

MONTEREY PENINSULA REGIONAL PARK DISTRICT

RESOLUTION # 2016-15

June 27, 2016

RESOLUTION OF FORMATION BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA REGIONAL PARK DISTRICT ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2016-01 (PARKS, OPEN SPACE AND COASTAL PRESERVATION)

WHEREAS, the Board of Directors ("Board") of the Monterey Peninsula Regional Park District (the "District") hereby adopts this resolution of formation establishing a community facilities district as follows:

WHEREAS, on May 2, 2016, the Board adopted Resolution 2016-06, titled "Resolution of the Board of Directors of the Monterey Peninsula Regional Park District Adopting Local Goals and Policies for Community Facilities Districts," pursuant to California Government Code Section 53311 et seq. (the "Act"); and

WHEREAS, the Board, as the legislative body of the District, has determined that it is in the best interests of the District to institute proceedings for the establishment of a community facilities district pursuant to the Act in order to finance the acquisition, maintenance, improvement, servicing, protection, and preservation of parks, open space, coastal lands and facilities owned or managed by the District within the CFD, (the "Services and Facilities"), including administrative or incidental expenses thereto; and

WHEREAS, on May 2, 2016, the Board adopted Resolution 2016-07 titled "Resolution of the Board of Directors of the Monterey Peninsula Regional Park District Declaring Intention to Establish a Community Facilities District" (the "ROI"), pursuant to Section 53321 of the Act, in which it proposed to establish the Monterey Peninsula Regional Park District Community Facilities District No. 2016-01 (Parks, Open Space and Coastal Preservation) (the "CFD"); and

WHEREAS, the proposed boundaries of the CFD are as shown on the map attached hereto as Exhibit A, and incorporated herein, and which is also on file with the Secretary/Treasurer of the Board (the "Board Secretary"); and

WHEREAS, the services proposed to be financed by the CFD are described in the document titled "Description of Services and Facilities to be Financed by the CFD," attached hereto as Exhibit B and incorporated herein; and

WHEREAS, except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all nonexempt real property in the CFD, will be levied annually within the CFD until ended by voters, and collected in the same manner as ordinary ad valorem property taxes levied within the CFD. The rate and method of apportionment of the Special Tax are described in the document titled "Rate and Method of Apportionment of Special Tax," attached hereto as Exhibit C and incorporated herein; and

WHEREAS, the District published a notice of a public hearing to be held on June 27, 2016, in compliance with all applicable requirements of the Act regarding the proposed formation of the CFD; and

WHEREAS, if the Board proceeds with formation of the CFD, the Special Tax shall be submitted to a vote of the registered voters within the proposed CFD in the next general election, in accordance with all applicable requirements of the Act. Each voter shall have one vote; and

WHEREAS, the Board received a report containing a brief description of the types of Services required to adequately meet the needs of the CFD, pursuant to Section 53321.5 of the Act, and a copy of which is on file with the Board Secretary.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Board has determined that all proceedings undertaken by the District in connection with the establishment of the CFD and the levy of the Special Tax are valid and in conformity with the applicable provisions of the Act. Pursuant to Section 53325.1 of the Act, the Board's finding in this regard is final and conclusive.

SECTION 3. The proposed Special Tax to be levied within the CFD has not been precluded by majority protest pursuant to Section 53324 of the Act.

SECTION 4. The community facilities district named "Monterey Peninsula Regional Park District Community Facilities District No. 2016-01 (Parks, Open Space and Coastal Preservation)," is hereby established pursuant to Section 53325.1 of the Act.

SECTION 5. The services and facilities proposed to be financed by the CFD are described in Exhibit B hereto.

SECTION 6. The office responsible for annual preparation of a current roll of special tax levy obligations by assessor's parcel number and for estimating future Special Tax levies within the CFD shall be the General Manager of the District at 60 Garden Court, Suite 325, Monterey, California, 94930, (831) 372-3196.

SECTION 7. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the District ceases. In summary, this provision means that owners of developed single family home property will be required to pay the special tax of \$25.26 per parcel per year, and other types of property would be required to pay the special tax amounts shown in the Rate and Method of Apportionment ("RMA") in Exhibit C, subject to the annual adjustment also shown in the RMA, until ended by voters, if the special tax is approved by voters.

SECTION 8. The boundary map of the proposed CFD was filed in the Monterey County Recorder's Office on May 16, 2016 as Document No. 2016026250 in book 5, page 16 Book of Maps of Assessments of Community Facilities Districts.

SECTION 9. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax shall be submitted to the qualified electors of the CFD at an election, the time, place and conditions of which shall be as specified by a separate resolution of the Board.

PASSED AND ADOPTED by the Board of Directors of Monterey Peninsula Regional Park District at a special meeting of said Board held on the 27th day of June 2016, at Monterey Peninsula Regional Park District Administrative Office, 60 Garden Court, Suite 325, Monterey, California by the following vote:

AYES: Directors Lee; Pofahl; Dalessio & Sorenson

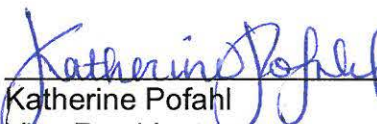
NOES: none

ABSENT: Director Anderson

ABSTAIN: none



Kelly Sorenson
President



Katherine Pofahl
Vice President

CERTIFICATION

I, the undersigned Vice President of the Board of the Monterey Peninsula Regional Park District, a special district, hereby certify that I am the Vice President of said special district, that the foregoing is a full, true, and correct copy of the resolution duly passed by the Board at the meeting of said Board held on the day and at the place therein specified and that said resolution has never been revoked, rescinded, or set aside and is now in full force and effect.



Vice President
Board of Directors

EXHIBIT A

MAP OF PROPOSED BOUNDARIES

**MONTEREY PENINSULA REGIONAL PARK DISTRICT
Community Facilities District No. 2016-01
(Parks, Open Space and Coastal Preservation)**

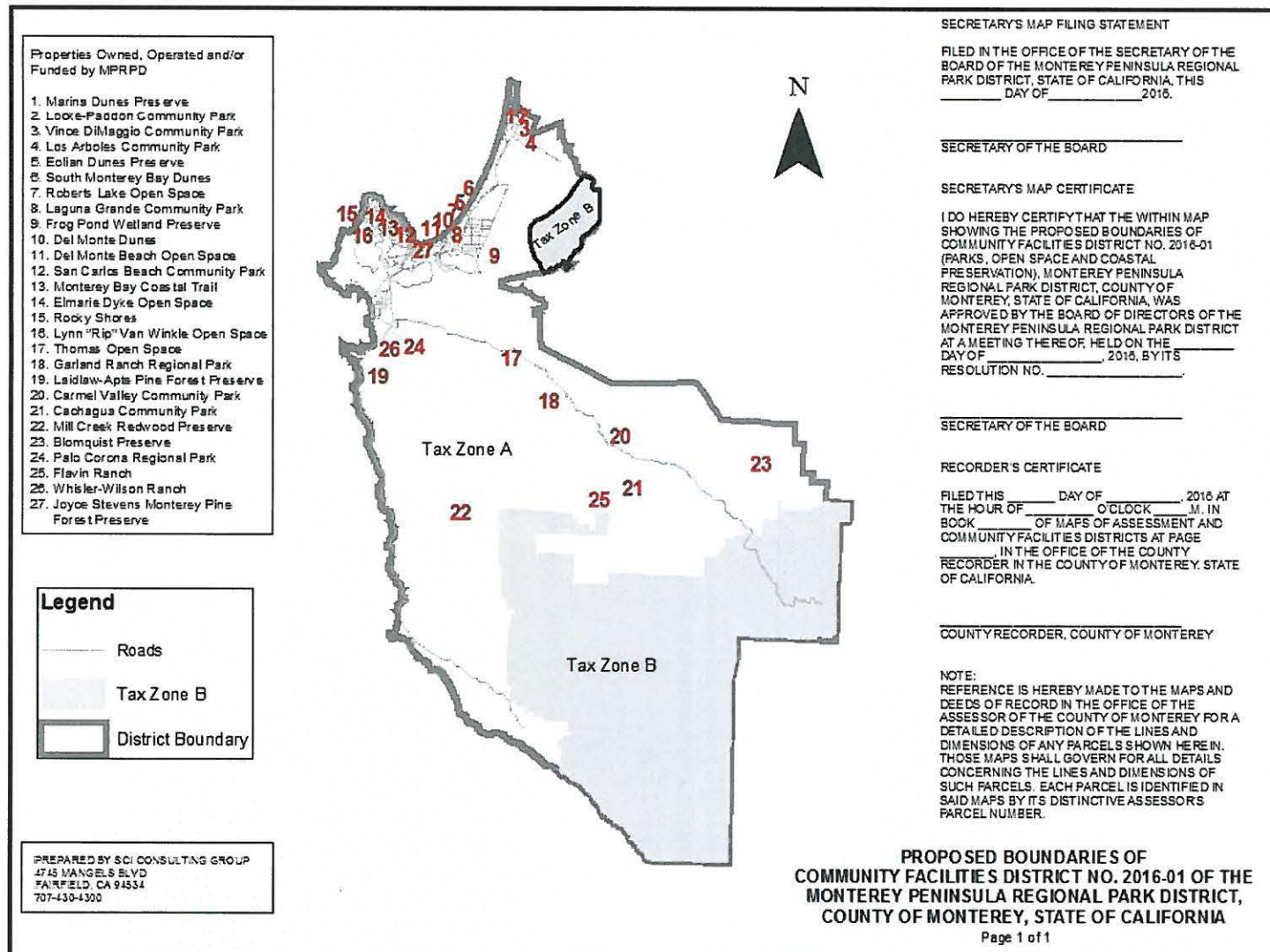


EXHIBIT A

EXHIBIT B

DESCRIPTION OF SERVICES AND FACILITIES TO BE FINANCED BY THE CFD

**MONTEREY PENINSULA REGIONAL PARK DISTRICT
Community Facilities District No. 2016-01
(Parks, Open Space and Coastal Preservation)**

The services and facilities described below are proposed to be financed by Community Facilities District No. 2016-01 ("CFD") of the Monterey Peninsula Regional Park District ("District")

The types of services and facilities to be financed by the CFD ("Services and Facilities") shall include acquisition, maintenance, improvement, lighting and security of land and open space, parks, parkways, trails, basins, drainage corridors, landscape corridors, wetlands and open space areas; any incidental expenses authorized by the Act; and any other miscellaneous or incidental services identified by the District necessary to provide the described Services and Facilities herein including without limitation the collection and accumulation of funds to pay for anticipated Services and Facilities cost shortfalls and reserves for deferred maintenance. The District will use the revenue from the CFD to finance services and facilities that will allow it to continue with the protection of local open space, coastal lands, beaches, creeks, rivers, and wildlife habitat; maintain and improve neighborhood parks, trails, and playgrounds; and increase recreational access to natural areas.

"Improvements," as used herein, means, without limitation, facilities, buildings, fixed equipment, trails, roads, parking lots and other man-made structures, equipment and facilities on or alterations to lands owned or managed by the District.

"Maintenance," as used herein, means, without limitation, the furnishing of services and materials for the routine, recurring, and usual work for the preservation or protection of land and Improvements for their intended purposes. Maintenance includes, but is not limited to, the repair, removal or replacement of all or any part of any Improvements; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste; the cleaning, sandblasting, and painting of walls and other structural Improvements to remove or cover graffiti; and the maintenance of trails on District-owned lands in the CFD.

"Servicing," as used herein, means, without limitation, the furnishing of electric current, gas, or other form of energy for any public lighting facilities or for the lighting or operation of any other Improvements; and water for uses including, but not limited to, the irrigation of any landscaping, the operation of any fountains, or the Maintenance of any other Improvements.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

MONTEREY PENINSULA REGIONAL PARK DISTRICT Community Facilities District No. 2016-01 (Parks, Open Space and Coastal Preservation)

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the land in the Community Facilities District No. 2016-01 (the "CFD") of the Monterey Peninsula Regional Park District (the "District") shall be levied and collected according to the tax liability determined by the District through the application of the appropriate amount or rate, as described herein.

A. DEFINITIONS

"Acre" means each acre of the land area making up an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

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

"Administrative Expenses" means the actual or estimated costs incurred by the District to determine, levy and collect the Special Taxes, including the proportionate amount of the salaries and benefits of District employees whose duties are directly related to administration of the CFD and the fees of Special Tax levy administrator, other consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the County tax rolls and any other incidental costs authorized by the Act.

"Annual Escalation Factor" means an amount equal to the percentage increase during the preceding year in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose metropolitan area (CPI-U), not to exceed 3%, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or if this index ceases publication, an equivalent index as determined by the District.

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

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Annual Special Tax" means the annual Special Tax, determined in accordance with Section D below, to be levied in the CFD in any Fiscal Year on any Assessor's Parcel.

"Base Year" means the Fiscal Year ending June 30, 2017.

"Building Permit" means a single permit or set of permits required to construct an entire structure.

"Board" means the Board of Directors of the Monterey Peninsula Regional Park District, acting as the legislative body of the District and the CFD.

"CFD Administrator" means an official of the District, or designee thereof, responsible for determining and providing for the levy and collection of the Special Tax.

"CFD" or "CFD No. 2016-01" means Community Facilities District No. 2016-01 (Parks, Open Space and Coastal Preservation) of the Monterey Peninsula Regional Park District.

"Commercial / Industrial Property" means all Assessor Parcels of Developed Property for which a Building Permit has been issued for the construction of retail, commercial, industrial, educational and hotel/motel uses or structures and is not Office Property.

"Condominium Property" means all Assessor Parcels of Developed Property for which a Building Permit has been issued for the construction of a residential property that shares a wall with an adjacent residential property.

"County" means the County of Monterey, California.

"Developed Property" means, in any Fiscal Year, all Assessor's Parcels in the CFD for which Building Permits have been issued on or prior to June 30 of the preceding Fiscal Year. These Assessor's Parcels can be classified into one of following groups: Single Family Residential, Condominium, Multi-Family Residential, Mobile Home on Separate Lot, Commercial/Industrial, Office, and Self-Storage/Parking Lot.

"District" means the Monterey Peninsula Regional Park District.

"Facilities" means the facilities to be financed by the CFD as described in the Resolution of Intention for the CFD.

"Fiscal Year" means the period starting July 1 and ending the following June 30.

"Fraction Acre" means each quarter acre of the land area or portion thereof making up an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

"Land Use Classification" means any of the classes listed in Section B(1).

"Lighting" means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements.

"Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including but not limited to all of the following: the repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste; and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

"Maximum Special Tax" means the greatest amount of Special Tax, determined in accordance with Sections B and C below, that can be levied in the CFD in any Fiscal Year on any Assessor's Parcel.

"Mobile Home Residential" means a manufactured home or a mobile home as defined in Sections 18007 and 18008 of the Health and Safety Code and which is to be used for residential purposes.

"Multi-Family Residential" means all Assessor Parcels of Developed Property for which a Building Permit has been issued for construction of a structure with more than one Residential Unit. This category includes but is not limited to apartment buildings, duplexes, triplexes, fourplexes and mobile home parks.

"Office Property" means all Assessor Parcels of Developed Property for which a Building Permit has been issued for the construction of general, professional or medical office uses or structures.

"Public Property" means any property within the boundaries of the CFD that is either (i) owned by the federal government, the State of California, the County, another public agency, or a private non-profit organization that owns and is responsible for conservation of open space areas or (ii) encumbered by an easement owned by any such public agency or private organization which easement prohibits the development of such property or makes the development of such property impractical. Notwithstanding the foregoing, a leasehold or other possessory interest in any such property which is subject to taxation pursuant to Section 53340.1 of the Act shall not constitute "Public Property."

"Residential Unit" means each separate residential dwelling unit on an Assessor's Parcel that comprises an independent facility capable of conveyance or rental as distinct from adjacent residential dwelling units. An accessory residential dwelling unit, as defined by the County Zoning Code, shall not be considered as a Residential Unit for taxation purposes

"RMA" means this Rate and Method of Apportionment of Special Tax.

"Self-Storage/Parking Lot Property" means all Assessor Parcels of Developed Property used for the operation of a self-storage business or a commercial parking lot.

"Services" means the services to be financed by the CFD as described in the Resolution of Intention for the CFD.

"Single-Family Residential" means all Assessor Parcels of Developed Property for which a building permit has been issued for construction of at least one single-family residential unit and is not Multi-Family Residential or Mobile Home Residential.

"Special Tax" means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

"Special Tax Requirement" means the amount required in any Fiscal Year for the CFD to: 1) provide the Service; 2) pay for reasonable Administrative Expenses; 3) pay any amounts required to establish or replenish any reserve funds; and 4) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

"State" means the State of California.

"Taxable Property" means any Assessor's Parcel that is not Tax-Exempt Property.

"Tax-Exempt Property" means any Parcel within the CFD which is not Developed Property or Vacant Property, and includes Public Property.

"Vacant Property" means any Assessor's Parcel which is not Tax-Exempt Property, and for which no building permit has been approved and issued by June 1 of the previous Fiscal Year.

B. DETERMINATION OF MAXIMUM SPECIAL TAX

The Maximum Special Tax shall be calculated as follows:

1. **Classification of Parcels.** Each Fiscal Year, using the Definitions above and the Parcel records of the County Assessor's Secured Tax Roll of July 1, the District shall cause each Parcel of land in the CFD to be classified as Developed Property, Vacant Property, or Tax-Exempt Property. The District shall cause all Developed Property to be further classified as Single Family Residential, Condominium, Multi-Family Residential, Mobile Home on Separate Lot, Commercial/Industrial, Office, or Self-Storage/Parking Lot.
2. **Assignment of Maximum Special Tax.** Each Fiscal Year, the Base Year Maximum Tax shown below shall be escalated as specified in Section C, Annual Adjustment of Maximum Special Tax, to determine the Maximum Special Tax for the upcoming Fiscal Year for each Land Use Classification.

Tax Zone A

Land Use Classification	Base Year Maximum Tax
Developed Single Family Residential	\$25.26 per Residential Unit
Developed Multi-family Residential, including Mobile Home Parks	\$11.62 per Residential Unit up to 20 units, then \$2.53 for every unit thereafter
Developed Condominium Residential	\$20.46 per Residential Unit
Developed Mobile Home on Separate Lot	\$13.89 per Residential Unit
Developed Commercial/Industrial Property	\$12.63 per Fraction Acre or portion thereof up to 5 acres, then \$12.63 per Acre or portion thereof for every Acre thereafter
Developed Office Property	\$35.87 per Fraction Acre or portion thereof up to 5 acres, then \$35.87 per Acre or portion thereof for every Acre thereafter
Developed Self-Storage/Parking Lot Property	\$ 0.53 per Fraction Acre
Vacant Property	\$12.63 per Parcel
Tax-Exempt Property	\$0

Tax Zone B

EXHIBIT C

Land Use Classification	Base Year Maximum Tax
Developed Single Family Residential	\$12.63 per Residential Unit
Developed Multi-family Residential, including Mobile Home Parks	\$5.81 per Residential Unit up to 20 units, then \$1.26 for every unit thereafter
Developed Condominium Residential	\$10.23 per Residential Unit
Developed Mobile Home on Separate Lot	\$6.95 per Residential Unit
Developed Commercial/Industrial Property	\$6.32 per Fraction Acre or portion thereof up to 5 acres, then \$6.32 per Acre or portion thereof for every Acre thereafter
Developed Office Property	\$17.93 per Fraction Acre or portion thereof up to 5 acres, then \$17.93 per Acre or portion thereof for every Acre thereafter
Developed Self-Storage/Parking Lot Property	\$0.27 per Fraction Acre
Vacant Property	\$6.32 per Parcel
Tax-Exempt Property	\$0

3. **Conversion of a Tax-Exempt Property to a Taxable Property.** If a Tax-Exempt Property is not needed for public use and is converted to a private use, it shall become subject to the Special Tax.
4. **Multiple Land Use Classifications.** In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Classification. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator shall determine the allocation to each Land Use Classification.
5. **Percentage Allocation of Special Tax.** 70% of the annual special tax revenue generated within the CFD shall be allocated to costs of Services provided while the remaining 30% of special tax revenue shall be allocated to costs of Facilities.

C. ANNUAL ADJUSTMENT OF MAXIMUM SPECIAL TAX

Beginning in January 2018 and each January thereafter, the Maximum Special Tax shall be adjusted for each subsequent fiscal year in an amount equal to the percentage increase during the preceding calendar year in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose metropolitan area (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistics, or if this index ceases publication, an equivalent index as determined by the District; provided, however, that the portion of the revenue generated from the special taxes that is allocated to Facilities shall not be increased by more than two percent (2%) in any single year, and the portion of the revenue generated from the special taxes that is allocated to Services shall not be increased by more than three percent (3%) in any single year.

Each annual adjustment of the Maximum Special Tax shall become effective for the following Fiscal Year.

D. DETERMINATION OF THE ANNUAL SPECIAL TAX

Commencing with the Base Year, and for each subsequent Fiscal Year, the Board shall determine the Special Tax Requirement and shall levy the Annual Special Tax on each Assessor's Parcel of

Developed Property or Vacant Property at up to one hundred percent of the applicable Maximum Special Tax to fund the Special Tax Requirement.

The Board shall not levy an Annual Special Tax on Tax-Exempt Property.

Under no circumstances will the Annual Special tax levied against any Assessor's Parcel of Developed Property or Vacant Property increase by more than ten (10) percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the CFD.

Subject to the foregoing, the amount of Annual Special Tax levied upon any Developed Property or Vacant Property in any Fiscal Year shall not exceed the Maximum Special Tax for such Fiscal Year as computed herein.

E. DURATION OF THE SPECIAL TAX

Assessor's Parcels in the CFD shall remain subject to the Special Tax in perpetuity. If the Special Tax ceases to be levied, the District or its designee shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

F. PREPAYMENT OF SPECIAL TAX

Prepayment of the Special Tax is not authorized.

G. APPEALS AND INTERPRETATION PROCEDURE

Any property owner who feels that the portion of the Special Tax levied on the property owner's property is in error, may file a written appeal no later than April 10 of the Fiscal Year in which the levy occurred, with the General Manager or his or her designee, appealing the levy of the Special Tax on such property owner's property. The General Manager or his or her designee will promptly review the appeal, and, if necessary, meet with the property owner, and decide the merits of the appeal. If the findings of the General Manager or his or her designee verify that the Special Tax levied should be modified, the Special Tax levy for future Fiscal Years shall be corrected, and future Special Taxes levied against such property shall be adjusted, as applicable. Any overcharges of Special Tax levies shall be corrected solely by means of adjustments to future Special Tax levies; no cash refunds shall be made. Any dispute over the decision of the General Manager or his or her designee shall be referred to the General Manager and the Board, and the decision of the Board shall be final and binding on all parties.

Interpretation of this RMA and all other CFD materials may be made by resolution of the Board for purposes of clarifying any vagueness or uncertainty as it relates to the application of the Special Tax rate, or application of the method of apportionment, or classification of properties or any definition applicable to the CFD.

H. COLLECTION OF THE SPECIAL TAX

The Special Tax shall be collected each year in the same manner and at the same time as ad valorem

property taxes are collected and shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The District shall cause the actions required above to be done for each Fiscal Year in a timely manner to assure that the schedule of the Special Taxes to be collected are received by the County Auditor for inclusion with billings for such ad valorem taxes for the applicable Fiscal Year. However, the CFD Administrator may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner, if necessary to meet the financial obligations of the District or as otherwise determined appropriate by the CFD Administrator.

I. ANNEXATION OF TERRITORY

Any territory to be annexed to the CFD shall, in addition to payment of Special Taxes at the rate set forth above, be subject to payment of any costs incurred by the District in conducting the annexation process.