

# City of Arts & Innovation City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 12, 2016

FROM: FINANCE DEPARTMENT WARDS: 2, 5, 6, & 7

SUBJECT: COMMUNITY FACILITIES DISTRICTS ("CFDS") - ADOPTION OF

ORDINANCES TO LEVY SPECIAL TAXES FOR FISCAL YEAR 2016/17 - SYCAMORE CANYON 92-1, TYLER MALL 2004-1, RIVERWALK VISTA 2006-

1 IMPROVEMENT AREAS NO. 1 & NO. 2, AND HIGHLANDS 2014-2

## **ISSUE:**

The issue before the City Council is adoption of ordinances to levy the special taxes collected to pay the debt service expenses and other costs for the City's four Community Facilities Districts that require a levy for 2016/17.

#### **RECOMMENDATION:**

That the City Council introduce and adopt the necessary Ordinances, to be effective immediately, levying special taxes to be collected during fiscal year 2016/17 to pay debt service, administrative, or other project related district costs associated with the following CFDs of the City of Riverside:

- A. Sycamore Canyon Business Park CFD 92-1;
- B. Tyler Mall CFD 2004-1;
- C. Riverwalk Vista CFD 2006-1 consisting of
  - 1. Improvement Area No. 1, and
  - 2. Improvement Area No. 2
- D. Highlands CFD 2014-2

#### **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 four CFDs that require a levy of special taxes for fiscal year 2016/17. They are CFD 92-1 Sycamore Canyon Business Park established on August 10, 1993; CFD 2004-1 Galleria at Tyler (Mall) established January 5, 2005; CFD 2006-1 Riverwalk Vista with two improvement areas was approved on May 22, 2007; and CFD 2014-2 Highlands was established on July 22, 2014.

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 District are the amounts necessary to pay annual principal and interest due on the outstanding bonds issued for the Districts plus applicable administrative expenses for established District. Bond Reserve requirements of all appropriate Districts 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 fluctuations in the amount of annual debt service due and the availability of interest earnings to apply to the Districts' debt service requirements. Other special issues are noted below. For the 2016/17 fiscal year, 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 eleventh of twenty-nine annual levies of special taxes. For 2016/17, special taxes are \$661,708 and for 2015/16, they were \$656,271.

Tyler Mall CFD 2004-1, related to the City's 2006 Certificates of Participation issue of \$19,945,000. For 2016/17, special taxes are \$1,086,318 and for 2015/16, they were \$1,067,882.

Riverwalk Vista CFD 2006-1, Improvement Area No. 1, \$4,415,000 of bonds sold June of 2013. This is the fourth of thirty 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 2016/17, special taxes are \$319,067 and for 2015/16, they were \$320,769.

Riverwalk Vista CFD 2006-1, Improvement Area No. 2, \$6,780.000 of bonds sold March of 2016. This is the first of thirty annual levies of special taxes required for bond debt service and does not included the levies made prior to the issuance which were used to reduce the size of the debt issuance. For 2016-17, special taxes are \$379,910 and for 2015-16, they were \$391,058. Since bond issuance, the levy has dropped from the maximum rate per parcel as described in the Rates and Method of Apportionment for fund accumulation to the annual debt service and administrative needs.

Highlands CFD 2014-2, \$2,610,000 of bonds sold April of 2016. This is the initial levy for bonded debt service and is the first of thirty annual levies. Prior assessments were prebonding levies used to accumulate funds to reduce the size of the bond issuance. For 2016-17, Special taxes are \$157,337.

Prepared by: Scott G. Miller, Interim Finance Director/Treasurer

Certified as to

Availability of funds: Scott G. Miller, Interim Finance Director/Treasurer
Approved by: Marianna Marysheva-Martinez, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

#### Attachments:

- 1. Ordinance Sycamore Canyon Business Park 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
- 5. Ordinance Highlands CFD 2014-2