

FEATHER RIVER RECREATION AND PARK DISTRICT
PUBLIC HEARING REPORT
COMMUNITY FACILITIES DISTRICT No. 2022-01
(PARK MAINTENANCE)

NOVEMBER 2022

PREPARED FOR:

BOARD OF DIRECTORS
FEATHER RIVER RECREATION AND PARK DISTRICT

PREPARED BY:

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FEATHER RIVER RECREATION AND PARK DISTRICT

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INTRODUCTION

The Feather River Recreation and Park District (“District”) and W & R Wedgewood Apartments Inc. are proposing formation of a Community Facilities District (“CFD”) and the levy of an annual special tax for all future residential development within the planned development know as River Ranch, in order to provide funding for certain services.

The River Ranch subdivision is located on the corner of Ophir Road and Lincoln Boulevard in Oroville and consists of 132 residential lots on 50 acres. W & R Wedgewood Apartments Inc. have petitioned the District to form a community facilities district (“CFD”) and the levy of an annual special tax for all future residential development within the planned development known as River Ranch, in order to fund certain services performed by the District.

The purpose of the CFD will be fund the annual operation, maintenance, and servicing, including repair and replacement of parks, trails and recreation facilities, storm drainage facilities, landscape corridors, wetlands, and open space areas; any incidental expenses authorized by the Act.

On September 27, 2022, the Feather River Recreation and Park District Board of Directors (“Board”) adopted Resolution 1996-22 declaring its intention to establish a CFD for the River Ranch development, authorize the levy of the special tax therein, establish a future annexation area, and scheduled a public hearing on the matter for November 15, 2022.

This CFD Public Hearing Report (“Report”) was prepared pursuant to California Government Code § 53321.5. The purpose of this Report is to provide the following information at the public hearing:

- Describe the Services to be funded by the CFD; and
- Provide an estimate of the fair and reasonable cost of the Services and incidental expenses for the CFD.

Four important exhibits are attached to this Report. Exhibit A shows the boundaries of the Project and the proposed boundaries of the CFD. Exhibit B is the description of landowner property(ies) included in the formation of the proposed CFD. Exhibit C describes the Services will be financed by the proposed CFD. Exhibit D details the rate and method of apportionment of the proposed special tax.

DESCRIPTION OF CFD BOUNDARIES AND FUTURE ANNEXATION AREA

The boundaries of CFD No. 2022-01 are described in Exhibit "A," a reduced scale map entitled "Map of Proposed Boundaries of Community Facilities District No. 2022-01." The parcels of real property within the CFD are described more particularly on the assessor's parcel maps that are on file in the Office of the Butte County Assessor or on maps filed with the County Recorder in connection with lot line adjustments and are incorporated into this Report by reference. Exhibit B lists the landowner(s) and their respective assessor's parcel number(s) that will participate in the formation.

A full-scale map is on file in the Office of the District Clerk and was recorded on October 21, 2022, as Document No. 2022-0034660, and filed in Book 10 of Maps of Assessment and Community Facilities District at Pages 57 in the office of the County Recorder for the County of Butte, State of California, which map is the final boundary map of the CFD.

A full-scale map of the Future Annexation Area is on file in the Office of the District Clerk and was recorded on October 21, 2022, as Document No. 2022-0034660, and filed in Book 10 of Maps of Assessment and Community Facilities District at Pages 58 in the office of the County Recorder for the County of Butte, State of California.

DESCRIPTION OF SERVICES AND MAXIMUM ANNUAL COST

The River Ranch fund the annual operation, maintenance, and servicing, including repair and replacement of parks, trails and recreation facilities, storm drainage facilities, landscape corridors, wetlands, and open space areas; any incidental expenses authorized by the Act.

The Special Tax will fund Services that are in addition to those provided in or required for the territory within the CFD and will not be replacing Services already available. The list of authorized Services to be funded by the CFD are further described in Exhibit C.

As shown in Figure 1 below, the total maximum annual costs (in 2022 dollars) for the Services required to meet the needs of the CFD at buildout are estimated to be \$49,676 annually. The cost for annual CFD administration is estimated to be \$4,500 annually.

FIGURE 1 – ESTIMATE OF MAXIMUM ANNUAL COST

TAX ZONE NO. 1 (RIVER RANCH)

Cost Component	Annual Services Cost (2022\$)
Park Maintenance (0.2 acres)	\$5,000
Irrigation and BFP (South Feather Water Meter)	\$1,200
Open Space (1.8 acre)	\$1,800
Open Space / Wetlands (11.8 acre)	\$11,800
Trail Replacement (0.75 miles; every 5 yrs)	\$2,376
Fencing (Wetlands) Replacement (10 yrs)	\$2,500
Fencing (Park) Replacement (20 yrs)	\$5,000
Park Facilities Replacement (15 yrs)	\$10,000
Annual Playground Fall Material Replacement	\$5,000
CFD Administrative Expense	\$4,500
Cost Contingency (10%)	\$5,000
Total Maximum Annual Cost	\$54,176

Sources: Feather River Area Recreation and Park District; LACO Associates; SCI Consulting Group

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

The special taxes within the CFD will be levied according to formulas and provisions of the Rate and Method of Apportionment of Special Tax (the "RMA") which is attached as Exhibit D. The CFD special tax will be collected annually on all residential lots in the CFD for which a building permit was issued prior to April 30 of the preceding fiscal year.

As shown in Figure 2 below, the Tax Zone No. 1 maximum special tax rate for developed residential property is \$410 per residential unit. The maximum special tax rate for undeveloped property is \$2,084 per acre, Tax-exempt property and owners' association property shall be \$0.00.

FIGURE 2 – MAXIMUM ANNUAL SPECIAL TAX

TAX ZONE NO. 1 (RIVER RANCH)

	Calc	
Maximum Annual Special Tax Revenue (Base Year)	a	\$54,176
Total Residential Units at Buildout of CFD	b	132
Total Developable Acres within CFD	c	26
Maximum Special Tax Rates (Base Year)		
Developed Residential Property (Per Residential Unit)	d = a / b	\$410
Undeveloped Property (Per Acre)	e = a / c	\$2,084
Owner Association Property	f	\$0
Tax Exempt Property	g	\$0

OVERVIEW OF THE PROPOSED CFD SPECIAL TAX

This section provides an overview of the structure and administration procedures of the CFD Special Tax. The specific administrative requirements are detailed in Exhibit C - Description of Services to be funded by the CFD and Exhibit D – Rate and Method of Apportionment of the Special Tax.

USE OF SPECIAL TAX PROCEEDS

The special tax will be used solely for the following:

1. The annual operation, maintenance, and servicing, including repair and replacement of parks, trails and recreation facilities, storm drainage facilities, landscape corridors, wetlands, and open space areas;
2. Any incidental expenses authorized by the Act including the costs associated with the annual administration of the CFD; and
3. Any other miscellaneous or incidental services identified by the District necessary to provide the described services including the collection and accumulation of funds to pay for anticipated services, future repairs and replacements, and cost shortfalls.

The services are necessary to meet increased demands placed upon the District as a result of development occurring in the CFD. The special tax will fund Services that are in addition to those provided in or required for the territory within the CFD and will not be replacing services already available.

ANNUAL SPECIAL TAX FORMULA

The Board will determine the special tax requirement and will levy the annual special tax each subsequent fiscal year on each assessor's parcel of developed residential property at up to one hundred percent of the applicable maximum special tax to fund the special tax requirement.

If additional revenues are needed to provide the services, pay anticipated administrative expenses, or cure any delinquencies in the payment of special taxes which have occurred in the prior fiscal year, or pay for reasonably anticipated delinquent special taxes based on the delinquency rate for special Taxes levied in the previous fiscal year, the annual special tax shall be levied proportionately on each assessor's parcel of undeveloped property up to one hundred percent of the maximum special tax for undeveloped property.

ANNUAL INFLATIONARY ADJUSTMENT

The maximum CFD special tax will be annually adjusted for inflation-based percentage increase during the preceding year in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose area ("CPI-U"), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 4 percent, whichever is greater. If the CPI-U at any time is no longer available, then a comparable economic indicator, as reasonably determined by District, shall be used.

PREPAYMENT OF SPECIAL TAX

Prepayment of the CFD special tax is not authorized.

DURATION OF THE SPECIAL TAX

The CFD special tax will be levied and collected annually in perpetuity or until the District determines it no longer needs the special tax proceeds to fund the authorized services of the CFD.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. At the District's option, the special tax may be billed directly to property owners.

ANNUAL REPORT

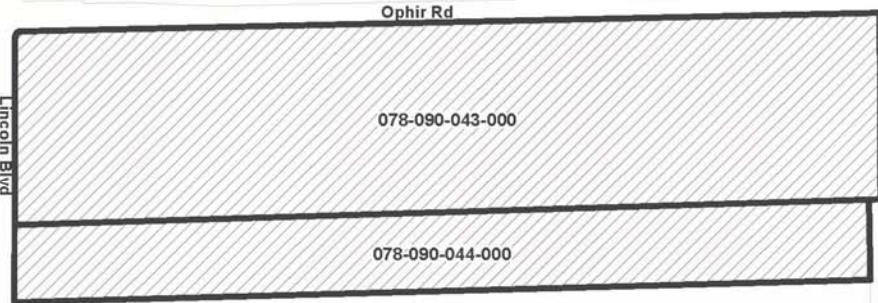
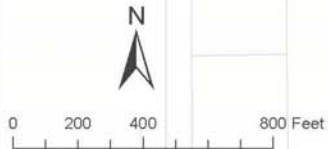
The General Manager, or his or her designee, will file a report with the Board no later 120 days after the last day of each fiscal year in accordance with Government Code § 53343.1. No annual report will be necessary until the special tax is first levied. In general, the annual report shall contain (a) the amount of special taxes collected for the year; (b) the amount of special tax proceeds expended for Services and with an identification of the categories of each type of service funded with amounts expended in each category; (c) the amount of special tax proceeds expended on administrative and other incidental costs; (d) and other information required by the Act.

EXHIBIT A – PROPOSED BOUNDARIES OF CFD AND FUTURE ANNEXATION AREA

FEATHER RIVER RECREATION AND PARK DISTRICT Community Facilities District No. 2022-01 (Park Maintenance)

A full-scale map of the is on file in the Office of the District Clerk and was recorded on October 21, 2022, as Document No. 2022-0034660, and filed in Book 10 of Maps of Assessment and Community Facilities District at Pages 57 and 58 in the office of the County Recorder for the County of Butte, State of California, which map is the final boundary map of the CFD and the future annexation area.

The boundaries of CFD No. 2022-01 include all land on which the Special Tax may be levied. The future annexation area is the District's entire service area. A reduced scale map showing the boundaries of CFD No. 2022-01, and the future annexation area is provided herein.



 Proposed Boundaries of CFD 2022-01
 Butte County Parcels
Assessor's Parcel Number:
 078-090-043
 078-090-044

**MAP OF PROPOSED BOUNDARIES OF
 FEATHER RIVER RECREATION AND PARK DISTRICT
 COMMUNITY FACILITIES NO. 2022-01
 (PARK MAINTENANCE)**

County of Butte
 State of California

CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF THE BOARD OF DIRECTORS OF THE FEATHER RIVER RECREATION AND PARK DISTRICT THIS _____ DAY OF _____, 2022.

CLERK OF THE BOARD _____

CLERK'S MAP CERTIFICATE

I DO HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2022-01 (PARK MAINTENANCE), COUNTY OF BUTTE, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF THE FEATHER RIVER RECREATION AND PARK DISTRICT AT A MEETING THEREOF HELD ON THE _____ DAY OF _____, 2022, BY ITS RESOLUTION NO. _____.

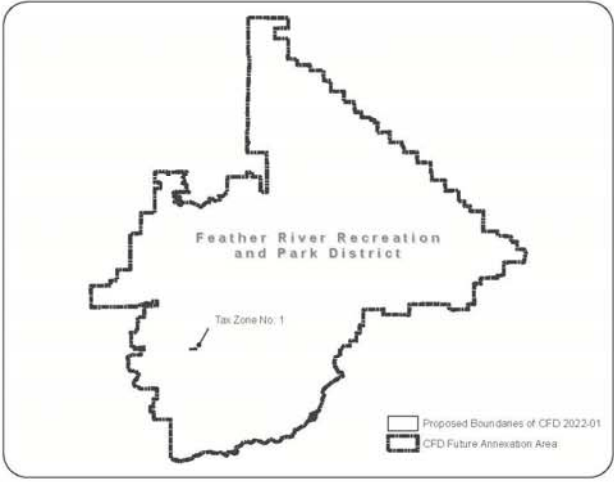
CLERK OF THE BOARD _____

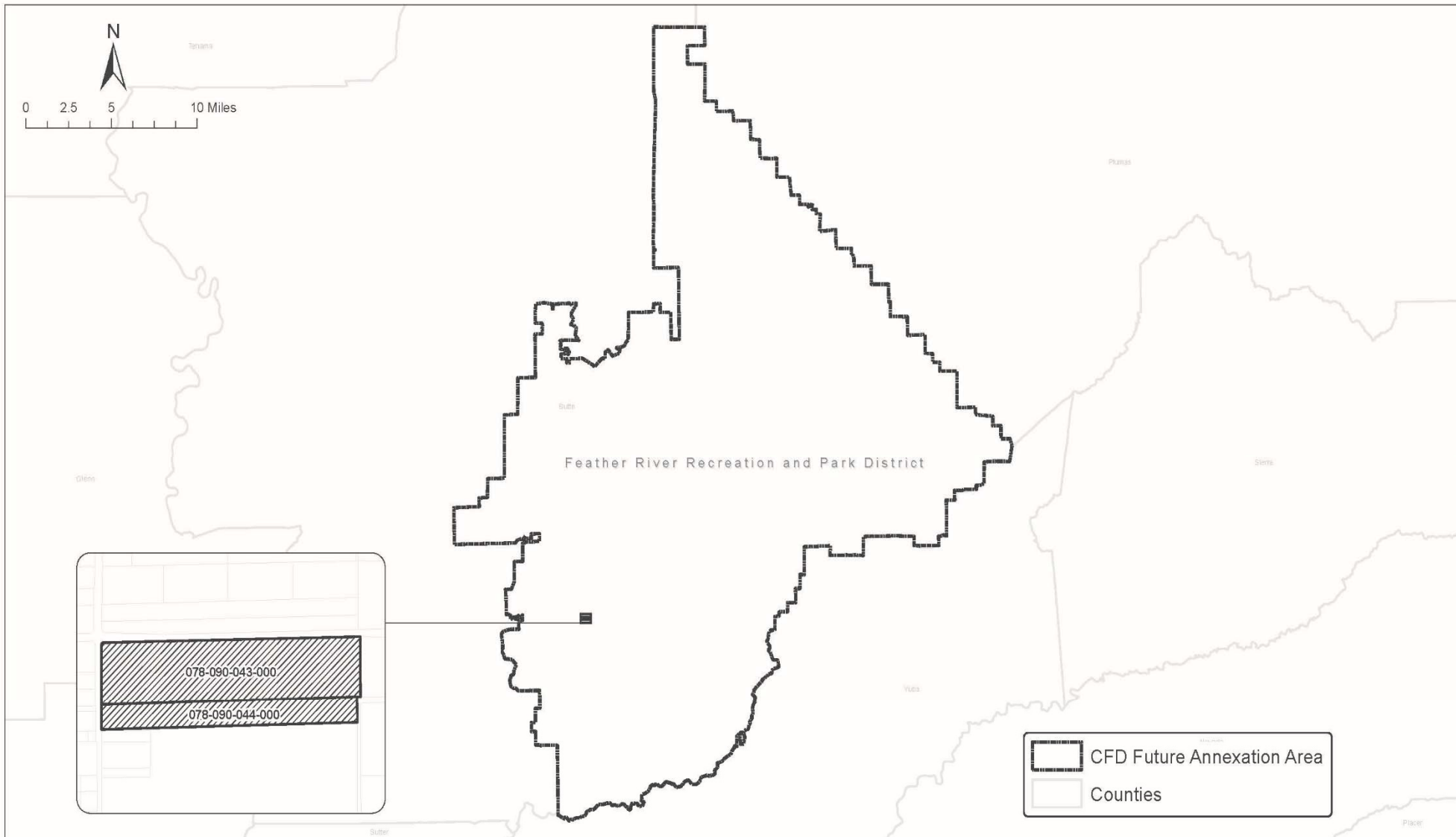
RECORDER'S CERTIFICATE

FILED THIS _____ DAY OF _____, 2022 AT THE HOUR OF _____ O'CLOCK IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF BUTTE, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF BUTTE

NOTE: REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF BUTTE FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.





**MAP OF PROPOSED BOUNDARIES OF
 FUTURE ANNEXATION AREA OF
 FEATHER RIVER RECREATION AND PARK DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 2022-01
 (PARK MAINTENANCE)**

EXHIBIT B – DESCRIPTION OF LANDOWNER PROPERTIES

**FEATHER RIVER RECREATION AND PARK DISTRICT
Community Facilities District No. 2022-01
(Park Maintenance)**

Tax Zone No. 1

<u>Assessor's Parcel Number</u>	<u>Acres</u>	<u>Property Owner</u>
078-090-043	36.95	W & R Wedgewood Apartments Inc. et al
078-090-044	13.00	W & R Wedgewood Apartments Inc. et al
Total Acres	49.95	
Total Landowner Votes	50	

EXHIBIT C – DESCRIPTION OF SERVICES TO BE FUNDED BY THE CFD

FEATHER RIVER RECREATION AND PARK DISTRICT Community Facilities District No. 2022-01 (Park Maintenance)

The types of services to be funded by the CFD ("Services") shall include the annual operation, maintenance and servicing, including repair and replacement of parks, trails and recreation facilities, storm drainage facilities, landscape corridors, wetlands and open space areas; any incidental expenses authorized by the Act; and any other miscellaneous or incidental services identified by the District necessary to provide the described Services herein including the collection and accumulation of funds to pay for anticipated Service, future repairs and replacements and cost shortfalls.

It is expected that the Services will be provided by the District, either with its own employees or by contract with third parties, or any combination thereof.

The Services to be funded by the CFD are in addition to those provided in the territory of the CFD before the date of creation of the CFD and will not supplant services already available within that territory when the CFD is created.

EXHIBIT D – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

FEATHER RIVER RECREATION AND PARK DISTRICT Community Facilities District No. 2022-01 (Park Maintenance)

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the land in the Community Facilities District No. 2022-01 (the “CFD”) of the Feather River Recreation and Park District (the “District”) shall be levied and collected according to the tax liability determined by the District through the application of the appropriate amount or rate described herein.

A. DEFINITIONS

“**Accessory Unit**” means a secondary residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a Unit of Single Family Detached Property.

“**Acre**” means each acre of the land area making up an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the actual or estimated costs incurred by the District to determine, levy, and collect the Special Taxes, including the proportionate amount of the salaries and benefits of District employees whose duties are directly related to the administration of the CFD and the fees of Special Tax levy administrator, other consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the County tax rolls and any other incidental costs authorized by the Act.

“**Annual Escalation Factor**” means the percentage change during the preceding year in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose area (“CPI-U”), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 4 percent, whichever is greater. In the case where the annual change in the CPI-U is negative, the annual percentage increase shall be equal to zero. If the CPI-U at any time is no longer available, then a comparable economic indicator, as reasonably determined by District, shall be used.

“**Annual Special Tax**” means the annual Special Tax, determined in accordance with Section D below, to be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County for identification purposes.

“Base Year” means the Fiscal Year in which the Tax Zone was formed or annexed into the CFD.

“Board” means the Board of Directors of the Feather River Recreation and Park District, acting as the legislative body of the District and the CFD.

“Building Permit” means a single permit or set of permits required to construct an entire structure.

“CFD” or “CFD No. 2022-01” means Community Facilities District No. 2022-01 (Park Maintenance) of the Feather River Recreation and Park District.

“CFD Administrator” means an official of the District, or designee thereof, responsible for determining and providing for the levy and collection of the Special Tax.

“City” means the City of Oroville, California.

“County” means the County of Butte, California.

“County Assessor” means the Butte County Assessor.

“Developed Residential Property” means all Assessor Parcels of Developed Property for which a Building Permit has been issued prior to April 1 of the preceding Fiscal Year for construction of a Residential Unit. These Assessor’s Parcels may be further classified into one of the following groups: Single Family Detached, Single Family Attached, and Multi-Family Residential.

“District” means the Feather River Recreation and Park District.

“Fiscal Year” means the period starting July 1 and ending the following June 30.

“Land Use Classification” means any of the classes listed in Section B(1).

“Maximum Special Tax” means the greatest amount of Special Tax, determined in accordance with Sections B and C below, that can be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Multifamily Residential Property” means all Assessor Parcels of Developed Property for which a Building Permit has been issued for construction of a structure with more than one Residential Unit. This category includes but is not limited to apartment buildings, duplexes, triplexes, fourplexes and condominiums.

“Owners Association Property” means any property within the boundaries of the CFD owned by a homeowner association or property owner association, including any master or sub-association.

“Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax Rate authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels.

“Public Property” means any property within the boundaries of the CFD that is either (i) owned by the federal government, the State of California, the County, another public agency, or a private nonprofit organization that owns and is responsible for conservation of open space areas or (ii) encumbered by an easement owned by any such public agency or private organization which easement makes the development of such property impractical. Notwithstanding the foregoing, a leasehold or other possessory interest in any such property which is subject to taxation pursuant to Section 53340.1 of the Act shall not constitute “Public Property.”

“Residential Unit” means each separate residential dwelling unit on an Assessor’s Parcel that comprises an independent facility capable of conveyance or rental as distinct from adjacent residential dwelling units. An accessory residential dwelling unit that shares a Parcel with a Single Family Detached Residential Unit shall not be considered as a Residential Unit for the purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Services” means the services authorized to be funded by the CFD as described in the Resolution of Intention for the CFD.

“Single-Family Attached Property” means all Assessor Parcels of Developed Property for which a building permit has been issued for construction of a residential structure consisting of two or more Residential Units that share common walls, have separate Assessor’s Parcel Numbers assigned to them.

“Single-Family Detached Property” means all Assessor Parcels of Developed Property for which a building permit has been issued for construction of a single-family Residential Unit that does not share a common wall with another Residential Unit.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for the CFD to 1) provide the Services; 2) pay for reasonable Administrative Expenses; 3) pay any amounts required to establish or replenish any reserve funds, and 4) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

“State” means the State of California.

“Taxable Property” means any Assessor’s Parcel that is not Tax-Exempt Property.

“Tax-Exempt Property” means any Parcel within the CFD which is not Developed Residential Property, Owners Association Property, or Undeveloped Property, and includes Public Property and Nonresidential Property.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. All Taxable Property within the CFD at the time of its formation is within the Tax Zone specified in Section B2. Additional Tax Zones may be created when Taxable Property is annexed to the CFD, and a separate Maximum Special Tax shall be identified for Taxable Property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone when such Parcels are annexed to the CFD shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels.

“Undeveloped Property” means any Assessor’s Parcel which is not Tax-Exempt Property, and for which no Building Permit has been approved and issued by April 1 of the previous Fiscal Year.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels of Taxable Property annexed into the CFD that constitutes the property owner’s approval and unanimous vote in favor of annexing into the CFD and the levy of Special Tax against his/her Parcel or Parcels pursuant to this RMA.

B. DETERMINATION OF MAXIMUM SPECIAL TAX

The Maximum Special Tax shall be calculated as follows:

1. **Classification of Parcels.** Each Fiscal Year, using the Definitions above and the Parcel records of the County Assessor’s Secured Tax Roll of July 1, the District shall cause each Parcel of land in the CFD to be classified as Developed Residential Property, Undeveloped Property, Owners Association Property, or Tax-Exempt Property. Developed Residential Property maybe further classified into one of following groups: Single Family Detached, Single Family Attached, and Multi-Family Residential.

2. **Assignment of Maximum Special Tax.** Each Fiscal Year, the Base Year Maximum Tax shown below shall be escalated as specified in Section C, Annual Adjustment of Maximum Special Tax, to determine the Maximum Special Tax for the upcoming Fiscal Year for each Land Use Classification in a Tax Zone. A different Maximum Special Tax Rate may be identified in Tax Zones added to the CFD as a result of future annexations.

TABLE 1
MAXIMUM SPECIAL TAX RATES – TAX ZONE NO. 1 (RIVER RANCH)
FISCAL YEAR 2022-23

Land Use Classification	Base Year Maximum Tax
Developed Residential Property	\$410 per Residential Unit
Undeveloped Property	\$2,084 per Acre
Owners Association Property	\$0 per Parcel
Tax-Exempt Property	\$0 per Parcel

3. **Conversion of a Tax-Exempt Property to a Taxable Property.** If a Tax-Exempt Property or Owners Association Property is not needed for public use and is converted to private use, it shall become subject to the Special Tax.
4. **Nonresidential Developed Property.** In the event that any property is converted to nonresidential developed property, it shall become subject to the special tax at an amount equal to the special tax for Undeveloped Property.

C. ANNUAL ADJUSTMENT OF MAXIMUM SPECIAL TAX

Beginning in January 2023 and each January thereafter, the Maximum Special Tax shall be adjusted each fiscal year by Annual Escalation Factor. Each annual adjustment of the Maximum Special Tax shall become effective for the following Fiscal Year.

D. DETERMINATION OF THE ANNUAL SPECIAL TAX

The Board will determine the Special Tax Requirement and will levy the annual special tax each fiscal year on each assessor's parcel of developed residential property at up to one hundred percent of the applicable maximum special tax to fund the Special Tax Requirement.

If additional revenues are needed to provide the 1) Services; 2) pay anticipated Administrative Expenses; and 3) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year, or pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to one hundred percent of the Maximum Special Tax for Undeveloped Property.

Under no circumstances will the Annual Special tax levied against any Assessor's Parcel of Developed Residential Property increase by more than ten (10) percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the CFD.

Subject to the preceding, the amount of Annual Special Tax levied upon any Developed Residential Property and Undeveloped Property in any Fiscal Year shall not exceed the Maximum Special Tax for such Fiscal Year as computed herein.

E. DURATION OF THE SPECIAL TAX

Assessor's Parcels in the CFD shall remain subject to the Special Tax in perpetuity. If the Special Tax ceases to be levied, the District or its designee shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

F. PREPAYMENT OF SPECIAL TAX

Prepayment of the Special Tax is not authorized.

G. APPEALS AND INTERPRETATION PROCEDURE

Any property owner who feels that the portion of the Special Tax levied on the subject property is in error, may file a written appeal no later than April 10 of the Fiscal Year in which the levy occurred, with the General Manager or his or her designee, appealing the levy of the Special Tax on the subject property. General Manager or his or her designee will promptly review the appeal, and, if necessary, meet with the applicant, and decide the merits of the appeal. If the findings of the General Manager or his or her designee verify that the Special Tax levied should be modified, the Special Tax levy for future Fiscal Years shall be corrected, and a credit against future Special Taxes shall be arranged, if applicable. Any overcharges shall be corrected solely by means of adjustments to future Special Tax levies; no cash refunds shall be made. Any dispute over the decision of the General Manager or his or her designee shall be referred to the General Manager, and the Board, and the decision of the Board shall be final and binding on all parties.

Interpretation may be made by resolution of the Board for purposes of clarifying any vagueness or uncertainty related to the application of the Special Tax rate, or application of the method of apportionment, classification of properties, or any definition applicable to the CFD.

H. COLLECTION OF THE SPECIAL TAX

The Special Tax shall be collected each year in the same manner and at the same time as ad valorem property taxes are collected and shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The District shall cause the actions required above to be done for each Fiscal Year in a timely manner to assure that the County Tax Collector receives the schedule of the Special Taxes to be collected for inclusion with billings for such ad valorem taxes for the applicable Fiscal Year. However, the CFD Administrator may directly bill the Special Tax and may collect Special Taxes at a different time or in a different manner if necessary to meet the District's financial obligations or as otherwise determined appropriate by the CFD Administrator.

I. ANNEXATION OF TERRITORY

Any territory to be annexed to the CFD shall, in addition to payment of Special Taxes at the rate set forth in this RMA, be subject to payment of any costs incurred by the District in conducting the annexation process.

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