

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

June 15, 2009

## **SUBJECT**

Annual Tax Levy for the Redwood Shores Traffic Improvement District

## **RECOMMENDATION**

Adopt a resolution authorizing the levy of special taxes for Fiscal Year 2009-10 in the amount of \$837,364.64 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. Accordingly, the total amount of bonds issued was \$12,550,000.

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 2009-10.

As of May 31, 2009, \$11,405,000 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.

The fiscal agent agreement, which provides all of the legal terms under which these bonds were issued, does not provide for any general fund contributions in the event that any of the district property owners default on their special tax payments. If the default, however, is the result of the Council failing to levy the special taxes then the

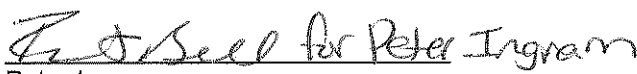
bondholders might possibly bring legal action against the City which could result in legal costs charged to the general fund to provide a defense for the Council's action.

**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



\_\_\_\_\_  
Peter Ingram  
City Manager

**ATTACHMENTS**

1. Resolution Authorizing the Annual Levy of Special Tax for FY 2009-10

**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 2009-10**

**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 2009-2010 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.

\* \* \* \* \*

**EXHIBIT "A"**

COMMUNITY FACILITIES DISTRICT NO. 99-1  
PRELIMINARY ANNUAL LEVY REPORT  
FISCAL YEAR 2009-2010

See attachment

City of Redwood City  
Redwood Shores Community Facilities District No. 99-1  
Fiscal Year 2009/10 - Tax Roll

APN	Situs Address	Levy Amount
095-012-220	800 BRIDGE PARKWAY	\$18,682.40
095-012-450	1300 ISLAND DR	28,023.62
095-012-460	1400 BRIDGE PKWY	140,118.14
095-152-080	1 TWIN DOLPHIN DR	10,809.46
095-152-090	100 MARINE PKWY	15,252.04
095-153-080	3 LAGOON DR	46,219.52
095-220-210	101 REDWOOD SHORES PKWY	19,306.40
095-220-220	330 TWIN DOLPHIN DR	8,840.78
095-220-230	350 TWIN DOLPHIN DR	14,557.40
095-221-120	555 TWIN DOLPHIN DR	38,612.80
095-222-270	288 REDWOOD SHORES PKWY	19,323.38
095-222-280	100 REDWOOD SHORES PKWY	12,066.50
095-222-300	210 REDWOOD SHORES PKWY	23,932.40
095-222-330	1000 TWIN DOLPHIN DR	10,945.18
095-232-020	130 SHORELINE DR	14,501.80
095-233-090	255 SHORELINE DR	21,237.04
095-233-150	333 TWIN DOLPHIN DR	35,330.70
095-233-180	223 TWIN DOLPHIN DR	54,109.66
095-233-190	275 SHORELINE DR	21,237.04
095-233-200	303 TWIN DOLPHIN DR	31,855.56
095-241-030	350 BRIDGE PKWY	3,234.58
095-242-120	356 MARINE PKWY	1,554.54
095-242-250	370 BRIDGE PKWY	4,862.50
095-242-260	350 MARINE PKWY	6,525.56
095-441-030	1201 RADIO RD	8,548.86
095-441-040	1235 RADIO RD	8,548.86
095-481-040	207 REDWOOD SHORES PKWY	71,280.00
095-481-050	209 REDWOOD SHORES PARKWAY	9,006.42
095-481-070	250 SHORELINE DR	62,967.62
095-481-150	203 REDWOOD SHORES PARKWAY	37,591.88
095-481-160	201 REDWOOD SHORES PKWAY	28,049.88
111-910-010	240 TWIN DOLPHIN DR # A-1	355.88
111-910-020	240 TWIN DOLPHIN DR # A2	356.08
111-910-030	240 TWIN DOLPHIN DR # A3	282.60
111-910-040	240 TWIN DOLPHIN DR # A4	617.32
111-910-050	240 TWIN DOLPHIN DR # A5	358.94
111-910-060	240 TWIN DOLPHIN DR # A6	374.70
111-910-070	220 TWIN DOLPHIN DR # B1	614.24
111-910-080	220 TWIN DOLPHIN DR # B2	335.10
111-910-090	220 TWIN DOLPHIN DR # B3	273.50
111-910-100	220 TWIN DOLPHIN DR # B4	495.74
111-910-110	220 TWIN DOLPHIN DR # B5	472.82
111-910-120	200 TWIN DOLPHIN DR # C1	308.80
111-910-130	200 TWIN DOLPHIN DR # C2	524.20
111-910-140	200 TWIN DOLPHIN DR # C3	278.52
111-910-150	200 TWIN DOLPHIN DR # C4	514.78
111-910-160	210 TWIN DOLPHIN DR # D1	396.90
111-910-170	210 TWIN DOLPHIN DR # D2	351.48
111-910-180	210 TWIN DOLPHIN DR # D3	396.08
111-910-190	230 TWIN DOLPHIN DR # E1	548.44
111-910-200	230 TWIN DOLPHIN DR # E2	382.78
111-910-210	230 TWIN DOLPHIN DR # E3	383.60
111-910-220	230 TWIN DOLPHIN DR # E4	381.46
111-910-230	250 TWIN DOLPHIN DR # F1	344.00
111-910-240	250 TWIN DOLPHIN DR # F2	461.68
111-910-250	250 TWIN DOLPHIN DR # F3	422.48
<b>56</b>	<b>Parcels Levied</b>	<b>\$837,364.64</b>