



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 03-09-05

Approved

Katy Allen

Date

3/15/05

Council District: 2

SUBJECT: AUTHORIZATION OF FEASIBILITY STUDY FOR FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 12 (BASKING RIDGE) AND ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE CONSTRUCTION EXCISE TAX FUND FOR THE CFD NO. 12 FEASIBILITY STUDY PROJECT

RECOMMENDATION

- a) Approval of an agreement with Metcalf Partners, LLC, Lennar Homes of California, Inc., to fund and perform a community facilities district feasibility study and formation analysis to provide maintenance services for improvements to a proposed residential development at the terminus of Basking Ridge Avenue.
- b) Adoption of Appropriation Ordinance and Funding Sources Resolution amendments in the Construction Excise Tax Fund:
 1. Establish an appropriation to the Department of Public Works for the CFD No. 12 Feasibility Study project in the amount of \$30,000.
 2. Increase the estimate for Earned Revenue by \$30,000.

CEQA: Resolution No. 71360, PP05-36.

BACKGROUND

On April 15, 2003, Council adopted an ordinance rezoning certain real property on the easterly side of US Highway 101 and northerly of Metcalf Road to allow up to 213 single-family detached residential units. Due to the uniqueness of the area, Metcalf Partners, LLC, through its manager Lennar Homes of California, Inc. (the "Developer") must install extraordinary improvements in addition to the standard infrastructure required by a development project.

These improvements include a secondary storm drain system to collect runoff from the adjacent hills and a sanitary sewer pump station, plus appurtenances (collectively the "Improvements"). A condition of approval of the project requires the formation of a community facilities district for the maintenance of the Improvements. The Feasibility Study will determine the extent of the District's responsibilities.

ANALYSIS

The proposed agreement would provide Developer funding for City staff to assess the feasibility of forming Community Facilities District No. 12 (Basking Ridge), ("CFD No. 12") to fund maintenance services for the Improvements, and if feasible, to initiate formation proceedings. The study area under consideration in CFD No. 12 is indicated on Attachment A, Vicinity Map. The agreement requires the Developer to deposit \$30,000 with the City to fund staff costs to perform a feasibility study for the formation of the district and performing the preliminary steps required for formation. If the City's costs exceed the initial deposit, the agreement includes provisions for additional funding by the Developer. In the event that the City does not wholly expend the deposit amount, the agreement requires a refund of unspent funds to the Developer.

PUBLIC OUTREACH

The Department of Public Works has been in contact with the Developer throughout the development review process. In addition, full disclosure of any future assessments to buyers of these homes will occur when the developer begins marketing.

COORDINATION

This memorandum and related documents were prepared in cooperation with the Department of Transportation, the Planning, Building and Code Enforcement Department, and the City Attorney's Office.

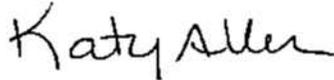
COST IMPLICATIONS

The Developer has submitted a deposit totaling \$30,000 to pay for the Feasibility Study and initial district formation costs. Any unused funds will be returned to the Developer. If costs exceed the initial estimate, the Developer will be responsible for funding those excess costs.

These actions are in compliance with the Mayor's Budget strategy in that the Developer funds staff costs for the feasibility study. If district formation is feasible and approved by the qualified voters, the costs of services provided through the district will be funded through annual special taxes on the properties within the district.

CEQA

Resolution No. 71360, PP05-036

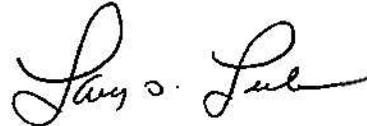


KATY ALLEN
Director, Public Works Department



LARRY D. LISENBEE
Budget Director

I hereby certify that there will be available for appropriation in the Construction Excise Tax Fund in the Fiscal Year 2004-2005 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$30,000.

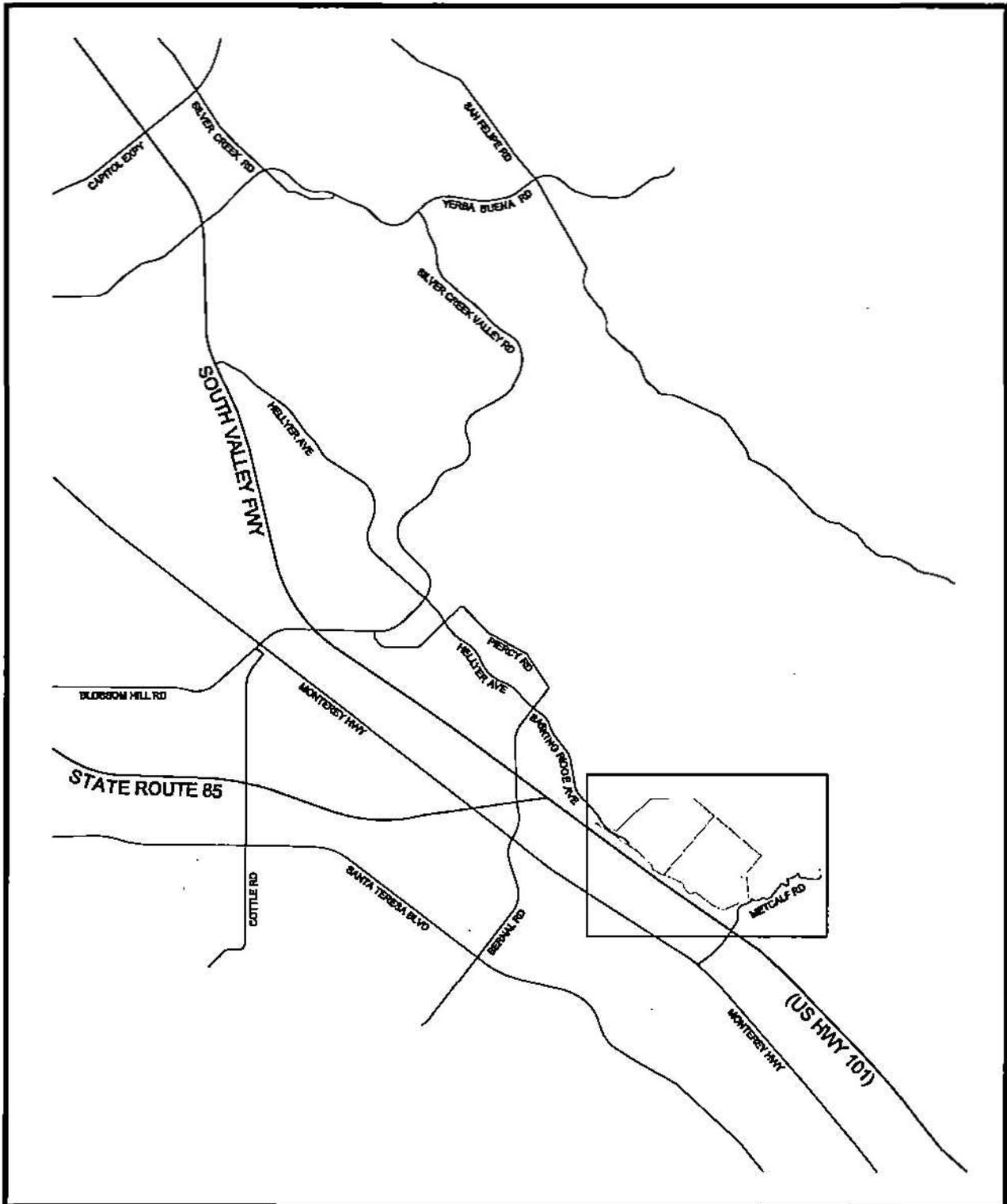


LARRY D. LISENBEE
Budget Director

Attachment

HF:TMB
ccmemoCFD12study.doc

ATTACHMENT A




CITY OF SAN JOSE
 CAPITAL OF SILICON VALLEY
PUBLIC WORKS DEPARTMENT
TRANSFORMATION AND DEVELOPMENT SERVICES DIVISION
BY: BRUCE WATKINS

VICINITY MAP

 NOT TO SCALE

CITY OF SAN JOSE, COUNTY OF SANTA CLARA
 STATE OF CALIFORNIA
PROPOSED
COMMUNITY FACILITIES DISTRICT NO. 12
(BASKING RIDGE)
 FISCAL YEAR 2004-05