

REPORT

To the Honorable Mayor and City Council
From the City Manager

June 21, 2004

Subject

Annual Tax Levy for the Shores Traffic Improvement District

Recommendation

It is recommended that the City Council acting as the legislative body of the Community Facilities District No. 99-1 adopt a resolution authorizing the levy of special taxes for FY 2004/05 in the amount of \$1,005,894.14 on the parcels within Redwood City Community Facilities District 99-1 (Shores Traffic Improvement 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 2004/05.

Alternatives

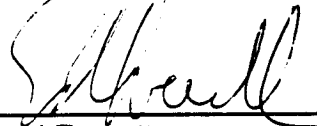
The Council could elect not to levy these taxes. Doing so would jeopardize the district's ability to make principal and interest payments to bondholders and would likely cause a default on the outstanding bonds. In addition to subjecting the Council to lawsuits, a default would also likely eliminate the Council's ability to issue the second series of 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

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 2004/2005**

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 2004/2005 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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5.2-A.4

EXHIBIT "A"

**COMMUNITY FACILITIES DISTRICT NO. 99-1
PRELIMINARY ANNUAL LEVY REPORT
FISCAL YEAR 2004/2005**



City of Redwood City
Redwood Shores Community Facilities District No. 99-1

APN	LEVY AMOUNT	SITUS ADDRESS	OWNER	MAILING ADDRESS	CITY	STATE
095-012-220	22,442.46		PERRY PUBLIC INV CO ET AL, ARRILLAGA JOHN TR	2560 MISSION COLLEGE BLVD 101	SANTA CLARA	CA
095-012-450	33,663.70	1100 BRIDGE PKY	PERRY PUBLIC INV CO ET AL, ARRILLAGA JOHN TR	2560 MISSION COLLEGE BLVD 101	SANTA CLARA	CA
095-012-460	168,318.56	1400 BRIDGE PKY	PERRY PUBLIC INV CO ET AL, ARRILLAGA JOHN TR	2560 MISSION COLLEGE BLVD 101	SANTA CLARA	CA
095-152-080	12,984.98	1 TWIN DOLPHIN DR	BEN I VEF III LLC	C/O TOPPIN PEGGY/LEND LEASE REAL I 1 FRONT ST	SAN FRANCISCO	CA
095-152-080	18,321.70	100 MARINE PKY	BEN I VEF III LLC	C/O TOPPIN PEGGY/LEND LEASE REAL I 1 FRONT ST	SAN FRANCISCO	CA
095-153-080	55,521.74	3 LAGOON DR	METROPOLITAN LIFE INS CO	C/O STEVE SILVA I 400 S EL CAMINO REAL 8TH FLOOR	SAN MATEO	CA
095-220-210	23,192.04	101 REDWOOD SHORES PKY	REDWOOD SHORES PARTNERS LLC	C/O MANLO EQUITIES I 490 CALIFORNIA AVE 4TH FLOOR	PALO ALTO	CA
095-220-220	10,620.08	330 TWIN DOLPHIN DR	R N M TWIN DOLPHIN L P	135 MAIN ST STE 1140	SAN FRANCISCO	CA
095-220-230	17,487.26	350 TWIN DOLPHIN DR	R N M TWIN DOLPHIN L P	ATTN JOHN MCNULTY I 135 MAIN ST STE 1140	SAN FRANCISCO	CA
095-221-120	46,384.08	555 TWIN DOLPHIN DR	SPK-TWIN DOLPHIN PLAZA LLC, C/O EQUITY OFFICE PROPERTIES	P O BOX A-3879	CHICAGO	IL
095-222-270	23,212.44	288 REDWOOD SHORES PKY	BAY CLUB PENINSULA INC	C/O WESTERN ATHLETIC CLUB I 1 LOMBARD ST	SAN FRANCISCO	CA
095-222-280	14,495.02	100 REDWOOD SHORES PKY	SHORES TRIAD ASSOCIATES	C/O STEPHEN R SEELY I 31 LA VISTA CT	WALNUT CREEK	CA
095-222-300	28,749.08	210 REDWOOD SHORES PKY	SHIPPELL INDUSTRIES OF, N CA	ATTN D W HANCOCK I 100 N MILPITAS BLVD	MILPITAS	CA
095-222-330	13,148.02	1000 TWIN DOLPHIN DR	REDWOOD SUITES LLC	C/O PMH HOTELS I 250 NORTH WATER SUITE 325	WICHITA	KS
095-232-020	17,420.46	130 SHORELINE DR	SPK-REDWOOD SHORES LLC, C/O EQUITY OFFICE PROPERTIES	P O BOX A-3879	CHICAGO	IL
095-233-090	25,511.24	255 SHORELINE DR	SHOREBREEZE ASSOCIATES LLC	C/O GRUBB & ELLIS MGMT SVCS I 255 CALIFORNIA ST FL 14	SAN FRANCISCO	CA
095-233-150	42,441.42	333 TWIN DOLPHIN DR	ERI DOLPHIN INC	C/O PTA - K #1050 I PO BOX 19156	ALEXANDRIA	VA
095-233-180	64,999.86	223 TWIN DOLPHIN DR	MOTEL CORPORATION LESSEE, CIMALORE STEVEN TR ET AL	C/O ACCOR NORTH AMERICAN - TAX DEPT I P O BOX 117508	CARROLTON	TX
095-233-190	25,511.24	275 SHORELINE DR	SHOREBREEZE ASSOCIATES LLC	C/O GRUBB & ELLIS MGMT SVCS I 255 CALIFORNIA ST FL 14	SAN FRANCISCO	CA
095-233-200	38,266.86	303 TWIN DOLPHIN DR	PROVIDENT CENTRAL CREDIT UNION	PO BOX 8007	REDWOOD CITY	CA
095-241-030	3,885.58	350 BRIDGE PKY	MAI SU WJUAN LEE TR	2416 BUTTERNUT DR	HILLSBOROUGH	CA
095-242-120	1,867.42	356 MARINE PKY	356 MARINE WORLD PARKWAY ASSOC	C/O RONALD D SLOWEY I 358 MARINE PKY	REDWOOD CITY	CA
095-242-250	5,841.14	370 BRIDGE PKY	BRIDGE PARK CENTER LP, FIRST AMERICAN TAX VALUATION	C/O GMAC COMMERCIAL MORT. CORP I PO BOX 580807	DALLAS	TX
095-242-260	7,838.90	350 MARINE PKY	REDWOOD SHORES PAVILION OFFICE CENTER LL	21710 STEVENS CREEK BLVD 200	CUPERTINO	CA
095-441-030	10,269.42	1201 RADIO RD	POINTE LLC	150 PORTOLA RD	PORTOLA VALLEY	CA
095-441-040	10,269.42	1235 RADIO RD	POINTE LLC	150 PORTOLA RD	PORTOLA VALLEY	CA
095-481-040	85,625.94	207 REDWOOD SHORES PKY	FLATIRON FUNDING LTD PRTNSHIP	C/O ELECTRONIC ARTS REDWOOD - W BASCOM I 209 REDWOOD SHORES PKY	REDWOOD CITY	CA
095-481-050	10,819.08		FLATIRON FUNDING LTD PRTNSHIP	C/O ELECTRONIC ARTS REDWOOD - W BASCOM I 209 REDWOOD SHORES PKY	REDWOOD CITY	CA
095-481-070	75,640.80	250 SHORELINE DR	SELCO SERVICE CORPORATION	C/O ELECTRONIC ARTS REDWOOD - W BASCOM I 209 REDWOOD SHORES PKY	REDWOOD CITY	CA
095-481-150	45,157.88		SPK-TOWERS & SHORES CENTER LLC, C/O EQUITY OFFICE PROPERTIES	208 REDWOOD SHORES PKY P O BOX A-3879	CHICAGO	IL

5.2-A.5

5.2-A.6



City of Redwood City
Redwood Shores Community Facilities District No. 99-1

APN	LEVY AMOUNT	SITUS ADDRESS	OWNER	MAILING ADDRESS	CITY	STATE
095-481-180	33,695.24	201 REDWOOD SHORES PKWAY	SPK-TOWERS @ SHORES CENTER LLC, C/O EQUITY OFFICE PROPERTIES	P O BOX A-3879	CHICAGO	IL
111-910-010	427.50	240 TWIN DOLPHIN DR	SAN MATEO CO DENTAL SOCIETY		REDWOOD CITY	CA
111-910-020	427.74	240 TWIN DOLPHIN DR	FOSTER ENTERPRISES	C/O GENRA CAPITAL CORPORATION I 240 TWIN DOLPHIN DR #A-1	REDWOOD CITY	CA
111-910-030	339.48	240 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-040	741.56	240 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-050	431.18	240 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-060	450.12	240 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-070	737.86	220 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-080	402.54	220 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-090	328.54	220 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-100	595.52	220 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-110	568.00	220 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-120	370.96	200 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-130	829.70	200 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-140	334.58	200 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-150	618.38	200 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-160	478.78	210 TWIN DOLPHIN DR	VERTEX MANAGEMENT INC	ATTN: YIP LOI LEE I 3 LAGOON DR #220	REDWOOD CITY	CA
111-910-170	422.22	210 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-180	475.80	210 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-190	658.82	230 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-200	459.82	230 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-210	460.80	230 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-220	458.22	230 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-230	413.24	250 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-240	554.60	250 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA
111-910-250	507.52	250 TWIN DOLPHIN DR	FOSTER ENTERPRISES	250A TWIN DOLPHIN DR	REDWOOD CITY	CA

Summary Fields	Value
APN total count:	56.00
LEVY AMOUNT total sum:	1,005,894.14