



CITY OF  
**Chula Vista**

## **Bayfront Project Special Tax Financing District Report**

November 2019



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## I. Introduction

WHEREAS, the Bayfront Project Special Tax Financing District Procedural Ordinance, Chapter 3.61 of the Chula Vista Municipal Code ( "Chapter 3.61") was enacted for the purpose of establishing a procedure for financing certain public and private improvements and maintenance and services to serve the Chula Vista Bayfront Project through the establishment of the Bayfront Project Special Tax Financing District (the "District"), the levy and collection of special taxes within the District and the issuance of bonds of the District secured by such special taxes for the purpose of financing a Convention Center Facility (as defined in Chapter 3.61) and certain other public and/or private improvements.

WHEREAS, the City Council of the City of Chula Vista (hereinafter referred to as the "City Council"), did, pursuant to the terms and provisions of Chapter 3.61 duly adopt its Resolution No. 2019-168 on September 10, 2019 (the "Resolution of Intention") wherein the City Council declared its intention and initiated proceedings to consider the establishment of the District, to set forth the proposed boundaries for the District, to indicate the Improvements (as identified herein below) and the Services (as identified herein below) proposed to be financed by the District, to indicate the proposed rate and apportionment of a special tax sufficient to finance the purchase, construction, expansion, improvement, rehabilitation, replacement and upgrade, including ongoing capital repairs of the Improvements and the Services, and the administration of the District and any indebtedness incurred by the District.

WHEREAS, pursuant to the Resolution of Intention, the City Council also expressly directed that the officers of the City who will be responsible for providing one or more of the proposed types of the Improvements and Services to be provided within and financed by the District (the "City Officers"), to study the District, and, at or before the time of the public hearing on the Resolution of Intention, file a report with the City Council containing a brief description of the Improvements and Services by type which will in their opinion be required to adequately meet the needs of the District and their estimate of the cost of providing those Improvement and Services. The Resolution of Intention further provided that for those Improvements proposed to be acquired upon the completion thereof and those Incidental Expenses (as defined in the Resolution of Intention) proposed to be paid for, the Report shall contain an estimate of the fair and reasonable cost of such Improvements and such Incidental Expenses.

WHEREAS, the City appointed and directed Willdan Financial Services to prepare the Report for and on behalf of the City Officers.

WHEREAS, this Bayfront Project Special Tax Financing District Report ("Report") is being provided to the City Council as directed by the Resolution of Intention and generally contains the following:

1. A brief description of the District;
2. A brief description of the Improvements and Services required at the time of formation to meet the needs of the District;
3. A brief description of the Boundaries of the District; and

4. An estimate of the cost of financing the Improvements and Services, including all costs associated with formation of the District, issuance of bonds, determination of the amount of any special taxes, collection of any special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the City with respect to the District, and any other incidental expenses to be paid through the proposed financing.

For particulars, reference is made to the Resolution of Intention. All capitalized terms not defined herein are defined in the Rate and Method of Apportionment of Special Tax section (Exhibit C) of this Report.

NOW THEREFORE Willdan Financial Services does hereby submit the following for and on behalf of the City Officers:

## II. General Description & Boundaries of the Bayfront Project Special Tax Financing District

A description of the exterior boundaries of the territory proposed for inclusion in the Bayfront Project Special Tax Financing District, including properties and parcels of land proposed to be subject to the levy of a Special Tax by the District, is shown on the boundary map designated as "MAP OF PROPOSED BOUNDARIES OF THE BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT", which is on file in the office of the Clerk of the City Council of the City of Chula Vista and was recorded with the County Recorder of the County of San Diego on September 12, 2019 in Book 48 of Maps of Assessment and Community Facilities Districts at Page 38-43 and as Instrument Number 2019-7000361. A copy of the map is attached hereto as Exhibit A and hereby incorporated by reference.

### III. Description of Improvements

The types of Improvements eligible to be financed by the District are as follows:

1. Convention Center Facility (as defined in Chapter 3.61);
2. Street Improvements, including grading, paving, curbs, gutters, sidewalks, street signalization, signage, street lights, furnishings, and parkway and median landscaping related thereto;
3. Gateway signage;
4. Pedestrian and bicycle paths;
5. Storm drains and other water quality devices to ensure regional permit compliance;
6. Public utilities (including but not limited to water, reclaimed water, sewer, electric, gas, and telephone);
7. Public parks, open space and recreation facilities;
8. Fire protection and emergency response facilities;
9. Parking improvements;
10. Museums and cultural facilities;
11. Ecological and sustainability educational improvements;
12. Energy efficiency, water conservation and renewable energy improvements;
13. Land, rights-of-way and easements necessary for any of such facilities; and
14. Equipment, apparatus, facilities or fixtures with an expected useful life of 5 years or longer necessary for any of the foregoing or necessary to provide any of the Services described in Section IV below.

This description of the Improvements is general in nature. The final nature and location of the Improvements will be determined upon the preparation of final plans and specifications for such Improvements. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the Improvements provide a service substantially similar to that as set forth in the Report.

## IV. Description of Services

Authorized Services shall include the operation, maintenance, servicing, and replacement of the authorized Improvements (see III above), together with the following additional Services:

1. Landscaping, including, but not limited to trees, shrubs, grass, other ornamental vegetation located in or on slopes, parkways and medians;
2. Facilities that are directly related to storm water conveyance, including, but not limited to pipes and drainage inlets, detention basins, linear bioretention, and parks;
3. Walls and fencing;
4. Parks, including landscaping, facilities, walls, fencing, lighting, and trails;
5. Streetscape improvements, including lighting, furnishings and appurtenances;
6. Parking improvements;
7. Transportation services;
8. Promotion of public events and tourism;
9. Security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the City or other service provider; and
10. Repair of the authorized Improvements.

For purposes of this description of the Services to be funded by the levy of Special Taxes within the District, “maintenance” includes, but is not limited to, the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any of the authorized Improvements, including:

1. Repair, removal, or replacement of the authorized Improvements; and
2. Providing for the life, growth, health, and beauty of habitat, including the cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;
3. The removal of trimmings, rubbish, debris, silt, and other solid waste;
4. The cleaning, sandblasting, and painting of walls and other facilities to remove or cover graffiti;
5. The elimination, control, and removal of rodents and vermin;
6. The operation and management of open space and natural habitat, including biological monitoring and evaluation of collected data;
7. The conduct of biological activities necessary to sustain the species being protected;
8. The operation and maintenance of pedestrian bridges and community gardens within or appurtenant to such open space or habitat area(s); and
9. The maintenance and cleaning of drainage and other storm water control facilities required to provide storm water quality control.

“Service” or “servicing” means the furnishing of:

10. Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or other operation of any other Improvements; and
11. Water for the irrigation of any landscaping or the operation or maintenance of any other Improvements.

## V. Cost Estimates

The proposed maximum authorized bonded indebtedness for the District is \$175,000,000. Such bonded indebtedness may be in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private borrowing or individuals, or long-term contracts as permitted by Chapter 3.61. The actual amount of such indebtedness will depend upon a number of factors including interest rate on such indebtedness and compliance with any value-to-lien ratio criteria applicable to such indebtedness. Based on the special tax revenue expected to be generated from properties within the District, it is currently estimated to support a total bonded indebtedness of approximately \$138 million (assuming a 5.4% interest rate and a 37-year bond term). An indebtedness of \$138 million would yield approximately \$134.6 million in net proceeds of such indebtedness for eligible Improvements. The balance would provide for initial administration expenses, district formation and bond issuance costs.

The proceeds of the District may be used to fund any or all of the Improvements as described in Exhibit B of this report. The estimated cost of such Improvements is approximately \$339 million, however, as noted above it is not currently anticipated that the District will generate sufficient funds to finance all of costs of the Improvements. Any Improvement costs not covered by the District bond proceeds and special taxes will remain the responsibility of the developer pursuant to the project conditions of approval, the project development agreement, or other applicable governing documents.

Those Improvements that may be acquired upon completion thereof have not been definitively identified but may include all or any portion of any of the Improvements described in Exhibit B. The estimated costs of such Improvements based on 2019 dollars as set forth in Exhibit B constitute a fair and reasonable cost of such Improvements. An estimate of the fair and reasonable costs of Incidental Expenses in 2019 dollars is \$2.8 million. The actual cost of such Incidental Expenses shall depend upon the form or forms of such indebtedness, the terms and conditions thereof, the market conditions at the time such indebtedness is incurred and other factors that cannot reasonably be predicted at the time of this Report.



## VI. Rate and Method of Apportionment of Special Tax

The Rate and Method of Apportionment of Special Tax (RMA) provides sufficient information to allow a property owner within the District to estimate the Maximum Special Tax for his or her property.

For particulars on the rate and method of apportionment, reference is made to Exhibit C of this report.

# EXHIBIT A

## Boundary Map

### MAP OF PROPOSED BOUNDARIES OF THE BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT


CITY OF CHULA VISTA  
COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA



**Legend**  
 COMMUNITY FACILITIES DISTRICT BOUNDARIES

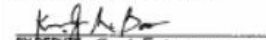
FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA THIS 11<sup>TH</sup> DAY OF September, 2019.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT OF THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CHULA VISTA AT A REGULAR MEETING THEREOF, HELD ON THE 10<sup>TH</sup> DAY OF September, 2019, BY ITS RESOLUTION NO. 2019-117

  
 CITY CLERK  
 CITY OF CHULA VISTA



FILED THIS 12<sup>TH</sup> DAY OF SEPTEMBER, 2019, AT THE HOUR OF 10:03 O'CLOCK A.M. IN THE BOOK 418 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE(S) 38 AND AS INSTRUMENT NO. 2019-7000361 IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

  
 BY DEPUTY Ernest T. Drenthong, Jr.  
 COUNTY RECORDER  
 COUNTY OF SAN DIEGO  
 STATE OF CALIFORNIA

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS MAP SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN DIEGO COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE SAN DIEGO COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

2019-7000361

BK-48 PG 38

BK 48 PG 38

2019-7000361

**MAP OF PROPOSED BOUNDARIES OF CITY OF CHULA VISTA  
BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT**

SHEET 2 OF 6

COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA



**Legend**

□ COMMUNITY FACILITIES DISTRICT BOUNDARY



2019-7000361

BK 40 PG 39

BK 40 PG 39



2019-7000361

### MAP OF PROPOSED BOUNDARIES OF CITY OF CHULA VISTA BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT

COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA



**Legend**

-  PARCELS SOUTH selection
-  COMMUNITY FACILITIES DISTRICT BOUNDARY



2019-1000361

BK 40 PG 40

BK 40 PG 40

2019-1000361

**MAP OF PROPOSED BOUNDARIES OF CITY OF CHULA VISTA  
BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT**

SHEET 4 OF 6

COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA



Legend

□ COMMUNITY FACILITIES DISTRICT BOUNDARIES

**WILLDAN**  
Financial Services

2019-7000361

BK 48 PG 41

BK 48 PG 41

2019-7000361

**MAP OF PROPOSED BOUNDARIES OF CITY OF CHULA VISTA  
BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT**

SHEET 5 OF 6

COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA



**Legend**

 COMMUNITY FACILITIES DISTRICT BOUNDARIES

 **WILLDAN**  
Financial Services

2019-7000-361

BK 40 PG 42

BK 40 PG 42

2019-7000-361

**MAP OF PROPOSED BOUNDARIES OF CITY OF CHULA VISTA  
BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT**

SHEET 6 OF 6

COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA

Map Reference Number	Assessor's Parcel Number	Sheet
1	565-010-30-00	2
2	565-310-33-00	2
3	565-310-32-00	2
4	567-011-05-00	3
5	567-021-29-00	3
6	567-021-38-00	3
7	567-021-37-00	3
8	567-021-36-00	3
9	567-031-26-00	3
10	567-031-27-00	3
11	760-048-24-00	4
12	760-048-00-03	4
13	760-048-05-00	4
14	571-330-31-00	4
15	760-235-35-00	4
16	571-330-33-00	4
17	571-330-32-00	4
18	571-240-01-00	5

2019-7000361

BK 40 PG 43



BK 40 PG 43

2019-7000361



## EXHIBIT B

### Preliminary District Cost Estimate Improvements

Improvement Description	Cost Estimate <sup>1</sup>
Convention Center Facilities	\$ 240,000,000
Parking Garage	\$ 40,000,000
<b>Street Improvements, Pedestrian and Bicycle Paths, and Storm Drains</b>	
1 E Street (G Street to H Street)	\$ 7,248,039
2 G Street Connection	\$ 822,313
3 H Street (Bay Blvd to Street A)	\$ 416,759
4 H Street (Marina Pkwy to E Street)	\$ 5,587,531
5 E Street (Bay Blvd to F Street)	\$ 4,086,510
6 E Street (Lagoon Drive to G Street)	\$ 58,414
7 F Street (Bay Blvd to E Street)	\$ 1,308,727
8 F Street (E Street to Gunpowder Pt Dr)	\$ 913,038
9 Gunpowder Point Drive Relocation	\$ 1,216,153
<b>Subtotal</b>	<b>\$ 21,657,483</b>
<b>Parks, Open Space and Recreation Facilities</b>	
10 Harbor Park (Initial)	\$ 19,504,029
11 SP-1 Sweetwater Buffer (for S-1)	\$ 2,907,645
12 SP-1 Sweetwater Buffer (for S-2)	\$ 1,302,092
13 SP-2 Seasonal Wetlands	\$ 1,012,920
14 SP-4 SDG&E	\$ 62,253
15 S-2 Sweetwater Signature Park	\$ 7,602,067
<b>Subtotal</b>	<b>\$ 32,391,006</b>
<b>Public Utilities</b>	
16 G Street Sewer Pump Station	\$ 2,785,833
17 H-3 Utility Corridor	\$ 1,911,266
<b>Subtotal</b>	<b>\$ 4,697,099</b>
<b>Grand Total</b>	<b>\$ 338,745,588</b>

<sup>1</sup>2019 dollars.

## EXHIBIT C

### Preliminary District Budget Services

Service Description	Annual Cost Estimate <sup>1</sup>
<b>Streetscape &amp; Landscaping Maintenance<sup>2</sup></b>	
1 E Street	\$ 75,000
2 F Street	\$ 11,000
3 G Street	\$ 4,000
4 H Street	\$ 70,000
5 J Street	\$ 31,000
6 Marina Way	\$ 14,000
7 Associated Utilities	\$ 40,000
8 Annual Capital Repair	\$ 216,000
<b>Subtotal</b>	<b>\$ 461,000</b>
<b>Parks, Open Space and Recreation Facilities<sup>2</sup></b>	
9 Sweetwater Signature Park & Buffer	\$ 523,000
10 Seasonal Wetlands	\$ 16,000
11 Harbor Park	\$ 466,000
12 Associated Utilities	\$ 190,000
13 Annual Capital Repair	\$ 73,000
<b>Subtotal</b>	<b>\$ 1,268,000</b>
<b>Transportation Services</b>	
14 Circulator Shuttle	\$ 400,000
<b>Subtotal</b>	<b>\$ 400,000</b>
<b>Grand Total Services Budget</b>	<b>\$ 2,129,000</b>

<sup>1</sup>2015 dollars.

<sup>2</sup>Includes storm water conveyance facilities.

## EXHIBIT D

### Rate and Method of Apportionment

# RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

## BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT

The Special Tax authorized by the Bayfront Project Special Tax Financing District (the “District”) shall be levied on all Taxable Property and collected within the District as provided herein commencing in Fiscal Year 2020-2021, in an amount determined by the City Council of the City of Chula Vista, acting as the legislative body of the District, through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property within the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“Act”** means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

**“Assessor’s Parcel”** means a lot or parcel designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number within the boundaries of the District.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating parcels by Assessor’s Parcel number.

**“Bond Documents”** means any indenture of trust, bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument setting forth the terms of any Bonds, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**“Bonds”** means any binding obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

**“Boundary Map”** means the “Map of Proposed Boundaries of the Bayfront Project Special Tax Financing District, City of Chula Vista, County of San Diego, State of California,” filed September 12, 2019 in Book 48 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

**“Calendar Year”** means the period commencing January 1 of any year and ending the following December 31.

**“Campsite”** shall have the meaning given such term in Chapter 3.61.

**“Campsite Property”** means an Assessor’s Parcel of Taxable Property which consists of any Campsite or Campsites.

**“Chapter 3.61”** means Chapter 3.61 of the Chula Vista Municipal Code.

**“City”** means the City of Chula Vista.

**“City Council”** means the City Council of the City, acting as the legislative body of the District, or its designee.

**“City Manager”** means the City Manager of the City.

**“County”** means the County of San Diego.

**“Director of Finance”** means the Director of Finance of the City.

**“District”** means the Bayfront Project Special Tax Financing District established by the City pursuant to Chapter 3.61.

**“Exempt Property”** means all Assessor’s Parcels within the District which are exempt from the Special Tax pursuant to law or Section F herein.

**“Fiscal Year”** means the period commencing on July 1 of any year and ending the following June 30.

**“Hotel”** shall have the meaning given such term in Chapter 3.61.

**“Hotel Property”** means an Assessor’s Parcel of Taxable Property which consists of any Hotel or Hotels.

**“Landowner”** shall have the meaning given such term in Chapter 3.61.

**“Maximum Annual Special Tax Rate”** shall, for any Fiscal Year, not exceed five percent (5%) of all Rent charged during such Fiscal Year for the privilege of Occupancy by Transients of the Campsite(s) or Hotel(s), as applicable, located on each Assessor’s Parcel of Campsite Property or Hotel Property.

**“Occupancy”** shall have the meaning given such term in Chapter 3.61.

**“Operator”** shall have the meaning given such term in Chapter 3.61.

**“Port District”** means the San Diego Unified Port District.

**“Public Property”** means any property within the boundaries of the District that is owned or held in trust by or irrevocably dedicated to the City, the federal government, the State of California, the County, the Port District, or any other public agency.

**“Rent”** shall have the meaning given such term in Chapter 3.61.

**“Resolution of Formation”** means the resolution adopted by the City Council pursuant to Chapter 3.61 establishing the District.

**“Special Tax”** means the special tax authorized by the District to be levied by the City Council pursuant to Chapter 3.61.

**“Taxable Property”** means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or this Rate and Method of Apportionment of Special Tax.

**“Transient”** shall have the meaning given such term in Chapter 3.61.

## **B. CLASSIFICATION OF ASSESSOR’S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2020-2021, each Assessor’s Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Assessor’s Parcel of Taxable Property shall be further classified as Campsite Property or Hotel Property. Commencing with Fiscal Year 2020-2021, all Campsite Property and Hotel Property shall be subject to the levy of the Special Tax pursuant to Section C below.

## **C. SPECIAL TAX**

For each Fiscal Year commencing Fiscal Year 2020-2021, the City Council shall, by resolution adopted on or before May 31st preceding such Fiscal Year, levy the Special Tax on each Assessor’s Parcel classified as Campsite Property or Hotel Property at a rate not to exceed the Maximum Annual Special Tax Rate. For each succeeding Fiscal Year, the Special Tax shall be levied at the same rate as the rate levied in the

preceding Fiscal Year unless the City Council shall, by resolution adopted by May 31st of the preceding Fiscal Year, levy the Special Tax at a different rate than the rate levied in the preceding Fiscal Year not to exceed the Maximum Annual Special Tax Rate.

The Special Tax associated with Rent that is charged for Occupancy by Transients shall be considered levied at the same time the Transient ceases such Occupancy. If a Public Property is classified as Campsite Property or Hotel Property due to the grant of a lease or other possessory interest in such Assessor's Parcel of Public Property to the Operator of a Campsite or Hotel thereon, the Special Tax shall only be levied during such time that such grant of lease or possessory interest is effective and shall cease upon the termination or expiration of such grant of lease or possessory interest.

## **D. MANNER OF COLLECTION**

The Special Tax shall be due and remitted pursuant to the provisions of Section 3.61.120 of Chapter 3.61.

## **E. PREPAYMENT OF THE SPECIAL TAXES**

The Special Tax may not be prepaid.

## **F. EXEMPTIONS**

Assessor's Parcels not classified as Campsite Property or Hotel Property shall be exempt from the levy of the Special Tax.

## **G. FAILURE TO SUBMIT SPECIAL TAX**

If the Operator of any Campsite or Hotel located on an Assessor's Parcel of Campsite Property or Hotel Property, or the Landowner of an Assessor's Parcel of Campsite Property or Hotel Property that is not Public Property, fails or refuses to pay the Special Tax levied on such Assessor's Parcel when due, the Director of Finance shall proceed in such manner as deemed best to obtain facts and information on which to base his/her estimate of such Special Tax. As soon as the Director of Finance has acquired such facts and information upon which to base such Special Tax for such Campsite Property or Hotel Property, the Director of Finance shall proceed to determine the amount of such Special Tax due plus any penalties thereon, as described below ("Determination of Special Tax Due"). In the case that such determination is made, the Director of Finance shall give a Determination of Special Tax Due by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to such Operator or such Landowner, as applicable, at its last known address. Such Operator or such Landowner, as applicable, may file an appeal as provided in Section J herein.

The Special Tax on any Campsite Property or Hotel Property which is not paid within the time required shall be subject to the same penalties applicable to the transient occupancy tax in subsections A and B of Section 3.40.080 of the Chula Vista Municipal Code. For any Special Taxes and penalties that remain outstanding as of July 1 of each Fiscal Year, the City Council may direct the Director of Finance to cause the submission of any of the delinquent Special Taxes and penalties to the County for inclusion on the property tax bill for such Assessor's Parcel(s) in accordance with Section 3.61.130 of Chapter 3.61; provided, however, that any delinquent Special Taxes and penalties with respect to any Assessor's Parcel of Public Property that is classified as Campsite Property or Hotel Property due to the grant of a lease or other possessory interest in such Assessor's Parcel of Public Property to the Operator of a Campsite or Hotel thereon shall only be levied on and constitute a lien against the Operator's leasehold or possessory interest in such Assessor's Parcel of Public Property, all as contemplated by Section 53340.1 of the Act, as modified by Chapter 3.61, and shall not be an obligation for which the Landowner of such Assessor's Parcel of Public Property is billed or responsible.

## **H. MAINTENANCE OF RECORDS; SPECIAL TAX AUDIT**

It shall be the duty of the Operator of any Campsite or Hotel located on any Assessor's Parcel classified as Campsite Property or Hotel Property that is subject to the Special Tax to keep and preserve, for a period of three years, all records as may be deemed necessary by the Director of Finance (and that will, at a minimum, include a record of all Rents collected) to determine the Special Taxes levied upon such Campsite Property or Hotel Property by the City Council. The Director of Finance shall have the right to inspect such records at all reasonable times.

## **I. APPEAL**

Any Operator of a Campsite or Hotel located on any Campsite Property or Hotel Property or any Landowner of any Campsite Property or Hotel Property claiming that the amount or application of the Special Tax reflected in any Determination of Special Tax Due on such Campsite Property or Hotel Property is not correct, may appeal such Determination of Special Tax Due by filing a notice of appeal with the City Clerk within fifteen (15) calendar days of the serving or mailing of such Determination of Special Tax Due. If such appeal is made by an Operator that is not also the Landowner of such property, then the Operator shall also provide a copy of such notice of appeal to the Landowner at the same time the Operator files the notice of appeal with the City Clerk. Upon receipt of any such notice, the City Clerk shall forward a copy of such notice to the City Manager who shall establish as part of the proceedings and administration of the District a special three-member Appeal Committee. The Appeal Committee may establish such procedures as it deems necessary to undertake the review of any such appeal. The Appeal Committee shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any appeals by Landowners, or Operators, as herein specified. The decision of the Appeal Committee shall be final, conclusive, binding as to all persons and shall be served upon the Operator or Landowner in writing at the last known address of such Operator or Landowner. Any amount found due shall be immediately due and payable upon service of the Appeal Committee findings. If the Appeal Committee decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the Operator or Landowner, a cash refund shall not be made, but a credit shall be given against the future Special Taxes on that Assessor's Parcel.

## **J. TERM OF THE SPECIAL TAXES**

The Special Tax shall be levied as long as necessary to pay for authorized expenditures as specified in Section 3.61.080 of Chapter 3.61 for a period not to exceed the longer of: (a) forty years from the first day of the month immediately following the effective date of the ordinance enacted by the City Council providing for the levy of the Special Tax; or (b) the date on which all indebtedness of the Chula Vista Bayfront Facilities Financing Authority, with respect to which District Special Tax revenues have been pledged, has been paid in full.