



## **CITY OF MENIFEE**

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SUBJECT: Resolution of Intention for Annexation No. 28, Nova Power, into Community Facility District 2017-1, Maintenance Services

MEETING DATE: November 20, 2024

TO: Mayor and City Council

PREPARED BY: Kristen Jensen, Financial Analyst

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Accept the Petitions of Nova Power, LLC, and Rita G. Reggio and Janet E. Logan, for Nova Power located east of Antelope Road, north of McLaughlin Road, southwest of Matthews Road, and south of State Route 74 into Community Facilities District No. 2017-1, Maintenance Services, (“CFD No. 2017-1” or “CFD”) as Annexation No. 28; and
2. Adopt a resolution of intention to add Annexation No. 28 into CFD No. 2017-1, to authorize the levy of special tax therein to finance certain maintenance services, and to set a public hearing for January 15, 2025.

### **DISCUSSION**

On December 6, 2017, the City Council adopted Resolution No. 17-658, establishing CFD No. 2017-1 pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (“Act”). CFD No. 2017-1 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.

Nova Power, LLC, and Rita G. Reggio and Janet E. Logan (“Owners”) are the Owners of PLN 22-0154, which consists of approximately 45.19 gross acres of a lot with pre-existing generation plant. The property is located east of Antelope Road, north of McLaughlin Road, southwest of Matthews Road, and south of State Route 74, as shown in the attached Project Location Map.

The Owners have requested that the City assist it in annexing PLN 22-0154 into CFD 2017-1 to cover the costs associated with the maintenance of public improvements. The area proposed for annexation would be designated “Annexation No. 28,” and would include property within PLN 22-

0154, to include the re-development of the Inland Empire Energy Center (IEEC) generation plant. Per the Owners' request, the City would establish a rate and method of apportionment and authorize the levy of special taxes on the taxable property within Annexation No. 28 to pay for those services.

Annexation No. 28 would have a maximum annual tax of \$658 per acre and would be included in CFD No. 2017-1 as "Tax Zone 28." The maximum annual tax rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%. There are no maintenance services proposed to be funded by the levy of Special Tax B ("Contingent Tax B") for Community Facilities District No. 2017-1. The attached CFD Maintenance Site Plan Exhibit is to illustrate which services are being maintained by the CFD.

The Owners have agreed to initiate and conduct the CFD annexation proceedings pursuant to the Act. To that end, the Owners have submitted "Consent and Waiver" forms on file in the City Clerk's Office which authorize the City to (1) hold the election and declare election results (2) shorten election time requirements, (3) waive analysis and arguments, and (4) waive all notice requirements relating to the conduct of the election immediately following the public hearing.

The next step to annex PLN 22-0154 into CFD 2017-1 is to publish a notification of the proposed annexation along with the Resolution of Intention and Boundary Maps of the proposed Annexation area. A public hearing on the matter would take place on January 15, 2025, and at that time the Council would formally consider approval of the Annexation No. 28.

### **STRATEGIC PLAN OBJECTIVE**

Safe and Vibrant Community

### **FISCAL IMPACT**

The individual property owners in the CFD would be responsible for annual payments of special taxes. It is estimated, upon full completion of the tract development that there would be an annual collection of special tax revenues of approximately \$26,743 to be used to pay for maintenance costs.

On June 1 of each year, every taxable acre within the boundaries of the CFD, would 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, exceed the special tax revenues available from parcels for which building permits have been issued, 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.

All costs associated with annexation into the CFD have been borne by the Owners. By annexing into the CFD, the costs of maintaining improvements located within the development would be financed through special taxes levied on the parcels within CFD No. 2017-1 and not through the City's General Fund.

**ATTACHMENTS**

1. Project Location Map
2. Resolution of Intention and Exhibits
3. CFD Maintenance Site Plan Exhibit