



Legislation Text

File #: 16-303, **Version:** 1

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SUBJECT: Adopt a Resolution of Intent to Annex Property Located at the Southeast Corner of Mercy Avenue and Mansionette Drive into Community Facilities District (CFD) No. 2003-2 (Services) and Set a Public Hearing for August 1, 2016, for the Annexation.

REPORT IN BRIEF

This report requests that the City Council adopt a Resolution of Intent to annex property located at the southeast corner of Mercy Avenue and Mansionette Drive into Community Facilities District (CFD) No. 2003-2 (Services) and set a public hearing for August 1, 2016, for the annexation.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2016-35**, a Resolution of Intention of the City Council of the City of Merced, acting as the legislative body of the City of Merced Community Facilities District No. 2003-02 (Services), declaring its intention to annex area to said District and authorize the levy of a special tax within said annexation, and approving a certain agreement related thereto; and,
- B. Approving the Deposit and Reimbursement Agreements submitted and appropriate the funds from the deposits to Fund 150 to reimburse the City for Community Facilities District formation and related expenditures; and,
- C. Setting the public hearing for August 1, 2016.

ALTERNATIVES

1. Approve the action as recommended by staff; or,
2. Request modification or amendment to the documents and provide direction to City staff regarding the same; or,
3. Decline to authorize action as recommended.

AUTHORITY

Annex property into the City's existing CFD (Services) pursuant to Merced City Charter Section 200, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), commonly known as the "Mello-Roos Community Facilities Act of 1982" and the City's Policy on new development.

DISCUSSION

The City approved a policy requiring all new development within the boundaries of the City to form or annex to a community facilities district pursuant to the Mello Roos Community Facilities Act of 1982, for the provision of certain services to such new developments. The services to be provided may include all or a portion of the following: police and fire protection services, maintenance of parks, landscaping, parkways, open space and storm drain maintenance and other services authorized or to be authorized by the Act or the City's Municipal Code. The formation or annexation to the community facilities district is a condition of approval of recording such new development's map and is contained in the respective Subdivision Agreements of the developers.

In November 2003, the City of Merced Community Facilities District No. 2003-02 (Services) was formed. Since then, numerous developments have annexed into the CFD. A new petition to annex as Annexation No. 9 to the CFD has been received from the developer owning the 5.92-acre property located at Mercy Avenue and Mansionette Drive (Attachment 1), zoned R-1-6. Meetings have been held with the landowner and staff regarding the scope and costs of the services and the amount of the annual levy.

Once the City has declared its intention to annex this development into the CFD (scheduled for this meeting), a public hearing will be held (scheduled for August 1, 2016). Provided there is no majority protest, these properties will be annexed into the CFD. The owner has provided the City with a "Consent and Waiver" to allow the public hearing and election be held on August 1, 2016, to authorize the levy of an annual special tax on such property. Should the proposition pass with a two-thirds vote from the qualified voters (the landowner), the City may levy the special tax pursuant to an amended rate and method of apportionment.

The owner has signed a Deposit and Reimbursement Agreement (Attachment 2), and has deposited sufficient money to pay for the costs of annexing to the CFD. The resolution also approves this Agreement.

IMPACT ON CITY RESOURCES

The annexation of this property into CFD No. 2003-2 (Services) would allow a special tax to be levied on this property to cover the costs of landscape and storm drain maintenance and a portion of the costs for Police and Fire services to the area.

ATTACHMENTS

1. Location Map
2. Deposit and Reimbursement Agreement
3. Amended Rate and Method of Apportionment
4. Draft City Council Resolution