

TOWN COUNCIL STAFF REPORT

Title: Adopt the Resolution Declaring the Town's Intention to Establish a Community Facilities District, Authorize the Levy of Special Taxes, and Set the Public Hearing for April 5, 2023 for Community Facilities District No 2023-1 (Town of Mammoth Lakes Maintenance Services)

Meeting Date: February 15, 2023

Prepared by: Pamela Smitheman, Assistant Engineer

RECOMMENDATION:

Staff recommends that Town Council adopt the Resolution Declaring the Town's Intention to establish a Community Facilities District, authorize the levy of special taxes, and set the public hearing for April 5, 2023 for Community Facilities District No 2023-1 (Town of Mammoth Lakes Maintenance Services).

BACKGROUND:

The Town of Mammoth Lakes develops Community Facilities Districts (CFDs) in accordance with the Mello-Roos Community Facilities Act of 1982. Town Council has previously adopted local goals and policy needed for the formation of CFDs. Pursuant to that policy, all Planning Resolutions for project entitlements which allow transient use include a condition of approval requiring annexation into a CFD or the creation of a new CFD. The imposition of such a requirement ensures that the Town can satisfy the fiscal impacts of the Limelight Hotel and Residence Inn projects. NBS Consultants have assisted staff with assessment district administration and legal advice for over a decade. Staff has consulted with NBS on the formation of the proposed community facilities district.

The Town has received petitions from developers requesting the Town Council undertake and complete proceedings to form the CFD as shown on Proposed Boundary Map of Town of Mammoth Lakes Community Facilities District No. 2023-1 (Maintenance Services) in Exhibit A. The properties include parcels associated with the Limelight Hotel and Residence Inn projects. The petitions request the Town finance services and improvements with a special tax levied against properties included in the district.

ANALYSIS:

Given the complexity of existing CFDs, NBS and Staff have found it beneficial to form a new CFD in order to collect special taxes for services and improvements associated with the Limelight Hotel and Residence Inn projects.

It is intended that the CFD will be eligible to fund all or a portion of the direct and incidental costs of plowing and removal of snow, and maintenance of curbs/sidewalks, landscapes and streetlights and related appurtenances, within or adjacent to the CFD. This would also include any of the following related to the maintenance of the above services: obtaining,

constructing, reconstructing, furnishing, and operating and maintaining equipment, apparatuses or facilities related to providing the services; equipment, apparatuses, facilities, or fixtures in areas to be maintained; paying the salaries and benefits of personnel necessary or convenient to provide the services; payment of insurance costs and other related expenses; and the provision of reserves for repairs, replacements, and for the future provision of services. It is expected that the services will be provided by the Town, either with its own employees or by contract with third parties, or any combination thereof. The CFD may also fund administrative fees of the Town related to the CFD.

Adoption of this “Resolution of Intention” is a legally required step for the formation of new CFD 2023-1 and annexation of properties into the District. If the Council approves the Resolution of Intention attached hereto, the Council will then hold a public hearing on April 5, 2023. Because it has received petitions, the Council is legally required to adopt a Resolution of Intention and to hold a public hearing at the date set by the Resolution of Intention. The Council must adopt a Resolution of Intention within 90 days of its receipt of the Developers’ petitions. After holding the public hearing, the Council may decide whether or not it desires to adopt a resolution forming CFD 2023-1 and authorize the levy of special taxes therein.

FINANCIAL CONSIDERATIONS:

Properties included in Community Facilities Districts are required to pay a special tax once they obtain certificates of occupancy for qualified residential properties (units zoned for transient use). The CFD 2023-1 maximum special tax rates for each property for the 2022/23 fiscal year are proposed to be \$262.22 per hotel property unit and between \$262.22 and \$682.88 per condominium property unit depending upon the number of bedrooms. Accessory dwelling units within the district are also proposed to be assessed a special tax as outlined in Exhibit C. Exhibit C proposes that on July 1 of each Fiscal Year, commencing on July 1, 2023, the Maximum Special Tax shall be increased by amounts equal to two percent (2%) of the Maximum Special Tax rates amount in effect for the previous Fiscal Year. The properties included in this resolution are currently vacant, however the Limelight Hotel project is entitled for 151 hotel rooms plus 15 condominium units and the Residence Inn project is entitled for 101 condominium units. All units are zoned for transient use and would be subject to levy of future taxes upon issuance of certificate of occupancy.

ENVIRONMENTAL CONSIDERATIONS:

The annual resolution for special taxing districts as a mechanism for funding maintenance is Categorically Exempt per section 15060(c)(3) of the California Environmental Quality Act.

ATTACHMENTS:

1. Resolution No. 23-__: CFD 2023-1 Resolution of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes
 - a. Exhibit A: Town of Mammoth Lakes Community Facilities District No. 2023-1 (Maintenance Services) Proposed Boundary Map
 - b. Exhibit B: Description of Services

- c. Exhibit C: Rate and Method of Apportionment of Special Tax
 - d. Exhibit D: Notice of Public Hearing
- 2. CFD 2023-1 Petitions