

STAFF REPORT



ITEM NO. **15**
CITY OF OCEANSIDE

DATE: January 10, 2007
TO: Honorable Mayor and City Councilmembers
FROM: Financial Services Department
SUBJECT: **ANNUAL REPORT FOR CITY OF OCEANSIDE COMMUNITY FACILITIES DISTRICT NUMBERS 2000-1 (OCEAN RANCH CORPORATE CENTRE), 2001-1 (MORRO HILLS DEVELOPMENT), AND 2001-2 (TRENDWEST RESORTS) PURSUANT TO THE LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT**

SYNOPSIS

This report is an annual requirement of the Local Agency Special Tax and Bond Accountability Act (the "Act").

BACKGROUND

The Act provides that any local special tax measure that is subject to voter approval on or after January 1, 2001, that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both the amount of funds collected and expended and the status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1, Section 53410.

ANALYSIS

Currently, the City has three districts that fall under the Act. The following is a narrative summary of the progress of those three districts:

1. City of Oceanside Community Facilities District No. 2000-1 (Ocean Ranch Corporate Centre)

On March 7, 2001, the landowners within Community Facilities District No. 2000-1 (Ocean Ranch Corporate Centre) voted to incur debt and issue bonds in the maximum amount of \$25,000,000, and for the levying of a special tax. On November 20, 2002, the City Council adopted a resolution authorizing the issuance of up to \$13 million in bonds. The subsequent issue, to finance various public improvements needed to develop property within the District, had a principal amount of \$12,265,000.

On September 15, 2004, the City Council adopted a resolution authorizing the issuance of the Special Tax Bonds Series 2004. The Series 2004 bonds were issued in the amount of \$12,735,000 in November 2004, which brought the outstanding indebtedness to the maximum authorized by Council. Special taxes for the District for fiscal year 2005/06 were levied in the amount of \$1,538,823. The infrastructure project has been completed.

The following table displays the Community Facilities District (CFD) financial status through October 31, 2006:

	FYE JUNE 06	FYE JUNE 07 (As of 10/31/06)
Revenues:		
Bond Proceeds	-	-
Special Taxes	1,509,108	26,977
Investment Earnings	146,480	32,004
Total	1,655,588	58,981
Expenses:		
Consultant Fees	20,342	1,601
Debt Service	1,469,086	756,912
Fiscal Agent Fees	6,010	
Capital Outlay	2,154,709	-
Total	3,650,147	758,513
Operating Income	(1,994,559)	(699,532)
Beginning Balance	5,421,448	3,426,889
Fund Balance	3,426,889	2,727,357

2. City of Oceanside Community Facilities District No. 2001-1 (Morro Hills Development)

In October 2002, the Morro Hills CFD issued bonds in the amount of \$9,915,000. The Series A Bonds of 2002 were issued to finance the construction of a neighborhood park, various street improvements, flood control improvements, and various water and sewer capacity improvements required for the development of the property in the district.

On December 17, 2003, the Council approved a bond issue for Improvement Area No. 1 in an amount not to exceed \$11,000,000. The Special Tax bonds Series A of 2004 were issued in January 2004 in the amount of \$11,000,000 to finance a school facility and related improvements.

The fiscal year 2005/06 total special tax levy totaled \$145,500. This amount was not received until November of 2006 and, therefore, is not reflected in the chart below. Transient Occupancy Tax (TOT) is used to accelerate the principal amortization, which was reduced by an additional \$45,000 in September 2006. The current principal balance of the outstanding bond issue is \$805,000, as of October 31, 2006.

	FYE JUNE 06	FYE JUNE 07 (As of 10/31/06)
Revenues:		
Special Taxes	12,295	-
Transient Occupancy Tax	191,093	65,815
Investment Earnings	9,911	1,290
Total	<u>213,299</u>	<u>67,105</u>
Expenses:		
Fiscal Agent Fees	2,703	2,703
Consultant Fees	5,697	687
Debt Service	229,750	122,625
Total	<u>238,150</u>	<u>126,015</u>
Operating Income	(24,851)	(58,910)
Beginning Balance	180,677	155,826
Fund Balance	155,826	96,916

FISCAL IMPACT

None.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

City Attorney analysis does not apply.

RECOMMENDATION

Not applicable. This document is for information only.

PREPARED BY:



Nita McKay
Director of Financial Services

SUBMITTED BY:



Barry Martin
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Interim Deputy City Manager



**ANNUAL REPORT FOR CITY OF OCEANSIDE COMMUNITY FACILITIES DISTRICT
NUMBERS 2000-1, 2001-1 AND 2001-2 PURSUANT TO THE LOCAL AGENCY SPECIAL
TAX AND BOND ACCOUNTABILITY ACT**