

**COUNTY OF SAN BERNARDINO
COMMUNITY FACILITIES DISTRICT
No. 2002-2
(CENTRAL VALLEY FPD--
FIRE PROTECTION SERVICES)**

June 8, 2012

*Public Finance
Facilities Planning
Urban Economics*

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**ADMINISTRATION REPORT
FISCAL YEAR 2012-2013**

**COUNTY OF SAN BERNARDINO
COMMUNITY FACILITIES DISTRICT
No. 2002-2
(CENTRAL VALLEY FPD--
FIRE PROTECTION SERVICES)**

Prepared for

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EXHIBITS

- Exhibit A: Boundary Map*
Exhibit B: Special Tax Roll Fiscal Year 2012-2013

I. Introduction

This report presents the findings of the research and financial analysis performed by David Taussig & Associates, Inc. to determine the special tax requirement for Community Facilities District No. 2002-2 (Central Valley FPD--Fire Protection Services) ("CFD No. 2002-2") of the County of San Bernardino ("the County") for fiscal year 2012-2013.

CFD No. 2002-2 is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (the "Act") as amended. The Act provides an alternative method for the financing of certain public facilities and services. Specifically, CFD No. 2002-2 is authorized to levy an annual special tax to finance fire protection and suppression services. A map showing the property in CFD No. 2002-2 is included in Exhibit A.

The authorized services are funded through the annual levy and collection of special taxes from all property subject to the tax within the community facilities district. In calculating the special tax liability for fiscal year 2012-2013, this report examines the financial obligations of the current fiscal year and analyzes the level of development within CFD No. 2002-2.

This report is organized into the following sections:

Section II

Section II provides an update of the development activity occurring within CFD No. 2002-2.

Section III

Section III analyzes the previous year's special tax levy.

Section IV

Section IV determines the financial obligations of CFD No. 2002-2 for fiscal year 2012-2013.

Section V

Section V reviews the methodology used to apportion the special tax requirement to Developed Property. A table of the 2012-2013 special tax rates for Developed Property is included.

II. Special Tax Classifications and Development Update

Special Tax Classifications

The methodology employed to calculate and apportion the special tax is contained in a document entitled the Rate and Method of Apportionment. The Rate and Method of Apportionment defines two primary categories of property, namely “Developed Property” and “Undeveloped Property.” Only Developed Property shall have the Special Tax levied against it.

Developed Property is distinguished from Undeveloped Property by the issuance of a building permit. Specifically, property for which a building permit was issued between January 2, 2001 and March 1 of the prior Fiscal Year will be classified as Developed Property in the following fiscal year. For example, all property in CFD No. 2002-2 for which a building permit was issued between January 2, 2001 and March 1, 2012, will be classified as Developed Property in fiscal year 2012-2013.

Development Update

Review of the County of San Bernardino’s building permit records indicate that between January 2, 2001 and March 1, 2012 building permits for 422.58 acres of non-residential property had been issued within CFD No. 2002-2. In addition, there have been three annexations, totaling approximately 77 acres, into CFD No. 2002-2 since the time of formation. A total of 167.64 acres in CFD No. 2002-2 are considered Undeveloped Property. The table below indicates the current amount of Developed Property and Undeveloped Property within CFD No. 2002-2.

Community Facility District No. 2002-2 Cumulative Developed Property and Undeveloped Property

Land Use	Number of Acres
Developed Property	422.58 acres
Undeveloped Property	167.64 acres

III. Fiscal Year 2011-2012 Special Tax Levy

The total special tax levy for fiscal year 2011-2012 equaled \$279,748. As of April 16, 2012, all \$279,748 in special taxes due for fiscal year 2011-2012 had been collected by the County.

IV. Fiscal Year 2012-2013 Special Tax Requirement

Pursuant to the Rate and Method of Apportionment, the special tax may be levied in CFD No. 2002-2 to: (i) pay for the costs of extended fire protection services; (ii) pay administrative expenses; (iii) pay for reasonably anticipated Special Tax delinquencies; less (iv) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator.

According to the County, for fiscal year 2012-2013, the funds required from the special tax are equal to \$279,747.96.

V. Method of Apportionment

Maximum Special Tax Rates

The amount of special taxes that CFD No. 2002-2 may levy is strictly limited by the maximum rates set forth in Section C of the Rate and Method of Apportionment.

The fiscal year 2012-2013 maximum special tax rates for Developed property are shown in the table on the following page. Each July 1, commencing July 1, 2003, the maximum special tax rates shall be increased by an amount equal to two percent of the amount in effect for the previous fiscal year. No Special Tax shall be levied on Undeveloped property within CFD No. 2002-2.

Apportionment of Special Taxes

The special tax that is apportioned to each parcel is determined through the application of Section D of the Rate and Method of Apportionment.

The Maximum Special Tax shall be levied against each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax until the amount of the Special Taxes equals the Special Tax Requirement.

Application of the Maximum Special Tax generates special tax revenues of \$291,047.75 from Developed Property, which is more than sufficient to cover the total fiscal year 2012-2013 Special Tax Requirement. The fiscal year 2012-2013 maximum and actual special tax rates are shown for Developed Property in the following table. The Special Tax Roll, which lists the actual special tax levied against each parcel, is shown in Exhibit B.

**County of San Bernardino
 Fiscal Year 2012-2013
 Maximum Special Taxes for Developed Property
 Community Facilities District 2002-2**

Land Use	FY 2012-2013 Maximum Special Tax	FY 2012-2013 Actual Special Tax	Percentage of Maximum Special Tax
Developed Property	\$688.74/acre	\$662.00/acre	96.12%

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EXHIBIT A

*County of San Bernardino
Community Facilities District No. 2002-2*

Boundary Map

**County of San Bernardino
Community Facilities District No. 2002-2
(Central Valley FPD-Fire Protection Services)**

Legend

-  Original Boundary of CFD No. 2002-2
-  Annexation No. 1
-  Annexation No. 2
-  Annexation No. 3

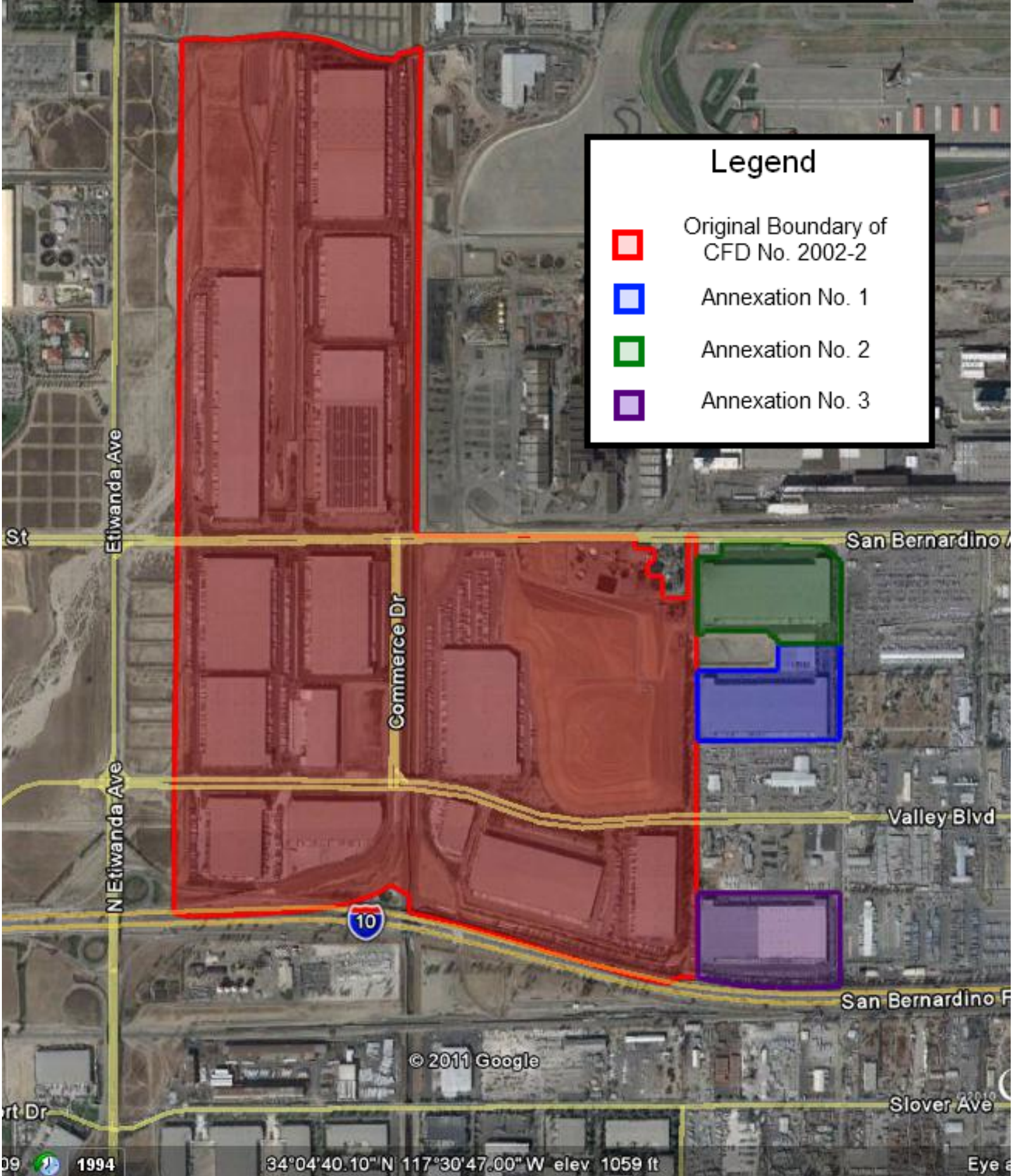


EXHIBIT B

*County of San Bernardino
Community Facilities District No. 2002-2*

*Special Tax Roll
Fiscal Year 2012-2013*

Exhibit B

**County of San Bernardino
Community Facilities District 2002-2
(Central Valley FPD--Fire Protection Services)
FY 2012-13 Special Tax Levy**

<u>APN</u>	<u>FY 2012-13 SPECIAL TAX</u>
0229-371-14	\$25,983.50
0229-371-20	\$25,281.78
0229-371-23	\$15,411.36
0229-381-05	\$25,798.14
0234-011-12	\$17,059.74
0234-011-16	\$17,212.00
0234-161-11	\$16,463.94
0238-031-18	\$6,620.00
0238-031-26	\$17,337.78
0238-031-27	\$17,344.40
0238-031-28	\$13,643.82
0238-031-31	\$23,871.72
0238-031-41	\$12,915.62
0238-031-42	\$9,400.40
0238-063-06	\$3,051.82
0238-063-10	\$10,883.28
0238-063-11	\$21,468.66
 Total Number of Parcels Taxed	17
 Total FY 2012-13 Special Tax	\$279,747.96