



Staff Report

File #: 24-0450

REQUEST FOR CITY COUNCIL ACTION

DATE: 06/05/2024

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

PUBLIC HEARING AND ELECTION FOR ANNEXATION NO. 38 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. 2024-065, 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. 38).
- b. Adopt Resolution No. 2024-066, 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 any part of said Community Facilities District with full legal effect (Annexation No. 38).

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") to levy special taxes on parcels of taxable property to provide certain services necessary to

meet increased demands placed upon the City.

On May 1, 2024, the City Council adopted Resolution No. 2024-024, 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. 38. A public hearing was set for June 5, 2024, to conduct an election for the landowners and to declare the results of that election.

As required by the Resolution of Intention, an annexation map was recorded on May 8, 2024, at 11:35 a.m. in Book 93 Page 7, Document No. 2024-0133590, and the potential annexation area boundary map was recorded on November 7, 2016, at 4:40 p.m. in Book 80 Page 23, Document No. 2016-0494013 of Maps of Assessment and Community Facilities Districts with the Riverside County Recorder.

ANALYSIS:

The City Council adopted the Resolution of Intention in response to the Petition filed by IPT Corona Commerce Center, LLC ("Owner"), property owner of APNs 118-330-002, 118-330-003, 118-330-015, and 118-330-016 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 landscaping, lighting, streets, drainage, parks, and graffiti abatement.

The area proposed within Annexation No. 38 will encompass a development comprised of 14.82 acres, including an industrial building ("Property"). The Property proposed to be annexed into CFD No. 2016-3 will be included in Tax Zone 38. This tax rate includes a Maximum Special Tax A of \$454 per acre per year for maintenance services of public facilities. No services are being funded by the levy of Special Tax B for contingent services. The Maximum Special Taxes are proposed to escalate yearly to 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 June 5, 2024.

FINANCIAL IMPACT:

On June 1 of each year, every building for which a building permit has been issued will be subject to special taxes in the ensuing Fiscal Year. If the anticipated costs of maintaining the facilities in any given Fiscal Year, prior to the project's buildout, exceed 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 and other undeveloped property.

The proposed total maximum assessment rate for Tax Zone 38 for Special Tax A is \$454 per acre per year. The assessment rate is proposed to escalate yearly to the greater of Consumer Price Index (CPI) or 2%. This annexation will yield an estimated \$6,731 annually in special assessment revenue for the district at build-out as planned. The Owner is paying the total annexation cost.

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. 38 Project Map
2. Exhibit 2 - CFD No. 2016-3 Annexation No. 38 Recorded Boundary Map
3. Exhibit 3 - Resolution No. 2024-065
4. Exhibit 4 - Resolution No. 2024-066