



# Staff Report

## City Council

Item No. {{section.number}}.C

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**Meeting Date:** January 8, 2025

**From:** Kevin Biersack, Financial Services Director

**Title:** CFD 2006-1, IA #22 Authorizing the Levy of a Special Tax (2nd Reading)

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### **RECOMMENDATION:**

Conduct Second Reading and adopt the Ordinance authorizing the levy of a special tax within Improvement Area No. 22 of the City of Cathedral City Community Facilities District No. 2006-1 (Law Enforcement, Fire, Paramedic, Park and General Maintenance Services).

### **BACKGROUND:**

On October 9, 2024, the City Council declared its intention to form Improvement Area No. 22 of the City of Cathedral City Community Facilities District (“CFD”) No. 2006-1 (Law Enforcement, Fire, Paramedic, Park and General Maintenance Services) for the purpose of paying for law enforcement, fire, paramedic, park and general maintenance services. These services are in addition to those provided in the territory within the CFD prior to the formation of the CFD, and these services do not supplant services already available within such territory. The CFD was proposed by the property owner of the Wren project.

### **DISCUSSION:**

The City Council held a public hearing on November 13, 2024. During that meeting, the City Council adopted the resolution forming the CFD. In addition, a special election was held to authorize the levy of the special taxes, which passed by more than two-thirds of the votes cast by the qualified voters (the landowners), within the CFD, in favor of the proposition. Upon canvassing of the results of the special election, the City Council conducted the first reading of an Ordinance authorizing the levy of the special tax. In the case of State budget cuts, the special taxes levied within this CFD provide a secure source of funding for the services that may not be taken away by the State. New developments are conditioned to join the CFD and will join through an annexation process. As new developments go through the approval processes, the annexations will be processed in a timely manner.

### **FISCAL IMPACT:**

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For the Wren project, the annual revenue generated by this levy will be \$136,578.00 adjusted by the FY 2024/2025 Consumer Price Index (not to exceed 1%).

**FIVE-YEAR STRATEGIC PLAN:**

This action will further Goal C – Fiscal Stability and Sustainability

Objective - Cathedral City has economically prospered by facilitating the investment of private dollars in high quality development which benefits the community. We remain financially solvent by instituting prudent fiscal policies and transparent financial practices.

**ATTACHMENTS:**

1. Cathedral City CFD 2006-1 - Notice of Special Tax Lien IA #22
2. Cathedral City CFD 2006-1 - Ordinance IA #22
3. RMA CFD 2006-1, IA 22
4. Cathedral City CFD 2006-1 Boundary Map - IA 22 (Recorded)