



Legislation Text

File #: 18-1634, Version: 1

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 4/4/2018

TO: Honorable Mayor and City Council Members

FROM: Administrative Service Department

SUBJECT:

City Council consideration to adopt Resolution No. 2018-015, declaring intention to annex territory to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, and adopting a map of the area proposed to be annexed thereto (Annexation No. 4).

RECOMMENDED ACTION:

That the City Council:

1. Adopt Resolution No. 2018-015, declaring intention to annex territory to Community Facilities District No. 2016-3 (Maintenance Services) of the City of Corona, and adopting a map of the area proposed to be annexed thereto (Annexation No. 4).
2. Authorize the Purchasing Agent to increase Purchase Order P20751 in the amount of \$7,500.

ANALYSIS:

The proposed development is comprised of eight parcels totaling nearly 260 acres, located at the west of Foothill Boulevard, approximately 4.25 miles west of the El Cerrito Road and Interstate 15 Interchange, as shown in Exhibit "A" (the "Subject Parcels"). The owners of the Subject Parcels, JHB Colony Investments, LLC, a Delaware Limited Liability Company and American Superior Land, LLC, a Delaware Limited Liability Company (the "Owners") propose to construct 292 detached single-family residences on the eight Subject Parcels.

As a condition of approval for TR 36544, the Subject Parcels are required to be annexed into Community Facilities District No. 2016-3 ("CFD 2016-3") in order to pay the maintenance of master-planned landscaping, lighting, traffic signals, parks, parkways, streets, roads and open spaces, maintenance and operation of storm drainage facilities in the area. The Owners have submitted a petition to the City requesting that the Subject Parcels be annexed to CFD 2016-3.

CFD 2016-3 was formed by the City Council on December 7, 2016 pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 ("Act").

The initial step in the process to annex the Subject Parcels to CFD 2016-3 is for the City Council to adopt the attached Resolution No. 2018-015, which declares the City's intent to annex the Subject

Parcels to CFD 2016-3, and set the public hearing for May 16, 2018. Should Resolution No. 2018-015 be approved and annexation process proceed, the City Council will be presented with more information regarding the special taxes to be levied on the Subject Parcel, and the maintenance services to be provided by CFD 2016-3 at the public hearing.

The Owners will pay for the entire annexation cost. The City awarded the special tax consulting services to Spicer Consulting Group (SCG) in January 2018 through a competitive process. A Purchase Order (PO) was issued in the amount of \$160,000 to cover all existing special tax district administration work. The cost of this requested annexation is not covered by the existing PO with SCG. Therefore, staff is requesting to increase PO P20751 by \$7,500, calculated based on the mutually agreed upon rates per the Professional Services Agreement (PSA) between the City and SCG.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The proposed annexation will establish Tax Zone 5 within CFD 2016-3. The Subject Parcels will be assessed as Single Family Residential and will benefit from the existing and future landscaping, street lighting, traffic signals, drainage, streets, parks, and graffiti abatement maintenance services for this area. The proposed annexation will result in approximately \$274,554 of additional special tax revenues per year, if the Subject Parcels are developed as planned, based on the annual rate of \$941 per residential unit.

The total annexation cost including assessment engineer fees, publication, and City staff time is borne by the Owners.

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 general rule 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 adoption of the resolutions may have a significant effect on the environment, the action is not subject to CEQA. This action merely declares the City's intent to annex the Subject Parcels to CFD 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.

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SUBMITTED BY: DARRELL TALBERT, CITY MANAGER