



*City of Arts & Innovation*

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: JULY 11, 2017**

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

**SUBJECT: COMMUNITY FACILITIES DISTRICTS – ADOPTION OF ORDINANCES TO  
LEVY SPECIAL TAXES FOR FISCAL YEAR 2017/18 – SYCAMORE CANYON  
92-1, TYLER MALL 2004-1, RIVERWALK VISTA 2006-1 IMPROVEMENT  
AREAS NO. 1 & NO. 2, AND HIGHLANDS 2014-2**

## **ISSUE:**

Adopt 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 2017/18.

## **RECOMMENDATION:**

That the City Council introduce and adopt the necessary Ordinances, to be effective immediately, levying special taxes to be collected during fiscal year 2017/18 to pay debt service, administrative, or other project related district costs associated with the following Community Facilities Districts 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 Community Facilities Districts (CFD) must be levied annually by ordinance. The City currently has four CFDs that require a levy of special taxes for fiscal year 2017/18. 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.

## **DISCUSSION:**

As part of the annual approval process, 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 Districts. Bond Reserve requirements of all appropriate Districts are fully funded. With the exception of one District, there are no delinquency problems. For CFD 2006-1 Improvement Area No.1, the City is pursuing judicial foreclosure on a parcel as prescribed in the related bond covenant. 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 2017/18 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 twelfth of twenty-nine annual levies of special taxes. For 2017/18, special taxes are \$663,858 and for 2016/17, they were \$661,708.

Tyler Mall CFD 2004-1, related to the City's 2006 Certificates of Participation issue of \$19,945,000. For 2017/18, special taxes are \$1,095,701 and for 2016/17, they were \$1,086,318.

Riverwalk Vista CFD 2006-1, Improvement Area No. 1, \$4,415,000 of bonds sold June of 2013. This is the fifth 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 2017/18, special taxes are \$316,517 and for 2016/17, they were \$319,067.

Riverwalk Vista CFD 2006-1, Improvement Area No. 2, \$6,780,000 of bonds sold March of 2016. This is the second 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 2017-18, special taxes are \$382,310 and for 2016-17, they were \$379,910.

Highlands CFD 2014-2, \$2,610,000 of bonds sold April of 2016. This is the second of thirty annual levies. Prior assessments were pre-bonding levies used to accumulate funds to reduce the size of the bond issuance. For 2017-18, Special taxes are \$156,462 and for 2016-17, they were \$157,337.

Prepared by: Scott G. Miller PhD., Chief Financial Officer/City Treasurer  
Approved by: Marianna Marysheva, 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
5. Ordinance - Highlands CFD 2014-2