



SPECIAL DISTRICTS OVERVIEW

Since 1976, twenty six (26) special districts have been formed within the City of Ontario to provide for the financing of a variety of public improvements and services. Currently the City administers thirteen (13) active special districts. Special assessments or special taxes are levied annually upon the properties within the districts, and are included on the annual property tax bill that is issued by the County. The districts were created pursuant to a variety of enabling legislative acts, and are briefly described as follows:

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Active Districts:

- MUNICIPAL IMPROVEMENT ACT OF 1913/IMPROVEMENT BOND ACT OF 1915
ASSESSMENT DISTRICTS:

These districts are direct special benefit, fixed lien, assessment districts. Bonds are typically issued for the construction or the acquisition of public improvements benefitting the district. The assessment lien amounts are determined by the total of district formation, project improvement and bond financing costs. These costs are assessed directly to each parcel that receives special benefit from the improvements, generally on a frontage or acreage basis. The lien amount determines a property's share of the district's total annual assessment.

Assessment District No. 100C is a developer initiated acquisition assessment district that was formed in 1991 to finance the California Commerce Center, Phase 3, public infrastructure improvements. Bonds were sold in 1991 and the assessments were then first levied. An annual assessment was levied through the year 2009 tax bill. The bonds will mature on September 2, 2011. The final bond payment will be made by the bond Reserve Fund. Therefore, the assessments will no longer be levied.

Assessment District No. 106 was formed in 1995 to finance the improvement of Jurupa Street; Milliken Avenue, Phase C of the Ontario International Airport Ground Access Program; and Philadelphia Street. Bonds were sold in 1995 and the assessments were then first levied. An annual assessment will be levied through the year 2019 tax bill. The assessment may be prepaid, and the lien discharged, at any time.

Assessment District No. 108 is a developer initiated acquisition assessment district that was formed in 1995 to finance the public infrastructure improvements required for the development of the California Commerce Center North/Ontario Gateway Plaza/Wagner Properties Specific Plan. Development in the Specific Plan consists of the Ontario Mills, an enclosed 1.9 million square foot super-regional shopping mall, and the neighboring commercial and office properties. The Ontario Mills was opened in 1996. Development of the neighboring properties is in progress and the majority is developed. Bonds were sold in late 1995 and the first annual



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assessment levy was made with the 1996 tax bill. The assessment will continue to be levied through the year 2019 tax bill. The assessment may be prepaid, and the lien discharged, at any time.

- **MELLO-ROOS COMMUNITY FACILITIES DISTRICT ACT OF 1982 DISTRICTS:**

These districts levy a special tax pursuant to a rate and method of apportionment of the special tax that is approved by the electors of the district at a special election. The rate and method also establishes: the maximum tax rates; any formula allowing for annual increases; and prepayment formula, if applicable. The special taxes may finance a variety of public improvements, facilities and services. These districts may issue bonds to finance the construction or the acquisition of public improvements and facilities if authorized by the electors of the districts.

Community Facilities District No. 5 was formed in 1995 to provide financing for freeway interchange improvements at the Milliken Avenue/Interstate 10 interchange, Phase A of the Ontario International Airport Ground Access Program; the Fourth Street/Interstate 15 interchange; and, also to finance the reconstruction of portions of Guasti Road and Milliken Avenue at their intersection. Bonds were sold in 1997 to finance the projects. The special tax was first levied with the 1997 tax bill and will continue to be levied through the year 2016 tax bill. The maximum tax rates cannot be increased in future years without property owner approval. Taxable acreage in the District is the acreage established on the date of the election to authorize the tax and is inclusive of a parcel's proportionate share of any common area from which a parcel benefits. For parcels that are created after the election, taxable acreage is also inclusive of the area to the center of adjoining streets. Open (green) space parcels are exempt from the special tax. The special tax may be prepaid, and the lien discharged, at any time.

Community Facilities District No. 9 is a developer initiated acquisition district. The District was formed in 2007 to provide financing for the public infrastructure improvements that were required for the development of the residential portion of the Edenglen Specific Plan. Edenglen is located in the easterly portion of the southern part of the City of Ontario, known as the New Model Colony. The residential portion of Edenglen is approximately 80 acres and at build-out will have 584 residential units. The District is organized into Tax Zone 1 and Tax Zone 2. At the conclusion of a special election, the electors of the District authorized: the issuance of bonds; the levy of a special tax to pay for the improvements [Special Tax A]; and the levy of a special tax for various City services [Special Tax B]. Subsequently it was determined that no improvements would be financed with the issuance of bonds and that Special Tax A would not be levied. In 2007 a Notice of Cessation of Special Tax was recorded stating that Special Tax A is no longer in effect. Special Tax B for City Services continues to be in full force and effect. Special Tax B was first levied in 2008. Beginning in 2010 Special Tax B is increased annually by 2% of the amount in effect the prior year. Special Tax B is ongoing and cannot be prepaid.



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Community Facilities District No. 10 is a developer initiated acquisition district. The District was formed in 2007 to provide financing for the public infrastructure improvements that were required for the development of the Ontario Airport Center. The Ontario Airport Center is approximately 25 acres located in the northeastern portion of the City. Development of the center is proposed in five phases and includes 850,000 square feet of Class A office space in five buildings, 10,000 square feet of retail space in two buildings, and a 175 room hotel. At the conclusion of a special election, the electors of the District authorized: the issuance of bonds; the levy of a special tax to pay for the improvements [the Facilities Special Tax]; and the levy of a special tax for various City services [the Services Special Tax]. The public infrastructure improvements were completed in September 2008. Bonds have not been issued and the Facilities Special Tax has not been levied. If bonds are issued, then a Facilities Special Tax levy will be levied annually for the term of the bonds. The Services Special Tax was first levied in 2008. Beginning in 2008, the Maximum Services Special Tax in effect the prior year is increased annually by the greater of: the increase in the CPI for the Los Angeles-Riverside-Orange County Area, or 2%. The Services Special Tax is ongoing and cannot be prepaid.

Community Facilities District No. 13 is a developer initiated acquisition district. The District was formed in 2008 to provide financing for the public infrastructure improvements that were required for the development of the California Commerce Center Phase 4. CCC Phase 4 is approximately 104 acres located in the northeastern portion of the City. Development of the center is proposed to include 1.96 million square feet of industrial warehouse space on six parcels, and 20,000 square feet of retail space on one parcel. The development of the six industrial parcels has been completed. The public infrastructure improvements were constructed in 2008. Rail crossing construction and final completion was in January 2009. At the conclusion of a special election, the electors of the District authorized the issuance of bonds and the levy of a special tax. Bonds were issued in 2008 and the special tax was then first levied. The Maximum Special Taxes shall not be increased in future years. The special tax may be prepaid, and the lien discharged, at any time.

- **LANDSCAPING AND LIGHTING ACT OF 1972 DISTRICTS:**

These districts provide the ongoing operation and maintenance of landscaping and street lighting facilities that serve the properties within the districts. The districts may be organized into several service areas identified as benefit zones or maintenance areas. The districts levy ongoing annual special assessments to finance the operation, maintenance and related administrative expenses of the districts. The annual assessment rates are established for each service area by adoption of resolutions of the City Council at the conclusion of a public hearing held annually.

Street Lighting Maintenance District No. 1 was formed in 1984. The district is organized into two benefit zones at this time, those being Zones 2000-1 and 2000-2. Additional properties



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may be annexed to the district from time to time. The district mostly consists of commercial and industrial properties, but also includes multi-family residential properties. The assessments cannot be increased above the established maximum annual assessment rates without the approval of the property owners. The annual assessment rates may be increased annually without additional property owner approval, but may not exceed the change in the CPI as previously approved in the assessment formula. The assessments vary for each Benefit Zone depending on costs. The assessment rates are applied to the assessable acreage of each parcel of land within the applicable benefit zones. Assessable acreage includes a proportionate share of any common area from which a parcel benefits. The assessment is ongoing and cannot be prepaid.

Street Lighting Maintenance District No. 2 was formed upon conclusion of a property owner assessment ballot election held on August 3, 1999. The district consists of commercial and industrial properties in various locations throughout the City, and is organized into several service areas designated as Maintenance Areas. Additional properties may be annexed to the district from time to time. The assessments cannot be increased above the established maximum annual assessments without the approval of the property owners. The annual assessments may be increased annually without additional property owner approval, but may not exceed the change in the CPI as previously approved in the assessment formula. The assessments vary for each Maintenance Area depending on costs, and are allocated within each Maintenance Area to each parcel of land based on the parcel's assessable acreage. Assessable acreage includes a proportionate share of any common area from which a parcel benefits. The assessment is ongoing and cannot be prepaid.

Ontario Parkway Maintenance District (OPMAD) No's. 1, 2 and 3 are the result of many smaller maintenance districts, the first of which was formed in 1976. In 1982 the many smaller districts were reorganized into three districts. Annexations to the districts may be made from time to time. The Districts operate and maintain the landscaping and appurtenances in certain parkways that are normally not maintained by the adjacent property owners, generally due to access limitations. OPMAD No. 3 is organized into Zones 2000-1 and 2000-2. The assessments for OPMAD No. 1, OPMAD No. 2 and OPMAD No. 3 Zone 2000-1 cannot be increased without the approval of the property owners. The assessments for OPMAD No. 3 Zone 2000-2 cannot be increased above the established maximum annual assessments without the approval of the property owners. The annual assessments for OPMAD No. 3 Zone 2000-2 may be increased annually without additional property owner approval, but may not exceed the change in the CPI as previously approved in the assessment formula. The annual assessments vary for each district and benefit zone depending on costs, and are allocated within each district or zone to each lot on a per lot basis. The assessment is ongoing and cannot be prepaid.

Ontario Parkway Maintenance Assessment District No. 4 was formed upon conclusion of a property owner assessment ballot election held on August 3, 1999. The district is organized into separate service areas designated as Maintenance Areas. Additional properties may be



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annexed to the district from time to time. This district consists of single family residential developments, and the Ontario Mills super-regional shopping mall and neighboring commercial and office properties. The District operates and maintains the landscaping and appurtenances in certain parkways that are normally not maintained by the adjacent property owners, generally due to access limitations. In the case of the Ontario Mills mall area, the District provides a practical management solution for maintenance and cost sharing issues among multiple owners who benefit from the same improvements. The assessments cannot be increased above the established maximum annual assessments without the approval of the property owners. The annual assessments may be increased annually without additional property owner approval, but may not exceed the change in the CPI as previously approved in the assessment formula. The assessments for each Maintenance Area are allocated to each parcel on an acreage basis for commercial areas, and on a per lot basis for single family residential areas. The assessment is ongoing and cannot be prepaid.

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Inactive Districts:

- MUNICIPAL IMPROVEMENT ACT OF 1913/IMPROVEMENT BOND ACT OF 1915 ACT DISTRICTS:

Assessment District No. 94 was formed in 1982 to finance the California Commerce Center, Phase 1, public infrastructure improvements. Bonds were sold in 1982 and the assessments were then first levied. The bonds were refunded in 1986 and refunding bonds were issued, resulting in savings from lower interest payments. The district was redesignated as Reassessment District No. 94(R). Reassessments were levied through the 1994 tax bill. The bonds were retired September 2, 1995 and the reassessments are no longer levied.

Assessment District No. 97A was formed to finance public street and utility improvements in Jurupa Street and West Vintage Avenue. Bonds were sold in 1984 and the assessments were then first levied. An annual assessment was levied through the 1994 tax bill. The bonds were retired July 2, 1994 and the assessments are no longer levied.

Assessment District No. 97B was formed in 1986 to finance the Jurupa Street and Etiwanda Avenue improvements. Bonds were sold in 1986 and the assessments were then first levied. The bonds were refunded in 1995 and refunding bonds were issued, resulting in savings from lower interest payments. The district was redesignated as Reassessment District No. 97B(R). Reassessments were levied annually through the year 2000 tax bill. The bonds matured on September 2, 2001 and the reassessments are no longer levied.

Assessment District No. 100A is a developer initiated acquisition assessment district that was formed in 1987 to finance the California Commerce Center, Phase 2, public infrastructure improvements. Bonds were sold in 1987 and the assessments were then first levied. Assessments were levied annually through the year 2005 tax bill. The bonds matured on



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September 2, 2007 and the reassessments are no longer levied.

Assessment District No. 100B was formed in 1987 to finance the California Commerce Center's portion of the Lower Deer Creek Channel flood control improvement costs. Bonds were sold in 1987 and the assessments were first levied in 1988. The bonds were refunded in 1995 and refunding bonds were issued, resulting in savings from lower interest payments. The district was redesignated as Reassessment District No. 100B(R). Reassessments were levied annually through the year 2004 tax bill. The bonds matured on September 2, 2007 and the reassessments are no longer levied.

Assessment District No. 103 was formed in 1987 to finance the Haven Avenue Corridor improvements from State Highway 60 to Interstate 10. These improvements consist of four major projects which are integral components in the Ontario International Airport Ground Access Program, identified as Phases B, 6 and 6a of the program. Bonds were sold in 1989 and the assessments were then first levied. An annual assessment was levied through the year 2007 tax bill. The bonds matured on September 2, 2009. The assessments will no longer be levied.

Assessment District No. 104 was formed in 1988 to finance the reconstruction of Grove Avenue from Belmont Street to State Highway 60. These improvements are an integral component in the Ontario International Airport Ground Access Program, identified as Phase 2 of the program. Bonds were sold in 1989 and the assessments were then first levied. An annual assessment was levied through the year 2007 tax bill. The bonds matured on September 2, 2009. The assessments will no longer be levied.

Assessment District No. 105 was formed in 1989 to finance the Southeast Interceptor Sewer improvements. Bonds were sold in 1989 and the assessments were then first levied. The bonds were refunded in 1995 and refunding bonds were issued, resulting in savings from lower interest payments. The district was redesignated as Reassessment District No. 105(R). An annual reassessment was levied through the year 2007 tax bill. The bonds matured on September 2, 2009. The reassessments will no longer be levied.

Assessment District No. 107 is a developer initiated acquisition assessment district that was formed in 1990 to finance the California Commerce Center South public infrastructure improvements. Bonds were sold in 1990 and the assessments were then first levied. An annual assessment was levied through the year 2008 tax bill. The bonds matured on September 2, 2010. The assessments will no longer be levied.

- MELLO-ROOS COMMUNITY FACILITIES DISTRICT ACT OF 1982 DISTRICTS:

Community Facilities District No. 1 [C.F.D. No. 1] was formed in 1985 to provide partial financing for the Day-Etiwanda Drainage System regional flood control improvement projects



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under a cooperative agreement involving the San Bernardino County Flood Control District, the cities of Ontario, Fontana, Rancho Cucamonga, and the Riverside County Flood Control District. C.F.D. No. 1 is divided into three benefit zones. A special tax was levied upon properties within Zones A and B of the district at tax rates that were established annually by adoption of a resolution of the City Council. The annual tax rates were based on the amounts needed to pay bond payments, administration expense and any other authorized charges. The gross taxable acreage in the District is inclusive of the area to the center of the adjoining street. The special tax was levied annually through the year 2005 tax bill. The bonds matured on September 2, 2007 and the special tax is no longer levied on properties within Zones A and B.

Until recently, a flood control solution for Zone C was not available and bonds were not issued for this benefit zone. Consequently, the special tax was never levied on properties within Zone C. Upstream, regional flood control improvements were constructed by The San Bernardino Flood Control District. The upstream improvements diverted storm water flow away from the properties within Zone C. The City participated in the costs of those improvements without issuing bonds. Therefore, bonds will not be issued, nor will this special tax be levied in Zone C.

Community Facilities District No. 4 was formed in 1987 to provide partial funding for the costs of fire suppression services for properties within the district boundaries. A special tax was levied annually for a period of twelve years, at a tax rate which varied depending on land use. The first levy was made in 1987 at the approved maximum tax rate. In accordance with the rate schedule that was approved by the landowners, the tax rate was reduced by 25% of the original tax rate after each three-year period. The final levy of this special tax was made in 1998, and the special tax will no longer be levied.