



Legislation Text

File #: 23-003, Version: 1

Report Prepared by: Julie Nelson, Senior Planner, Development Services Department

SUBJECT: Adoption of a Resolution of Intent Regarding Annexation No. 22 into Community Facilities District (CFD) No. 2003-2 (Services), Approving a Deposit and Reimbursement Agreement for Annexation No. 22, and Setting a Public Hearing for January 17, 2023, Annexation No. 22 Consists of Approximately 39.35 Acres of Land Generally Located on the East Side of G Street, Approximately 1,100 Feet North of Cardella Road

REPORT IN BRIEF

Requests the City Council to adopt a Resolution of Intent to annex 39.35 acres of land generally located on the east side of G Street, approximately 1,100 feet north of Cardella Road (CFD Annexation No. 22) into the City's CFD for Services (CFD 2003-2), including the approval of a Deposit and Reimbursement Agreement for the annexation; accept the petition, consent, and waiver for Annexation No. 22; and set a public hearing and election for January 17, 2023.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2023-01**, 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. 2003-2 (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. Setting the Public Hearing for January 17, 2023; and,
- C. Accepting the Petition, Consent and Waiver from CEB Holdings, LLC for Annexation No. 22; and,
- D. Accepting the deposit amount of \$25,000 in Fund 150, increasing the revenue and appropriating the same to cover the cost of Community Facilities District formation and related expenditures for Annexation No. 22; and,
- E. Authorizing the City Manager or Deputy City Manager to execute the Deposit and Reimbursement Agreement.

ALTERNATIVES

- 1. Approve the actions as recommended by staff; or,
- 2. Requesting modification or amendment to the documents and provide direction to City staff regarding the same; or,
- 3. Decline to authorize action as recommended; or,
- 4. Continue to a future City Council meeting (time and date to be specified in motion).

AUTHORITY

Annexation of property into the City's existing CFD No. 2003-2 (Services) and designation of future annexation area of certain parcels pursuant to Merced City Charter, Section 200; Chapter 2.5 (commencing with Section 53311 of Part 1 of Division 2 of Title 5 of 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

This report considers Annexation No.22 into the City's CFD for Services (CFD 2003-2) for the Merzoian Estates Subdivision, which consists of 39.35 acres of land generally located on the east side of G Street, approximately 1,100 feet north of Cardella Road (Attachment 1). The proposed boundary map for CFD Annexation No. 22 is provided at Attachment 2.

In order to determine the special tax for these developments, an amended Rate and Method of Apportionment (RMA) was prepared (Exhibit A of the Draft Resolution at Attachment 6). The landowners have reviewed the RMA and been notified of the amount of the annual levy as shown on the Maximum Tax Rates Schedule for Fiscal Year 2022-23 at Attachment 3.

To start the annexation process, the City Council is being asked to accept the Petition, Consent, and Waiver submitted by CEB Holdings, LLC. (Attachment 4) and adopt the Resolution of Intent (ROI) declaring its intent to annex this land into the CFD (Attachment 6). The Petition, Consent, and Waiver waives the standard timeframe between the adoption of the ROI and the public hearing and election. The resolution sets January 17, 2023, as the date to hold the public hearing and election on this matter. Provided there is no majority protest, this property would be annexed into the CFD. Should the proposition pass with a two-thirds vote from the qualified voters, the City may levy the special tax pursuant to the amended rate and method of apportionment (Exhibit A of the Draft Resolution of Intent at Attachment 6).

The adoption of the Resolution of Intent (ROI) also includes the approval of the Deposit and Reimbursement Agreement with CEB Holdings, LLC. (Attachment 5). The agreement provides for reimbursement to the City for costs incurred with the annexation process. The developer has submitted a deposit of \$25,000 to cover the costs of the CFD annexation process. The Agreement would also authorize the City to request additional funds as needed to complete the annexation process. Additionally, this agreement states that the developer would be responsible for maintaining any landscaping and other district costs included in the CFD until such time as the CFD has sufficient funds to take over the maintenance.

City Council Action

Staff is recommending the City Council accept the Petition, Consent, and Waiver for Annexation No. 22 (Attachment 4); adopt the Resolution of Intent (Attachment 6), setting the public hearing for January 17, 2023, and approving the Deposit and Reimbursement Agreement (Attachment 5); receive and appropriate the \$25,000 deposit for the annexation to Fund 150; and authorize the City Manager or Deputy City Manager to execute the agreements.

IMPACT ON CITY RESOURCES

The annexation of these properties into CFD No. 2003-2 (Services) would allow a special tax to be

levied on these properties to cover the costs of landscape and storm drain maintenance and a portion of the costs for Police and Fire services to the project area.

ATTACHMENTS

1. Location Map - Annexation No. 22
2. Boundary Map for Annexation No. 22
3. Maximum Special Tax Rates
4. Petition, Consent, and Waiver for Annexation No. 22
5. Deposit and Reimbursement Agreement for Annexation No. 22
6. Resolution 2023-01 of Intent with RMA at Exhibit A