

NOTICE OF THE PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PROPERTY TO THE COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED, AND THE PROPOSED RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX

NOTICE IS HEREBY GIVEN that at 6:00 p.m. or as soon thereafter as may be heard, on Monday, May 21, 2018, at the City Council Chambers of the City of Merced, 678 West 18th Street, Merced, California 95340, the City Council of the City of Merced (the “City Council”), acting as the legislative body of the Community Facilities District No. 2003-2 (Services) of the City of Merced (the “District”) will hold a public hearing on the annexation of certain property to the District (“Annexation No. 12”), and the proposed rate and method of apportionment of the special tax (the “Special Tax”) to be levied on certain property within Annexation No. 12.

On April 16, 2018, the City Council adopted a resolution stating its intention to annex property to the Community Facilities District No. 2003-2 (Services) of the City of Merced pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”). A summary of such resolution is attached hereto as Attachment A.

At the hearing, the testimony of all interested persons or taxpayers for or against the proposed Annexation No. 12 to the District, or the extent or purposes of the proposed Annexation No. 12, will be heard. If 50% or more of the registered voters, or six registered voters, whichever is more, residing within the existing District, or if 50% or more of the registered voters or six registered voters, whichever is more, residing within the territory proposed for annexation, or if the owners of one-half or more of the area of land in the territory included in the existing District, or if the owners of one-half or more of the area of land in the territory proposed to be annexed, file written protests against the proposed annexation of territory to the existing District, and protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to annex the property to the District or to levy the specified Special Tax within proposed Annexation No. 12 shall be taken for a period of one year from the date of the decision of the City Council.

Absent a majority protest, the City Council will call a special election for the levy of special taxes within proposed Annexation No. 12. The voting procedure shall be conducted by mailed ballot election.

Dated: April 24, 2018

CITY OF MERCED

/s/Kim Espinosa
KIM ESPINOSA,
Planning Manager

By _____
/s/ John Tressider
DEPUTY CITY CLERK

Attachment A – Summary of the Resolution of Intent

ATTACHMENT A

SUMMARY OF THE RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED, DECLARING ITS INTENTION TO ANNEX AREA TO SAID DISTRICT, AUTHORIZE THE LEVY OF A SPECIAL TAX WITHIN SAID ANNEXATION, AND APPROVING A CERTAIN AGREEMENT RELATED THERETO

In accordance with the Mello-Roos Community Facilities Act of 1982, the City Council formed the Community Facilities District No. 2003-2 (Services) of the City of Merced (the "District") for the purpose of financing certain public services and maintenance, including but not limited to public safety services, landscape maintenance, park and parkway maintenance, street lighting maintenance and flood control services and other services authorized by the Act and the City's Municipal Code (the "Services"), which are necessary to meet increased demands placed on the City as a result of the new development within the City. The properties within the District and proposed to be annexed to the District are or will be subject to the levy of a special tax to pay for the Services which are in addition to those provided in the territory within the District and the proposed annexation to the District and do not supplant services already available within the territory proposed to be included in the District prior to development. The District has received petitions from certain landowners to annex to the District ("Annexation No. 12").

The exterior boundaries of proposed Annexation No. 12 are specified and described as shown on that certain map now on file in the office of the City Clerk entitled "Boundary Map and Improvement Areas of City of Merced Community Facilities District No. 2003-2 (Services) Annexation No. 12, City of Merced, County of Merced, State of California" which map indicates by a boundary line the extent of the territory included in the proposed Annexation No. 12 and shall govern for all details as to the extent of Annexation No. 12.

The name of the proposed Annexation No. 12 shall be "Community Facilities District No. 2003-2 (Services) Annexation No. 12, of the City of Merced."

Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with procedures contained in the Act a special tax (the "Special Tax") sufficient to finance public safety services, landscape maintenance, park and parkway maintenance, street lighting maintenance and flood control services that are in addition to those provided in the territory within the proposed Annexation No. 12 prior to development and which do not supplant services already available within the territory proposed to be included within the District prior to development, the costs of administering the levy and collection of the Special Tax and all other costs of the levy of the Special Tax, including any foreclosure proceedings, legal, fiscal, and financial consultant fees, election costs, and all other administrative costs of the tax levy. The Special Tax will be secured by the recordation of a continuing lien against all taxable and nonexempt real property in the proposed Annexation No. 12. The Special Tax will be secured by recordation of a continuing lien against all non-exempt real property in the proposed

Annexation No. 12. The schedule of the amended rate and method of apportionment and manner of collection of the Special Tax (the “Special Tax Formula”) is described in detail in Exhibit “A” attached to the Resolution of Intention to Annex, a copy of which may be obtained from the City Clerk. The Special Tax Formula provides sufficient detail to allow each owner of nonexempt real property within the proposed Annexation No. 12 to estimate the maximum amount that such person will have to pay for the Services. The special tax levied within the existing District was levied for services attributable to each zone on an individual basis. Therefore, the inclusion of Annexation No. 12 into the District will not change the amount of the special tax to be levied on property within the existing District.

The Special Tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such Special Tax is not levied on or based upon the value or ownership of real property. Upon recordation of a notice of special tax lien, a continuing lien to secure each levy of the special taxes shall attach to all nonexempt real property in the proposed Annexation No. 12. Properties of entities of the state, federal, and local governments shall be exempt from the levy of the Special Tax.

The officers of the City who will be responsible for providing the proposed types of services to be provided within the District, shall study the proposed Annexation No. 12, and file a report or reports with the City Council, containing a brief description of the additional public services by type which will in their opinion be required to adequately meet the needs of the proposed Annexation No. 12, and their estimate of the fair and reasonable cost of providing those public services and the incidental expenses to be incurred in connection therewith, including all costs associated with the annexation to the District, determination of the amount of any special taxes, collection of any special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the City with respect to the annexation to the District.

The City may accept advances of funds from any sources, including private persons or private entities, and is authorized and directed to use such funds for any authorized purpose, including any cost incurred by the City in annexing property to the District. The City may enter into an agreement to repay all of such funds as are not expended or committed for any authorized purpose at the time of the election on the levy of the Special Tax, if the proposal to levy such tax should fail, and at its option to repay any or all of such funds advanced if the levy of the Special Tax shall be approved by the qualified electors of the proposed Annexation No. 12.

The voting procedure for the levy of the Special Taxes within the proposed Annexation No. 12 shall be conducted by mailed ballot election as described in the Resolution of Intention to Annex.