

ATTACHMENT #1
RESOLUTION NO. 2024-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS,
CALIFORNIA, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO.
2024-1 (PUBLIC SAFETY), CITY OF INDIAN WELLS, COUNTY OF
RIVERSIDE, STATE OF CALIFORNIA, AND THE BOUNDARIES THEREOF**

WHEREAS, the City Council (the "City Council") of the City of Indian Wells (the "City") has heretofore adopted the Resolution of Intention stating that a community facilities district to be known as "Community Facilities District No. 2024-1 (Public Safety), City of Indian Wells, County of Riverside, State of California" ("CFD No. 2024-1"), is proposed to be established pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), and fixing the time and place for a public hearing on the formation of CFD No. 2024-1; and

WHEREAS, CFD No. 2024-1 is proposed to be established for the purpose of financing certain public services (the "Services") of which are necessary to meet increased demands placed upon the City as a result of the development of said real property; and

WHEREAS, notice was published and mailed to the owner of all of the property in CFD No. 2024-1 relative to the intention of the City Council to establish CFD No. 2024-1, the levy of special taxes therein, and of the time and place of the public hearing; and

WHEREAS, on June 20, 2024, the City Council conducted the public hearing as required by law relative to the formation of CFD No. 2024-1, the levy of special taxes therein, and the provision of the Services therein; and

WHEREAS, prior to the commencement of the public hearing there was filed with the City Council a report (the "Report") containing a description and an estimate of the fair and reasonable costs of providing such Services, as required by Section 53321.5 of the Act required to adequately meet the needs of CFD No. 2024-1; and

WHEREAS, at the public hearing all persons desiring to be heard on all matters pertaining to the formation of CFD No. 2024-1, the levy of the special taxes therein, the provision of the Services therein was heard, and a full and fair hearing was held; and

WHEREAS, at the public hearing evidence was presented to the City Council on the matters before it, and the City Council, at the conclusion of the hearing, was fully advised as to all matters relating to the formation of CFD No. 2024-1, the levy of the special taxes therein, and the provision of the Services therein; and

WHEREAS, the City Council may, therefore, proceed to establish CFD No. 2024-1; and

WHEREAS, the City Clerk has advised the City Council that they have received a statement from the Registrar of Voters of the County of Riverside that there are no persons registered to vote in the territory of CFD No. 2024-1.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDIAN WELLS AS FOLLOWS:

SECTION 1. Findings. The City Council finds as follows:

(a) All of the preceding recitals are true and correct and are incorporated herein by this reference;

(b) On June 20, 2024, pursuant to notice thereof duly given as provided by law, the City Council conducted a public hearing with respect to the formation of CFD No. 2024-1, and the annual levying of specified special taxes on the taxable property within CFD No. 2024-1 to pay for the ongoing maintenance of Services, and other obligations which are described in Section 3(a) hereof;

(c) The boundary map of CFD No. 2024-1 was recorded on May 30, 2024, pursuant to Sections 3111 and 3113 of the California Streets and Highways Code, at pages 22-23 in Book 93 of Maps of Assessment and Community Facilities Districts, and as Instrument No. 2024-01566228 in the official records of the County of Riverside;

(d) All prior proceedings with respect to the formation of CFD No. 2024-1 prior to and during the public hearing with respect to the formation of CFD No. 2024-1 which was conducted by the City Council on June 20, 2024, were valid and in conformity with the requirements of the Act;

(e) No written protests were received, at or prior to the time of the public hearing, against the formation of CFD No. 2024-1, or the levying of the special taxes, or the furnishing of specified types of public services, and the special taxes and public services have, therefore, not been eliminated by majority protest pursuant to Section 53324 of the Act;

(f) The City Council is, therefore, authorized to adopt a resolution of formation pursuant to Section 53325.1 of the Act for the formation of Community Facilities District No. 2024-1 (Public Safety), City of Indian Wells, County of Riverside, State of California, and CFD No. 2024-1 should be established; and

(g) Twelve (12) persons have not been registered to vote within the territory of CFD No. 2024-1 for each of the 90 days preceding the close of the public hearing on June 20, 2024, and pursuant to Section 53326 of the Act, the vote in the Consolidated Special Elections (defined below) provided for in Section 10 hereof shall, therefore, be by the landowners of CFD No. 2024-1 whose property would be subject to the special taxes if they were levied at the time of the elections, and each landowner shall have one vote for each acre, or portion thereof, which he or she owns within CFD No. 2024-1 which would be subject to the proposed special taxes if they were levied at the time of the elections.

SECTION 2. Formation of District. Community Facilities District No. 2024-1 (Public Safety), City of Indian Wells, County of Riverside, State of California, is hereby established. The boundaries of CFD No. 2024-1 are set forth and shown on the map entitled "Map of Proposed Boundaries of Community Facilities District No. 2024-1 (Public Safety), City of Indian Wells,

County of Riverside, State of California," which is on file with the City Clerk, and those boundaries are hereby established.

SECTION 3. Types of Services; Incidental Expenses. A general description of certain public services (the "Services") proposed to be financed by CFD No. 2024-1 is set forth in Exhibit A attached hereto and incorporated herein by this reference and all costs associated with the establishment of the CFD, administration thereof, the determination of the amount of any special taxes to be levied, the costs of collecting any special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the CFD.

SECTION 4. Special Taxes. Except where funds are otherwise available, a special tax sufficient to finance the Services and related incidental expenses (the "Special Taxes"), secured by the recordation of a continuing lien against all taxable or nonexempt property in CFD No. 2024-1, shall be annually levied within the CFD No. 2024-1.

Under no circumstances will the Special Tax levied in any fiscal year against any parcel used for private residential purposes be increased as consequence of delinquency or default by the owner of any other parcel or parcels within CFD No. 2024-1 by more than 10 percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. A parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit or the equivalent for private residential use is issued and for such parcel.

For further particulars as to the rate and method of apportionment of the Special Taxes to be levied on parcels of taxable property in CFD No. 2024-1 reference is made to the attached and incorporated Exhibit B (the "Rate and Method") which sets forth in sufficient detail the rate and method of apportionment of the Special Taxes to allow each landowner or resident within each CFD No. 2024-1 to clearly estimate the maximum amount that such person will have to pay.

There are no conditions under which the obligation to pay the Special Tax may be prepaid and permanently satisfied as set forth in the Rate and Method.

Pursuant to Section 53340 of the Act, said Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided however, that CFD No. 2024-1 may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent assessor's parcels as permitted by the Act.

Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Taxes shall attach to all non-exempt real property in CFD No. 2024-1, and that lien shall continue in force and effect in perpetuity. The special tax obligation shall not be prepaid and shall continue in perpetuity or until the City ceases to provide the Services and the lien cancelled in accordance with law.

SECTION 5. Exempt Properties. Pursuant to Section 53340 of the Act, and except as provided in Section 53317.3 of the Act, properties of entities of the state, federal, and local governments shall be exempt from the levy of Special Taxes.

SECTION 6. Report. The Report is hereby approved and is made a part of the record of the public hearing regarding the formation of CFD No. 2024-1, and is ordered to be kept on file with the City Clerk as part of the transcript of these proceedings.

SECTION 7. Repayment of Funds Advanced or Work-in-Kind. Pursuant to Section 53314.9 of the Act, the City Council proposes to accept advances of funds or work-in-kind from private persons or private entities and to provide, by resolution, for the use of those funds or that work-in-kind for any authorized purpose, including but not limited to, paying any costs incurred by the City in creating CFD No. 2024-1, and to enter into an agreement, by resolution, with the person or entity advancing the funds or work-in-kind to repay funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council.

SECTION 8. Description of Voting Procedures. Except as otherwise provided in this section, the consolidated special elections on the propositions identified below shall be conducted by the City Clerk in accordance with the provisions of the California Elections Code governing mail ballot elections of cities, insofar as they may be applicable. The voting procedures to be followed in conducting the consolidated special elections on (i) the proposition with respect to the levy of special taxes on parcels of taxable property within CFD No. 2024-1 to pay the ongoing costs of providing the Services and (ii) the proposition with respect to establishing an appropriations limit for CFD No. 2024-1 in the amount of \$4,000,000 (the "Special Elections") shall be as follows:

(a) The Special Elections shall be held on the earliest date, following the adoption by the City Council of this Resolution and a resolution pursuant to Section 53326 of the Act submitting to the qualified electors of CFD No. 2024-1 the propositions with respect to (i) the levy of special taxes to pay the ongoing costs of providing the Services and (ii) establishing an appropriations limit for the community facilities district to the qualified electors of the community facilities district, upon which such elections can be held pursuant to Section 53326 which may be selected by the City Council, or such earlier date as the owners of land within CFD No. 2024-1 and the City Clerk agree and concur is acceptable.

(b) Pursuant to Section 53326 of the Act, the Special Elections may be held earlier than 90 days following the close of the public hearing if the qualified electors of CFD No. 2024-1 waive the time limits for conducting the elections set forth in said Section 53326 by unanimous written consent and the City Clerk concurs in such earlier election date as shall be consented to by the qualified electors.

(c) Pursuant to Section 53326 of the Act, ballots for the Special Elections shall be distributed to the qualified electors by the City Clerk by mail with return postage prepaid, or by personal service.

(d) Pursuant to applicable sections of the California Elections Code governing the conduct of mail ballot elections of cities, and specifically Division 4 (commencing with Section

4000) of the California Elections Code with respect to elections conducted by mail, the City Clerk shall mail or deliver to each qualified elector an official ballot in a form specified by the City Council in the resolutions calling and consolidating the Special Elections, and shall also mail or deliver to all such qualified electors a ballot pamphlet and instructions to voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a statement pursuant to Section 9401 of that Code, an impartial analysis by the City Attorney pursuant to Section 9280 of that Code with respect to the ballot propositions contained in the official ballot, arguments and rebuttals, if any, pursuant to Sections 9281 to 9287, inclusive, and 9295 of that Code, a return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of voted official ballots, and a copy of the Resolution of Formation provided, however, that such statement, analysis and arguments may be waived with the unanimous consent of all the landowners who are qualified electors and shall be so stated in the resolution adopted by the City Council calling the Special Elections. Such statement, impartial analysis and arguments, if any, shall be prepared by the City Attorney.

(e) The official ballot to be mailed or delivered by the City Clerk or her designee to each landowner-voter shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted by the landowner-voter and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner-voter is other than a natural person, that he or she is an officer of or other person affiliated with the landowner-voter entitled to vote such official ballot, that he or she has been authorized to vote such official ballot on behalf of the landowner-voter, that in voting such official ballot it was his or her intent, as well as the intent of the landowner-voter, to vote all votes to which the landowner-voter is entitled based on its land ownership on the propositions set forth in the official ballot as marked thereon in the voting square opposite each such proposition, and further certifying as to the acreage of the landowner-voter's land ownership within CFD No. 2024-1.

(f) The return identification envelope mailed or delivered by the City Clerk to each landowner-voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, (vi) the date of signing and place of execution of the declaration, and (vii) a notice that the envelope contains an official ballot and is to be opened only by the City Clerk.

(g) The instruction to voter form to be mailed or delivered by the City Clerk to the landowner-voters shall inform them that the official ballots shall be returned to the City Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by the hour on the date of the election which is specified by the City Council in the resolution calling the Special Elections for the receipt of voted ballots; provided that if all qualified voters have voted, the elections shall be closed with the concurrence of the City Clerk.

(h) Upon receipt of the return identification envelopes which are returned prior to the voting deadline on the date of the elections, the City Clerk shall canvass the votes cast in the Special Elections, and shall file a statement with the City Council as to the results of such canvass and the election on each proposition set forth in the official ballot.

The procedures set forth in this section for conducting the special elections, if they are held, may be modified as the City Council may determine to be necessary or desirable by a resolution subsequently adopted by the City Council.

SECTION 9. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this Resolution are declared to be severable.

SECTION 10. Effective Date. This Resolution shall become effective immediately.

PASSED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 20th day of June 2024.

GREG SANDERS
MAYOR

CERTIFICATION FOR RESOLUTION NO. 2024-____

I, Angelica Avila, City Clerk of the City Council of the City of Indian Wells, California, **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells on the 20 day of June 2024, by the following vote:

AYES:

NOES:

ATTEST:

APPROVED AS TO FORM:

ANGELICA AVILA
CITY CLERK

TODD LEISHMAN FOR
BEST BEST & KRIEGER LLP
CITY ATTORNEY

EXHIBIT A

**CITY OF INDIAN WELLS
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(PUBLIC SAFETY)**

Authorized Services

The City of Indian Wells (the "City") is establishing Community Facilities District No. 2024-1 (Public Safety) (the "CFD") to finance, in whole or in part, the following services ("services" shall have the meaning given to that term in the Mello-Roos Community Facilities Act of 1982 (the "Act")) which include administration expenses and collection for reserves. All services to be funded by the CFD are to be in addition to those provided before the CFD was created, and may not supplant services already available when the CFD was created.

Authorized Services:

The types of City services to be financed by the CFD ("Services") shall include, but are not limited to, police protection services, fire protection and suppression services, ambulance and paramedic services, maintenance of streets and roadways, maintenance and operation of street lights, parks, parkways and open space, and maintenance of public facilities, including any incidental expenses authorized by the Act, and any other miscellaneous or incidental services identified by the City necessary to provide the described Services herein.

Administrative Expenses:

In addition, the following costs will also be funded by the special taxes levied within the CFD.

1. Administrative Expenses including costs incurred to determine, levy and collect the special taxes, including compensation of City employees for administrative work performed in relation to the CFD and a proportionate amount of the City's general administrative overhead related thereto, the fees of consultants and legal counsel, the costs of collecting installments of the special taxes upon the general tax rolls, preparation of required reports, and any other costs incurred for the administration of the CFD by the City;
2. Any amounts needed for operating reserves and capital replacement reserves; and
Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years.

EXHIBIT B

**CITY OF INDIAN WELLS
COMMUNITY FACILITIES DISTRICT NO. 2024-1
(PUBLIC SAFETY)**

Rate and Method of Apportionment of Special Taxes

RATE AND METHOD OF

APPORTIONMENT OF SPECIAL TAX

For the City of Indian Wells Community Facilities District No. 2024-1 (Public Safety), County of
Riverside, State of California

The Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Indian Wells Community Facilities District No. 2024-1 (Public Safety), ("CFD 2024-1"), other than Assessor's Parcels classified as Exempt Property as defined herein and collected each Fiscal Year commencing in Fiscal Year 2024-25, in an amount determined by the CFD Administrator through the application of the procedures described below. All the real property within CFD 2024-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated expenses related to the administration of CFD 2024-1: the costs of determining the amount of the levy of the Special Tax, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD 2024-1, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD 2024-1, and any and all other costs incurred in connection with the administration of CFD 2024-1.

"Annual Escalation Factor" means the annual percentage increase of the All Urban Consumers Consumer Price Index ("CPI") or three percent (3%), whichever is greater. The annual CPI used shall be for the area of Riverside-San Bernardino-Ontario, CA as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31, or such other replacement index as may be determined by the City.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by assessor’s parcel number.

“Base Year” means Fiscal Year beginning July 1, 2023 and ending June 30, 2024.

“Building Permit” means a permit issued for new construction of a residential dwelling or non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, grading, utility improvements, or other such improvements not intended for human habitation or commercial activities.

“Building Square Footage” or **“Building Square Foot”** means for Residential Property, all the square footage within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area; and for Non-Residential Property, all the square footage within the perimeter of the non-residential structure, measured from outside wall to outside wall, not including space devoted to stairwells, basement storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking areas incidental thereto, mechanical equipment incidental to the operation of such building, and covered pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades and similar areas, except such public circulation areas or portions thereof that are used solely for business purposes. The determination of Building Square Footage shall be based on the Building Permit(s) issued for such structure and/or by reference to appropriate records kept by the City.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Tax for CFD 2024-1.

“CFD 2024-1” means City of Indian Wells Community Facilities District No. 2024-1 (Public Safety) established by the City Council under the Act.

“City” means the City of Indian Wells.

“City Council” means the Council of the City of Indian Wells, acting as the legislative body of CFD 2024-1.

“County” means the County of Riverside.

“Developed Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before June 1 preceding the Fiscal Year for which the Special Tax is being levied.

“Exempt Property” means all Assessor’s Parcels within CFD 2024-1 that are exempt from the Special Tax pursuant to the Act or Section F herein.

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Hotel Property” means all Assessor’s Parcels of Developed Property within CFD 2024-1 for which a Building Permit has been issued for purposes of constructing one or more non-residential buildings intended to provide accommodations, meals and other services for travelers and tourists.

“Land Use Type” means any of the land use types listed in Table 1 below.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Multi-Family Residential Property” means all Assessor’s Parcels of Residential Property for which a Building Permit has been issued for the purpose of constructing a building or buildings comprised of attached Residential Units available for rental by the general public, not for sale to an end user, and under common management.

“Municipal Services” means those authorized services that may be funded by CFD 2024-1 pursuant to the Act, as amended including but not limited to fire protection and suppression services; ambulance and paramedic services; police protection services; maintenance of streets and roadways; maintenance and operation of street lights; maintenance of parks, parkways and open space; and maintenance of public facilities.

“Non-Residential Property” means any Assessor’s Parcel classified as Developed Property, which is not classified as any, Residential Property, Public Property and Property Owner Association Property.

“Permanent Residential Property” means all Assessor’s Parcels of Residential Property not classified as Short-Term Rental Property.

“Property Owner Association Property” means for each Fiscal Year any property within the boundaries of CFD 2024-1 that was owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to a property owner association, including any master or sub-association, as of June 1.

“Proportionately” means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Class.

“Public Property” means any property that is owned by, dedicated or irrevocably dedicated to a city, the federal government, the State of California, the County, or any other public agency (each, a “Public Entity”); provided, however, that any such property is leased by such a Public Entity to a private entity and is thereby subject to taxation pursuant to Section 53340.1 of the Act, such leasehold estate shall be classified and taxed according to the use thereof.

“Residential Property” means Assessor’s Parcels of Developed Property within CFD 2024-1 for which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

“Residential Unit” means any residence in which a person or persons may live, which is not considered to be used for non-residential purposes.

“Short-Term Rental Property” means Assessor’s Parcels of Residential Property intended for rental to the general public on a short-term basis.

“Special Tax” means the special tax authorized to be levied within CFD 2024-1 pursuant to the Act, to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the CFD Administrator, for any Fiscal Year to: (i) pay the costs of providing the Municipal Services during such Fiscal Year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational reserve fund established for Municipal Services, (iv) pay incidental expenses related to the Municipal Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax Requirement for such Fiscal Year where such shortfall resulted from delinquencies in the payment of the Special Tax in such Fiscal Year that exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for such Fiscal Year.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to the Act or Section F.

“Undeveloped Property” means an Assessor’s Parcel of Taxable Property which is not classified as Developed Property.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2024-25, using the definitions above, each Assessor’s Parcel within CFD 2024-1 shall be classified by the CFD Administrator as Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property or Undeveloped Property. Commencing with Fiscal Year 2024-25 and for each subsequent Fiscal Year, all Taxable Property shall be assigned a Land Use Type and subject to the levy of the Special Tax pursuant to Section C below.

C. SPECIAL TAX RATES

1. Developed Property

Each Fiscal Year commencing in Fiscal Year 2024-25, each Assessor’s Parcel of Developed Property shall be subject to the Special Tax.

The Maximum Special Tax for Developed Property for Fiscal Year 2024-25 is shown below in Table 1.

TABLE 1

Land Use Type	Maximum Special Tax
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Permanent Residential Property	\$388 per Residential Unit
Short-Term Rental Property	\$291 per Residential Unit
Hotel Property	\$277 per Hotel Room
Retail Property	\$0.67 per Building Square Foot
Other Non-Residential Property	\$0.34 per Building Square Foot

Effective July 1, 2026 and each subsequent Fiscal Year following, the Maximum Special Tax rates shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

2. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2024-25, each Assessor’s Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax.

3. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor’s Parcel or Exempt Property changes so that such Assessor’s Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor’s Parcel no longer eligible to be classified as Exempt Property, such Assessor’s Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2024-25 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD 2024-1 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied Proportionately on each Assessor’s Parcel of Developed Property within CFD 2024-1 up to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor’s Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of the Special Tax by the owner of any other Assessor’s Parcel.

E. PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

F. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, and (iv) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

G. APPEALS

Any property owner claiming that the amounts or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

H. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Tax may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD 2024-1.

I. DURATION OF TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement unless such tax is no longer required as determined by the City Council.

J. INTERPRETATION

The City may interpret, clarify, and revise this Rate and Method to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, that does not create a material adverse effect on the levy and collection of the Special Tax.