



CITY OF BEAUMONT

February 27, 2014

Dear Stetson Ranch Homeowner:

Recently, while attending a City Council meeting, a homeowner in your community asked questions about the Community Facilities District (CFD). The purpose of this letter is to answer the questions and provide useful information about the CFD.

Master Planning and the CFD

In the early 1990s, before new homes, including Stetson Ranch, began to be built in Beaumont, the City and several utility service agencies cooperatively master planned infrastructure facilities that would be needed to support up to 30,000 new homes anticipated by the City's General Plan. Shortly thereafter the CFD was established. The facilities described in the master plan were to be funded in part by development fees and in part by the CFD, thereby ensuring that new homeowners will have the public facilities they need to live reasonably comfortably in the City of Beaumont.

The master plan of facilities is frequently updated and is used by the Beaumont-Cherry Valley Water District, the San Geronio Pass Water Agency, the Beaumont Unified School District, the Beaumont-Cherry Valley Recreation and Parks District and the Beaumont Hospital District and others to plan the size and location of roads, schools, water and sewer facilities, hospitals, fire stations and other public facilities needed by new homeowners in Beaumont.

Background Information about Stetson Ranch

- Stetson Ranch, consisting of 194 new homes, was approved by the City in 2003. When Stetson Ranch was approved, it was determined that the development would create certain infrastructure burdens on Beaumont which would need to be mitigated, including the need for schools, water and sewer facilities, and arterial road improvements. Stetson Ranch is located within the part of the CFD known as Improvement Area No. 18. At the time Stetson was approved, the developer decided to provide the infrastructure needed to support the 194 homes by participating in the CFD. Consequently, Stetson Ranch is *one of 31* CFD improvement area communities which *collectively* will fund some \$1 billion in City infrastructure, including the City's major roads, water and sewer systems, bridges, interchanges and parks.

Fair Share Costs

In Beaumont, homeowners are required to pay their fair share of the total cost of the needed infrastructure facilities (Fair Share Costs). The Fair Share Costs are paid by homeowners in the price of a new home, or by special taxes and assessments, or a combination of the two. Fair Share Costs include facilities that benefit residents citywide (Citywide Facilities), locally (Neighborhood Facilities) and certain facilities that are provided by other government agencies (Other Agency Facilities).

About half of Fair Share Costs are Citywide Facilities, the costs which are shared by all new homeowners in Beaumont. Each home contributes an equal share, roughly 1/30,000th of the total cost of such Citywide Facilities as bridges, schools, parks and freeway interchange improvements. Neighborhood Facilities, on the other hand, are funded only by specific neighborhoods, such as sewer lift stations which only serve a particular neighborhood and not others. The Fair Share Costs range from roughly \$20,000 to \$50,000 per new home, depending upon location of the improvement area. Three Rings Ranch is an example of a community with Fair Share Costs at the lower end of the scale because the development, when new, was