

REPORT

To the Honorable Mayor and City Council
From the City Manager

June 18, 2007

SUBJECT

Annual Tax Levy for the Redwood Shores Traffic Improvement District

RECOMMENDATION

Adopt a resolution authorizing the levy of special taxes for FY 2007/08 in the amount of \$845,694.04 on the parcels within Redwood City Community Facilities District 99-1 (Shores Traffic Improvement District) to be used to pay the principal and interest payments on bonds issued to finance certain transportation system improvements within the district.

BACKGROUND

In 1999, the City Council established the Shores Traffic Improvement District (STID) pursuant to the Mello-Roos Community Facilities Act of 1982 and authorized the issuance of up to \$13,535,000 in bonds to finance transportation improvement projects in the Redwood Shores area. No general fund resources or commitments support these bonds. These bonds are secured only by the real property within the district. The parcels that comprise the district are exclusively commercial properties in the Redwood Shores area; no residential properties are part of the district.

The first of two planned series of bonds were issued in January 2001 in the amount of \$5,045,000. This bond issue financed traffic improvements at several intersections in Redwood Shores. The second and final bond issue in the amount of \$7,505,000 was issued in the fall of 2003 to finance the reconfiguration of the Ralston Avenue/Marine Parkway/U.S. 101 interchange.

During the district formation proceedings, the City Council committed to levying annual special property taxes on the district property owners in an amount sufficient to pay for all principal, interest, and administration costs. The resolution presented to Council this evening will provide the county auditor authority to levy these taxes in FY 2007/08.

As of May 31, 2007, \$11,845,000 of principal remained outstanding. These bonds will be completely paid off on September 1, 2033.

ALTERNATIVES

The Council could elect not to levy these taxes. Doing so would jeopardize the district's ability to make principal and interest payments to bondholders and would likely cause a default on the outstanding bonds.

FISCAL IMPACT

No general fund resources are involved in supporting the district. All of the district's expenditures will be paid by the property owners within the district.



Brian Ponty
Director of Finance and Financial Planning



Edward Everett
City Manager

ATTACHMENTS

None

RELATED DOCUMENTS IN CITY CLERK'S OFFICE

None

RESOLUTION NO. _____

**RESOLUTION OF THE COUNCIL OF THE CITY OF REDWOOD CITY
ACTING AS THE LEGISLATIVE BODY OF THE COMMUNITY
FACILITIES DISTRICT NO. 99-1 AUTHORIZING THE ANNUAL LEVY
OF SPECIAL TAX FOR FISCAL YEAR 2007/2008**

RESOLVED, by the City Council of the City of Redwood City, California (the "City Council"), acting as the Legislative Body of the Community Facilities District No. 99-1 (the "Legislative Body") as follows:

WHEREAS, the City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to form the City of Redwood City Community Facilities District No. 99-1 (Shores Transportation Improvement Project) (the "District"), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by said special taxes to finance certain facilities; and

WHEREAS, the Legislative Body has, pursuant to Ordinance No. 2180, enacted on August 23, 1999 (the "Ordinance"), as authorized by section 53340 of the California Government Code, authorized the levy of a special tax to pay for costs and expenses related to the District, and the Legislative Body desires to establish the specific rate of the special tax to be collected for the next fiscal year.

NOW, THEREFORE, it is hereby determined and ordered as follows:

1. The above recitals are all true and correct.
2. The specific rate and amount of the special tax to be collected to pay for costs and expenses for Fiscal Year 2007/2008 for the District is hereby determined and established as set forth in Exhibit A, attached hereto and incorporated by reference.
3. The rate determined and as set forth above does not exceed the amount as previously authorized by the Ordinance and is not in excess of that amount previously approved by the qualified elector of the District, and is in accordance with Proposition 218, Section XIID of the California State Constitution.
4. That the proceeds of the special tax shall be used to pay, in whole or in part, the costs of the following, in the following order of priority:
 - (a) Payment of principal of and interest on any outstanding authorized bonded indebtedness;

(b) Necessary replenishment or expenditure of bond reserve funds, other reserve funds or accumulation of funds for future payments including any amount required by Federal law to be rebated to the United States on the same debt;

(c) Payment of costs and expenses of authorized public facilities;

(d) Repayment of advances and loans, if appropriate; and

(e) Payment of District administrative costs.

The proceeds of the special taxes shall be used as set forth above, and shall not be used for any other purpose.

5. The special tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected, and shall be subject to the same penalties and same procedures, sale and lien priority in cases of any delinquency as is provided for *ad valorem* taxes, and the San Mateo County Tax Collector is hereby authorized to deduct reasonable administrative costs incurred in collecting any said special tax.

6. All monies collected shall be paid into the District funds, including any bond fund and reserve fund.

7. For the purpose of collecting this special tax, the City Manager or his designee is authorized to timely file with the San Mateo County Auditor and Tax Collector, in the format and media specified by the County, a list showing the amount of the special tax levied upon each parcel of taxable property in the District.

8. The San Mateo County Auditor shall then, at the close of the tax collection period, promptly render to the legislative body a detailed report showing the amount and/or amounts of such special tax installments, interest, and penalties so collected for the District and from what property those revenues were collected identifying any properties which are delinquent and the amount and length of time in arrears, and also provide a statement of the percentage retained by the San Mateo County Auditor for the expense of making any such collection and the report.

9. This Resolution relating to the levy of the special tax shall take effect immediately upon its adoption in accordance with the provisions of section 53340 of the California Government Code, as amended.

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EXHIBIT "A"

COMMUNITY FACILITIES DISTRICT NO. 99-1
PRELIMINARY ANNUAL LEVY REPORT
FISCAL YEAR 2007/2008

City of Redwood City
Redwood Shores Community Facilities District No. 99-1
2007/08 - Tax Roll

APN	LEVY AMOUNT	SITUS ADDRESS
095-012-220	18,868.24	800 BRIDGE PARKWAY
095-012-450	28,302.38	1300 ISLAND DR
095-012-460	141,511.92	1400 BRIDGE PKWY
095-152-080	10,916.98	1 TWIN DOLPHIN DR
095-152-090	15,403.76	100 MARINE PKWY
095-153-080	46,679.28	3 LAGOON DR
095-220-210	19,498.44	101 REDWOOD SHORES PKWY
095-220-220	8,928.72	330 TWIN DOLPHIN DR
095-220-230	14,702.20	350 TWIN DOLPHIN DR
095-221-120	38,996.88	555 TWIN DOLPHIN DR
095-222-270	19,515.60	288 REDWOOD SHORES PKWY
095-222-280	12,186.52	100 REDWOOD SHORES PKWY
095-222-300	24,170.46	210 REDWOOD SHORES PKWY
095-222-330	11,054.04	1000 TWIN DOLPHIN DR
095-232-020	14,646.06	130 SHORELINE DR
095-233-090	21,448.28	255 SHORELINE DR
095-233-150	35,682.14	333 TWIN DOLPHIN DR
095-233-180	54,647.90	223 TWIN DOLPHIN DR
095-233-190	21,448.28	275 SHORELINE DR
095-233-200	32,172.42	303 TWIN DOLPHIN DR
095-241-030	3,266.76	350 BRIDGE PKWY
095-242-120	1,570.00	356 MARINE PKWY
095-242-250	4,910.86	370 BRIDGE PKWY
095-242-260	6,590.46	350 MARINE PKWY
095-441-030	8,633.90	1201 RADIO RD
095-441-040	8,633.90	1235 RADIO RD
095-481-040	71,989.04	209 REDWOOD SHORES PKWY
095-481-050	9,096.02	207 REDWOOD SHORES PARKWAY
095-481-070	63,593.98	250 SHORELINE DR
095-481-150	37,965.80	203 REDWOOD SHORES PARKWAY
095-481-160	28,328.90	201 REDWOOD SHORES PKWY
111-910-010	359.42	240 TWIN DOLPHIN DR # A-1
111-910-020	359.62	240 TWIN DOLPHIN DR # A2
111-910-030	285.42	240 TWIN DOLPHIN DR # A3
111-910-040	623.46	240 TWIN DOLPHIN DR # A4
111-910-050	362.52	240 TWIN DOLPHIN DR # A5
111-910-060	378.42	240 TWIN DOLPHIN DR # A6
111-910-070	620.36	220 TWIN DOLPHIN DR # B1
111-910-080	338.44	220 TWIN DOLPHIN DR # B2
111-910-090	276.22	220 TWIN DOLPHIN DR # B3
111-910-100	500.68	220 TWIN DOLPHIN DR # B4
111-910-110	477.54	220 TWIN DOLPHIN DR # B5
111-910-120	311.88	200 TWIN DOLPHIN DR # C1
111-910-130	529.40	200 TWIN DOLPHIN DR # C2
111-910-140	281.28	200 TWIN DOLPHIN DR # C3
111-910-150	519.90	200 TWIN DOLPHIN DR # C4
111-910-160	400.86	210 TWIN DOLPHIN DR # D1
111-910-170	354.96	210 TWIN DOLPHIN DR # D2
111-910-180	400.02	210 TWIN DOLPHIN DR # D3
111-910-190	553.90	230 TWIN DOLPHIN DR #E1
111-910-200	386.60	230 TWIN DOLPHIN DR #E2
111-910-210	387.42	230 TWIN DOLPHIN DR #E3
111-910-220	385.24	230 TWIN DOLPHIN DR #E4

APN	LEVY AMOUNT	SITUS ADDRESS
111-910-230	347.42	250 TWIN DOLPHIN DR # F1
111-910-240	466.26	250 TWIN DOLPHIN DR # F2
111-910-250	426.68	250 TWIN DOLPHIN DR # F3

DISTRICT SUMMARY	
APN total count:	56
LEVY AMOUNT total sum:	845,694.04