



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 14, 2015**

FROM: FINANCE DEPARTMENT **WARDS: 2, 5, AND 6**

SUBJECT: COMMUNITY FACILITIES DISTRICTS (“CFDS”) – ADOPTION OF ORDINANCES TO LEVY SPECIAL TAXES FOR FISCAL YEAR 2015/16 – SYCAMORE CANYON 92-1, TYLER MALL 2004-1, AND RIVERWALK VISTA 2006-1 IMPROVEMENT AREAS NO. 1 AND NO. 2

ISSUE:

Consideration to adopt ordinances to levy the special taxes collected to pay the debt service expenses and other costs for the City’s three Community Facilities Districts that require a levy for Fiscal Year 2015/16.

RECOMMENDATION:

That the City Council introduce and adopt the necessary Ordinances, to be effective immediately, levying special taxes to be collected during Fiscal Year 2015/16 to pay debt service, administrative or other project-related district costs associated with the following Community Facilities Districts (CFD) of the City of Riverside:

- A. Sycamore Canyon Business Park CFD 92-1;
- B. Tyler Mall CFD 2004-1; and
- C. Riverwalk Vista CFD 2006-1 consisting of:
 - 1. Improvement Area No. 1, and
 - 2. Improvement Area No. 2.

BACKGROUND:

Pursuant to applicable provisions of the Mello-Roos Community Facilities Act of 1982, special taxes for a CFD must be levied annually by ordinance. The City currently has three CFDs that require a levy of special taxes for Fiscal Year 2015/16.

An exhibit is attached to each ordinance listing the special tax amount for each parcel in the CFDs. The ordinances will be effective upon adoption in accordance with Section 416(c) of the Charter and after being published in a newspaper of general circulation in accordance with Section 414 of the Charter. The levy of the special taxes will be delivered to the County Auditor-Controller for

collection through the annual property tax bills.

FISCAL IMPACT:

The annual special tax levies for each CFD are the amounts necessary to pay annual principal and interest due on the outstanding bonds issued for the CFDs plus applicable administrative expenses for established districts; except for Riverwalk Vista Improvement Area No. 2, where the pre-debt issuance assessments will be used to reduce the size of the future issuance. Bond Reserve requirements of all appropriate CFDs are fully funded and there are no delinquency problems within any of the districts. Variations in the amount of special taxes levied from the prior year are normal and primarily due to a fluctuation in the availability of interest earnings to apply to the CFDs' debt service requirements or in the case of Riverwalk Vista Improvement Area No. 2, an increase in the number of developed parcels.

For Fiscal Year 2015/16, special taxes must be levied on the following CFDs:

- Sycamore Canyon CFD 92-1, \$9,700,000 of bonds sold July 2005, including the refinancing of a previous \$1,200,000 issue from July 2003. This is the tenth of 29 annual levies of special taxes. For Fiscal Year 2015/16, special taxes are \$656,271 and for Fiscal Year 2014/15 they were \$643,921.
- Tyler Mall CFD 2004-1, related to the City's 2006 Certificates of Participation issue of \$19,945,000. For Fiscal Year 2015/16, special taxes are \$1,067,882 and for Fiscal Year 2014/15 they were \$1,069,335.
- Riverwalk Vista CFD 2006-1, Improvement Area No. 1, \$4,415,000 of bonds sold June 2013. This is the third of 30 annual levies of special taxes required for bond debt service and does not include the levies made prior to the issuance of the bonds which were used to reduce the size of the debt issuance. For Fiscal Year 2015/16, special taxes are \$320,769 and for Fiscal Year 2014/15 they were \$317,368.
- Riverwalk Vista CFD 2006-1, Improvement Area No. 2, is being assessed special taxes in advance of its bond issuance to reduce the amount of the required future bond issue. For Fiscal Year 2015-16, special taxes are \$253,643 and for Fiscal Year 2014-15 they were \$43,477.

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Approved by: Alexander T. Nguyen, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Ordinance – Sycamore Canyon CFD 92-1
2. Ordinance – Tyler Mall CFD 2004-1
3. Ordinance – Riverwalk Vista CFD 2006-1, Improvement Area No. 1
4. Ordinance – Riverwalk Vista CFD 2006-1, Improvement Area No. 2