

EXHIBIT B

MODIFIED DISTRICT REPORT



City of Fresno

Community Facilities District No. 9

Annexation No. 17

Assessor's Parcel Number 313-280-73 and 313-280-75
Conditional Use Permit Application No. 2014-057

**CITY OF FRESNO
Community Facilities District No. 9
Annexation No. 17**

COMMUNITY FACILITIES DISTRICT REPORT

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CITY OF FRESNO
Community Facilities District No. 9
Annexation No. 17

INTRODUCTION

The City Council of the City of Fresno ("City") did, pursuant to the provision of the City of Fresno Special Tax Financing Law, Chapter 8, Division 1, Article 3, of the Fresno Municipal Code ("City Law"), on August 3, 2017, adopt Council Resolution No. 2017-200 entitled "Resolution of Intention to Annex Territory Associated with the Development of Assessor's Parcel Number 313-280-73 and 313-280-75, Conditional Use Permit Application No. 2014-057, as Annexation No. 17 to the City of Fresno Community Facilities District No. 9 and to Authorize the Levy of Special Taxes therein and preliminarily establishing an appropriations limit". In Council Resolution No. 2017-200 the City expressly ordered the preparation of a written Community Facilities District Report ("District Report"), for the proposed Annexation No. 17, City of Fresno Community Facilities District No. 9 ("CFO No. 9").

The Council Resolution No. 2017-200 ordering the District Report directed that the District Report generally contain the following:

1. A description of the services by type which will be required to adequately meet the needs of CFD No. 9; and
2. An estimate of the fair and reasonable cost of the services including therewith; and
3. If the Special Tax levied within the territory proposed to be annexed is higher or lower than the existing CFD No. 9, identify the extent and reasons why the costs to provide Services in that territory are higher or lower than those provided in the existing CFD No. 9.

For particulars, reference is made to Council Resolution No. 2017-200 for Annexation No. 17 of CFD No. 9, as previously approved and adopted by the City.

The City did, pursuant to the "City Law", on August 31, 2017, adopt Council Resolution No. 2017 - _____, ordering preparation of a Modified District Report to analyze the cost of modifying the services to be financed by Annexation No. 17 of CFD No. 9.

NOW, THEREFORE, I, the Public Works Director of the City of Fresno, do hereby submit the following data:

- A. **DESCRIPTION OF SERVICES.** A general description of the proposed services are as shown hereto attached as Exhibit A and incorporated herein by this reference.
- B. **PROPOSED ANNEXATION MAP NO. 17 BOUNDARIES.** The boundaries, shown on Annexation Map No. 17, are those properties and parcels

in which special taxes may be levied to pay for the costs and expenses of the facilities and services. The proposed boundaries are described on Annexation Map No. 17 on file with the City Clerk of the City of Fresno, to which reference is hereby made.

C. MODIFIED COST ESTIMATE. The cost estimate for the facilities for Annexation No. 17 is set forth hereto attached as Exhibit B and incorporated herein by this reference.

D. DESCRIPTION OF FACILITIES. A description and general map of the proposed facilities for Annexation No. 17 is set forth hereto attached as Exhibit A and C and incorporated herein by this reference.

E. SHARED MAINTENANCE AND SERVICES. There are no shared services within Annexation No. 17 of CFD No. 9.

Dated as of August 23, 2017

By: 
Andrew J. Benelli, P.E., City Engineer, Assistant Director
Public Works Department

EXHIBIT A

CITY OF FRESNO

Community Facilities District No. 9 Formation

Description of Services currently financed by Community Facilities District No. 9

The services and operations ("Services") that are to be financed by Community Facilities District No. 9 ("CFD No. 9") are described below and are permitted by City of Fresno Special Tax Financing Law (Chapter 8, Division 1, Article 3 of the Fresno Municipal Code) and the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 commencing with Section 53311, of Part 1, Division 2, Title 5 of the California Government Code.)

- I. Services may include all costs attributable to maintaining, servicing, cleaning, repairing and/or replacing all landscaping facilities (including reserves), including stamped concrete paving in medians and landscaped areas in public street rights-of-way, public trails, and, in instances where a required sound wall abuts a local City street and public landscape easements are officially dedicated for public use.

General maintenance will include, without limitation, mowing, edging, fertilizing, seeding, aerating, and watering grass areas; repairing and replacing irrigation systems as necessary; staking, pruning, replacing and spraying of trees and shrubs; repairing and replacing paths, walkways and trails; repairing and replacing stamped concrete paving and removing litter, debris, and garbage.

- II. Services may include all costs attributable to cleaning, maintaining, servicing, repairing and/or replacing all local ground level street infrastructures (including reserves) within local street rights-of-way. Such facilities may include, without limitation, street paving, curbs and gutters, sidewalks, street lighting, hydrants, inlets, street trees, street signage and street furniture.

Maintenance costs will also include a proportionate share of all other expenses that the City may incur in administering the CFD No. 9.

All Services shall be provided by the City of Fresno, with its own forces or by contract with third parties, or any combination thereof, to be determined entirely by the City of Fresno.

Nothing in this exhibit or any other exhibit or provision of this Resolution shall be construed as committing the City or CFD No. 9 to provide all of the authorized Services or to provide for the payment of or reimbursement for all of the authorized incidental expenses. The provision of Services and/or payment or reimbursement of incidental expenses shall be subject to the continued existence of CFD No. 9 and the availability of sufficient proceeds of special taxes within the District.

EXHIBIT A

CITY OF FRESNO

Community Facilities District No. 9 Annexation No. 17

Description of Services to be Financed by Community Facilities District No. 9

The services and operations described below ("Services") to be financed by Community Facilities District No. 9 ("CFD No. 9") adjacent to East Kings Canyon Road of Assessor's Parcel Number 313-280-73 and 313-280-75, Conditional Use Permit Application No. 2014-057, Annexation No. 17 are generally as described below and herewith Exhibit A, page A-3.

The Services that are to be financed will include all costs attributable to maintaining, servicing, cleaning, repairing and/or replacing all landscaping facilities (including reserves), landscape areas and trees within public easements fronting this development.

General maintenance will include, without limitation, repairing and replacing irrigation systems as necessary; staking, pruning, replacing and spraying of trees and shrubs; and removing litter, debris, and garbage.

Services shall include all costs attributable to cleaning, maintaining, servicing, repairing and/or replacing all ground level infrastructure (including reserves for replacement) within the public street rights-of-way. Such facilities include, without limitation, concrete curbs and gutters, ADA access concrete across drive approach, major street median hardscaping, valley gutter, curb ramps and six foot meandering sidewalk, and street lighting.

Services shall include all costs attributable to street lighting services.

Maintenance costs will also include a proportionate share of all other expenses that the City may incur in administering the CFD No. 9.

All Services shall be provided by the City of Fresno, with its own forces or by contract with third parties, or any combination thereof, to be determined entirely by the City of Fresno.

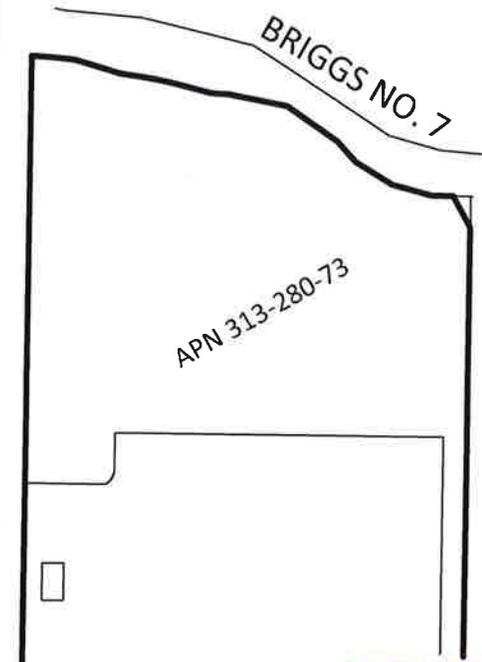
Nothing in this exhibit or any other exhibit or provision of this Resolution shall be construed as committing the City or CFD No. 9 to provide all of the authorized Services or to provide for the payment of or reimbursement for all of the authorized incidental expenses. The provision of Services and/or payment or reimbursement of incidental expenses shall be subject to the successful annexation of Annexation 17 to CFD No. 9 and the availability of sufficient proceeds of Special Taxes within CFD No. 9.



NOT TO SCALE

~~June 22, 2017~~

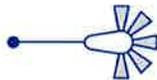
Revised August 22, 2017



CONCRETE IMPROVEMENTS:



CURB & GUTTER = 687 LF
VALLEY GUTTER = 588 SF
SIDEWALK & CURB RAMPS = 4,032 SF
ADA PEDESTRIAN ACCESS ACROSS DA = 899 SF



STANDARD STREET LIGHTS:
TOTAL = 4 EACH



EAST KINGS CANYON ROAD

MEDIAN ISLAND LANDSCAPING

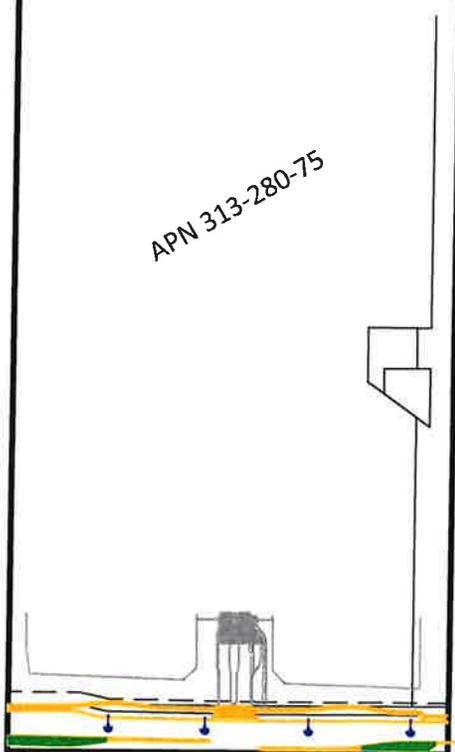


HALF MEDIAN = 1,567 SF
LARGE TREES = 6 EA

CONCRETE IMPROVEMENTS:



HALF MEDIAN CAPPING = 738 SF
HALF MEDIAN EDGE = 282 LF



EAST KINGS CANYON ROAD

EXHIBIT B

CITY OF FRESNO

Community Facilities District No. 9 Annexation No. 17

Rate and Method of Apportionment of Special Tax

Modified Cost Estimate

The estimate breaks down the costs of providing 1 year's Service for FY 2017-2018 for the public improvements of East Kings Canyon Road for Assessor's Parcel Number 313-280-73 and 313-280-75.

ITEM	DESCRIPTION	ESTIMATED COST
1	Landscape Operational Costs	\$799.00
2	Other Operational Costs	\$81.00
3	Reserve for Replacement	\$1,287.00
4	Incidental Expenses	\$30.00
	Total	<u>\$2,197.00</u>

Subdivision or Development Appropriation Limit

Assessor's Parcel Number	Total Maximum Special Tax for Services	Appropriation Limit	Landowner
313-280-73 and 75	\$2,197.00	\$500,000.00	California Home for the Aged. Inc.

EXHIBIT B

City of Fresno

Community Facilities District No. 9 Annexation No. 17

Rate and Method of Apportionment of Special Tax

A special tax applicable to each assessor's parcel in Community Facilities District No. 9 ("CFD No. 9") shall be levied and collected according to the tax liability determined by the City Council of the City of Fresno, through the application of the appropriate amount or rate for taxable property, as described below. All of the property in CFD No. 9, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 9 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an assessor's parcel map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor of the County of Fresno designating parcels by assessor's parcel number.

"City" means the City of Fresno.

"City Law" means the City of Fresno Special Tax Financing Law, Chapter 8, Division 1, Article 3, of the Fresno Municipal Code.

"Commercial or Industrial Developments or Subdivisions" means developments or subdivisions zoned for commercial or industrial uses.

"Council" means the City Council of the City of Fresno, acting as the legislative body of CFD No. 9.

"Developable Lot" means a lot that is anticipated development of residential or non-residential uses, and which is not an outlot, remainder parcel or other parcel which is not intended to be developed or which must be further subdivided before being developed.

"Development" means any assessor's parcel within the City of Fresno which is being developed for Industrial, Commercial, or Multi-Family purposes and requires a Building Permit.

EXHIBIT B

“Excluded Parcels” means those assessor’s parcels identified as ineligible for inclusion in CFD No. 9 as shown in “Attachment 1” of this Rate and Method of Apportionment of Special Tax.

“Final Map” means a final map, or portion thereof, approved by the Council pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates individual developable lots for which building permits may be issued. The term “Final Map” shall not include any assessor’s parcel map or subdivision map or portion thereof, that does not create individual developable lots for which a building permit may be issued, including assessor’s parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting April 1 and ending on the following March 31.

“Maximum Special Tax” means the maximum special tax, determined in accordance with Section C, which can be levied in any Fiscal Year.

“Public Property” means any property within the boundaries of CFD No. 9 that is owned by the federal government, State of California or other local governments or public agencies.

“Reserve for Replacement” means a reasonable reserve pursuant to Fresno Municipal Code 8-1-303(e) (4), as a Service cost or expense and not as payment for public facilities under Government Code Section 53321(d).

“Residential Development or Subdivision” means developments or subdivisions zoned for residential multi-family uses.

“Residential Unit” means a multi-family residential dwelling unit and shall include condominiums, town homes, duplex, triplex and fourplex units, and individual apartment units in a multi-family subdivision. For purposes of the levy of special taxes pursuant to Section B below, “Residential Units” shall include dwelling units already built on taxable property in CFD No. 9, as well as dwelling units planned, but not yet built, when the special tax is levied each fiscal year.

“Shared Services” means the costs of services are paid equally by the property owners of two or more subdivisions.

“Special Tax” means any special tax to be levied each fiscal year on assessor’s parcels of taxable property to fund the Special Tax Requirement as defined below.

“Special Tax Requirement” means the amount necessary in any fiscal year to (i) pay authorized maintenance and improvement expenses, (ii) pay administrative expenses of CFD No. 9, and (iii) cure any delinquencies in the payment of special taxes levied in prior fiscal years or (based on delinquencies in the payment of special taxes which have already taken place) are expected to occur in the fiscal year in which the tax will be collected.

EXHIBIT B

“Subdivision” means the division, by any subdivider, of any unit or units of improved or unimproved land, or any portion thereof, shown on the latest equalized county assessment roll as a unit or as contiguous units, for the purpose of sale, lease, or financing whether immediate or future. Property shall be considered as contiguous units, even if it is separated by roads, streets, utility easement or railroad rights-of-way. “Subdivision” includes a condominium project, as defined in Section 1351 of the Civil Code, a community apartment project, as defined in Section 1351 of the Civil Code.

“Taxable Property” means all of the assessor’s parcels within the boundaries of CFD No. 9 which are not exempt from the special tax pursuant to law or Section E below.

B. CALCULATIONS

COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY DEVELOPMENTS

On or about April 1 of each fiscal year, the City of Fresno (“City”) or its designee shall determine the operational and maintenance costs for Services of the improvements and facilities associated with Annexation No. 17 of CFD No. 9.

For commercial, industrial and multi-family developments, the area to be taxed is the total area within each assessor’s parcels of the subdivision or development not designated as public right-of-way and is not to exceed the Maximum Special Tax identified for the development or subdivision in Section C, Table 1 below.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax (“MST”) applicable to each assessor’s parcel in CFD No. 9 shall be specific to each development, subdivision, subdivisions, or portion thereof within CFD No. 9. When additional property is annexed into CFD No. 9, the rate and method adopted for the annexed property shall reflect the MST for the development, subdivision, subdivisions, or respective portion thereof then annexed.

The MST applicable to each development, subdivision, subdivisions, or portion thereof in CFD No. 9 shall be the rate that is created at the time of CFD No. 9 annexation expressly for the individual development, subdivision, subdivisions, or portion thereof being annexed to CFD No. 9 at that time. Beginning in January of each year, the MST may be adjusted upward annually at the discretion of the City with a limit of 3% plus the rise, if any, in the Construction Cost Index (CCI) for the San Francisco Region for the prior 12-month period (December through December) as published in the Engineering News Record, or published in a comparable index if the Engineering News Record is discontinued or otherwise not available. Each annual adjustment of the MST shall become effective on the subsequent July 1.

Subject to the maximum limit set by the MST, the Special Tax for the commercial, industrial or multi-family development or subdivision assessor’s parcels is calculated by spreading the Special Tax Requirement to the total taxable square footage of the

EXHIBIT B

development or subdivision and then apportioned proportionately by area to the individual assessor's parcels within the development or subdivision or by the number of residential units as applicable.

The total Maximum Special Tax for Fiscal Year 2017-2018 for the development or subdivision is identified in Table 1 below:

Table 1 Maximum Special Tax (Fiscal Year 2017-2018)*	
Assessor's Parcel Number	Total Maximum Special Tax
313-280-73 and 75	\$2,197.00

**A Special Tax shall be levied on all assessor's parcels within an identified development or subdivision except excluded parcels as identified in Attachment 1.

D. METHOD OF LEVY AND COLLECTION OF THE SPECIAL TAX

Commencing with Fiscal Year 2017-2018, the Special Tax shall be levied on all parcels of taxable property as follows:

- Step 1: Determine the Special Tax Requirement (as defined in Section A above) for the fiscal year in which the special tax will be collected;
- Step 2: Calculate the total special tax revenues that could be collected from taxable property within CFD No. 9 based on applying the Maximum Special Tax rates determined pursuant to Section C above to each parcel of taxable property in CFD No. 9;

If the amount determined in Step 1 is greater than or equal to the amount calculated in Step 2, levy the Maximum Special Tax set forth in Table 1 above on all parcels of taxable property in CFD No. 9;

If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax proportionately against all parcels of taxable property up to 100% of the Maximum Special Tax for each subdivision as identified in Table 1, until the amount of the Special Tax levy equals the Special Tax Requirement for that fiscal year.

The Special Tax for CFD No. 9 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 9 may (under the authority of Government Code 53340), in any particular case, bill the taxes directly to the property owner off of the County of Fresno tax roll, and the Special Taxes will be equally subject to penalties and foreclosure if delinquent.

EXHIBIT B

E. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on parcels that have been conveyed to a public agency, except as otherwise provided in City Law. In addition, no Special Tax shall be levied on excluded parcels or parcels that are determined not to be developable lots.

EXHIBIT B

ATTACHMENT "1"

City of Fresno

Community Facilities District No. 9
Annexation 17

Excluded Parcels

**THERE ARE NO EXCLUDED PARCELS
WITHIN THE BOUNDARIES OF ANNEXATION NO. 17**

EXHIBIT C

CITY OF FRESNO COMMUNITY FACILITIES DISTRICT NO. 9 AND ANNEXATION NO. 17

Description of Facilities to be added by Annexation No. 17 and maintained by Community Facilities District No. 11.

The proposed facilities to be maintained shall consist of:

1. The landscaping, trees, irrigation systems located within the median island in East Kings Canyon Road.
2. The concrete curbs and gutters, valley gutters, ADA pedestrian access, sidewalks and curb ramps, and street lighting associated with the development of Assessor's Parcel Number 313-280-73 and 313-280-75, Conditional Use Permit Application No. 2014-057.

These facilities are generally located as shown herein on the attached Exhibit A, A-3

Plans and specifications for the existing improvements are filed herewith and are incorporated herein by reference to the items as listed and enumerated in the documents as described below:

All facilities to be maintained are as shown on the Street, Street Light and Landscaping and Irrigation Construction Plans as approved by and on file with the City of Fresno, Public Works Department for Annexation No. 17 of CFD No. 9.