

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8

Date: July 14, 2010

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: Setting Special Tax Levy for Community Facilities District No. 2006-01 (Eureka Ranch)

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 2010-107, setting the Special Tax Levy for Community Facilities District (CFD) No. 2006-01 (Eureka Ranch) for Fiscal Year 2010/11.

FISCAL ANALYSIS:

A special tax is levied annually on land within Community Facilities District No. 2006-01 and collected through the County of San Diego Assessors Office. The proceeds from the special tax are used to meet debt service obligations from the issuance of bonds for the District.

PREVIOUS ACTION:

The City Council approved the establishment of the Community Facilities District No. 2006-01 (Eureka Ranch) on September 27, 2006 and has adopted annually a resolution setting the annual Special Tax Levy. Prior year's Resolution No. 2009-91 was adopted on June 24, 2009.

BACKGROUND:

At the request of the property owner/developer and pursuant to the City's Statement of Goals and Policies Regarding the Establishment of the Community Facilities Districts, CFD No. 2006-01 (Eureka Ranch) was formed to provide street, storm drain and sewer improvements as well as utility undergrounding within the Eureka Ranch development and East Valley Parkway area. According to the Special Tax Report for the CFD, a special tax shall be levied annually on land within the District and collected in the same manner and at the same time as ordinary ad valorem property taxes. The City is responsible for determining the Special Tax Liability for each parcel within the District each fiscal year and due to the County of San Diego in August of every year.

A Maximum Special Tax Rate was established for developed residential property and undeveloped property. Attached is the amount of the Maximum Special Tax and Proposed Actual Special Tax for Fiscal Year 2010/11.

Respectfully submitted,


Gilbert Rojas
Director of Finance

RESOLUTION NO. 2010-107

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ACTING AS LEGISLATIVE BODY OF
COMMUNITY FACILITIES DISTRICT NO.
2006-01 (EUREKA RANCH), PROVIDING
FOR THE LEVY OF AN ANNUAL SPECIAL
TAX FOR SUCH COMMUNITY FACILITIES
DISTRICT FOR FISCAL YEAR 2010-2011

WHEREAS, the City Council of the City of Escondido, California (the "Legislative Body"), has initiated proceedings, held a public hearing, conducted an election, and received a favorable vote from the qualified electors to authorize the levy of a special tax in a community facilities district, all as authorized 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 Community Facilities District is designated as Community Facilities District No. 2006-01 (Eureka Ranch) (the "District"); and

WHEREAS, this Legislative Body, by the adoption of the Ordinance No. 2006-32 (the "Ordinance") pursuant to Section 53340 of the Government Code of the State of California, has authorized the levy of Special Taxes (as such term is defined in the Ordinance) within the District to finance authorized facilities; and

WHEREAS, Government Code Section 53340 provides that this legislative body may provide, by resolution, for the levy of the Special Taxes in the current tax year at the same rates or at a lower rate than the rate provided for in the Ordinance, if such resolution is adopted and a certified list of all parcels subject to the Special Tax levy including the amount of the Special Tax to be levied on each parcel for the current tax

year (the "Certified Parcel List") is timely filed by the clerk or other official designated by this legislative body with the Auditor of the County of San Diego (the "County Auditor") on or before August 10th of the applicable tax year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, acting as the legislative body of Community Facilities District No. 2006-01 (Eureka Ranch), as follows:

1. That the above recitations are true.
2. That this legislative body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2010-2011 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2010-2011 are contained on Exhibit "A" attached to this resolution and incorporated by this reference.
3. That the Director of Finance is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10th, or such later date to which the County Auditor may agree, setting forth the amount of the Special Tax to be levied on each Taxable Property within the District calculated pursuant to the Ordinance and subject to the limitations set forth in Section 2 above.
4. That the Special Tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Tax Collector is hereby authorized to deduct reasonable administrative costs incurred in

collecting any said Special Tax. Any Special Taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the Treasurer of the City of Escondido, acting for and on behalf of the District.

5. That the County Auditor is hereby directed to enter in the next County assessment roll on which taxes will become due, opposite each lot or parcel of land affected in a space marked "public improvements, special tax" or by any other suitable designation, the installment of the Special Tax.

6. That the County Auditor shall then, at the close of the tax collection period, promptly render to the District a detailed report showing the amount and/or amounts of such Special Tax installments, interest, penalties and percentages so collected and from what property collected, and also provide a statement of any percentages retained for the expense of making any such collection.

**City of Escondido
Community Facilities District 2006-01
(Eureka Ranch)**

Special Tax Rates for Fiscal Year 2010-11

Tax Class	Building Square Footage	Assigned Special Tax	Proposed Actual Special Tax *
Residential Property:			
Tax Class 1	>3,600	\$1.214 per BSF	\$0.9916 per BSF
Tax Class 2	3,251 – 3,600	\$1.275 per BSF	\$1.0415 per BSF
Tax Class 3	2,851 – 3,250	\$1.350 per BSF	\$1.1027 per BSF
Tax Class 4	2,551 – 2,820	\$1.407 per BSF	\$1.1493 per BSF
Tax Class 5	≤ 2,550	\$1.526 per BSF	\$1.2465 per BSF
Non-Residential Property:			
Tax Class 6	NA	\$20,750.00 per Acre	\$16,949.46 per Acre
Undeveloped Property		\$20,750.00 per Acre	\$0.00 per Acre

* Actual Special Tax to be set by the Director of Finance. Special Tax Rates shown above have been rounded to decimals shown, actual tax rates are not rounded.