



# MINUTES OF THE CITY COUNCIL OF THE CITY OF DUBLIN

SPECIAL MEETING – MAY 15, 2012

A special meeting of the Dublin City Council was held on Tuesday, May 15, 2012 in the City Council Chambers of the Dublin Civic Center. The meeting was called to order at 6:03:18 PM p.m., by Mayor Sbranti.

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1. ROLL CALL

PRESENT: Councilmembers Biddle, Hart, Hildenbrand, Swalwell, and Mayor Sbranti  
ABSENT: None.

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PLEDGE OF ALLEGIANCE

The pledge of allegiance to the flag was recited by the City Council, Staff and those present.

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2. Public Comments

No comments were made by any member of the public at this time.

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3. Community Facilities Districts

Samuel Sperry, Meyers Nave, presented informational materials and advised that he would provide the City Council with an educational presentation on Community Facilities Districts. The presentation is being provided in anticipation of a request by a developer to consider a Community Facility District (CFD) for the Dublin Crossings project.

Cm. Swalwell asked if an eminent domain payment is financeable. Mr. Sperry replied that it is permissible. He clarified that it is the City who is exercising the power of eminent domain, not the CFD.

Mayor Sbranti asked if park maintenance is included as an eligible service under the Mello-Roos Act. Mr. Sperry replied yes.

Mayor Sbranti clarified with Mr. Sperry that a common contract arrangement is for the developer to complete the construction of facilities before bonds are issued.

Vm. Hart asked for clarification regarding the difference between a CFD bond and a regular bond. Mr. Sperry replied that bonds issued under a Certificate of Participation (COP) obligate the City directly to pay out the bonds from the General Fund. He stated that bonds issued under CFDs come out of reserves from the special tax or from initial proceeds, not from the City's General Fund.

Vm. Hart asked why a City would want to approve a CFD. Mr. Sperry replied that, if a City approves a CFD, they have come to the conclusion that there is some valid public purpose being served by extending the accommodation of this financing mechanism to the developer. He further stated that it is up to the policy makers to identify that valid public purpose.

Mr. Sperry further stated that the City could benefit from the transaction somehow, whether by obtaining a new community facility or some other benefit, that would not have been possible had the developer financed the project privately.

Vm. Hart and Mr. Sperry clarified that landowners within the CFD will be directly responsible for paying the tax associated with their property. Mr. Sperry clarified that the tax obligation goes with the piece of property located within the CFD. He reiterated that the City would be approving a boundary map to identify the taxable boundary.

Cm. Biddle asked the City Manager if this would be the first CFD project in the history of the City of Dublin should City Council decide to move forward. The City Manager answered Yes.

Cm. Biddle clarified with Mr. Sperry that the City should not subsidize the process of the project. Mr. Sperry stated that the City could identify some community benefit that City can be responsible for financially, but any other costs in administering and establishing the CFD should be paid for up front by the Developer and then later built into the CFD.

Cm. Biddle asked what risks exist in having a CFD. Mr. Sperry stated that if taxes are not paid in full, bonds will go into default and the project can be stalled.

Cm. Biddle clarified with Mr. Sperry that a crucial part of the CFD process is to develop and implement a clear and confident development and financial plan.

Cm. Biddle asked who would vote in the Election process of the CFD. Mr. Sperry clarified that if there are less than 12 registered voting landowners within the proposed boundary, the landowners would vote.

Mayor Sbranti asked for a rough estimate of the tax amount that CFD property owners would be responsible for. Mr. Sperry replied that a meaningful statement could not be made without knowing the base property tax and what principal amount of bonds are to be issued.

Mr. Sperry stated that, every year, the City would take the amount of bond debt service to be paid to bond holders, and then add the City administrative cost for services provided. He stated that a Special Tax Requirement budget would be created for the coming year and that amount of money would be allocated to each of the taxable parcels in the manner dictated by the Special Tax Formula, with a cap on the maximum.

Mayor Sbranti asked how a CFD is similar to and different from a regular assessment district. Mr. Sperry stated that they are similar in the sense that they are funding services. He stated that they are different in the sense that no public hearing is held in regards to the tax amount for a CFD. The tax formula is established once at the creation of the CFD and is utilized throughout the life of the CFD.

Mayor Sbranti asked how CFDs have worked in other cities. Mr. Sperry replied that, for the most part, CFDs have proved successful in other cities and counties such as Sacramento and Placer.

Mayor Sbranti asked how a CFD differs from Infrastructure Financing District (IFD). Mr. Sperry replied that IFDs are not workable right now as they require approval from every single tax entity involved.

City Manager Pattillo stated that there will be a Study Session on May 29<sup>th</sup>, in which the CFD will be a cornerstone for the Dublin Crossing project, to see if it something the City Council wants to pursue or not. She stated that Staff will bring back the discussion points that have developed between the developer and Staff.

Mayor Sbranti stated that he would like to have a better sense of the numbers regarding the property tax bill. He stated that he would like to understand what the benefits are to the City and how is a CFD beneficial over traditional infrastructure financing.

Cm. Biddle asked that an update of the Dublin Crossings project be provided at the Study Session.

#### 4. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 7:03:36 PM p.m. in memory of Staff Sgt Sean Diamond and our fallen troops.

Minutes prepared by Taryn Bozzo, Secretary.



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Mayor

ATTEST:   
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City Clerk