



## CONSENT CALENDAR

### City of San Bernardino Request for Council Action

**Date:** November 6, 2024

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

**From:** Rochelle Clayton, Acting City Manager;  
Kenneth Chapa, Director of Economic Development

**Department:** Economic Development

**Subject:** **Resolution Declaring Intent to Annex Territory:  
Community Facilities District No. 2019-1 (Maintenance  
Services): Annexation No. 47, Tax Zone No. 47 (Dutch  
Bros Coffee) (Ward 3)**

#### **Recommendation:**

It is recommended that the Mayor and City Council of San Bernardino, California, adopt Resolution No. 2024-216 of the Mayor and City Council of San Bernardino, California, declaring its intention to annex territory into Community Facilities District No. 2019-1 (Maintenance Services) of the City of San Bernardino, adopting a map of the area to be proposed (Annexation No. 47) and authorizing the levy of a special taxes therein.

#### **Executive Summary**

The recommended actions are the first step of the annexation process for the proposed development into Community Facilities District ("CFD") No. 2019-1 (Maintenance Services). The property owner has petitioned the City to annex into the City's CFD to mitigate its impacts for maintenance service of public facilities as a result of the new development. The special taxes will be levied annually to offset general fund expenditures related to maintenance of public improvements within and for the benefit of the development.

#### **Background**

On June 5, 2019, the Mayor and City Council approved Resolution No. 2019-81 establishing Community Facilities District No. 2019-1 (Maintenance Services) of the City of San Bernardino (the "CFD No. 2019-1" 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 July 17, 2019, the Mayor and City Council adopted Resolution No. 2019-178,

establishing CFD No. 2019-1 pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 ("Act"). CFD No. 2019-1 allows for the levy of special taxes on parcels of taxable property for the purpose of providing certain services which are necessary to meet increased demands placed by development upon the City.

### **Discussion**

Development projects are subject to conditions of approval that require projects to form/annex a maintenance district. These districts apply an annual fee or special tax upon properties within the District which provide the revenue to offset the cost of maintenance of the public improvements necessary to serve the development. The Developer has agreed to initiate and conduct the CFD annexation proceedings pursuant to the Act. To that end, the Developer has submitted a "Consent and Waiver" form, which is on file in the City Clerk's office that authorizes the City to (1) hold the election and declare election results; (2) shorten election time requirements; (3) waive analysis and arguments; (4) waive all notice requirements relating to the conduct of the election immediately following the public hearing.

The public facilities and services proposed to be financed within the territory to be annexed to the District are the following:

1. Maintenance of landscaping and other public improvements installed within the public rights-of-way; and
2. Public lighting and appurtenant facilities, including street lights within public rights-of-way and traffic signals; and
3. Maintenance of streets, including street sweeping, pavement management and sidewalks; and
4. City and County costs associated with the setting, levying and collection of the special tax, and in the administration of the District including the contract administration and for the collection of reserve funds.

The proposed development includes approximately 2.71 gross acres of zoned commercial property. The property is located southeast of E Hospitality Ln, north of Harriman Pl., and west of S Tippecanoe Ave. This development will include a drive-thru restaurant as a new Tax Zone, No. 47, within CFD No. 2019-1, as shown in the boundary map and included in the Resolution of Intention as Exhibit "D". In order to annex into CFD No. 2019-1, a Resolution of Intention to annex property must be approved to identify the facilities to be maintained and establish the maximum special tax for this Tax Zone. The Resolution of Intention shall also set the date and time for the public hearing.

The rate and method of apportionment of the special tax for this Tax Zone, (Tax Zone No. 47), is included as Exhibit "C" to the Resolution of Intention. The maximum annual special tax for this development has been calculated to be \$5,635 per acre for FY

2024/25. Special Tax rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%. Exhibit “H”, attached to the staff report is a maintenance exhibit to illustrate which services are being maintained by the CFD.

In order to annex property to CFD No. 2019-1 pursuant to the provisions of California Government Code Section 53311 et seq., the City must adopt a series of three statutorily required Resolutions and an Ordinance which are summarized below.

- Resolution declaring City intent to annex territory to Community Facilities District No. 2019-1 including the boundary of the area to be annexed and the rate and method of apportionment of special taxes within the annexation area (the special tax applies only to properties within the annexation area).
- Resolution calling an election to submit to the qualified electors the question of levying a special tax within the area proposed to be annexed to the District.
- Resolution declaring the results of the election and directing the recording of the notice of special tax lien.
- Amend the Ordinance and order the levy and collection of special taxes in the District.

The individual property owners in the CFD will be responsible for annual payments of special taxes. Upon full completion of the development, it is estimated that there will be an annual collection of special tax revenues of approximately \$15,310 to be used to pay for maintenance costs.

On March 1 of each year, every taxable unit for which a building permit has been issued within the boundaries of the CFD will be subject to the special tax for 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 applied to property within recorded final subdivision maps, as well as other undeveloped property within the boundaries of the CFD.

With the adoption of the Resolution of Intention, the Public Hearing would be scheduled for December 18, 2024.

### **2021-2025 Strategic Targets and Goals**

This project is consistent with Key Target No 1. Improved Operational & Financial Capacity and Key Target No 4. Economic Growth & Development. This project will contribute to ensure that the City is clean and attractive and provide infrastructure designed for long term economic growth.

### **Fiscal Impact**

There is no fiscal impact to the City. All costs associated with annexation into the CFD have been borne by the Developer.

## **Conclusion**

It is recommended that the Mayor and City Council of San Bernardino, California, adopt Resolution No. 2024-216 of the Mayor and City Council of San Bernardino, California, declaring its intention to annex territory into Community Facilities District No. 2019-1 (Maintenance Services) of the City of San Bernardino, adopting a map of the area to be proposed (Annexation No. 47) and authorizing the levy of a special taxes therein.

## **Attachments**

Attachment 1 – Resolution of Intention No. 2024-216  
Attachment 2 – Exhibit A - Description of Territory  
Attachment 3 – Exhibit B - Description of Services  
Attachment 4 – Exhibit C - Rate and Method of Apportionment  
Attachment 5 – Exhibit D - Boundary Maps  
Attachment 6 – Exhibit E - Signed Petition  
Attachment 7 – Exhibit F - Notice of Public Hearing  
Attachment 8 – Exhibit G - Special Election Ballot  
Attachment 9 – Exhibit H - Maintenance Exhibit  
Attachment 10 – Project Map

## **Ward:**

Third Ward

## **Synopsis of Previous Council Actions:**

June 5, 2019                      Mayor and City Council adopted Resolution No. 2019-81, a Resolution of Intention to form Community Facilities District No. 2019-1 (Maintenance Services) of the City of San Bernardino (the “Resolution of Intention”), pursuant to the provisions of the “Mello-Roos Community Facilities Act of 1982”.

July 17, 2019                      Resolution No. 2019-178 was adopted establishing Community Facilities District No. 2019-1; Resolution No. 2019-179 was adopted declaring election results for Community Facilities District No. 2019-1; and first reading of Ordinance No. MC-1522 levying special taxes to be collected during FY 2019-20 to pay annual costs of maintenance, services and expenses with respect to Community Facilities District No. 2019-1.

August 7, 2019                      Final reading of Ordinance No. MC-1522 levying special taxes to be collected during FY 2019-20 to pay annual costs of maintenance, services and expenses with respect to Community Facilities District No. 2019-1.