



## Legislation Text

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**File #:** 18-122, **Version:** 1

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**SUBJECT: Annexation into Community Facilities District (CFD) No. 2003-2 (Services) for Merced Station (Formerly University Village Merced - Lake) and Setting a Public Hearing for May 21, 2018, to Hold the Election for Annexation into the CFD**

### REPORT IN BRIEF

This report requests the City Council to accept the petition to annex into CFD No. 2003-2 (Services) from Merced Station, LLC; approve a deposit and reimbursement agreement with Merced Station, LLC; adopt a Resolution of Intent to annex the Merced Station Apartment Project into Community Facilities District (CFD) No. 2003-2; and set a Public Hearing for May 21, 2018, to hold the election for annexation into the CFD.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Accepting the petition for the initiation of proceedings for establishment of a Community Facilities District from Merced Station LLC; and,
- B. Adopting **Resolution 2018-25**, 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,
- C. Authorizing the appropriation of funds from the deposit to Fund 150 to reimburse the City for Community Facilities District formation related expenditures; and,
- D. Setting the Public Hearing for May 21, 2018.

### ALTERNATIVES

- 1. Approve the action 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. 2003-3 (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 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 with the City to annex to a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982, for the provision of certain services to new development. 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 City’s Municipal Code. The formation or annexation to the community facilities district is a condition of approval for new developments.

The owners of the project known as the Merced Station Apartments (formerly University Village Merced -Lake) (Attachment 1) has requested such proceedings be initiated (see Petition to Annex at Attachment 2) and has signed a Deposit and Reimbursement Agreement to cover the costs of the annexation process (Attachment 3). The City Council is being asked to accept the Petition to Annex from Merced Station, LLC, and adopt the Resolution at Attachment 4, which approves the Deposit and Reimbursement Agreement with Merced Station, LLC, and authorizes the City Manager or Assistant City Manager to execute the Agreement. The owners have submitted a deposit of \$25,000 to cover the costs of the annexation process. City Council is also being asked to appropriate those funds to Fund 150. The landowner has been notified of 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 by adopting the Resolution of Intent at Attachment 4, a public hearing will be held on May 21, 2108. Provided there is no majority protest, this property will be annexed into the CFD. 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 (Exhibit A of the Draft Resolution of Intent at Attachment 4).

## **IMPACT ON CITY RESOURCES**

The annexation of this property 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
2. Petition to Initiate Proceedings from Merced Station, LLC
3. Deposit and Reimbursement Agreement
4. Draft City Council Resolution of Intention [including Rate and Method of Apportionment (RMA) at Exhibit A]