



## REPORT TO CITY COUNCIL

**To:** Honorable Mayor and Members of the City Council

**From:** Jason Simpson, City Manager

**Prepared by:** Shannon Buckley, Assistant City Manager

**Date:** October 24, 2023

**Subject:** Annexation No. 21 Into Community Facilities District No. 2015-2 (Maintenance Services) for Bld-2023-0026B (Lake Storage)

### **Recommendation**

Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY INTO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) OF THE CITY OF LAKE ELSINORE, ADOPTING A MAP OF THE AREA TO BE PROPOSED (ANNEXATION NO. 21) AND AUTHORIZING THE LEVY OF A SPECIAL TAXES THEREIN.

### **Background**

On September 22, 2015, the City Council approved Resolution No. 2015-078 establishing Community Facilities District No. 2015-2 (Maintenance Services) of the City of Lake Elsinore (the "CFD No. 2015-2" or "District") for the purpose of levying special taxes on parcels of taxable property to provide certain services which are necessary to meet increased demands placed upon the City.

Lake Street Properties, LP (the "Owner"), owns 14.60 gross acres of a vacant commercial lot within the City. The Owner has requested that the City assist them in annexing territory into CFD No. 2015-2 (Maintenance Services) to cover the costs associated with the maintenance of public improvements. The improvements proposed to be maintained include items such as landscaping, lighting, and street maintenance.

The landowner has advised the City that the area described in Exhibit "B" of the Resolution of Intention to be annexed into CFD No. 2015-2 and that a Rate and Method of Apportionment of the special taxes to be levied as described in Exhibit "C".

The original area proposed within Annexation No. 21 will encompass an RV and boat Storage, a gas station, and a convenience/retail store. The territory proposed to be annexed into CFD No. 2015-2 will be included in Tax Zone 24. The property is located at the southeast corner of Lake Street and the I-15 south entrance, in the eastern part of the City. The proposed total maximum

tax rate is \$739 per acre per year for Special Tax A and \$288 per acre per year for Special Tax B. The maximum annual tax rates are proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%. See Exhibit 3 for a maintenance exhibit illustrating which services are being maintained by the CFD.

### **Discussion**

The Owner has agreed to the annexation into the CFD and submitted a "Consent and Waiver" form on file in the City Clerk's Office, to initiate and conduct proceedings pursuant to the Mello-Roos Act of 1982, requesting the annexation of property to CFD No. 2015-2 (Maintenance Services) and consenting to the shortening of election time requirements, waiving analysis and arguments, and waiving all notice requirements relating to the conduct of the election.

The next step to annex the property to CFD No. 2015-2 is to publish a notification of the proposed district along with the "Resolution of Intention" and Boundary Map of the proposed Annexation area. A public hearing on the matter will take place on December 12, 2023, and at that time the Council will formally consider approval of Annexation No. 21.

### **Fiscal Impact**

On March 1 of each year, every taxable property for which a building permit has been issued will be subject to the special taxes in the ensuing Fiscal Year. If the anticipated costs of maintaining the facilities in any given Fiscal Year, prior to buildout of the project, exceeds the special tax revenues available from parcels for which building permits have been issued, then the special tax may also be on undeveloped property within the Tax Zones. Once developed, the Special Tax A for Tax Zone 24 will generate \$10,783 for maintenance services.

### **Attachments**

Attachment 1- Project Map  
Attachment 2 - Resolution of Intention  
Exhibit A - Resolution Exhibits (A-G)  
Attachment 3 - CFD Maintenance Exhibit