



Staff Report

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**File #:** 23-0600

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 08/16/2023

**TO:** Honorable Mayor and City Council Members

**FROM:** Finance Department

**SUBJECT:**

CONTINUED PUBLIC HEARING AND ELECTION FOR ANNEXATION NO. 35 INTO COMMUNITY FACILITIES DISTRICT NO. 2016-3 (MAINTENANCE SERVICES)

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to consider the property owner's annexation request into the City's Community Facilities District No. 2016-3 (Maintenance Services) to provide maintenance services for public facilities within and for the benefit of the proposed development.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Adopt Resolution No. 2023-088, calling a special election and submitting to the qualified electors of the territory proposed to be annexed to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona the question of levying special taxes within the territory proposed to be annexed (Annexation No. 35).
- b. Adopt Resolution No. 2023-089, declaring the results of the special election for Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona on the proposition of the annual levy of special taxes within the territory proposed to be annexed to said Community Facilities District to pay the costs of certain services to be provided by the Community Facilities District, determining that the territory proposed to be annexed is added to and part of said Community Facilities District with full legal effect (Annexation No. 35).

**BACKGROUND & HISTORY:**

On December 7, 2016, the City Council approved Resolution No. 2016-112 establishing Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona ("CFD No. 2016-3" 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.

On June 21, 2023, the City Council adopted Resolution No. 2023-048, a Resolution of Intention to annex territory to CFD No. 2016-3 and commence the annexation proceedings for the territory to be annexed, also shown as Annexation No. 35. A public hearing was set for August 2, 2023, to conduct an election for the landowners and to declare the results of that election. On August 2, 2023, the City Council continued the public hearing to August 16, 2023 to allow for publication of the public hearing notice in a newspaper of general circulation.

As required by the Resolution of Intention, an annexation map was recorded on June 28, 2023, in Book 91 Page 52, Document No. 2023-0185724, and the potential annexation area boundary map was recorded on November 7, 2016, in Book 80 Page 23, Document No. 2016-0494013 of Maps of Assessment and Community Facilities Districts with the Riverside County Recorder.

**ANALYSIS:**

The Resolution of Intention was adopted by the City Council in response to the Petition filed by Leeson Corona LLC ("Owner"), property owner of APNs 107-040-005, 107-040-006, and 107-040-009 within the City, who have requested that the City assist in annexing territory into CFD No. 2016-3 to cover the costs associated with the maintenance of public improvements. The improvements proposed to be maintained include items such as street lighting, street maintenance, and drainage.

The area proposed within Annexation No. 35 will encompass a development comprised of 3.45 net acres which will include a 65,598 sq. ft. industrial building ("Property"). The Property proposed to be annexed into CFD No. 2016-3 will be included in Tax Zone 35. This tax rate includes a Maximum Special Tax A of \$1,605 per acre per year for maintenance services of public facilities. There are no services being funded by the levy of Special Tax B for contingent services. The Maximum Special Taxes are proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%.

The Petition, including the waiver and consent by the Owners, is on file in the City Clerk's office, and authorizes the City to: (1) hold the election and declare election results; (2) shorten election time requirements; (3) waive analysis and arguments; and (4) waive all noticing requirements relating to the conduct of the election immediately following the public hearing scheduled for August 16, 2023.

**FINANCIAL IMPACT:**

On March 1 of each year, every building 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 property with recorded final subdivision maps, as well as other undeveloped property.

The proposed total maximum assessment rate for Tax Zone 35 for Special Tax A is \$1,605 per acre per year. The assessment rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%. This annexation will yield an estimate of \$5,536 annually in special assessment revenue for the District at build-out as planned.

The total annexation cost is being paid by the property owner.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely annexes the Property to CFD No. 2016-3 and there is no possibility that adopting the above resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** ERMA MONTANO, SENIOR FINANCIAL ANALYST

**REVIEWED BY:** KIM SITTON, FINANCE DIRECTOR

**Attachments:**

1. Exhibit 1 - CFD No. 2016-3 Annexation No. 35 Project Map
2. Exhibit 2 - CFD No. 2016-3 Annexation No. 35 Recorded Boundary Map
3. Exhibit 3 - Resolution No. 2023-088
4. Exhibit 4 - Resolution No. 2023-089