



ATTACHMENT 5

Rate and Method of Apportionment of Special Tax for CFD No. 98-02

**COMMUNITY FACILITIES DISTRICT NO. 98-02
CITY OF SAN MARCOS
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

CITYWIDE LANDSCAPE AND LIGHTING

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Introduction

Special taxes shall be annually levied on all Assessor's Parcels (as hereinafter defined) in Community Facilities District No. 98-02 of the City of San Marcos, County of San Diego, State of California (the "District"), in accordance with the rates and method of apportionment of special taxes hereinafter set forth. All of the property within the District, unless otherwise exempted by law or the express provisions of the rate and method of apportionment expressed below, shall be taxed to the extent and in the manner provided below.

1. Definitions

- 1.1. *Acre or Acreage*: The area of an Assessor's Parcel as shown on the latest map of the County Assessor of the County of San Diego, or if the area of an Assessor's Parcel is not shown on such a map, the area shall be as shown on a current recorded subdivision map, parcel map, record of survey or other recorded document creating or describing the Assessor's Parcel. If the preceding maps are not available, the area shall be determined by the City Engineer.
- 1.2. *Administrative Cost*: Any ordinary and necessary expense incurred by the City in the performance of its duty as the legislative body of Community Facilities District No. 98-02.
- 1.3. *Annual Special Tax Levy*: The aggregate amount of special taxes to be levied in any Fiscal Year to fund the Special Tax Requirement for such Fiscal Year.
- 1.4. *Approved Property*: Assessor's Parcels in the District for which a final subdivision map, conditional use permit or other development permit has been issued by the City prior to March 1 preceding any Fiscal Year which would permit development of such Assessor's Parcel without the necessity to obtain further discretionary land use entitlements but for which no building permit has been issued.
- 1.5. *Assessor's Parcel*: A parcel of land in the District designated and assigned a discrete identifying number on a map of the County Assessor of the County of San Diego.
- 1.6. *Assessor's Parcel Map*: An official map of the County Assessor of the County of San Diego designating parcels by Assessor's Parcel Number.
- 1.7. *City*: The City of San Marcos.
- 1.8. *Developed Property*: Assessor's Parcels in the District for which a building permit has been issued by the City prior to March 1 preceding any Fiscal Year.

- 1.9. *Equivalent Dwelling Unit*: A unit of measurement whereby a single family detached dwelling unit is equal to one basic unit and all other land uses are a ratio relative to this base measure.
 - 1.10. *Exempt Property*: Assessor's Parcels of property existing at the time of the establishment of the District or which will be conveyed, dedicated or irrevocably offered for dedication to a public agency pursuant to a City plan or agreement which are exempt for the levy of special taxes, including property owned by a public agency which is in public use; property which is utilized for public utility purposes and which is not occupied on a regular basis by employees of the utility; property irrevocably dedicated to a public agency for public use; property owned by homeowners associations; property which is zoned for open space; property used as a golf course other than clubhouse facilities; and property which has no intrinsic value upon foreclosure, such as sliver parcels at entries and perimeter landscape parcels. Property owned by a public agency but leased to an end user for purposes other than public use will not be classified as exempt.
 - 1.11. *Fiscal Year*: The period beginning on July 1 and ending on the following June 30.
 - 1.12. *Maximum Special Tax Rates*: The maximum special tax rate that can be levied within CFD 98-02 in any Fiscal Year (see Section 3 below which establishes Maximum Special Tax Rates for various land uses).
 - 1.13. *Property Classification*: A classification of property specified in Section 2 below.
 - 1.14. *Reserve Fund*: A fund established initially with the formation of the District and funded as needed from year to year with proceeds from the Special Tax Levy. The Reserve Fund shall not be funded in an amount greater than 150% of the Special Tax Requirement for a single year (the "Reserve Fund Requirement").
 - 1.15. *Special Tax*: The amount of special taxes actually levied within CFD 98-02 for any fiscal year to meet the Special Tax Requirement.
 - 1.16. *Special Tax Requirement*: The amount sufficient to pay (i) the direct costs to the City, the District and their contractors, agents or assigns associated with providing the services authorized within Community Facilities District No. 98-02, (ii) for the administrative costs associated with providing the services authorized within Community Facilities District No. 98-02, and (iii) to establish and replenish the Reserve Fund balance to the Reserve Fund Requirement.
 - 1.17. *Taxable Assessor's Parcel*: An Assessor's Parcel classified as Developed, Approved or Undeveloped Property which is not Exempt Property.
 - 1.18. *Undeveloped Property*: An Assessor's Parcel in the District not classified as Developed Property, Approved Property or Exempt Property.
 - 1.19. *Zones*: An area consisting of a group of Assessor's Parcels, who may or may not be contiguous, which will participate in the cost of providing a particular service.
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2. *Property Classification*: The land use classifications to which Assessor's Parcels in the District shall be assigned are:

- Class 1 - Developed Property
- Class 2 - Approved Property
- Class 3 - Undeveloped Property
- Class 4 - Exempt Property

As of July 1 of each Fiscal Year, commencing with July 1, 1998, using the definitions in Section 1 above, the City shall cause each Assessor's Parcel in the District to be classified into one of the Property Classifications noted above.

3. *Maximum Special Tax Rates:* The Maximum Special Tax Rates for Assessor's Parcels for each Zone, commencing with July 1, 1998, are specified in the tables below:

Table B-1
Equivalent Dwelling Units by Land Use Per Zone For
Developed Property and Approved Property

Land Use	Zones A - D - E	Zone B
Residential	1 EDU	1 EDU
Commercial	2.65 EDUs/Acre	40 EDUs per Acre
Industrial	2.65 EDUs/Acre	10 EDU's per Acre
All Others	2.65 EDUs/Acre	10 EDU's per Acre

Table B-2
Maximum Special Tax Rates
Classification I-Developed Property and Classification II-Approved Property
Fiscal Year 1998-1999

ZONE	BENEFIT UNIT	1998-1999 MAXIMUM SPECIAL TAX RATE
Zone A Street Lights	EDU	\$20.20
Zone B Traffic Signals	EDU	\$6.40
Zone C Street Medians	Front Footage	\$2.15/LF
Zone D Citywide Parks	EDU	\$113
Zone E Citywide Trails	EDU	\$6.30

Table B-3
Maximum Special Tax Rates
Fiscal Year 1998-1999
Improvement Area F-1 Rose Ranch
Trail & Drainage Maintenance

Facility	Maximum Tax Rate Developed & Approved	Maximum Tax Rate Undeveloped
Trail Maintenance	\$18.73 per EDU	\$0.00 (all developed or approved)
Drainage Channel	\$23.94 per EDU	\$0.00 (all developed or approved)

Table B-4
Maximum Special Tax Rates
Fiscal Year 1998-1999
Improvement Area F-2 Bel Esprit
Trail, Brush & Habitat Management

Facility	Maximum Tax Rate Developed and Approved	Maximum Tax Rate Undeveloped
Trail Maintenance	\$9.94 per EDU	\$0.00 (all developed or approved)
Brush Management	\$54.94 per EDU	\$0.00 (all developed or approved)
Habitat Management	\$31.25 per EDU	\$0.00 (all developed or approved)

Table B-5
Maximum Special Tax Rates
Fiscal Year 1998-1999
Improvement Area F-3 Rancho Vera Cruz

Trail & Landscape Maintenance & Brush Management

Facility	Maximum Tax Rate Developed and Approved	Maximum Tax Rate Undeveloped
Trail Maintenance	\$19.10 per EDU	\$180 per acre
Landscape Maintenance	\$600.25 per EDU	\$5,639 per acre

Brush Management	\$16.71 per EDU	\$157 per acre
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- 3.1. A Maximum Special Tax Rate will be assigned to all Assessor's Parcels classified as Developed Property or Approved Property as of July 1 of the Fiscal Year in which such classification occurs and in accordance with the applicable Zones and Improvement Area, if any, established within the District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (each an "Improvement Area") within which those parcels belong. All Assessor's Parcels of Developed Property and Approved Property will, to the extent provided for in Section 5 below, participate in Zones A, B, D and E. Zone C participants are defined as Assessor's Parcels fronting a street with median improvements.
- 3.2. Should the Special Tax Requirement in a particular Fiscal Year within the District or an Improvement Area thereof, as defined above, fall short of the needs for the District or that Improvement Area, a special tax not to exceed the Maximum Special Tax Rate for Undeveloped Property necessary to generate special taxes equal to such shortfall will be levied on all Assessor's Parcels of Undeveloped Property within the District or that Improvement Area by acreage in proportion to a parcel's acreage as a percent of the total Undeveloped Property acreage within the District or that Improvement Area, as applicable.
4. *Increasing the Maximum Special Tax Rate:* Beginning with the Fiscal Year 1999-2000, the Maximum Special Tax Rates may be increased annually by the rate of the Consumer Price Index for the San Diego Region as published by the United States Department of Commerce.
5. Method of Apportionment of Special Taxes
 - 5.1. As of July 1 of each Fiscal Year, commencing with July 1, 1998, all Assessor's Parcels within the District shall be assigned to one of the land use classifications specified in Section 2. Additionally, each Assessor's Parcel shall be assigned as a participant in a Zone or Zones and/or Improvement Area, if applicable.
 - 5.2. The City Council shall determine for each Fiscal Year, the Annual Special Tax Levy.
 - 5.3. The City Council shall levy the special taxes for each Fiscal Year, commencing on July 1, 1998, in the following order of priority in order to fund the Annual Special Tax Levy for such fiscal year:
 - (a) Levy the special tax proportionately up to the Maximum Special Tax Rate upon all Developed Property to generate special tax revenues to fund the Annual Special Tax Levy;
 - (b) If, after levying special taxes pursuant to (a) above, additional special tax revenues are needed to generate sufficient special tax revenues to fund the Annual Special Tax Levy, levy the special tax proportionately up to the Maximum Special Tax upon all Approved Property; and
 - (c) If, after levying special taxes pursuant to (a) and (b) above, additional special tax revenues are needed to generate sufficient special tax revenues to fund the Annual Special Tax Levy, levy the special tax proportionately up to the Maximum

Special Tax upon all Assessor's Parcels of Undeveloped Property which are subject to the levy of special taxes.

6. Manner of Collection of Special Taxes. The special taxes which shall be levied in each Fiscal Year shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes; provided, however, the City Council may, by resolution, establish and adopt an alternative or supplemental collection procedure, including direct billing. The special taxes when levied shall be secured by the lien imposed pursuant to Section 3115.5 of the Streets and Highways Code. This lien shall be a continuing lien and shall secure each levy of special taxes. The lien of the special taxes shall continue in force and effect until the special tax ceases to be levied in the manner provided by Section 53330.5 of the Government Code.