



Meeting Date: 4/08/08

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Kymberly R. Horner *K.H.* Agenda Item No. I-2

Reviewed By: City Manager *[Signature]* City Attorney Alan Holmberg Finance SW Other N/A

DATE: March 11, 2008

TO: Community Development Commission

FROM: Curtis P. Cannon, Community Development Director *Curtis P. Cannon*  
Community Development

SUBJECT: **Reimbursement of Tax Increment Revenues to Select One Property Group L.L.C., in Accordance with the Second Amendment, Assignment, and Assumption of Disposition and Development Agreement by and between Community Development Commission, Select One Property Group, L.L.C. and Barry Carlisi.**

**RECOMMENDATION**

That Community Development Commission (CDC):

Approve a special budget appropriation to appropriate funds in the amount of \$21,756 to the Ormond Beach Project Area for reimbursement of a deposit provided by Select One Property Group L.L.C.

**DISCUSSION**

**Historical Overview**

In August of 2003, the CDC approved the Second Amendment, Assignment, and Assumption of Disposition and Development Agreement ("Second Assignment") by and between the CDC, Select One Property Group, L.L.C. ("Select One") and Barry Carlisi ("Carlisi"), pertaining to the transfer and development of property (Lots 10, 11 and 12) located at the northeast corner of Hueneme Road and Arcturus Avenue.

The Second Assignment allowed for Select One to sell Lots 10, 11, and 12 to Barry Carlisi. Additionally the Second Assignment required Select One ("Developer") to provide the CDC with a \$54,324 deposit, for the anticipated loss of tax increment revenue which would result from any further delays in the development of the three Lots.

The specific language of Paragraph 16 of the Second Assignment reads:

*"Commission agrees that if (1) Lot 11 is conveyed to Carlisi pursuant to the terms of this Second Assignment, (2) Lots 10 and 11 are fully developed as a single project pursuant to the terms of this Second Assignment and the Lot 11 Deed, (3) Developer is not otherwise in default under the Agreement, the Assignment, this Second Assignment, or*

*any amendment thereto, and (4) if the project to be developed pursuant to the Agreement, the Assignment and this Second Assignment on Lot 10 Lot 11 and Lot 12 generates net tax increments to the CDC in excess of \$21,500 per year, the CDC will pay to Developer (not to Carlisi or to any other person) the excess tax increment received over and above \$21,500 up to the total sum of \$54,324. This payment shall be made promptly upon Commission's receipt of tax increment for the properties in question, and the payment shall continue to be made until the total payment to Developer equals \$54,324."*

#### **Development Requirements**

The Second Assignment approved the transfer and development of Lots 10, 11, and 12 to Carlisi under the following terms: Lots 10 and 11 were to be developed as one project, the buildings were to be no less than 30,000 square feet, the developer was required to meet a development schedule; and transfer of Lot 12 to a second developer would be allowed if adequate progress was made on the development of Lots 10 and 11. Carlisi received approval to transfer Lot 12 to a second developer for the development of a building of no less than 5,000 square feet. In 2004 Lot 12 was developed into a 5,000 square foot building for industrial commercial use, and in 2007 Lots 10 and 11 were developed as a single industrial project by Carlisi.

#### **Reimbursement Requirements**

The Ventura County property assessment records of 2007 show that the property assessment values have exceeded the CDC's baseline projections. Property taxes due for all three lots total \$42,249. The CDC's share is 76.637% of the total property taxes payable on these properties. This will result in a payment due to the developer in the amount of \$21,756.

#### **FINANCIAL IMPACT**

As a result of Carlisi meeting the obligations of the Second Assignment, Select One is now entitled to a portion of their \$54,324 deposit. The amount owed to Select One in FY 2007-2008 is approximately \$10,878 for tax increment revenues received in December 2007 and another reimbursement of approximately \$10,878 will be due to Select One in April 2008. Staff is recommending a special budget appropriation in the amount of \$21,756 from the fund balance of Ormond Beach to the Ormond Beach Project Area Account number 404-8501-862-8374. Approval of this special budget appropriation will not have an impact on the General Fund.

Attachment # 1 Select One Property OPA –Historical Values  
# 2 Special Budget Appropriation

**Community Development Commission of the City of Oxnard  
Ormond Beach Redevelopment Project**

11/2/2007

Select One Property Group OPA - Historical Values

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Parcel # 223-0-044-035 (Lot 10)									
Land	0	176,271	179,796	183,391	187,058	245,331	250,237	255,241	260,345
Improvements	0	0	0	0	0	0	0	0	1,174,000
<b>Total Assessed Value</b>	<b>0</b>	<b>176,271</b>	<b>179,796</b>	<b>183,391</b>	<b>187,058</b>	<b>245,331</b>	<b>250,237</b>	<b>255,241</b>	<b>1,434,345</b>
TRA 003-114 Tax Rate (1)		1.073944%	1.065171%	1.074171%	1.082737%	1.082437%	1.081837%	1.081337%	1.081137%
Estimated Revenue		\$1,893	\$1,915	\$1,970	\$2,025	\$2,656	\$2,707	\$2,760	\$15,507
Parcel # 223-0-044-045 (Lot 11)									
Land	0	150,552	153,563	156,634	159,766	205,712	209,826	214,022	218,302
Improvements	0	0	0	0	0	0	0	0	609,000
<b>Total Assessed Value</b>	<b>0</b>	<b>150,552</b>	<b>153,563</b>	<b>156,634</b>	<b>159,766</b>	<b>205,712</b>	<b>209,826</b>	<b>214,022</b>	<b>827,302</b>
TRA 003-114 Tax Rate (1)		1.073944%	1.065171%	1.074171%	1.082737%	1.082437%	1.081837%	1.081337%	1.081137%
Estimated Revenue		\$1,617	\$1,636	\$1,683	\$1,730	\$2,227	\$2,270	\$2,314	\$8,944
Parcel # 223-0-044-055 (Lot 12)									
Land	0	131,070	133,691	136,364	139,091	141,687	233,970	238,649	304,140
Improvements	0	0	0	0	0	0	0	0	999,090
<b>Total Assessed Value</b>	<b>0</b>	<b>131,070</b>	<b>133,691</b>	<b>136,364</b>	<b>139,091</b>	<b>141,687</b>	<b>233,970</b>	<b>238,649</b>	<b>1,303,230</b>
TRA 003-114 Tax Rate		1.073944%	1.065171%	1.074171%	1.082737%	1.082437%	1.081837%	1.081337%	1.081137%
Estimated Revenue		\$1,408	\$1,424	\$1,465	\$1,506	\$1,534	\$2,531	\$2,581	\$14,090
<b>Lots 10, 11 and 12 Combined Revenue</b>		<b>\$4,918</b>	<b>\$4,975</b>	<b>\$5,117</b>	<b>\$5,261</b>	<b>\$6,416</b>	<b>\$7,508</b>	<b>\$7,655</b>	<b>\$38,541</b>
Less:									
Housing Set-Aside (2)		(\$984)	(\$995)	(\$1,023)	(\$1,052)	(\$1,283)	(\$1,502)	(\$1,531)	(\$7,708)
SB2557 Charges (3)		(\$48)	(\$49)	(\$50)	(\$52)	(\$63)	(\$74)	(\$75)	(\$378)
Oxnard High School District (4)		(\$590)	(\$597)	(\$614)	(\$631)	(\$770)	(\$901)	(\$919)	(\$4,625)
Ventura County Gen. Fund (5)		(\$1,452)	(\$1,481)	(\$1,510)	(\$1,540)	(\$1,879)	(\$2,200)	(\$2,244)	(\$11,301)
Ventura Co. Flood Control (6)		(\$151)	(\$154)	(\$157)	(\$160)	(\$196)	(\$229)	(\$234)	(\$1,176)
Statutory Tax Sharing (7)						(\$231)	(\$450)	(\$480)	(\$6,658)
<b>Lots 10, 11 and 12 Combined Net Revenue</b>		<b>\$1,693</b>	<b>\$1,699</b>	<b>\$1,762</b>	<b>\$1,825</b>	<b>\$1,994</b>	<b>\$2,153</b>	<b>\$2,173</b>	<b>\$6,696</b>

<u>Ownership Key</u>
CDC
Select 1 Property Group
Barry & Sabrina Carlisi
Barry H. Carlisi, et al
KDC II LLC

Footnotes:

- (1) The annual tax rate for TRA 003-114 is the combination of the 1% general levy rate and the override taxes rate levied by the MWD and the City of Oxnard.
- (2) Housing Set-Aside amount is 20% of Combined Revenue.
- (3) SB2557 charges are estimated at 0.98% of Combined Revenue.
- (4) Oxnard High School District pass through is 12% of Combined Revenue.
- (5) Ventura County General Fund pass through is 31.7% of revenue from 1% of Combined assessed value.
- (6) Ventura County Flood Control District pass through is 3.3% of revenue from 1% of Combined assessed value.
- (7) Statutory tax sharing amount is 25% of revenue derived from annual combined assessed value that is in excess of the 2003-04 combined assessed value less 20% for housing set-aside.

f:\TI Projections\Oxnard>Select 1 Property Group DDA\Revenue Analysis - 11-2-07

**CITY OF OXNARD**  
**REQUEST FOR SPECIAL BUDGET APPROPRIATION**

To the City Manager:

April 8, 2008

Request is hereby made for an appropriation of total . . . . .

\$ 21,756

Reason for appropriation: Reimbursement of Deposit to Select One Property Group L.L.C

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Ormond Beach (404)	404-8501-	
	862-8374 - Developers' Reimbursement	<u>21,756</u>
	Net Estimated Change to Ormond Beach Fund Balance	<u><u>(21,756)</u></u>

*Curtis B. Cannon*  
 \_\_\_\_\_  
 Manager

DOES NOT REQUIRE CITY COUNCIL APPROVAL

DIRECTOR OF FINANCE

*Ausaw Winder*  
 \_\_\_\_\_

Disposition

Approved \_\_\_\_\_

Rejected \_\_\_\_\_

Transfer by Journal Voucher \_\_\_\_\_

City Manager

Attachment #2

000012