

RESOLUTION NO. 2015-37

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA OF
INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT

CITY OF MARINA
Community Facilities District No. 2015-01
(The Dunes)

WHEREAS, the City Council (this "Council") of the City of Marina (the "City") is authorized under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing at Section 53311) of the California Government Code (the "Act"), to establish a community facilities district and to act as its legislative body;

WHEREAS, this Council, having received petitions from the owners of not less than 10% of the area of land proposed to be included in the proposed community facilities district, now desires to proceed with the establishment of such community facilities district to finance costs of maintenance services required to meet the demands on public agencies resulting from the development of the land in the proposed community facilities district; and

WHEREAS, under Section 53339.2 of the Act, this Council further desires and hereby determines that it is in the public convenience and necessity to undertake proceedings to provide for future annexation of territory to the proposed community facilities district.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Marina, as follows:

1. Authority. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act.
2. Name of CFD; Name of Future Annexation Area. The name proposed for the community facilities district is "City of Marina Community Facilities District No. 2015-1 (The Dunes)" (the "CFD").

The name proposed for the territory proposed to be annexed into the CFD in the future is "City of Marina Community Facilities District No. 2015-1 (The Dunes) (Future Annexation Area)" (the "Future Annexation Area").

3. Boundaries Described. The proposed boundaries of the CFD and the Future Annexation Area, as shown on the proposed boundary map on file with the City Clerk, are hereby preliminarily approved, reference is hereby made to the proposed boundary map for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the proposed boundary map of the CFD and the Future Annexation Area in the office of the County Recorder within 15 days after the date of adoption of this Resolution.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

4. Services. The type of services proposed to be financed by the CFD and the Future Annexation Area under the Act shall consist of those listed in **Exhibit A** hereto and hereby incorporated herein (the “Services”). This Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the area of the CFD and the Future Annexation Area. The Services are in addition to those provided in the territory of the CFD and the Future Annexation Area as of the date hereof and will not supplant services already available within the territory of the CFD and the Future Annexation Area as of the date hereof. The City intends to provide the Services on an equal basis in the original territory of the CFD and, when it has been annexed to the CFD, the Future Annexation Area.

5. Special Tax. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the “Special Tax”) sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee may determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in **Exhibit B** attached hereto and hereby incorporated herein (the “Rate and Method”). This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

As required by Section 53339.3(d) of the Act, this Council hereby determines that the special tax proposed to pay for Services to be supplied within the Future Annexation Area shall be equal to any special tax levied to pay for the same Services in the existing CFD, except that a higher or lower tax may be levied within the Future Annexation Area to the extent that the actual cost of providing the Services in the Future Annexation Area is higher or lower than the cost of providing those Services in the existing CFD. In so finding, the Council does not intend to limit its ability to levy a special tax within the Future Annexation Area to provide new or additional services beyond those supplied within the existing CFD.

6. Exempt Property. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California, the County or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax. If a portion of the property within the CFD becomes for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD that is not exempt in order to yield the annual expenses of the CFD, subject to the provisions of the rate and method of apportionment of the Special Tax and the Act regarding limitations on maximum annual Special Tax rates and annual increases in the annual Special Tax levy.

7. Election and Unanimous Approval. The levy of the Special Tax in the CFD shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD.

A special tax shall be levied in the Future Annexation Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

8. CFD Report. The City Manager (or deputy or designee thereof) is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk, a report in writing (the "CFD Report"), which shall be a part of the record of the public hearing hereinafter specified and which shall present the following:

(a) A description of the Services that will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs.

9. Public Hearing. This Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and the Future Annexation Area on Tuesday, May 19, 2015, at 6:30 p.m. or as soon as possible thereafter, in the City Hall Council Chambers, 211 Hillcrest Avenue, Marina, California. At the public hearing, this Council will consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the Future Annexation Area and the levy of the Special Tax.

10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD and the Future Annexation Area. The publication shall be completed at least 7 days before the date of the public hearing specified above.

The City Clerk may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's address as it appears on the most recent tax records of the County or as otherwise known to the City Clerk to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing.

The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Appointment of Professionals. The City Council hereby ratifies the appointment of the following professional in connection with formation of the CFD: Jones Hall, A Professional Law Corporation, as legal counsel; Fieldman, Rolapp & Associates, as financial advisor; and Goodwin Consulting Group, Inc., as special tax consultant. The City Manager is hereby authorized to execute a retainer agreement with each of these firms in substantially the form and substance of the agreement on file with the City Clerk.

12. Effective Date. This resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015, by the following roll call vote:

AYES, COUNCIL MEMBERS: Amadeo, Brown, Morton, O'Connell, Delgado

NOES, COUNCIL MEMBERS: None

ABSENT, COUNCIL MEMBERS: None

ABSTAIN, COUNCIL MEMBERS: None

CITY OF MARINA

Bruce C. Delgado, Mayor

ATTESTED:

Anita Sharp, Deputy City Clerk

I HEREBY CERTIFY that the foregoing resolution was duly and regularly passed and adopted by the City Council of the City of Marina at a regular meeting thereof held on the 7th day of April, 2015, and that the foregoing is a full, true and correct copy of said Resolution.

Anita Sharp, Deputy City Clerk

EXHIBIT A

CITY OF MARINA Community Facilities District No. 2015-1 (The Dunes)

DESCRIPTION OF SERVICES

The Community Facilities District will fund, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982), including all related administrative costs, expenses and related reserves:

- Street Maintenance
- Sidewalk Maintenance
- Curb & Gutter Maintenance
- Decorative Lighting Maintenance
- Storm Drain Maintenance

RESOLUTION NO. 2015-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA
APPROVING GOALS AND POLICIES FOR COMMUNITY FACILITIES
DISTRICTS

WHEREAS, the City Council (this "Council") of the City of Marina (the "City") intends to consider the conduct of proceedings under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5, commencing with Section 53311 of Part 1, Division 2, Title 5 of the California Government Code, hereafter the "Act"); and

WHEREAS, under the Act, the City may initiate proceedings to establish a community facilities district only if it has first considered and adopted local goals and policies (the "Goals and Policies") in accordance with Government Code Section 53312.7, and this Council now desires to adopt such Goals and Policies;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Marina, as follows:

1. Approval of Goals and Policies (**EXHIBIT A**). In accordance with the requirements of Government Code Section 53312.7 and for purposes of the Act, this Council adopts the Goals and Policies as set forth in Exhibit "A" attached hereto and incorporated herein by reference.

2. Effective Date. This resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 7th day of April 2015, by the following roll call vote:

AYES, COUNCIL MEMBERS: Amadeo, Brown, Morton, O'Connell, Delgado

NOES, COUNCIL MEMBERS: None

ABSENT, COUNCIL MEMBERS: None

ABSTAIN, COUNCIL MEMBERS: None

CITY OF MARINA

Bruce C. Delgado, Mayor

ATTESTED:

Anita Sharp, Deputy City Clerk

I HEREBY CERTIFY that the foregoing resolution was duly and regularly passed and adopted by the City Council of the City of Marina at a regular meeting thereof held on the 7th day of April, 2015, and that the foregoing is a full, true and correct copy of said Resolution.

Anita Sharp, Deputy City Clerk

EXHIBIT A

CITY OF MARINA

LOCAL GOALS AND POLICIES FOR COMMUNITY FACILITIES DISTRICTS

I. GENERAL.

Section 53312.7(a) of the California Government Act requires that the City of Marina (the “City”) consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the “Act”) prior to the initiation of proceedings on or after January 1, 1994 to establish a new community facilities district (“CFD”) under the Act.

These Local Goals and Policies for Community Facilities Districts (the “Policies”) provide guidance and conditions for the conduct by the City of proceedings for, and the issuance of bonds secured by special taxes levied in, a CFD established under the Act. The Policies are intended to be general in nature; specific details will depend on the nature of each particular financing. The Policies are applicable to special tax financings and are intended to comply with Section 53312.7 (a) of the Government Act. These Policies shall not apply to any assessment financing or any certificate of participation or similar financings involving leases of or security in public property.

These Policies supersede any prior policies for the conduct of proceedings under the Act, are subject to amendment by the City at any time.

II. FINANCING PRIORITIES.

Eligible Facilities. The real or tangible property eligible to be financed by a CFD are those identified in the Act, and must be owned by a public agency or public utility and must have a useful life of at least 5 years, except that up to 5% of the proceeds of an issue may be used for property owned and operated by a privately-owned public utility. Any new development proposed within a CFD must have received any required legislative approvals such as zoning or specific plan approvals. A CFD shall not vest any rights to future land use on any properties, including those which are responsible for paying special taxes.

It is acknowledged that the Act permits the financing of fee obligations imposed by governmental agencies, the proceeds of which are to be used to fund public capital improvements of the nature permitted by the Act.

The funding of public facilities to be owned and operated by public agencies other than the City shall be considered on a case-by-case basis. If the proposed financing is consistent with a public facilities financing plan approved by the City, or the proposed facilities are otherwise consistent with approved land use plans for the property, the City may consider entering into a joint community facilities agreement or joint powers authority agreement in order to finance these facilities. A joint agreement with the public agency that will own and operate any such facility must be entered into at the time or times required by the Act.

A CFD may also be formed for the purpose of refinancing any fixed special assessment or other governmental lien on property, to the extent permitted under the Act, as applicable.

Priorities. Priority for CFD financing shall be given to public facilities which: (a) provide a clearly defined public benefit, (b) are necessary for development to proceed in an orderly fashion, or (c) are otherwise coordinated to correspond to the phasing of the related private development project, if any. The City will attempt to schedule construction of CFD-financed facilities in a manner such that private development will not occur ahead of the installation of public infrastructure necessary to support that development.

Eligible Services. The services eligible to be financed by a CFD (the “**Services**”) are those identified in the Act, including without limitation Section 53313 of the Act. To the extent required by the Act, the CFD may only finance the Services to the extent they are in addition to those provided in the territory of the CFD before the CFD was created, and the additional Services may not supplant services already available within the territory of the CFD when the CFD was created.

III. CREDIT QUALITY OF BOND ISSUES.

For all CFD bond issues, the value of the taxable property included in the CFD (taking into account the value of the public improvements to be financed by the CFD) should be at least 3 times the principal amount of the bonds to be issued plus the outstanding principal amount of any outstanding bonds secured by a special tax or assessment lien on the property in the CFD, unless otherwise specifically approved by the City Council of the City as provided in Section 53345.8(b) or (c) of the Act. Property value may be based on either an appraisal (as described in VI below) or on assessed values as indicated on the county assessor's tax roll.

In most cases, a reserve fund will be required for all bond issues, which shall be funded in an amount equal to the lesser of (i) 10% of the original proceeds of the bond issue, (ii) the maximum annual debt service on the bonds, or (iii) 125% of the average annual debt service on the bonds. A smaller reserve fund may be permitted in specific cases depending on the value, development status, or other aspects of the property within the CFD.

The City may disallow the sale of bonds or require additional credit enhancement for the bonds under certain circumstances, such as cases where the property value to public lien ratio is less than 3 to 1, excessive tax delinquencies exist with respect to the property in the CFD, or the project proposed to be constructed within the CFD is deemed to have poor economic viability.

The City may consider exceptions to the above policies for bond issues that do not represent an unusual credit risk, either due to credit enhancement or other reasons specified by the City, or which otherwise provide extraordinary public benefits, to the extent permitted by and subject to any applicable requirements of the Act.

If the City requires credit enhancement in the form of a letter of credit or other security, the credit enhancement shall be issued by a financial institution, in a form and upon terms and conditions satisfactory to the City.

As an alternative to providing credit enhancement in the form of a letter of credit or other security, the property owner may request that a portion of the bond proceeds be placed in escrow in an amount sufficient to assure a value-to-lien ratio of at least 3 to 1 on the outstanding bond proceeds. The escrowed proceeds shall be released at such times and in such amounts as may be

necessary to assure a value-to-lien ratio of at least 3 to 1 on the aggregate outstanding bond proceeds.

IV. DISCLOSURES

Purchasers of Property. As a minimum, any disclosures mandated by applicable state law shall apply to each CFD to inform prospective purchasers of property within the CFD of the existence of the special tax lien and their obligations with respect to the special taxes and the CFD. In addition, there may be additional requirements mandated by the City for particular kinds of financings on a case-by-case basis. The City may prescribe specific forms to be used to disclose the existence and extent of obligations imposed by CFD.

Disclosure Requirements for the Resale of Lots. The City may provide a notice of special taxes to sellers of property (other than developers) which will enable them to comply with their notice requirements under Section 1102.6 of the Civil Act. This notice shall be provided by the City after receiving a written request for the notice. A reasonable fee may be charged for providing the notice, not to exceed any maximum fee specified in the Act.

V. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES

The special tax formula shall be reasonable in allocating the CFD's payment obligations to parcels within the CFD. Special tax formulas shall provide for minimum special tax levels which at minimum satisfy the following payment obligations of a CFD:

- (a) a minimum 110% gross debt service coverage for all CFD bonded indebtedness,
- (b) the administrative expenses of the CFD, and
- (c) amounts equal to the differences between expected earnings on any escrow fund and the interest payments due on related bonds of the CFD.

In addition, the special tax formula may provide for the following to be included in the Special Tax levies:

- (a) any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD,
- (b) the accumulation of funds reasonably required for future debt service,
- (c) amounts equal to projected delinquencies of special tax payments,
- (d) the costs of remarketing, credit enhancement and liquidity facility fees,
- (e) the cost of acquisition, construction, furnishing or equipping of authorized Facilities,
- (f) lease payments for existing or future facilities,
- (g) costs associated with the release of funds from an escrow account,
- (h) the costs of Services, and
- (i) any other costs or payments permitted by law.

Exemptions from the special tax may be given on a case-by-case basis at the discretion of the City, and may include without limitation parcels that are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easements, or have insufficient value to support bonded indebtedness.

At the time a CFD is formed, the City shall reasonably determine that the total projected annual property tax rate on each residential parcel in the CFD (including the special taxes (based on the expected special tax rates and not any "back-up" special taxes), ad valorem taxes, and any maintenance, landscaping or other assessments, and other similar annual government charges, but excluding homeowners' association annual levies) will not exceed the lesser of (i) 2% of the estimated sales prices or assessed values of the respective homes to be constructed in the CFD, or (ii) any maximum specified in the Act; provided, however, that the City may waive this requirement with respect to any CFD whose qualified electors are registered voters.

The annual increase, if any, in the maximum special tax for any parcel may not exceed any maximum specified in the Act. The increase in the special tax levied on any parcel as a consequence of delinquency or default by the owner of any other parcel may not exceed any maximum specified in the Act.

Special taxes will only be levied on an entire assessor's parcel, and any allocation of special tax liability of an assessor's parcel to leasehold or possessory interest in the fee ownership of such assessor's parcel shall be the responsibility of the fee owner of such parcel and the City shall have no responsibility therefore and has no interest therein. Failure of the owner of any parcel to pay or cause to be paid any special taxes in full when due, shall subject the entire assessor's parcel to foreclosure in accordance with the Act.

The City may retain a special tax consultant to prepare a report which: (a) recommends a special tax for the proposed CFD, and (b) evaluates the special tax proposed to determine its ability to adequately fund identified public facilities, administrative costs, services (if applicable) and other related expenditures. Such analysis may also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes and assessments on the properties within the CFD.

VI. APPRAISALS

The definitions, standards and assumptions to be used for appraisals shall be determined by City staff on a case-by-case basis, with input from City consultants, and by reference to relevant materials and information promulgated by the State of California, including without limitation the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission. The appraiser shall be selected by or otherwise acceptable to the City, and the appraisal shall be coordinated by and under the direction of, or otherwise as acceptable to, the City.

The date of value of the appraisal must generally be no more than approximately three months before the date the bonds are sold, unless the City Council of the City determines that a longer time is appropriate.

All costs associated with the preparation of the appraisal report shall be paid by the property owners requesting the establishment of the CFD, if applicable.

VII. TERMS AND CONDITIONS OF BONDS.

All terms and conditions of the bonds shall be established by the City. The City will control, manage and invest all CFD issued bond proceeds. Each bond issue shall be structured to adequately protect bond owners and to not negatively impact the bonding capacity or rating of the City. These security measures could include a combination of credit enhancement, foreclosure covenant, or establishment of a special reserve fund. The City has the sole discretion to determine the types of credit enhancement, foreclosure covenant and special reserve fund that may be required.

VIII. EXCEPTIONS TO THESE POLICIES

The City may find in limited and exceptional instances that a waiver to any of the above stated policies is reasonable given identified special benefits to be derived from such waiver. Such waivers only will be granted by action of the City Council of the City.

April 2, 2015

Item No. **11a**

Honorable Mayor and Members
Of the Marina City Council

City Council Meeting
of April 7, 2015

**CITY COUNCIL CONSIDERS ADOPTING RESOLUTION NO. 2015-
APPROVING GOALS AND POLICIES FOR COMMUNITY FACILITIES
DISTRICTS AND RESOLUTION NO. 2015-, AUTHORIZING THE CITY
OF MARINA TO ESTABLISH COMMUNITY FACILITIES DISTRICT
NO. 2015-1 (“Dunes CFD”)**

REQUEST:

It is requested that the City Council consider at tonight’s meeting the following items:

1. Adopting Resolution No. 2015-, approving goals and policies for Community Facilities Districts, and
2. Adopting Resolution No. 2015-, of Intention to establish the Community Facilities District No. 2015-1 (“Dunes CFD”).

BACKGROUND:

State law requires the City adopt Local Goals and Policies for Community Facilities Districts (the “Goals and Policies”) and the City’s Bond Counsel, Jones Hall has prepared updated Goals and Policies in order for the City to comply with State law. The City had previously adopted Local Goals and Policies related to a prior Community Facilities District.

The City Council had previously approved a Development and Disposition Agreement (“DDA”) with Marina Community Partners (“MCP”) back in 2005 for the transfer of property from the City to MCP for The Dunes Development. A key component of the DDA was a provision requiring The Dunes Development should be “Fiscally Neutral” to the City. A provision of the DDA required MCP to form a Landscape Lighting District (“LMD”) or a Community Facilities District (“CFD”) to pay for the costs of services to maintain infrastructure to be owned by the City at The Dunes Development. The City received a petition from Shea Homes, the assignee of MCP for certain portions of the Dunes Development, requesting the City to create a Community Facilities District to be designated City of Marina Dunes Community Facilities District No. 2015-1 (“Dunes CFD”) to levy a special tax to fund all or a part of the public services (the “Services”) required to maintain infrastructure to be owned by the City at The Dunes Development. In addition, the petition requested the City to designate a Future Annexation Area, which is an area in which additional parcels can be annexed into the CFD in the future all owners of the parcels execute a unanimous consent to annexation.

The City received a petition from Shea Homes requesting the City to create a Community Facilities District to be designated City of Marina Dunes Community Facilities District No. 2015-1 (“Dunes CFD”) to levy a special tax to fund all or a part of the public services (the “Services”) required to maintain infrastructure to be owned by the City at The Dunes Development. In addition, the petition requested the City to designate a Future Annexation

Area, which is an area in which additional parcels can be annexed into the CFD in the future the all owners of the parcels execute a unanimous consent to annexation.

ANALYSIS:

The proposed annual amount of the special taxes to be levied to fund all or a part of the Services required for maintaining the infrastructure to be owned by the City of Marina at The Dunes Development is estimated to be \$437.33 per residential unit and will be escalated each year to adjust for inflation. Engineering staff has prepared this estimate in conjunction with the City Manager and Shea Homes Limited Partnership. The Services to be funded include maintenance of Streets, Sidewalks, Curbs & Gutters, Decorative Lighting and Storm Drains.

Legal Documents

At tonight's City Council meeting there will be several legal documents prepared by Jones Hall, the City's Bond Counsel related to the adoption of Local Goals and Policies and the formation of Community Facilities District No-2015-1 ("Dunes CFD") for your consideration and approval:

Resolution approving Local Goals and Policies – The Resolution approving the Goals and Policies satisfies the requirements of the Mello-Roos Act.

Petition – The Petition submitted by Shea Homes Limited Partnership and signed by an authorized representative covers all of the current and future residential property at The Dunes.

Resolution of Intention – The Resolution of Intention does the following: a) accepts the petition filed by Shea with respect to the Dunes CFD; b) declares the intention of the City to form the Dunes CFD and the Future Annexation Area; (c) describes the territories within the boundaries of the Dunes CFD, and the Future Annexation Area; d) describes the types of services that will be funded by special taxes; e) describes the rate and method of apportionment of the special taxes to be levied in the Dunes CFD; f) calls a public hearing to be held on May 19, 2015: and g) describes the proposed voting procedures for the Dunes CFD.

Conclusion and Next Steps – Adoptions of tonight's Resolution of Intention is the first step to establish Dunes CFD. The formation of the Dunes CFD will occur after the public hearing, scheduled for May 19, 2015. At that hearing, the City Council will be presented with information regarding the Dunes CFD, the special taxes, and public services. The public will also have the opportunity to comment on the Dunes CFD. After the conclusion of the May 19th public hearing the City Council may take the following actions:

1. Adopt a resolution establishing the Dunes CFD
2. Call a special election
3. Conduct the election
4. Adopt a resolution declaring the results of the election.
5. Introduce for first reading an ordinance authorizing the levy of special taxes

The adoption of the Resolution of Intention under consideration this evening will not commit the City Council to establish Dunes CFD nor authorize the levy of special taxes. The City Council may establish Dunes CFD only after conducting the May 19th public hearing, and may levy the special taxes only if the result of the special election show 2/3rds approval. Following the May 19th public hearing and landowner election, the proposed schedule to complete the formation of the Dunes CFD is as follows:

June 2, 2015: Second Reading of ordinance authorizing special tax levy

July 2, 2015: Special Tax Ordinance becomes effective

The resolutions and related documents have been prepared and reviewed by the City's consultant team, which includes bond counsel (Jones Hall), financial advisor (Fieldman, Rolapp and Associates) and special tax consultant (Goodwin Consulting).

FISCAL IMPACT:

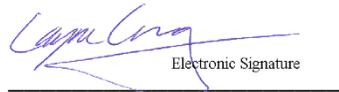
There is an impact to the City's General Fund if Dunes CFD is not formed due to the potential services costs estimated at \$140,735.82 per year being paid out of the General Fund.

CONCLUSION:

This request is submitted for City Council consideration and possible action.


Electronic Signature
Lauren Lai, CPA
Finance Director
City of Marina

REVIEWED/CONCUR:


Electronic Signature
Layne P. Long
City Manager
City of Marina

Attachments:

1. Resolution adopting Local Goals and Policies
2. Local Goals and Policies for Community Facilities Districts
3. Resolution of Intention including Rate and Method of Apportionment
4. Petition
5. CFD Boundary Map

