

# *Toll Brothers*

*America's Luxury Home Builder™*

February 17, 2023

Mr. Todd Hileman  
City Manager  
City of Palm Desert  
73510 Fred Waring Drive  
Palm Desert, CA 92260

**Subject: Community Facilities District Proposal;  
Development Agreement and Condition Use Permit Amendment & Partial  
Termination;  
Proposed 93 Single Family Homes on Fallow Land in Shadow Ridge Resort**

Mr. Hileman:

In light of the initial discussion between Toll Brothers (“Toll”) and Marriott Vacations Worldwide Corporation (“MVW”) in April 2022 regarding MVW’s intent to convey its undeveloped land at the existing Shadow Ridge Resort (the “Land”), Toll has researched a funding mechanism for the City if 93 single family homes are approved, constructed, and occupied on the Land.

Said funding mechanism would be via a Community Facilities District (“CFD”) as permitted by The Mello-Roos Communities Facilities Action of 1982.

Per California Civil Code Section 53313 (attached), such a CFD may fund a variety of city services, including Police, Fire, Paramedic, Parks, Streets, Flood, etc. The City of Palm Desert (“City”) would receive such funding via the County of Riverside’s distributions from the property tax payments made by each of the 93 homeowners if the City approves the land use conversion request.

Balancing market parameters of a reasonable “Overall Tax Rate” including all taxes and assessments, a proposed \$2,200 per year CFD (or 0.2% of assessed value) would be imposed in Year 1 for each home.

Existing Taxes	Rate	Ass'd Value \$ 900,000	Overall Rate
Base Levy	1.000%	\$ 9,000	
PSUSD Bonds	0.152%	\$ 1,367	
Water District (CV)	0.110%	\$ 990	
College District	0.040%	\$ 356	
Other Fees	\$ 748	\$ 748	
Sub-Total Assessments		\$ 12,460	<b>1.4%</b>
<b>+ CFD Services (proposed)</b>		<b>\$ 2,200</b>	<b>0.2%</b>
Total Assessments		\$ 14,660	<b>1.6%</b>
<i>Disclaimer: Preliminary estimates subject to change.</i>			

At \$2,200 per home, with 93 homes the CFD would yield \$204,600± to the city in Year 1.

At a 30-year term, assuming a 2% annually compounded assessed value increase, the total yield to the City from the CFD would be \$8,300,000±.

In addition, the City's estimated portion of the 1% base levy is 0.064%± of assessed value, or \$576± per home in Year 1, or \$53,600 for all 93 homes in Year 1. The total would be \$2,200,000± over 30-years.

Collectively, the City's estimated payments would be approximately \$10,500,000±.


Implementation of the foregoing would require amendments to Development Agreement and the existing Conditional Use Permit relating, in part, and the necessary City approvals to construct the homes.

**New Subdivision – 93 Lots**

The conceptual site plan for the new 93 lot subdivision, to be processed with the City, is attached.

We appreciate your consideration of these matters in connection with Toll Brothers' intended application for approval of the proposed 93 homes in Shadow Ridge Resort.

Sincerely,

DocuSigned by:  
  
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David W. Ernst  
SVP Land Acquisitions  
Toll Brothers

Attachments:

Community Facilities District ("CFD")  
Conceptual Site Plan

CC: Martin Alvarez, Director of Community Development  
Don Baarman, Marriott Vacations Worldwide Corp.  
William S. Vanos, Esq., Marriott Vacations Worldwide Corp.  
Brad Hare, Toll Brothers – Division President  
Isaac Boyd, Toll Brothers – Vice President  
Pete Kim, Toll Brothers – VP Land Development  
David Yrigoyen, Toll Brothers – Project Manager

## Community Facilities District (“CFD”)



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**GOVERNMENT CODE - GOV**

**TITLE 5. LOCAL AGENCIES [50001 - 57607]** (*Title 5 added by Stats. 1949, Ch. 81.*)

**DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]** (*Division 2 added by Stats. 1949, Ch. 81.*)

**PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]** (*Part 1 added by Stats. 1949, Ch. 81.*)

**CHAPTER 2.5. The Mello-Roos Community Facilities Act of 1982 [53311 - 53368.3]** (*Chapter 2.5 added by Stats. 1982, Ch. 1451, Sec. 1.*)

**ARTICLE 1. General Provisions [53311 - 53317.5]** (*Article 1 added by Stats. 1982, Ch. 1451, Sec. 1.*)

**53313.** A community facilities district may be established under this chapter to finance any one or more of the following types of services within an area:

- (a) **Police protection services**, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) **Fire protection and suppression services, and ambulance and paramedic services.**
- (c) Recreation program services, library services, maintenance services for elementary and secondary schoolsites and structures, and the operation and maintenance of museums and cultural facilities. A special tax may be levied for any of the services specified in this subdivision only upon approval of the registered voters as specified in subdivision (b) of Section 53326. An election to enact a special tax for recreation program services, library services, and the operation and maintenance of museums and cultural facilities may be conducted pursuant to subdivision (c) of Section 53326.
- (d) **Maintenance and lighting of parks, parkways, streets, roads, and open space.**
- (e) **Flood and storm protection services**, including, but not limited to, the operation and maintenance of storm drainage systems, plowing and removal of snow, and sandstorm protection systems.
- (f) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment. As used in this subdivision, the terms "remedial action" and "removal" shall have the meanings set forth in Sections 25322 and 25323, respectively, of the Health and Safety Code, and the term "hazardous substance" shall have the meaning set forth in Section 25281 of the Health and Safety Code. Community facilities districts shall provide the State Department of Health Care Services and local health and building departments with notification of any cleanup activity pursuant to this subdivision at least 30 days prior to commencement of the activity.
- (g) **Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years** that is owned by the local agency or by another local agency pursuant to an agreement entered into under Section 53316.2.

A community facilities district tax approved by vote of the landowners of the district may only finance the services authorized in this section to the extent that they are in addition to those provided in the territory of the district before the district was created. The additional services shall not supplant services already available within that territory when the district was created.

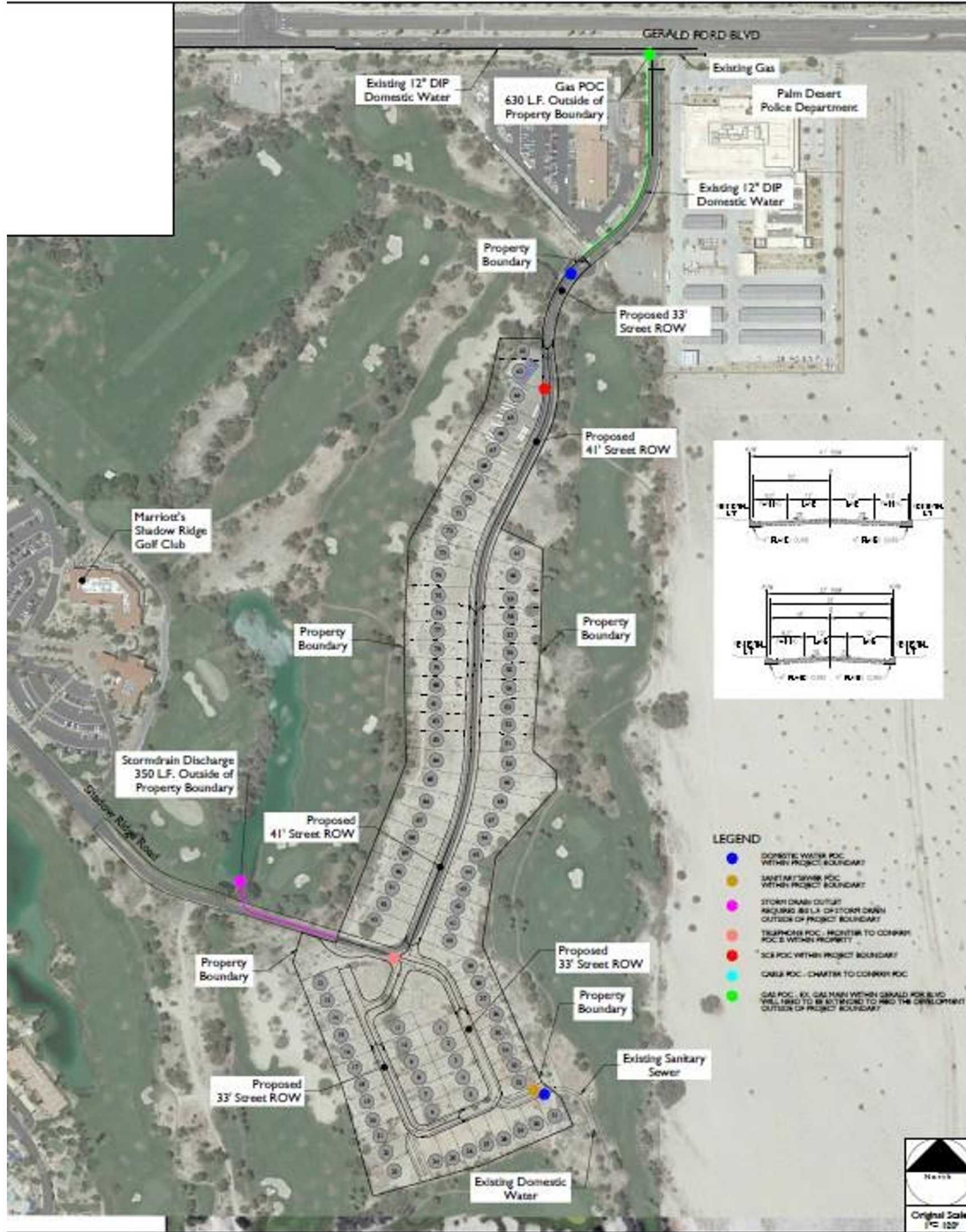
Bonds shall not be issued pursuant to this chapter to fund any of the services specified in this section, although bonds may be issued to fund capital facilities to be used in providing these services.

*(Amended by Stats. 2014, Ch. 71, Sec. 78. (SB 1304) Effective January 1, 2015.)*

# Conceptual Site Plan

## Site Summary :

50' x 110' (5,500 sq.ft.) : ± 93 Lots



- LEGEND**
- CONCRETE WATER POC WITHIN PROJECT BOUNDARY
  - SANITARY SEWER POC WITHIN PROJECT BOUNDARY
  - STORM DRAIN OUTLET AROUND 80' L.A. 10' STORY DRAIN OUTSIDE OF PROJECT BOUNDARY
  - TRUNKLINE POC - HOSTERS TO CONNEX POC'S WITHIN PROPERTY
  - SCK POC WITHIN PROJECT BOUNDARY
  - GAS POC - CHARTER TO CONNEX POC
  - GAS POC - EX. GAS MAIN WITHIN SIGNAL FOR BLVD WILL NEED TO BE EXTENDED TO INTO THE DEVELOPMENT OUTSIDE OF PROJECT BOUNDARY

## UTILITY POINTS OF CONNECTION PLAN

### SHADOW RIDGE ROAD

Palm Desert, California



WILSON HIXSON CORPORATION  
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