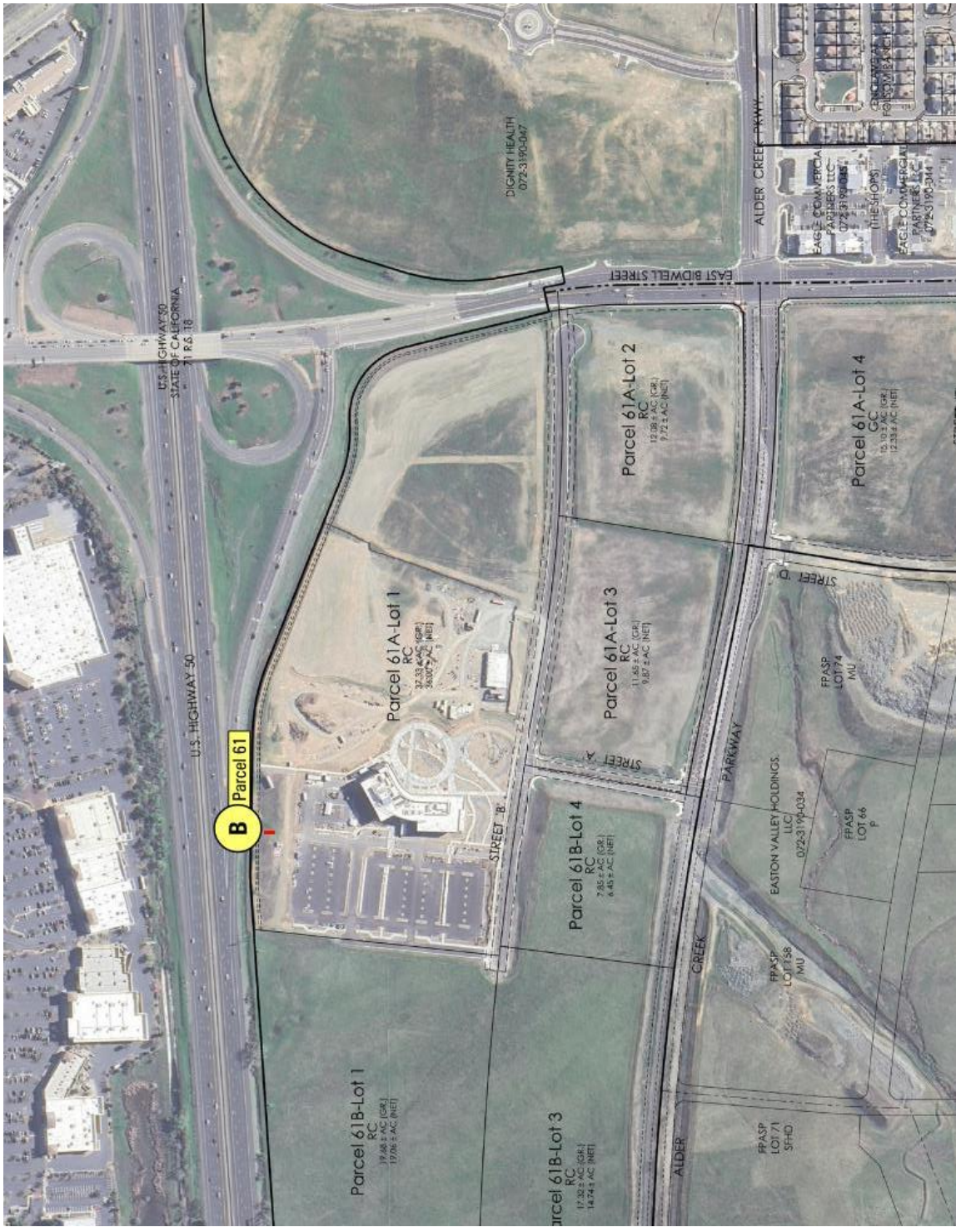

U.S. HIGHWAY 50
STATE OF CALIFORNIA
71 R.S. 18
U.S. HIGHWAY 50
EAST BIDWELL STREET
ALDER CREEK PKWY.
DIGNITY HEALTH
072-319D-047
EAGLE COMMERCIAL PARTNERS LLC
072-319D-045
EAGLE COMMERCIAL PARTNERS LLC
072-319D-044
Parcel 61
B
Parcel 61A-Lot 1
RC
Parcel 61A-Lot 2
RC
Parcel 61A-Lot 3
RC
Parcel 61A-Lot 4
GC
Parcel 61B-Lot 1
RC
Parcel 61B-Lot 3
RC
Parcel 61B-Lot 4
RC
STREET A
STREET B
STREET D
PARKWAY
ALDER CREEK
EASTON VALLEY HOLDINGS, LLC
072-319-034
FPASP LOT 74 MU
FPASP LOT 66 P
FPASP LOT 58 MU
FPASP LOT 71 SFHD

EXHIBIT B

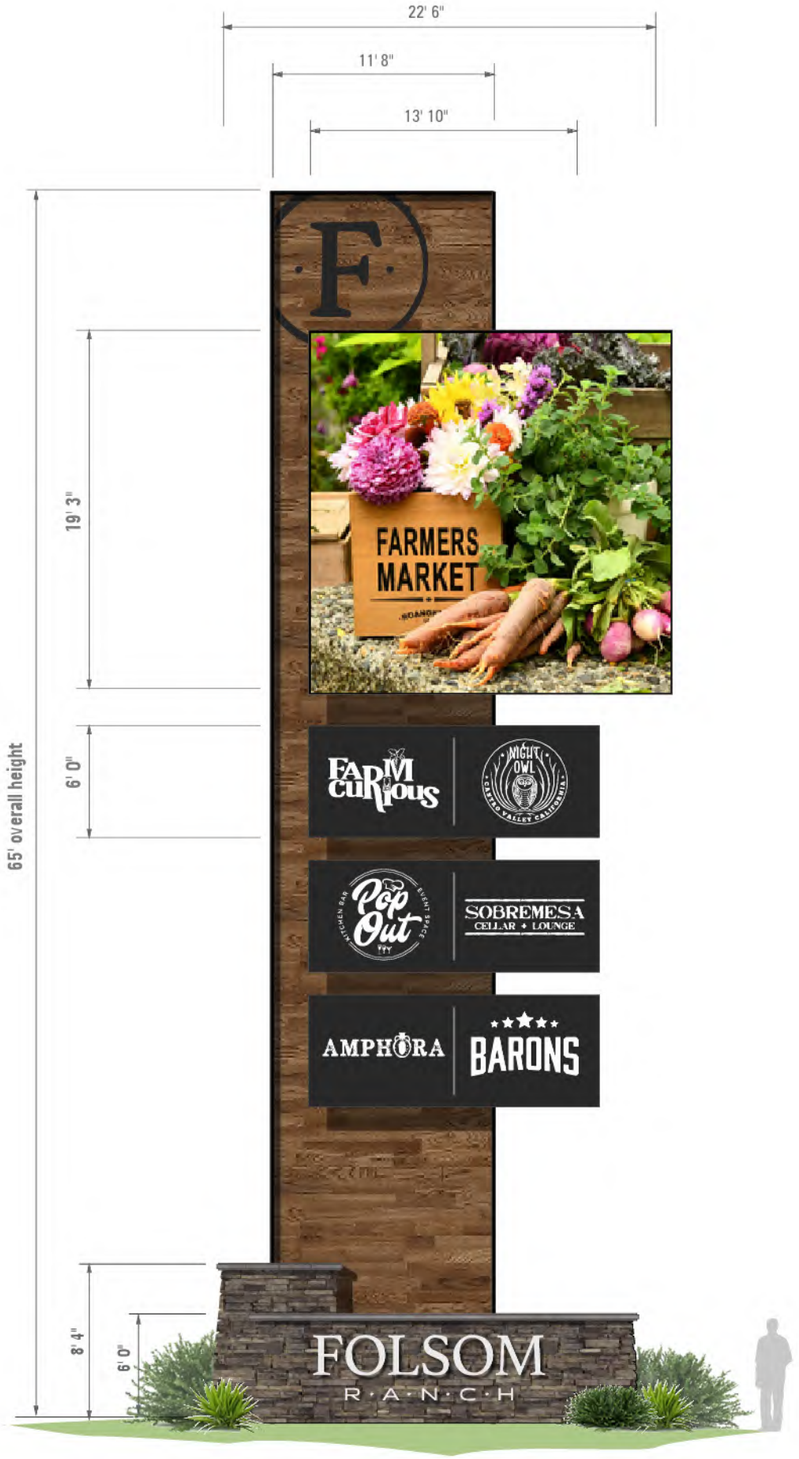
LEGAL DESCRIPTION OF PROPERTY

Situated in the City of Folsom, County of Sacramento, State of California and more particularly described as follows:

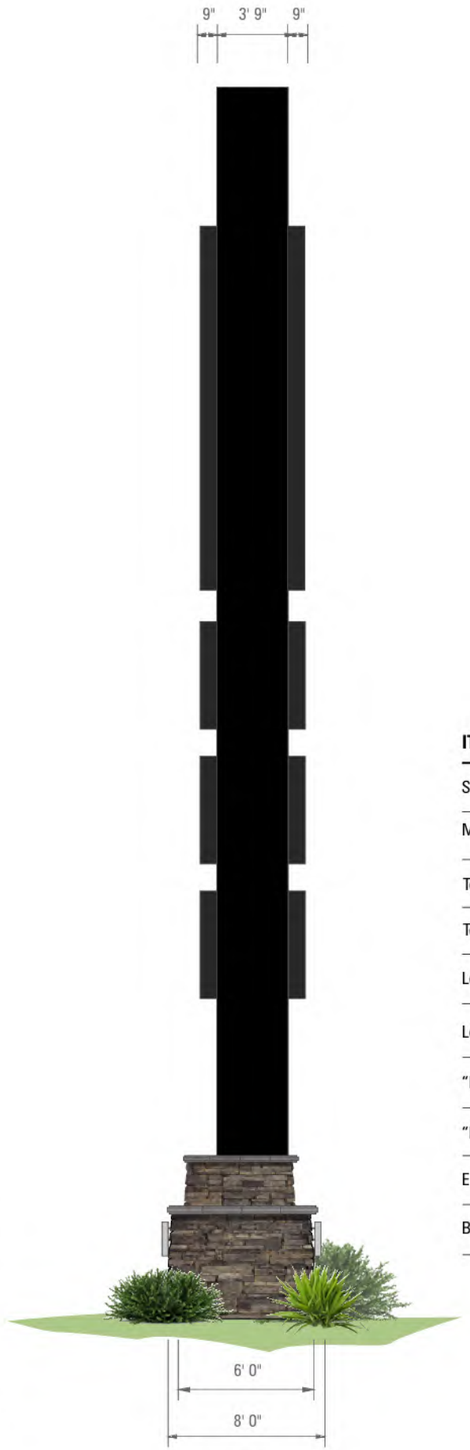
Lot 1 as shown on that certain map entitled "PN 21-043 Parcel Map, Parcel 61" filed for record in the Office of the Recorder of the County of Sacramento, City of Folsom, State of California on October 12, 2021, in Book 245 of Parcel Maps, at Page 2, Sacramento County Records.

APN: 072-3190-030-0000 (a portion)

Attachment 3



B **SIGN ELEVATION** SCALE: 1/8" = 1'-0"



ITEM	DESCRIPTION	VENDOR	SPECIFICATION
Structure	Aluminum	Matthews	Dark Gray, color TBD
Main Background	HPL	Parklex	Cladding, color TBD
Tenant Cabinets	Aluminum	Matthews	Dark Gray, color TBD
Tenant Copy	1/2" push-thru		By others
Logo	2" deep aluminum	Matthews	Dark Gray, color TBD
Logo Illumination	LED	Sloan	Prism, Warm White #3500
"FOLSOM RANCH"	2" deep fabricated aluminum	Matthews	White #282-202,satin
"FOLSOM RANCH" Illum.	Flood fixtures		By others
EMC	LED	Watchfire	16mm full color display
Base	Architectural stone with cap	El Dorado Stone	By others

ARROW SIGN COMPANY
1051 46th Avenue
Oakland, Ca 94601
T. 510.533.7693
F. 510.533.0815
www.arrowsigncompany.com

Project
Folsom Ranch
Folsom, Ca

Date:
6-15-21

Sales:
☐ Tom Salmon

Design:
☐ Charlie Stroud

File Name/Location:
2021/F/Folsom Ranch2

Rev.	Date	Description
A	6-16-21	Increase EMC, overall height
B	6-25-21	Illuminate logo
C	7-19-21	Add dimensions
D	4-15-22	Add additional specs
E	4-29-22	Increase height to 65'
F	8-23-22	Add color spec, Base by others

Customer Approval

This drawing is a representation of colors and may not accurately depict final color of product. Refer to paint swatch or material samples for color reference.

ALL RIGHTS RESERVED
This is an original unpublished drawing prepared for you by Arrow Sign Co. in a sign program designed for your business. It is not to be shown to anyone outside of your organization nor to be reproduced, copied or exhibited in any fashion.

20676 Sheet 2



B **NIGHT ELEVATION** SCALE: 1/8" = 1'-0"

ARROW SIGN COMPANY

1051 46th Avenue
Oakland, Ca 94601
T. 510.533.7693
F. 510.533.0815
www.arrowsigncompany.com

Project

Folsom Ranch

Folsom, Ca

Date:
6-15-21

Sales:
☐ Tom Salmon

Design:
☐ Charlie Stroud

File Name/Location:
2021/F/Folsom Ranch2

Rev.	Date	Description

Customer Approval

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20676 Sheet 2.1

Attachment 4



B **SIGN ELEVATION** SCALE: 1/8" = 1'-0"

Total Sign Area: 778.9 sq. ft.

ITEM	DESCRIPTION	VENDOR	SPECIFICATION
Structure	Aluminum	Matthews	Dark Gray, color TBD
Main Background	HPL	Parklex	Cladding, color TBD
Tenant Cabinets	Aluminum	Matthews	Dark Gray, color TBD
Tenant Copy	1/2" push-thru		By others
Logo	2" deep aluminum	Matthews	Dark Gray, color TBD
Logo Illumination	LED	Sloan	Prism, Warm White #3500
"FOLSOM RANCH"	2" deep fabricated aluminum	Matthews	White #282-202,satin
"FOLSOM RANCH" Illum.	Flood fixtures		By others
EMC	LED	Watchfire	16mm full color display
Base	Architectural stone with cap	El Dorado Stone	By others

ARROW SIGN COMPANY
1051 46th Avenue
Oakland, Ca 94601
T. 510.533.7693
F. 510.533.0815
www.arrowsigncompany.com

Project

Folsom Ranch

Folsom, Ca

Date:
6-15-21

Sales:
☐ Tom Salmon

Design:
☐ Charlie Stroud

File Name/Location:
2021/F/Folsom Ranch 2

Rev.	Date	Description
H	11-17-22	Revise layout
I	11-30-23	Add sign area
J	8-2-24	Revise size of message center
K	8-19-24	Revise message
L	9-30-23	Revise design, Stone by Arrow
M	10-11-24	Add tenant cabinet
N	4-4-25	Change LED image

Customer Approval

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20676 Sheet 2



B **PYLON SIGN ELEVATION** SCALE: 1/8" = 1'-0"

ARROW SIGN COMPANY
1051 46th Avenue
Oakland, Ca 94601
T. 510.533.7693
F. 510.533.0815
www.arrowsigncompany.com

Project
Folsom Ranch
Folsom, Ca

Date:
6-15-21

Sales:
☐ Tom Salmon

Design:
☐ Charlie Stroud

File Name/Location:
2021/F/Folsom Ranch 2

Rev.	Date	Description
A	11-17-22	Revise layout
B	9-30-24	Revise design
C	10-11-24	Revise design
D	4-4-25	Change LED image

Customer Approval

This drawing is a representation of colors and may not accurately depict final color of product. Refer to paint swatch or material samples for color reference.

ALL RIGHTS RESERVED
This is an original unpublished drawing prepared for you by Arrow Sign Co. in a sign program designed for your business. It is not to be shown to anyone outside of your organization nor to be reproduced, copied or exhibited in any fashion.

20676 Sheet 2.1

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11370 - A Resolution Replacing Resolution No. 6451 and Establishing City Council Meeting Recesses in July, November, and December
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council approve Resolution No. 11370 - A Resolution Replacing Resolution No. 6451 and Establishing City Council Meeting Recesses in July, November, and December

BACKGROUND / ISSUE

In 2001, the City Council established regular meeting recesses during the first half of August and the second half of December. These recesses were intended to align with the school summer break and the December holiday season, respectively, providing time for families and community engagement during these periods.

ANALYSIS

Since 2001, the Folsom Cordova Unified School District's academic calendar has shifted. Currently, the school year begins during the first week of August - specifically, on August 7 in 2025. Because the Council's summer recess was originally intended to coincide with summer break for families, it is reasonable to adjust the recess to reflect the updated school schedule. Staff recommends moving the summer recess to the second half of July to better align with the current academic calendar.

Additionally, under the Council's regular meeting schedule - held on the second and fourth Tuesdays of each month - the second November meeting typically coincides with

Thanksgiving week. Historically, this meeting is frequently cancelled due to holiday travel and family commitments. To provide predictability and acknowledge this pattern, staff recommends formally establishing the second half of November as a regular recess period.

No changes are proposed to the existing recess during the second half of December, which continues to align with the winter holiday season.

It's important to note that while these recesses are part of the regular calendar, the City Council maintains the flexibility to call special meetings if any time-sensitive matters arise that require immediate action.

POLICY / RULE

The City of Folsom Charter vests the City Council with the powers necessary for the performance of all duties and obligations (§ 2.02).

FINANCIAL IMPACT

The modification of City Council recesses will not result in a financial impact.

ATTACHMENTS

1. Resolution No. 11370 - A Resolution Replacing Resolution No. 6451 and Establishing City Council Meeting Recesses in July, November, and December

2. Resolution No. 6451 – A Resolution Establishing City Council Meeting Recesses in August and December

Submitted,

Bryan Whitemyer
City Manager

Attachment 1

RESOLUTION NO. 11370

A RESOLUTION REPLACING RESOLUTION NO. 6451 AND ESTABLISHING CITY COUNCIL MEETING RECESSES IN JULY, NOVEMBER, AND DECEMBER

WHEREAS, in 2001, the City Council adopted Resolution No. 6451 establishing regular meeting recesses during the first half of August and the second half of December to coincide with the school summer break and the winter holiday season, respectively; and

WHEREAS, the purpose of these recesses is to recognize the importance of time for families and community engagement during key periods of the year; and

WHEREAS, since the adoption of Resolution No. 6451, the Folsom Cordova Unified School District's academic calendar has changed, and school now begins during the first week of August; and

WHEREAS, the City Council's summer recess was originally intended to align with the school summer break, and in light of the updated school calendar, it is appropriate to adjust the recess period to the second half of July to better reflect the current timing of summer vacation; and

WHEREAS, the City Council regularly meets on the second and fourth Tuesdays of each month, and the second November meeting often falls during Thanksgiving week; and

WHEREAS, due to the high volume of travel and family commitments during Thanksgiving week, this meeting is frequently cancelled, and establishing a recess during the second half of November provides clarity and consistency in the meeting schedule; and

WHEREAS, the existing December recess during the second half of the month remains appropriate and aligned with the winter holiday season, and no changes to that period are proposed; and

WHEREAS, the City Council retains the authority to call a special meeting at any time should a time-sensitive matter require immediate attention, regardless of the established recess periods:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby replaces Resolution No. 6451 and establishes the following regular City Council meeting recess periods:

Second Half of July – to align with the summer school break.
Second Half of November – to accommodate the Thanksgiving holiday period.
Second Half of December – to coincide with the winter holiday season.

PASSED AND ADOPTED this 13th day of May 2025, by the following roll call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Sarah Aquino, Mayor

ATTEST:

Christa Freemantle, City Clerk

Attachment 2

RESOLUTION NO. 6451
A RESOLUTION ESTABLISHING CITY COUNCIL MEETING RECESSES IN AUGUST AND DECEMBER

WHEREAS, Resolution No. 4598 was adopted on February 14, 1995, because the desire of the City Council was to conduct municipal business during a time that encourages broad public participation; and,

WHEREAS, it is the continued desire of the City Council to encourage advice and input from the public on matters relative to the City of Folsom; and,

WHEREAS, the City Council now desires to include two City Council Meeting recess dates into the regular schedule of City Council Meetings:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that it establishes the regularly scheduled City Council meeting recesses to be the second Tuesday of August and the fourth Tuesday of December.

PASSED AND ADOPTED on this 20th day of February 2001, by the following roll-call vote:

AYES:	Council Members:	Howell, King, Dow, Starsky, Miklos
NOES:	Council Members:	None
ABSENT:	Council Members:	None
ABSTAIN:	Council Members:	None

Stephen E. Miklos, MAYOR

ATTEST:

Susan Kitchens, DEPUTY CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	New Business
SUBJECT:	Resolution 11379 – A Resolution Authorizing the Public Works Department to Implement a Flashing Yellow Arrows Trial Project
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution 11379 – A Resolution Authorizing the Public Works Department to Implement a Flashing Yellow Arrows Trial Project.

BACKGROUND / ISSUE

The City of Folsom currently uses protected-only left-turn phasing at all signalized intersections (with the exception of the intersection of Sutter Street and Riley Street). Flashing yellow arrows have been adopted in many jurisdictions across California and the United States as a method to improve traffic efficiency, reduce congestion, and enhance driver understanding of left-turn movements. The California Manual on Uniform Traffic Control Devices (CAMUTCD) includes FYAs as an approved left-turn phasing option, citing safety and operational benefits. The four-section signal head containing an FYA is an approved Federal Highway Administration (FHWA) traffic control device and is identified in the California Department of Motor Vehicles (CA DMV) Drivers Handbook Section 7: Laws and Rules of the Road, Subsection Traffic.

Implementing FYAs offers several potential benefits. One major advantage is the improvement of traffic flow, as FYAs allow left turns to proceed during sufficient gaps in opposing traffic, thereby reducing unnecessary delays. This, in turn, leads to reduced vehicle idling time, lowering fuel consumption and emissions. Studies show that protected/permissive left turns (PPLTs) can reduce vehicle emissions by 9% to 12% and significantly decrease intersection

delays. Additionally, multiple reports indicate strong driver acceptance and a desire for expanded use of PPLTs. Another important benefit is standardization with other local agencies. Many jurisdictions, including neighboring cities, have already implemented FYAs, creating regional consistency for drivers. For example, the City of Roseville and the City of Elk Grove currently use FYA indications for PPLTs, and Sacramento County recently approved a pilot project to install such indications on Arden Way at the intersections of Professional Drive and Morse Avenue.

City of Folsom staff has developed evaluation criteria to identify locations that are candidates for PPLTs using FYAs. These criteria include factors such as accident history, opposing traffic speed, sight distance, traffic volumes, and intersection lane configuration. In considering implementation, staff recognizes that not all intersections are suitable for FYAs and will need to carefully assess traffic volumes, sight distance, crash history, and pedestrian activity. An engineering study would be conducted to evaluate the safety and feasibility of installing FYAs at selected locations. In addition, a public outreach campaign would be necessary to educate drivers about the new signal operations and ensure a smooth transition. A copy of the site selection criteria is attached as Attachment 3.

If approved by City Council, staff will perform extensive public outreach and education, including mailing out pamphlets to the surrounding neighborhoods and posting the pamphlet online, as well as including an educational video on the City's website. Additionally, staff will work with local news stations to inform the public prior to activation, which is anticipated in late 2025/early 2026. If the pilot program is successful, staff will propose installing more PPLTs with FYA indicators at other locations around the city. Staff will report their findings to City Council after the trial is complete for additional discussion.

RECOMMENDATION

Staff requests direction from the City Council on whether to proceed with the implementation of an FYAs trial project in the City of Folsom. If directed to proceed, staff will conduct an engineering analysis, identify candidate intersections, develop refined cost estimates for implementation, and install FYA at the top intersections. Findings and recommendations from the trial will be presented to the Council at a future meeting for further discussion.

POLICY / RULE

As part of the proposed FYA trial project, staff has developed a policy framework to guide the selection, implementation, and evaluation of candidate locations. The policy establishes intersection selection criteria based on traffic volumes, crash history, opposing traffic speeds, sight distance, and pedestrian activity. Prior to installation, an engineering study will be conducted at each proposed location to ensure that implementation of FYAs can be accomplished safely and in accordance with accepted traffic engineering practices. The policy also requires a public outreach and education campaign to inform residents and motorists about the meaning and operation of the FYA signal indications. Funding considerations are incorporated into the policy, with staff directed to pursue grant opportunities and available

funding sources to offset costs associated with signal modifications, hardware procurement, and public education efforts. The trial project will be monitored throughout its duration, with performance metrics such as traffic delay reductions, crash history evaluations, and public feedback used to assess effectiveness. Based on the evaluation results, staff will return to Council with recommendations regarding the broader adoption of FYAs within the City of Folsom.

FINANCIAL IMPACT

The cost of this trial project implementation will be accommodated within the department's existing annual operating budget. No additional funding is required at this time, as the necessary expenditures will be managed through current resources and planned budget allocations. Future projects, if approved, will be evaluated on a case-by-case basis and funded through applicable capital improvement plan projects as appropriate.

ENVIRONMENTAL REVIEW

The proposed FYA trial project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15301, Existing Facilities. The project involves minor alterations to existing public facilities, specifically the modification of existing traffic signal operations, with no expansion of use beyond that currently existing. The installation of FYA indications will occur within existing roadway rights-of-way and will not result in any significant environmental impacts. As such, no additional environmental documentation is required for the implementation of the FYA trial project.

ATTACHMENTS

1. Resolution 11379 – A Resolution Authorizing the Public Works Department to Implement a Flashing Yellow Arrows Trial Project
2. Traffic Safety Committee Meeting Minutes – March 27, 2025
3. Site Selection Form
4. Preliminary Flashing Yellow Arrow Potential Locations

Submitted,

_____

Mark Rackovan, Public Works Director

Attachment 1

RESOLUTION NO. 11379

A RESOLUTION AUTHORIZING THE PUBLIC WORKS DEPARTMENT TO IMPLEMENT A FLASHING YELLOW ARROWS TRIAL PROJECT

WHEREAS, the use of a protected/permitted left turn operation with a four-section signal head containing a flashing yellow arrow (FYA) is being increasingly utilized throughout the United States, including California; and

WHEREAS, the four-section signal head containing a flashing yellow arrow indicator is an approved Federal Highway Administration (FHWA) traffic control device and is identified in the California Department of Motor Vehicles (CA DMV) Drivers Handbook Section 7: Laws and Rules of the Road, Subsection Traffic; and

WHEREAS, the City of Folsom desires to build on the expanded use of FYA indicators throughout the Sacramento region to improve traffic flow, reduce emissions, and improve drivers' experiences; and

WHEREAS, the City of Folsom desires to obtain authority to install FYA indicators as part of a pilot project; and

WHEREAS, the City of Folsom has developed certain criteria for determining which locations are candidates for installation of FYA indicators; and

WHEREAS, the City of Folsom will develop informative materials to be used in public outreach and educational efforts regarding FYA indicators; and

WHEREAS, the cost of this project will be accommodated within the department's existing annual operating budget; and

WHEREAS, the trial project results will be reported back to the City Council for further discussion.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the Public Works Department to implement a Flashing Yellow Arrow Trial Project.

PASSED AND ADOPTED this 13th day of May 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Sarah Aquino, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

Traffic Safety Committee Meeting Minutes

City Council Chambers | 50 Natoma Street, Folsom CA 95630
March 27, 2025
4:00 PM

Meeting minutes contain an action summary. A video recording of the meeting in its entirety can be found on the City of Folsom website on the Traffic Safety Committee webpage.

1. CALL TO ORDER

Chair Brausch called the meeting to order at 4:02 p.m.

2. ROLL CALL:

PRESENT: Z. Bosch, J. Brausch, R. Cogil, T. Galovich, K. Goddard, M. McGee (arrived at 4:07 p.m.)

ABSENT: M. Washburn

3. MINUTES

Approval of the Minutes of the February 27, 2025, meeting. Edits to the minutes were proposed by a resident regarding item 5c, Speeding and cut through traffic concerns on Foxridge Drive and Simmons Way.

Goddard motioned to accept the minutes with edits.
Cogil seconded the motion.
Motion carried with the following vote:

AYES:	Bosch, Brausch, Cogil, Galovich, Goddard, McGee
ABSTAIN:	None
ABSENT:	Washburn

4. BUSINESS FROM THE FLOOR/GOOD OF THE ORDER

Public comment made by Patrick Terry. He is requesting consideration of 3-way stop signs and crosswalks at the intersection of Riley Street and Teceira Way. The concern is for drivers not stopping on Riley Street. An additional concern he stated is the overflow parking on Teceira Way on the weekends, with children and families crossing Riley Street to Livermore Park.

5. ACTION/DISCUSSION ITEMS

a. Pedestrian Scramble at Oak Avenue and North Lexington Drive/Creekside Drive

Public Comment: Elisha Kampsen (for Erin Howard)

The Traffic Safety Committee did not recommend a Leading Pedestrian Interval (LPI). The Committee recommends exploring options to restrict movement on North Lexington, starting with extending the center median closer to the interstation with bollards and "Do Not Cross" signage. The Committee additionally recommends that the Public Works Department investigate inexpensive tools to force pedestrian movement further down North Lexington.

Cogil proposed the motion.
Goddard seconded the motion.
Motion carried with the following vote:

AYES:	Bosch, Brausch, Cogil, Galovich, Goddard, McGee
ABSTAIN:	None
ABSENT:	Washburn

b. Analysis of midblock crosswalk near the intersection of East Bidwell Street and Market Street

The Traffic Safety Committee recommends that the City consider including a future project at the identified location along East Bidwell Street if or when it is recognized as a priority through future planning documents, such as the Active Transportation Plan (ATP) and/or the Local Roadway Safety Plan (LRSP), or in conjunction with future development of the Central Business District. Additionally, the Committee recommends a feasibility study of pedestrian crossing signage to direct pedestrians to cross at the Glenn Drive and Coloma Steet crosswalks.

McGee proposed the motion.
Bosch seconded the motion.
Motion carried with the following vote:

AYES:	Bosch, Brausch, Cogil, Galovich, Goddard, McGee
ABSTAIN:	None
ABSENT:	Washburn

c. City staff request for Traffic Safety Committee recommendation to establish Flashing Yellow Arrow Pilot Program

Public Comment: Scott Wilson

The Traffic Safety Committee approves the implementation of the Flashing Yellow Arrow Pilot Program and provides a recommendation for City Council consideration.

Cogil proposed the motion.
Goddard seconded the motion.
Motion carried with the following vote:

AYES:	Bosch, Brausch, Cogil, Galovich, Goddard, McGee
ABSTAIN:	None
ABSENT:	Washburn

6. INFORMATIONAL ITEMS

a. Traffic Safety Committee action item updates

Bosch provided an update on each item on the chart included in the packet. Bosch recommends moving the Natoma Station Drive/Ashchat - School Safety & Neighborhood Issues item to a future meeting agenda. Brausch agreed to add it to a future agenda.

b. Upcoming Traffic Safety Committee items
    - Oak Avenue and Vista Oak Drive – Resident Request For All-Way Stop Sign Control.
    - Mangini & Wildflower and Mangini & Rock Hearth - Resident Request For All-Way Stop Sign Control.
    - Darrington Drive - Resident Request for Traffic Calming
    - Westwood Drive and Needlegrass – Resident Request for Traffic Calming on Westwood and/or Intersection Control.

7. ADJOURNMENT

Meeting adjourned at 5:38 p.m.

Attachment 3

CITY OF FOLSOM
DISTINCTIVE BY NATURE

CITY OF FOLSOM – FLASHING YELLOW ARROW (FYA) SITE SELECTION FORM

General Information

Intersection Name: _____

Signal Intersection Number: _____

Date of Evaluation: _____

Evaluated By: _____

Existing Conditions

Posted Speed Limit (Opposing Approach): _____ mph, _____85^{th} percentile speed (if available)

Number of Left Turn Lanes: [ ] One [ ] Two (Dual Left)

Number of Opposing Lanes (Through + Right): _____

Left Turn Bay Length(s): _____ ft, _____ ft

Sight Distance (meets Intersection Sight Distance standards per AASHTO Green Book): [ ] Yes [ ] No

_____Calculated (ft) , _____ Minimum Sight Distance (ft).

Pedestrian Crossing Across Turn Path: [ ] Yes [ ] No

Volume and Cross-Product

Left-Turn Volume (Peak Hour): _____ vph

Opposing Through Volume (Peak Hour): _____ vph

Vehicle Cross-Product: _____ (Left-Turn Volume × Opposing Volume)

Meets Thresholds?

[ ] One opposing lane and cross-product < 80,000

[ ] Two opposing lanes and cross-product < 100,000

CITY OF FOLSOM
DISTINCTIVE BY NATURE

Collision History

Left Turn Collisions (Average per Year): _____

Meets Collision Criteria (≤ 5 per year)? [ ] Yes [ ] No

Signal and Geometric Suitability

[ ] Adequate sight distance

[ ] Acceptable opposing speeds (≤ 45 mph)

[ ] Traffic cabinet supports FYA phasing

[ ] Clearance intervals are appropriate

[ ] Mast arm space for 4-section FYA head

[ ] Pedestrian signal timing coordination

Engineering Recommendation

Recommended Action: [ ] Proceed with FYA [ ] Do Not Recommend [ ] Monitor / Further Study

Comments:

_____

_____

_____

VII. Approvals

Traffic Engineer Review: Name: _____ | Signature: _____ | Date: _____

Public Works Director Approval: Name: _____ | Signature: _____ | Date: _____

Attachment 4

- Acceptable FYA Site based on preliminary evaluation
- Possible FYA Site - Requires additional evaluation
- Not Recommended for FYA

List of Acceptable FYA Intersections (Green)

1. Oak Ave Pkwy & American River Canyon Dr
2. Riley St & Sutter St
3. Natoma St & Coloma St
4. Natoma St & Stafford St
5. Natoma St & Wales Dr
6. Natoma St & Prison Rd
7. E Bidwell St & Riley St
8. E Bidwell St & Glenn Dr
9. Riley St & Glenn Dr
10. Riley St & Wales Dr
11. E Bidwell St & Wales Dr
12. Sibley St & Glenn Dr
13. Sibley St & Levy Rd
14. Riley St & Russi Rd
15. Golf Links Dr & Silberhorn Dr
16. Empire Ranch Rd & Ritchie St
17. Empire Ranch Rd & Fehr Rd
18. Broadstone Pkwy & Marketplace
19. Savannah Pkwy & Mangini Pkwy

Folsom Dam Rd
Folsom Lake Crossing
Santa Juanita Ave
Baldwin Dam Rd
Inwood Rd
Folsom Auburn Rd
Oak Avenue Pkwy
American River Canyon Dr
Greenback Ln
Leidesdorff St
Coloma St
Sutter St
Natoma St
Bidwell St
Riley St
Glenn Dr
Sibley St
Levy Rd
Blue Ravine Rd
Parkshore Dr
Folsom Blvd
Natoma Station Dr
Willard Dr
Prairie City Rd
Iron Point Rd
50
Intel West Pkwy
Prison Rd
E Natoma St
Briggs Ranch Dr
Great Valley Rd
Big Valley Rd
Willow Creek Dr
Blue Ravine Rd
Wales Dr
Briarcliff Dr
School St
N Lexington Dr
Creekside Dr
S Lexington Dr
E Bidwell St
Scholar Way
Broadstone Pkwy
Oak Avenue Pkwy
Marlboo Dr
Creekside Rd
Rowberry Dr
Golf Links Dr
Empire Ranch Rd
Alder Creek Pkwy
Savannah Pkwy
Grand Prairie Rd
Westwood Dr
Mangini Pkwy
Regency Pkwy
White Rock Rd

CITY OF FOLSOM
DISTINCTIVE BY NATURE

0 0.2 0.4 0.8 1.2 1.6 Miles

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CITY OF
FOLSOM
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