



CITY OF MENIFEE

SUBJECT: Ordinance Introduction and Annexation No. 19, Popeyes, into
CFD 2017-1 (Maintenance Services)

MEETING DATE: March 1, 2023

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

RECOMMENDED ACTION

1. Adopt a resolution calling an election to annex territory, including PLN 22-0199, located south of Newport Road and west of Winter Hawk Road, into City of Menifee Community Facilities District No. 2017-1 (Maintenance Services) ("CFD No. 2017-1" or "CFD"), and to levy a special tax in that land; and
2. Hold a special landowner election and canvass the election; and
3. Adopt a resolution declaring results of special landowner election; and
4. Introduce an ordinance, amending the Ordinance No. 2017-231 and levying and apportioning the special tax in CFD 2017-1.

DISCUSSION

On January 18, 2023, the City Council adopted Resolution No. 23-1273, declaring its intent to annex territory to CFD No. 2017-1 and commence the annexation proceedings for the territory to be annexed, also known as Annexation No. 19. The next step in the annexation proceedings is to hold a public hearing on March 1, 2023, to conduct an election for the landowners and to declare the results of that election.

The area within Annexation No. 19 is included in PLN 22-0199 and is approximately 0.96 gross acres of a vacant property within the City. The property is located south of Newport Road just west of Winter Hawk Road, as shown in the attached project location map. The proposed maintenance services will include items such as landscaping, lighting, and street maintenance.

Per the request of DMSD Cajun Eats, LLC ("Owner"), the City will establish a rate and method of apportionment and authorize the levy of special taxes on the taxable property within Annexation Area No. 19 to pay for those services. Annexation Area No. 19 would have a maximum annual tax of \$2,995 per acre. The maximum annual tax rate is proposed to escalate each year at the greater of Consumer Price Index (CPI) or 2%. DMSD Cajun Eats, LLC has agreed to initiate and conduct the CFD annexation proceedings pursuant to the Mello-Roos Act of 1982.

The Owner submitted a "Consent and Waiver" form on file in the City Clerk's Office to:

- hold the election and declare election results; and
- consent to the shortening of election time requirements; and
- waive analysis and arguments; and
- waive all notice requirements relating to the conduct of the election immediately following the public hearing.

A copy of the boundary map entitled "Annexation Map No. 19, Community Facilities District No. 2017-1 (Maintenance Services)" was recorded on January 24, 2023, in Book 90 of Maps of Assessment and Community Facilities Districts at Page 46, in the office of the Riverside County Recorder. Annexing the parcel into CFD No. 2017-1 would cover the costs of maintenance of certain public improvements associated with the development.

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Community Government

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 \$2,875 to be used to pay for maintenance costs.

On June 1 of each year, every taxable unit for which a building permit has been issued 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, exceeds the special tax revenues available from parcels for which building permits have been issued, then 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 Developer. 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 Calling the Election

3. Resolution Declaring Election Results
4. Certificate of Registered Voters
5. Ordinance
6. Signed Petition, Waiver and Consent for Annexation