

DATE ISSUED: December 30, 2004

REPORT NO. 04-267

ATTENTION: Honorable Mayor and City Council

SUBJECT: Annual Reports Pursuant to the Local Agency Special Tax and Bond
Accountability Act.

SUMMARY

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

BACKGROUND

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 three Community Facilities Districts that fall under the provisions of the Act; 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).

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 Manager’s 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. 2
(Santaluz)
Improvement Area No. 1
Special Tax Bonds**

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

Pursuant to Ordinance No. 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 up to \$62.2 million of 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, 2004:

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

Funds Collected	
Special Tax Collections	\$4,136,247
Transfers In	\$79,006
Interest Earnings	\$6,307
Total	<hr/> \$4,221,559
 Funds Expended	
Debt Service Payments	(\$3,675,644)
Admin Expenses	(\$87,149)
Total	<hr/> (\$3,762,793)

(c) 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. Special taxes, referenced above, were utilized to pay debt service on the bonds and to pay administrative costs. The status of projects to be funded by the bonds is shown below under the Local Bond Measure section of this report.(d)

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, 2004:

(a) The amount of funds collected and expended

Funds Collected	
Bond Proceeds (1)	\$4,882,403
Interest Earnings (2)	\$364,043
TOTAL	\$5,246,446
 Funds Expended	
Project Costs (3)	(\$7,543,423)
Cost of Issuance	(\$233,249)
Transfers Out	(\$79,006)
TOTAL	(\$7,855,678)

- (1) Relates to issuance of \$5,000,000 Series A of 2004 Parity Bonds.
- (2) Includes interest on Debt Service Reserve Fund attributable to initial issuance of Series A of 2000 Bonds as well as Series A of 2004 Parity Bonds.
- (3) Includes expenditures attributable to Improvement Fund proceeds from initial issuance of Series A of 2000 Bonds in the amount of \$56,020,000.

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

Project	Construction Status
----------------	----------------------------

<p>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</p>	Complete
<p>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</p>	Complete
<p>Camino Ruiz South Includes 16” Water Line in Camino Ruiz Includes 24” Water Line in Camino Ruiz</p>	Complete
<p>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</p>	Complete
<p>San Dieguito Road from Camino Ruiz to existing San Dieguito Road Includes Water Facilities</p>	Complete
<p>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</p>	Complete

<p>Water and Sewer Facilities</p> <p>a. Sewer Trunk Line from Existing Carmel Valley Sewer Trunk Line to Fairbanks Highlands Intercept</p> <p>b. Trunk Sewer from Pump Station No. 3 Intercept to Pump Station No. 2 Intercept</p> <p>c. Trunk Sewer from Pump Station No. 2 Intercept to northerly end of Project</p> <p>d. Pump Station No. 3 and Force Main to Trunk Sewer</p> <p>e. Pump Station No. 2 and Force Main to Trunk Sewer</p> <p>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)</p>	Complete
25 Million Gallon Reservoir	Complete
South Fire Station and Equipment (Portion)	Complete
<p>Offsite Traffic Signals and Intersection Improvements</p> <p>Intersection Improvements at El Camino Real and San Dieguito Road</p> <p>Traffic Signal at Black Mountain Road and Maler Road</p> <p>Intersection Improvements at Black Mountain Road and Park Village Road</p>	Complete
<p>Traffic Signal at Camino Ruiz and San Dieguito</p> <p>Traffic Signal at Carmel Valley Road and Camino Ruiz</p> <p>Traffic Signal at Carmel Valley Road and Black Mountain Road</p>	Complete
Regional Park Land Acquisition and Grading (Fair Share)	Complete
Preliminary Design Costs of Public	Complete

Improvements	
Neighborhood Park Improvements	Construction is under way with anticipated completion in January 2005
Landscaping of Camino Del Sur and San Dieguito Road	Complete

**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

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 up to \$10.5 million of 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, 2004:

(a) The amount of funds collected and expended:

Funds Collected

Special Tax Collections	\$202,506
-------------------------	-----------

Transfers In	\$0
Interest Earnings	\$652
Total	\$203,158

Funds Expended

Debt Service Payments	(\$0)
Admin Expenses	(\$0)
Total	(\$0)

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

Project	Construction Status
Offsite Water and Sewer Improvements	Complete
Community Park Improvements	Construction is underway with completion scheduled for January 2005
El Camino Real Improvements	Design is in process, construction to commence after completion of design

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, 2004:

(a) The amount of funds collected and expended:

Funds Collected

Bond Proceeds	\$9,688,416
Interest Earnings	\$14,609
TOTAL	\$9,703,025

Funds Expended

Project Costs	(\$0)
---------------	-------

Cost of Issuance	(\$306,262)
Administrative Expenses	(\$7,915)
TOTAL	(\$314,177)

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

Project	Construction Status
Offsite Water and Sewer Improvements	Complete
Community Park Improvements	Construction is underway with completion scheduled for January 2005
El Camino Real Improvements	Design is in process, construction to commence after completion of design

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

Annual Report

Pursuant to the Local Agency Special Tax and Bond Accountability Act

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 up to \$30 million of 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, 2004:

(a) The amount of funds collected and expended:

Funds Collected

Special Tax Collections	\$437,828
Transfers In	\$0
Interest Earnings	\$1,155
Total	\$438,983

Funds Expended

Debt Service Payments	(\$0)
Admin Expenses	(\$0)
Total	(\$0)

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

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	Construction to commence March 2006; estimated completion in December 2006
Phase I Park Facilities and Remaining Park Demolition and Rough Grading	Construction to commence April 2005; estimated completion in February 2006
Phase II Park Facilities	Construction to commence May, 2006; estimated completion in April 2007
Harbor Drive Street Improvements	Complete
Laning/Cushing Drive Signal Improvements	Construction to commence December 2005; estimated

	completion in June 2006
--	-------------------------

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, 2004:

- (a) The amount of funds collected and expended: None – Special Tax Bonds are not anticipated to be issued until 2005.
- (b) The status of any project required or authorized to be funded, pursuant to the Authorizing Documents, is shown in the table below:

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	Construction to commence March 2006; estimated completion in December 2006
Phase I Park Facilities and Remaining Park Demolition and Rough Grading	Construction to commence April 2005; estimated completion in February 2006
Phase II Park Facilities	Construction to commence May 2006; estimated completion in April 2007
Harbor Drive Street Improvements	Complete
Laning/Cushing Drive Signal Improvements	Construction to commence December 2005; estimated completion in June 2006

**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

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 up to \$30 million of 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, 2004:

(a) The amount of funds collected and expended:

Funds Collected

Special Tax Collections	\$496,783
Transfers In	\$0
Interest Earnings	\$1,449
Total	\$498,231

Funds Expended

Debt Service Payments	(\$0)
Admin Expenses	(\$0)
Total	(\$0)

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

Project	Construction Status
Extend Camino Ruiz, 2 Lanes, from Santaluz to Resort Street: a. Street Improvements (portion of T-5) b. Wildlife Crossing (T-7) c. Underground Utilities & Improvements	Construction to commence January 2005; estimated completion in August 2005. Construction under way; estimated completion in April 2005. Construction underway; estimated completion in December 2005.
Sewer Lift Station No. 1, including Gravity Line from Camino Ruiz and Force Mains to Santaluz.	Construction underway; estimated completion in April 2005.
Extend Camino Ruiz, 2 Lanes, from Resort Street to Camino del Norte: a. Street Improvements (remainder of T-5) b. Underground Utilities & Improvements	Construction to commence January 2005; estimated completion in August 2005. Construction underway; estimated completion in June 2005.
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) b. Wildlife Crossing (T-12)	Construction underway; estimated completion date December 2006 Construction not commenced; estimated completion date December 2006

<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 to commence January 2007</p> <p>Construction to commence January 2007</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>Construction to commence January 2005; estimated completion date June 2006.</p> <p>Construction to commence January 2005; estimated completion date June 2006.</p> <p>Construction to commence January 2005; estimated completion date June 2006.</p>
<p>Gravity Sewer Line from East Clusters to Existing Gravity Line at Camino Ruiz.</p>	<p>Construction has not yet commenced; estimated completion in December 2006</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 yet commenced; estimated completion in January 2011</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)</p> <p>b. Wildlife Crossing (T-8)</p>	<p>Construction has not yet commenced; estimated completion in January 2010</p> <p>Construction under way; estimated completion in April 2005</p>

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, 2004:

- (a) The amount of funds collected and expended: None - Special Tax Bonds are not anticipated to be issued until 2005.
- (b) The status of any project required or authorized to be funded, pursuant to the Authorizing Documents, is shown in the table below:

Project	Construction Status
Extend Camino Ruiz, 2 Lanes, from Santaluz to Resort Street: a. Street Improvements (portion of T-5) b. Wildlife Crossing (T-7) c. Underground Utilities & Improvements	Construction to commence January 2005; estimated completion in August 2005. Construction under way; estimated completion in April 2005. Construction underway; estimated completion in December 2005.
Sewer Lift Station No. 1, including Gravity Line from Camino Ruiz and Force Mains to Santaluz.	Construction underway; estimated completion in April 2005.
Extend Camino Ruiz, 2 Lanes, from Resort Street to Camino del Norte: a. Street Improvements (remainder of T-5) b. Underground Utilities & Improvements	Construction to commence January 2005; estimated completion in August 2005. Construction underway; estimated completion in June 2005.

<p>If not already existing, widen Camino Ruiz, from 2 to 4 Lanes, from San Dieguito Road to Carmel Valley Road:</p> <p>a. Street Improvements (T-10)</p> <p>b. Wildlife Crossing (T-12)</p>	<p>Construction underway; estimated completion date December 2006</p> <p>Construction not commenced; estimated completion date December 2006</p>
<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 to commence January 2007</p> <p>Construction to commence January 2007</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>Construction to commence January 2005; estimated completion date June 2006.</p> <p>Construction to commence January 2005; estimated completion date June 2006.</p> <p>Construction to commence January 2005; estimated completion date June 2006.</p>
<p>Gravity Sewer Line from East Clusters to Existing Gravity Line at Camino Ruiz.</p>	<p>Construction has not yet commenced; estimated completion in December 2006</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 yet commenced; estimated completion in January 2011</p>
<p>If not already existing, widen Camino Ruiz, from 2 to 4 lanes, from San Dieguito Road to Camino del Norte:</p> <ul style="list-style-type: none"> a. Street Improvements (T-6) b. Wildlife Crossing (T-8) 	<p>Construction has not yet commenced; estimated completion in January 2010</p> <p>Construction under way; estimated completion in April 2005</p>

Respectfully submitted,

Mary E. Vattimo
City Treasurer

Approved: Patricia T. Frazier
Deputy City Manager

VATTIMO/CW