

STAFF REPORT



ITEM NO. **12**
CITY OF OCEANSIDE

DATE: October 4, 2006
TO: Honorable Mayor and City Councilmembers
FROM: Public Works Department
SUBJECT: **FINAL MAP FOR ST. CLOUD**

SYNOPSIS

Staff recommends that the City Council adopt a resolution approving the Final Map for the St. Cloud project and order the recordation of the Final Map with the San Diego County Recorder.

BACKGROUND

St. Cloud is a 15-lot, 349-unit residential condominium project located on 34.955 acres on the southwest corner of Mesa Drive and Old Grove Road. The owners of the subject property are Ocean Ranch Associates, L. P., a California Limited Partnership.

On November 21, 2005, the Planning Commission adopted Resolution No. 2005-P56 approving the Tentative Map.

Exhibit A is a vicinity map showing the aforementioned property.

ANALYSIS

This property is subject to Community Facilities District (CFD) No. 2000-1 special taxes. The authorized facilities, which are to be paid by property owners via CFD taxes from bond sales, cover public facilities or services specific to this property including sewer, storm drain, water, signal and street improvements.

Council Policy Numbers 300-02 and 300-03 address land-secured financing and the payoff of assessment district bond obligations, respectively. Both policies state that assessments or special taxes in residential areas must be prepaid prior to the subdivision of the parcel for sale to homeowners unless Council waives the prepayment condition based on certain provisions being completed by the developer, such as full disclosure of the special tax (specific to Policy 300-02). There is no pre-payment requirement for industrial development.

Because the property was changed from industrial to residential, a condition was included in the resolution for approval of the tentative map for the project requiring the developer to

“provide sufficient financial guarantees to pay off all Ocean Ranch CFD obligations” prior to the recordation of the first final map to satisfy Council Policies 300-02 and 300-03. The resolution was approved by the Planning Commission on November 7, 2005. However, because the special taxes are not subject to pre-payment per the rate and method of apportionment, the developer cannot pay off the special taxes attributable to the subject property in order to satisfy the approved condition.

Staff consulted with bond counsel (Stradling, Yocca, Carlson & Rauth - SYCR) regarding any possible remediation other than passing through the special tax to the homeowners in the development, such as the developer depositing funds into an escrow account for the exclusive payment of the special tax on behalf of the homeowners. After several discussions with the specialized tax lawyer within the firm, SYCR provided the opinion there is no other option but to pass the obligation on to the homeowner. Because the bonds are tax-exempt, the City must maintain compliance with federal tax laws or face the consequence of the bonds becoming taxable. According to federal tax law, all property owners within a special tax or assessment district must be treated on an equal basis with regard to the assessment of the special tax and the payment terms of the special tax. Therefore, the City can not require that the developer of the residential property satisfy their tax liability any differently than the industrial property owners within the district.

The calculation of special taxes paid by the homeowner is based on unit square footage multiplied by the special tax rate of the district as calculated according to the Rate and Method of Apportionment approved by Council. The tax rate for Fiscal Year 2006-2007 is \$0.3864, and will increase 2 percent each fiscal year. Based on the current tax rate and the unit size as submitted by the developer, special taxes per unit will range from \$481 per year for the smallest unit to \$770 per year for the largest unit. For comparison purposes, the developer anticipates homeowners association (HOA) fees to be in the neighborhood of \$3,540 annually. Per City Council policy full disclosure of the CFD special tax being passed on to potential homeowners is required. A copy of the proposed disclosure notice is attached as Exhibit B.

All financial arrangements have been satisfactorily completed. All pertinent documents have been properly executed by the applicant. All grading and drainage comply with City ordinances.

The map is consistent with applicable general and specific plans and the site is physically suitable for the type of development. Conditions and restrictions have been imposed to ensure its compatibility with adjacent areas and the entire City.

The Final Map is in substantial conformance with the Tentative Map, and in conformance with the Subdivision Map Act and the City Subdivision Ordinance.

FISCAL IMPACT

The development fees, required as a condition of map approval, will be imposed.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

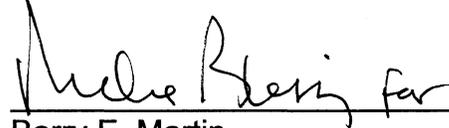
Staff recommends that the City Council adopt the resolution approving the Final Map for the St. Cloud project; and authorize the recordation of the Final Map with the San Diego County Recorder.

PREPARED BY:



Linda J. Evans
Principal Engineering Staff Assistant

SUBMITTED BY:



Barry E. Martin
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to the City Manager

Mike Blessing, Deputy City Manager/Community Development

Peter A. Weiss, Public Works Director



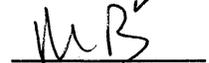




Exhibit A
Exhibit B

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE APPROVING THE FINAL MAP OF ST. CLOUD

WHEREAS, the City staff indicates that the subdivider of St. Cloud (Tentative Map) has substantially satisfied all tentative map requirements and conditions as set forth in Planning Commission Resolution 2005-P56.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve the following:

SECTION 1: That the St. Cloud Final Map is approved and the required City officials are authorized to execute the appropriate certificates pertaining thereto.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this _____ day of _____, 2006, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

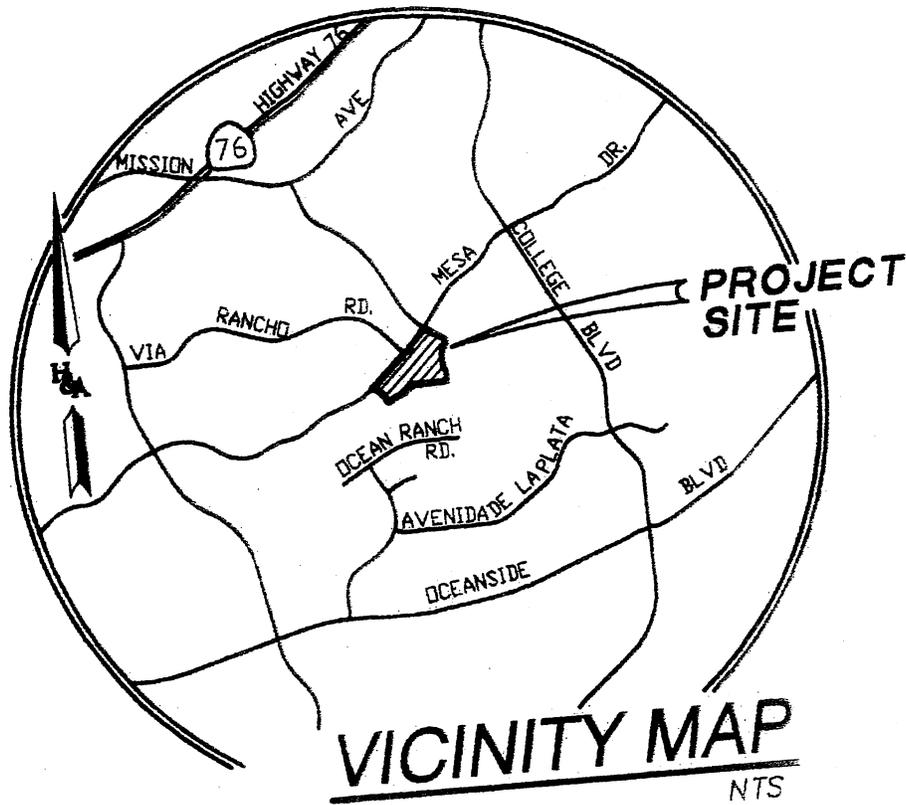
APPROVED AS TO FORM:

ATTEST:

CITY ATTORNEY

CITY CLERK

Exhibit A



St. Cloud
Public Works Department Engineering Division
T-5-05

Exhibit B

NOTICE OF SPECIAL TAX

**DEVELOPED PROPERTY
CITY OF OCEANSIDE
COMMUNITY FACILITIES DISTRICT NO. 2000-1
County of San Diego, California**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

Tract No. ____ Lot ____

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR PURCHASING THIS PROPERTY.

(1) This property will be subject to a special tax, which is in addition to the regular property taxes and any other charges and benefit assessments on the parcel. This special tax may not be imposed on all parcels within the city or county where the property is located. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The maximum special tax which may be levied against this parcel to pay for public facilities is the greater of \$0.3864 per square foot of developed floor area or \$3,864.28 per acre during the 2006-2007 tax year. This amount will increase by two percent (2.0%) per year after that. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid, but in any case not after the 2050-2051 tax year.

(3) The authorized facilities which are being paid for by the special taxes, and by the money received from the sale of bonds which are being repaid by the special taxes, are:

Sewers
Storm Drain
Water Improvements
Corporate Center Drive
Signal Improvements at Avenida de la Plata and Avenida del Oro
Oceanside Blvd. Sidewalk Extension
Oceanside Blvd. Frontage
Fees (public facility, thoroughfare, traffic signal, major drainage, minor drainage, wastewater, water)
Oceanside Blvd./College Blvd. Intersection
Oceanside Blvd./El Camino Real Intersection
SR-78 WB Ramp/El Camino Real Intersection
Vista Way/El Camino Real Intersection
Vista Way/Rancho del Oro Intersection
Old Grove Rd./College Blvd. Intersection
Old Grove Rd./Ocean Ranch Rd. Intersection
Old Grove Rd./Mesa Drive Intersection
College Blvd./Oceanside to Thunder Dr. – Road Segment

Old Grove Rd./Mesa Dr. to College Blvd.
Ocean Ranch Road
Rancho del Oro Road
Future road between Lots 2 and 3
Rancho del Oro/Oceanside Blvd. Intersection
Mesa Drive to Project Drive Way
SD Gas & Electric Overhead Transmission Relocation

These facilities may not yet have all been constructed or acquired, and it is possible that some may never be constructed or acquired.

In addition, the special taxes may be used to pay for the costs of the following services:

None

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE COMMUNITY FACILITIES DISTRICT, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE CITY OF OCEANSIDE BY CALLING (760) 435-3850. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE ESTIMATED REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE RECEIVED A COPY OF THIS NOTICE. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT AFTER RECEIVING THIS NOTICE FROM THE OWNER OR AGENT SELLING THE PROPERTY. THE CONSTRUCT MAY BE TERMINATED WITHIN THREE DAYS IF THE NOTICE WAS RECEIVED IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER OR AGENT SELLING THE PROPERTY.

Date

Signature(s)