

**CITY OF MODESTO
COFFEE-CLARATINA
COMMUNITY FACILITIES DISTRICT No. 2000-2**

CFD REPORT

November 13, 2000

Prepared For:

CITY OF MODESTO

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I. INTRODUCTION

The Coffee-Claratina site is located within a “Comprehensive Planning District (CPD)”, which, pursuant to the City of Modesto General Plan, necessitates adoption of a specific plan prior to development within the area. The Coffee-Claratina Specific Plan was adopted by the Modesto City Council setting forth a plan for development which includes 130 acres designated for a maximum of 1,000 residential dwelling units, 40 acres designated “Regional Commercial”, and 15 acres of “Mixed Community Commercial” development. The Coffee-Claratina CPD is located on the south side of Claratina Avenue, bound by Coffee Road on the east, McHenry Avenue on the west, and the Modesto City limits to the south.

Tentative maps approved for development within the Specific Plan area require, as a condition of development, that the property be included within a Mello-Roos Community Facilities District (CFD) to fund maintenance of median, bikeway, round-about and miscellaneous planting areas. In addition, the CFD will generate funding for maintenance and repair of a storm drain basin and dual-use flood control/recreation facility.

II. STRUCTURE OF COMMUNITY FACILITIES DISTRICT No. 2000-2

A. Introduction

A Mello-Roos CFD may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the CFD. In addition, a CFD may pay for various public services and maintenance of public improvements, including parkways and open space.

The Resolution of Intention to Establish CFD No. 2000-2 was adopted by the City Council on October 17, 2000. After a public hearing and a successful election by the landowners within the CFD, the CFD will be formed and the levy of a special tax will be authorized.

B. Boundaries of Coffee-Claratina CFD

The initial boundaries of the CFD include six assessor's parcels and a total of 78.10 gross acres. Nine additional assessor's parcels are anticipated to annex into CFD No. 2000-2 when development is triggered on the parcels; ultimately, the CFD will include approximately 131 gross acres and an estimated 78 net developable acres. A copy of the boundary map for CFD No. 2000-2 is included as Appendix A of this CFD Report.

Appendix B identifies the assessor's parcels that are ultimately expected to be included with the boundaries of CFD No. 2000-2 and the maximum special tax that can be collected within the CFD based on the estimated net developable acreage of these parcels.

C. CFD Special Tax Structure

Each year a special tax will be levied and collected from parcels within the CFD to pay costs associated with the maintenance and repair of a storm drain basin and a dual-use flood control/recreation facility, and the ongoing maintenance of median, bikeway, round-about and miscellaneous planting areas within the Specific Plan. The Rate and Method of Apportionment of Special Tax ("RMA"), which describes in detail how the tax will be allocated among properties in the CFD, is included as Appendix C of this report.

As explained in the RMA, an "Annual Special Tax" will be levied to pay for authorized

maintenance expenses, in an amount not to exceed \$2,468 per acre in fiscal year 2001-02 dollars. This maximum tax will escalate each year by applying the greater of (i) the percentage increase, if any, in the Engineering News Record construction cost index for the San Francisco region for the prior twelve month period, or (ii) four percent. The Annual Special Tax will first be levied on “Developed Property”, which is defined, for a particular fiscal year, as any parcel for which a final building permit inspection was conducted or certificate of occupancy issued by June 1 of the preceding fiscal year. After the maximum Annual Special Tax has been collected from Developed Property, the remaining amount needed for authorized expenses in the fiscal year will be collected from “Undeveloped Property”, which includes all parcels that have not had a final building permit inspection conducted or certificate of occupancy issued.

In addition to the Annual Special Tax, an “Annexation One-Time Special Tax” will be collected from all parcels that annex into CFD No. 2000-2 in future fiscal years. The Annexation One-Time Special Tax will be calculated pursuant to the formula set forth in Section E of the RMA and will be collected to reimburse the landowner who made the initial deposit to the City to pay the costs of forming CFD No. 2000-2. The Annexation One-Time Special Tax must be paid prior to approval by the City Council of the resolution approving the annexation.

III. DESCRIPTION OF SERVICES AND EXPENSES TO BE FUNDED BY CFD No. 2000-2

The individual line-item service costs to be funded by CFD No. 2000-2 are identified in Appendix D of this report.

APPENDIX A

**COFFEE-CLARATINA COMMUNITY FACILITIES DISTRICT No. 2000-2
OF THE CITY OF MODESTO**

CFD BOUNDARY MAP

APPENDIX B

COFFEE-CLARATINA COMMUNITY FACILITIES DISTRICT No. 2000-2
OF THE CITY OF MODESTO

CALCULATION OF MAXIMUM SPECIAL TAX

APPENDIX C

COFFEE-CLARATINA COMMUNITY FACILITIES DISTRICT No. 2000-2
OF THE CITY OF MODESTO

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX D

**COFFEE-CLARATINA COMMUNITY FACILITIES DISTRICT No. 2000-2
OF THE CITY OF MODESTO**

DETAIL OF EXPENSES TO BE FUNDED BY CFD