City of Stockton CFD No. 2025-1 (Cannery Park East)

Resolution of Intention Meeting
August 12, 2025
Agenda Item 16.2

Background

CFD No. 2019-1 (Cannery Park II) formed in May 2019

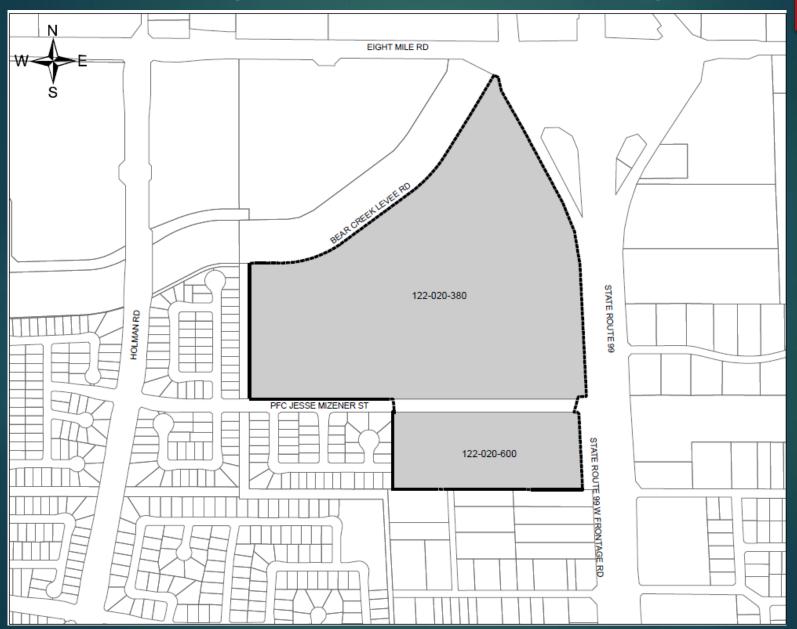
- Fixed annual special tax of \$1,600 per year on single-family residential
 - City can recover administrative costs as part of the special taxes
 - A services tax is also paid each year by the property owners
- Total bonded indebtedness of \$15 million
- Issued two series of bonds in 2022 (\$9.915 million)
 and 2024 (1.525 million)

The Proposed Project

- The initial boundary of the District will include just the portion of property originally acquired by Jen California 31, LLC (the "Devéloper").
- The portion acquired is already in CFD No. 2019-1 (Cannery Park II). The special taxes payable by the property owners will be in addition to the fixed \$1,600 per year of facilities special tax and the services special tax already collected from within CFD No. 2019-1.
- ▶ The District will consist of 311 single-family residential units
 - The Developer sold 64 lots to Richmond American on October 25, 2024
 - ▶ The Developer sold 267 lots to Century Communities on May 19, 2025. If formed, the District will help fund the acquisition of authorized facilities and the payment of fees.
 - ▶ FY 2026-27 Facilities tax rates ranging from \$922 (<1,800 SF) to \$2,386 (>3,400 SF) annually 2% escalation of facilities tax

 - ▶ Total tax rate of 1.80% consistent with other CFDs in the region

Proposed Boundary



Financial Summary

There is no financial impact to the City for the formation of the proposed District

- ► The cost to form the District is estimated at \$39,500 and includes the fees and expenses of the Special Tax Consultant (Willdan Financial Services), Bond Counsel (Jones Hall) and the City's Municipal Advisor (Del Rio Advisors, LLC). The Developer has deposited with the City an amount to cover these estimated costs of formation.
- Ultimately, when bonds are issued, the City will receive an administrative fee based on a sliding scale of the issuance size. The City's Administration Fee is a component of the cost of issuance and is paid from bond proceeds.

If the District is approved and when one or more series of bonds are issued, they will not be a debt of the City and will only be paid through the special taxes levied in the District

Items for Consideration

The first resolution before the City Council for consideration is the **Resolution of Intention (the "ROI") to Form a CFD and Levy a Special Tax** within the territory of the proposed District. The resolution includes:

- ► The Rate and Method of Apportionment (the "RMA") defines the maximum amount of special taxes applied to each parcel of land within the boundaries of the District and the escalation factor to be applied to each year
- List of Facilities and Fees proposed to be funded by special taxes
- Boundary Map showing the territory that is proposed to be included in the District, including the boundary subject to the special tax levy

In addition to the items mentioned above, adoption of the ROI sets the date, time and place for a public hearing on the establishment of the District and future issuance of bonds. The date of the public hearing for the proposed District is September 23, 2025, at 5:30 p.m. in the Council Chambers.

Items for Consideration (continued)

The second resolution before the City Council for consideration is the **Resolution of Intention to Incur Bonded Indebtedness**

- The resolution sets forth an intention to set the maximum proposed amount of bonded indebtedness for the District. The District may issue one or more series of bonds totaling no more than \$15.0 million to fund facilities and fees within the District
- Actual approval of each series of bonds will require future Council consideration and action

These resolutions are simply an expression of intent, the Council is not bound to form the CFD, which will be decided on September 23rd.

Questions?