



THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: December 17th, 2012 REPORT NO: 12-129

ATTENTION: Council President and City Council

FROM: Chief Financial Officer via the Office of the City Comptroller

SUBJECT: Informational Report Pursuant to the Local Agency Special Tax and Bond
Accountability Act for the fiscal year ended June 30, 2012

REQUESTED ACTION: Information Item Only

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL.

BACKGROUND

This Annual Report is being provided pursuant to the Local Agency Special Tax and Bond Accountability Act. The ("Act") was enacted by the California State Legislature to provide accountability measures associated with a local agency's adoption of voter approved special taxes and certain forms of bonded indebtedness. The Act requires that, on or after January 1, 2001, any local special tax or bond measure subject to voter approval shall provide accountability measures that include:

1. A statement indicating the specific purposes of the special tax or bond;
2. A requirement that the proceeds of the special tax or bond be applied to those specific identified purposes;
3. The creation of an account into which the proceeds shall be deposited; and
4. An annual report containing specified information concerning the use of the proceeds.

At present, the City of San Diego has four Community Facilities Districts that fall under the provisions of the Act; Community Facilities District No. 1(Miramar Ranch North), Community Facilities District No. 2 (Santaluz) Improvement Area No. 1 and Improvement Area No. 4, Community Facilities District No. 3 (Liberty Station), and Community Facilities District No. 4 (Black Mountain Ranch Villages).

Revenue and expenditure data contained herein is based upon audited financial information for fiscal year 2012.

DISCUSSION

Previous Council actions, public hearings, and elections have formally established the aforementioned districts, authorized the levy of special taxes, and authorized the issuance of special tax bonds to finance the acquisition of certain necessary public improvements. The documents associated with those actions fulfill, or provide for, satisfaction of the first three requirements referenced above. The purpose of this report is to comply with the Annual Report requirements (No. 4, above) of the Act as they pertain to the above referenced Community Facilities Districts. Accordingly, the following information is presented:

**COMMUNITY FACILITIES DISTRICT NO. 1
(Miramar Ranch North)
Special Tax Bonds**

**Annual Report
Pursuant to the Local Agency Special Tax and Bond Accountability Act
(Audited)**

Pursuant to Ordinance No. O-17588 and Resolution Nos. R-277111 and R-277110 (the "Authorizing Documents"), Community Facilities District No. 1 (Miramar Ranch North) was established and authorized to issue special tax bonds and to levy special taxes to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities. In June 2012, Community Facilities District No. 1 (Miramar Ranch North) issued its Special Tax Refunding Bonds, Series 2012 (the "2012" Refunding Bonds"). These bonds were issued to refund the previously issued 1998 CFD No.1 (Miramar Ranch North) Special Tax Refunding Bonds. The original 1998 Bonds were issued to refund the previously issued 1991 and 1995 CFD No.1 (Miramar Ranch North) Special Tax Bonds which financed various public facilities. Since the Special Tax Refunding Bonds, Series 2012 (the "2012" Refunding Bonds") were the only obligation for this district issued subsequent to the enactment of the Local Agency Special Tax and Bond Accountability Act, the amounts reported as collected and expended are from the inception of this issuance.

Special Taxes

In accordance with Government Code Section 50075.3, the following information is presented for the fiscal year ending June 30, 2012:

- (a) The amount of funds collected and expended:

Funds Collected	
Special Tax Collections ¹	\$ 30,773
Interest Earnings	9,683
Transfers In ²	38,559
Total	\$ 79,015
Funds Expended- No Expenses in FY 2012	

- (b) Pursuant to the Authorizing Documents, special taxes may be levied to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities and to pay costs associated with administration of the district. The status of projects authorized to be funded by the district, subject to various conditions is shown in Appendix A.

¹ Special Tax collected from the date of the issuance of CFD1-MRN- Refunding Bonds, Series 2012 (June 21, 2012) to the end of fiscal year 2012 (June 30, 2012).

² Transfer from CFD1-MRN-1998 Administrative Fund (Gov Code 50075.3) in the total amount of \$38,559.

Local Bond Measure (Special Tax Bonds)

In accordance with Government Code Section 53411, the following information is presented for the fiscal year ending June 30, 2012:

(a) The amount of funds collected and expended:

Funds Collected	
Bond Proceeds ³	\$ 27,047,483
Interest Earnings	(609)
Transfer In ⁴	8,276,117
Total	\$ 35,322,991
Funds Expended	
Cost of Issuances	\$ 239,526
Refunding Escrow	32,508,419
Total	\$ 32,747,945

(b) The status of any project required or authorized to be funded, pursuant to the Authorizing Documents

See Appendix A.

³ Proceeds were used to establish the CFD1-MRN-2012 Refunding Reserve and Escrow.

⁴ Transfer from CFD1-MRN-1998 Special Tax Fund (Gov Code 50075.3) in the total amount of \$3,843,708 and transfer from CFD1-MRN-1998 Reserve Fund (Gov Code 53411) in the amount of \$4,432,409 were used to fund the CFD1-MRN-2012 Refunding Escrow.

**COMMUNITY FACILITIES DISTRICT NO. 2
(Santaluz)
Improvement Area No. 1
Special Tax Bonds**

**Annual Report
Pursuant to the Local Agency Special Tax and Bond Accountability Act
(Audited)**

Pursuant to Ordinance No. O-18788 and O-19085, and Resolution Nos. R-296009 and R-292869 (the "Authorizing Documents"), Community Facilities District No. 2 (Santaluz) Improvement Area No. 1 was established and authorized to issue special tax bonds and to levy special taxes to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities. In December 2011, Community Facilities District No. 2 (Santaluz) Improvement Area No.1 issued its Special Tax Refunding Bonds, Series A of 2011 (the "2011 Refunding Bonds"). These bonds were issued to refund the previously issued CFD No.2 Improvement Area No. 1 Special Tax Bonds, Series A of 2000 and Series A of 2004. The original 2000 and 2004 Bonds were issued to finance various public facilities. The accounts associated with the CFD No. 2 Improvement Area No.1 Special Tax Bonds, Series A of 2000 and Series A of 2004 were transferred into the CFD No. 2, Improvement Area No.1 Special Tax Refunding Bonds, Series A of 2011 accounts in conjunction with the refunding transaction.

Special Taxes

In accordance with Government Code Section 50075.3, the following information is presented for the fiscal year ending June 30, 2012:

(a) The amount of funds collected and expended:

Funds Collected	
Special Tax Collections ⁵	\$ 5,195,914
Interest Earnings	4,652
Transfers In ⁶	1,550
Total	\$ 5,202,116
Funds Expended	
Debt Service Payments ⁷	\$ 3,521,449
Transfers Out ⁸	509,185
Administrative Expenses	70,034
Settlement Payment Expenses	163,518
Total	\$ 4,264,186

⁵ \$320,493 of the total collected came from optional prepayment.

⁶ Transfer from CFD2-IA1-2000A & 2004A Reserve Fund (Gov Code 53411) in the total amount of \$1,550.

⁷ March 1, 2012 Debt Service payment represents partial interest payment due to timing of issuance of the CFD2-IA1-2011A Refunding Bonds.

⁸ Transfer to CFD2-IA1-2011A Refunding Escrow Fund (Gov Code 53411) in the total amount of \$509,185.

- (b) Pursuant to the Authorizing Documents, special taxes may be levied to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities and to pay costs associated with administration of the district. The status of projects authorized to be funded by the district, subject to various conditions is shown in Appendix A.

Local Bond Measure (Special Tax Bonds)

In accordance with Government Code Section 53411, the following information is presented for the fiscal year ending June 30, 2012:

- (a) The amount of funds collected and expended:

Funds Collected	
Bond Proceeds ⁹	\$ 51,698,150
Interest Earnings	237,749
Transfer In ¹⁰	509,185
Total	\$ 52,445,084
Funds Expended	
Cost of Issuances	\$ 456,738
Refunding Escrow Expenses	52,867,131
Transfer Out ¹¹	1,550
Total ¹²	\$ 53,325,419

- (b) The status of any project required or authorized to be funded, pursuant to the Authorizing Documents

See Appendix A.

⁹ Proceeds were used to establish the CFD2-IA1-2011A Refunding Reserve and Escrow.

¹⁰ Transfer from CFD2-IA1-2000A & 2004A Accounts (Gov Code 50075.3) in the total amount of \$ 509,185.

¹¹ Transfer to CFD2-IA1-2000A & 2004A Redemption Fund (Gov Code 50075.3) in the amount of \$1,550.

¹² Fund balance used for expenditures in excess of funds collected to establish the funding for CFD2-IA1-2011A Refunding Escrow.

**COMMUNITY FACILITIES DISTRICT NO. 2
(Santaluz)
Improvement Area No. 4
Special Tax Bonds**

**Annual Report
Pursuant to the Local Agency Special Tax and Bond Accountability Act
(Audited)**

Pursuant to Ordinance No. O-19152 and Resolution Nos. R-297633 and R-297634 (the "Authorizing Documents"), Community Facilities District No. 2 (Santaluz) Improvement Area No. 4 was established and authorized to issue special tax bonds and to levy special taxes to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities.

Special Taxes

In accordance with Government Code Section 50075.3, the following information is presented for the fiscal year ending June 30, 2012:

(a) The amount of funds collected and expended:

Funds Collected	
Special Tax Collections	\$ 830,362
Interest Earnings	644
Total	\$ 831,006
Funds Expended	
Debt Service Payments	\$ 608,255
Transfers Out ¹³	8,065
Administrative Expenses	34,788
Total	\$ 651,108

(b) Pursuant to the Authorizing Documents, special taxes may be levied to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities and to pay costs associated with administration of the district. The status of projects authorized to be funded by the district, subject to various conditions is shown in Appendix A.

¹³ Transfer to Delinquency Fund 200506 in the amount of \$8,065 per O-17882.

Local Bond Measure (Special Tax Bonds)

In accordance with Government Code Section 53411, the following information is presented for the fiscal year ending June 30, 2012:

(a) The amount of funds collected and expended:

Funds Collected	
Interest Earnings	\$ 1,570
Total	\$ 1,570
Funds Expended	
Project Cost	\$ 366,928
Total¹⁴	\$ 366,928

(b) The status of any project required or authorized to be funded, pursuant to the Authorizing Documents:

See Appendix A.

¹⁴ Fund balance used for expenditures in excess of funds collected.

**COMMUNITY FACILITIES DISTRICT NO. 3
(Liberty Station)
Special Tax Bonds**

**Annual Report
Pursuant to the Local Agency Special Tax and Bond Accountability Act
(Audited)**

Pursuant to Ordinance No. O-19078 and Resolution Nos. R-296710 and R-296742 (the "Authorizing Documents"), Community Facilities District No. 3 (Liberty Station) was established and authorized to issue special tax bonds and to levy special taxes to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities.

Special Taxes

In accordance with Government Code Section 50075.3, the following information is presented for the fiscal year ending June 30, 2012:

(a) The amount of funds collected and expended:

Funds Collected	
Special Tax Collections	\$ 1,431,495
Interest Earnings	846
Transfer In ¹⁵	1,738
Total	\$ 1,434,079
Funds Expended	
Debt Service Payments	\$ 1,435,740
Transfers Out ¹⁶	2,011
Administrative Expenses ¹⁷	54,169
Total¹⁸	\$ 1,491,920

(b) Pursuant to the Authorizing Documents, special taxes may be levied to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities and to pay costs associated with administration of the district. The status of projects authorized to be funded by the district, subject to various conditions is shown in Appendix A.

¹⁵ Transfer from Reserve Fund (Gov Code 53411) in the total amount of \$1,738.

¹⁶ Transfer to Delinquency Fund 200506 in the amount of \$2,011 per O-17882.

¹⁷ Includes \$600 in bond call premium.

¹⁸ Fund Balance used for expenditures in excess of funds collected.

Local Bond Measure (Special Tax Bonds)

In accordance with Government Code Section 53411, the following information is presented for the fiscal year ending June 30, 2012:

(a) The amount of funds collected and expended:

Funds Collected	
Interest Earnings	\$ 3,446
Total	\$ 3,446
Funds Expended	
Transfer Out ¹⁹	\$ 1,738
Total	\$ 1,738

(b) The status of any project required or authorized to be funded, pursuant to the Authorizing Documents:

See Appendix A.

¹⁹ Transfer to Redemption Fund (Gov Code 50075.3) in the total amount of \$1,738.

**COMMUNITY FACILITIES DISTRICT NO. 4
(Black Mountain Ranch Villages)
Special Tax Bonds**

**Annual Report
Pursuant to the Local Agency Special Tax and Bond Accountability Act
(Audited)**

Pursuant to Ordinance No. O-19090 and Resolution Nos. R-294259, R-294260, and R-296893 (the "Authorizing Documents"), Community Facilities District No. 4 (Black Mountain Ranch Villages) was established and authorized to issue special tax bonds and to levy special taxes to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities.

Special Taxes

In accordance with Government Code Section 50075.3, the following information is presented for the fiscal year ending June 30, 2012:

(a) The amount of funds collected and expended:

Funds Collected	
Special Tax Collections	\$ 1,315,906
Interest Earnings	1,009
Transfer In ²⁰	3,000
Total	\$ 1,319,915
Funds Expended	
Debt Service Payments	\$ 940,091
Transfers Out ²¹	1,527
Transfers Out ²²	71,862
Administrative Expenses ²³	35,298
Total	\$ 1,048,778

(b) Pursuant to the Authorizing Documents, special taxes may be levied to pay debt service on the bonds and/or to directly pay for the acquisition of various public facilities and to pay costs associated with administration of the district. The status of projects authorized to be funded by the district, subject to various conditions is shown in Appendix A.

²⁰ Transfer from Reserve Fund (Gov Code 53411) in the total amount of \$3,000.

²¹ Transfer to Delinquency Fund 200506 in the amount of \$1,527 per O-17882.

²² Transfer to Project fund (Gov code 53411) in the amount of \$71,862.

²³ Includes \$1,500 in bond call premium.

Local Bond Measure (Special Tax Bonds)

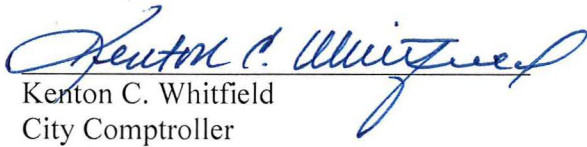
In accordance with Government Code Section 53411, the following information is presented for the fiscal year ending June 30, 2012:

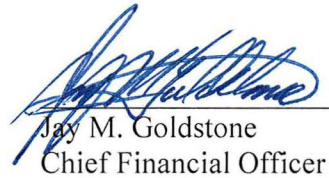
(a) The amount of funds collected and expended:

Funds Collected	
Interest Earnings	\$ 2,161
Transfer In ²⁴	71,862
Total	\$ 74,023
Funds Expended	
Project Cost	\$ 14,746
Transfer Out ²⁵	3,000
Total	\$ 17,746

(b) The status of any project required or authorized to be funded, pursuant to the Authorizing Documents:

See Appendix A.


Kenton C. Whitfield
City Comptroller


Jay M. Goldstone
Chief Financial Officer

²⁴ Transfer from Redemption Fund (Gov Code 50075.3) in the total amount of \$71,862.

²⁵ Transfer to Redemption Fund (Gov Code 50075.3) in the total amount of \$3,000.

APPENDIX A

In accordance with Government Code Section 50075.3 and Section 53411, the following information is presented:

The status of any project required or authorized to be funded, pursuant to the Authorizing Documents.

For each Community Facilities District, the project status for incomplete projects is updated based on information obtained directly from the associated developer until each project is reported as complete. For the purpose of this report, status of the projects was not independently verified by the City.

COMMUNITY FACILITIES DISTRICT NO. 1 (Miramar Ranch North) Special Tax Refunding Bonds

Project	Construction Status
Regional Park / Open Space	Complete
Aherns Field Lighting	Complete
Capitalized Interest	Complete
Mercy Interchange (Stage 1)	Complete
Mercy Interchange (Stage 2)	Complete
Park & Ride / Traffic Signal	Complete
Scripps Ranch Bl West	Complete
Scripps Ranch Bl East	Complete
Scripps North Parkway Offsite (West)	Complete
Scripps North Parkway On-Site (East)	Complete
Contribution For Offsite Roads - Pomerado	Complete
Contribution For Offsite Roads - 8A	Complete
Spring Canyon Road	Complete
Cypress Canyon Road	Complete
Reservoir Road	Complete
Booster Pump (Near Mercy Road)	Complete
Water Reservoir/Booster Pump	Complete
Modified Interceptor Ditch	Complete
Offsite Sewer South	Complete

Project	Construction Status
Offsite Sewer North	Complete
Community Park West	Complete
Lakeshore Park	Complete
Community Park East	Complete
Recreation Building	Complete
Fire Station #37	Complete
Scripps Ranch Library	Complete
Mass Transit Study	Complete

**COMMUNITY FACILITIES DISTRICT NO. 2
(Santaluz) Improvement Area No. 1
Special Tax Bonds**

Project	Construction Status
Carmel Valley Road from Via Abertura to Black Mountain Road (Seg B) Includes Black Mountain Road from Carmel Valley Road southerly to existing Black Mountain Road Includes Collins Nursery ROW acquisition Includes portion of 36" water line – 793 zone Includes 36" water line – 610 zone Includes Pressure Reduction Station	Complete
Construction of Carmel Valley Road Segments 1, 2 and 3 from North of SR 56 to Via Abertura Includes traffic signal at Rancho Santa Fe Farms Road	Complete
Camino Ruiz South Includes 16" Water Line in Camino Ruiz Includes 24" Water Line in Camino Ruiz	Complete
Camino Ruiz from CR South Northerly to San Dieguito and Extension to Stn. 213 Includes 16" Water Line Includes 24" Water Line Includes Sewer Trunk from Fairbanks Highlands Intercept to Pump Station No. 3 Intercept	Complete
San Dieguito Road from Camino Ruiz to existing San Dieguito Road - includes Water Facilities	Complete

Project	Construction Status
Median and Parkway Landscaping of Carmel Valley Road from Via Abertura to Black Mountain Road (Seg B) Includes Black Mountain Road from Carmel Valley Road southerly to existing Black Mountain Road	Complete
Water and Sewer Facilities a. Sewer Trunk Line from Existing Carmel Valley Sewer Trunk Line to Fairbanks Highlands Intercept b. Trunk Sewer from Pump Station No. 3 Intercept to Pump Station No. 2 Intercept c. Trunk Sewer from Pump Station No. 2 Intercept to northerly end of Project d. Pump Station No. 3 and Force Main to Trunk Sewer e. Pump Station No. 2 and Force Main to Trunk Sewer f. 36" Water Line from Reservoir to Black Mountain Road, including construction of initial Carmel Valley Road Segment BB improvements (land bridge, grading and encasement of existing water facilities)	Complete
25 Million Gallon Reservoir	Complete
South Fire Station and Equipment (Portion)	Complete
Offsite Traffic Signals and Intersection Improvements Intersection Improvements at El Camino Real and San Dieguito Road Traffic Signal at Black Mountain Road and Maler Road Intersection Improvements at Black Mountain Road and Park Village Road	Complete
Traffic Signal at Camino Ruiz and San Dieguito Traffic Signal at Carmel Valley Road and Camino Ruiz Traffic Signal at Carmel Valley Road and Black Mountain Road	Complete
Regional Park Land Acquisition and Grading (Fair Share)	Complete
Preliminary Design Costs of Public Improvements	Complete
Neighborhood Park Improvements	Complete
Landscaping of Camino Del Sur and San Dieguito Road	Complete
Community Park Improvements	Complete

**COMMUNITY FACILITIES DISTRICT NO. 2
(Santaluz) Improvement Area No. 4
Special Tax Bonds**

Project	Construction Status
Offsite Water and Sewer Improvements	Complete
Community Park Improvements	Complete
El Camino Real from Derby Downs Road to San Dieguito Road	Complete

**COMMUNITY FACILITIES DISTRICT NO. 3
(Liberty Station)
Special Tax Bonds**

Project	Construction Status
Rosecrans Street Improvements and Lytton Street Improvements	Complete
Park Demolition and Rough Grading	Complete
Landscaping of Rosecrans Parkway	Complete
Rosecrans Intersection At Nimitz Boulevard	Plans are approved and permitted. Construction is estimated to commence mid 2013 with completion by mid 2014
Phase I Park Facilities and Remaining Park Demolition and Rough Grading	Complete
Phase II Park Facilities	Complete
Harbor Drive Street Improvements	Complete
Laning/Cushing Drive Signal Improvements	Project has been scaled down to consist of stop signs vs. signal improvements. Construction scheduled to commence in December 2012 with completion by end of December 2012

**COMMUNITY FACILITIES DISTRICT NO. 4
(Black Mountain Ranch Villages)
Special Tax Bonds**

Project	Construction Status
Extend Camino Ruiz, 2 Lanes, from Santaluz to Resort Street:	
a. Street Improvements (portion of T-5)	Complete
b. Wildlife Crossing (T-7)	Complete
c. Underground Utilities & Improvements	Complete
Sewer Lift Station No. 1, including Gravity Line from Camino Ruiz and Force Mains to Santaluz	Complete
Extend Camino Ruiz, 2 Lanes, from Resort Street to Camino del Norte:	
a. Street Improvements (remainder of T-34.1)	Complete
b. Underground Utilities & Improvements	Complete
If not already existing, widen Camino Ruiz, from 2 to 4 Lanes, from San Dieguito Road to Carmel Valley Road:	
a. Street Improvements (T-10)	Construction has not commenced; estimated start date December 2012 and completion date of December 2013
b. Wildlife Crossing (T-12)	Construction has not commenced; estimated start date December 2012 and completion date of December 2013

Project	Construction Status
<p>If not already existing, widen Carmel Valley Road, from 2 to 4 lanes, from Black Mountain Road to entrance of Fairbanks Highlands:</p> <p>a. Street Improvements (portion of T-22)</p> <p>b. Wildlife Crossing (T-24)</p>	<p>Construction has not commenced; Construction is expected to commence in 2013 and be completed in 2014.</p> <p>Complete</p>
<p>Extend Carmel Valley Road, 4 Lanes, from Black Mountain Road to Camino Crisalida:</p> <p>a. Street Improvements (T-25)</p> <p>b. Wildlife Crossing (T-27)</p> <p>c. Underground Utilities & Improvements</p>	<p>2 lanes are complete. Construction to add two additional lanes is expected to commence in 2013 and be completed in 2014.</p> <p>Construction is expected to commence in 2013 and be completed in 2014</p> <p>Complete</p>
<p>Gravity Sewer Line from East Clusters to Existing Gravity Line at Camino Ruiz</p>	<p>Construction has not commenced; estimated completion in 2013</p>
<p>If not already existing, extend Camino Ruiz, 2 lanes, from Carmel Valley Road to SR-56. (T-13)</p>	<p>Complete</p>
<p>If not already existing, widen Camino Ruiz, from 2 to 4 lanes, from Carmel Valley Road to SR-56. (T-14)</p>	<p>Complete</p>
<p>If not already existing, widen Carmel Valley Road, from 2 to 4 lanes, from Via Abertura to Del Mar Heights Road. (T-20)</p>	<p>Construction has not commenced; estimated completion date December 2015</p>
<p>If not already existing, widen Camino Ruiz, from 2 to 4 lanes, from San Dieguito Road to Camino del Norte:</p> <p>a. Street Improvements (T-6 and T-34.2)</p> <p>b. Wildlife Crossing (T-8)</p>	<p>Construction is complete for T-6 with the exception of a traffic signal which will be completed by December 2012. Construction for T-34.2 is underway with an estimated completion date of December 2012</p> <p>Complete</p>