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September 5, 2008

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, CA 95667

**Re: Introduction of Ordinance Levying a Special Tax within Community
Facilities District NO. 2002-01 (Missouri Flat Area)**

Honorable Supervisors:

Recommendation:

County Counsel recommends that the Board of Supervisors: (1) introduce the attached ordinance Levying a Special Tax within Community Facilities District No. 2002-01 (Missouri Flat Area), read by title only and waive further reading of the ordinance; and, (2) make a finding that no supplemental environmental analysis is required.

Reasons for Recommendation:

This is another step toward the issuance of the MC&FP bonds. It is necessary to formally levy the tax that will support the bonds. This should be done before the filing of the validation action. It is important to note that this only affects the Safeway shopping center, Wal-mart, and a small portion of Prospector's Plaza which are within the CFD. It is also important to note that the tax will actually be collected only if: (1) the bonds are issued; (2) the County's contribution of incremental sales and property tax is insufficient to pay the debt service on the bonds; and, (3) the particular property failed to meet its sales tax projections. The program was designed so that the properties would provide security for the bonds, but it is extremely unlikely that they would have to pay the special tax.

Adoption of this ordinance is part of the original MC&FP project. It was contemplated as part of the CFD proceedings. It is recommended that the Board find that none of the circumstances listed in §15162 of the CEQA Guideline which would require additional environmental review has occurred, and utilize the original MC&FP EIR for approval of this ordinance.

Fiscal Impact:

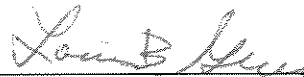
None.

Actions to Be Taken Following Approval:

The Auditor will monitor the County tax increment contributed to the CFD and determine when, if ever, the special tax needs to be collected.

We would be pleased to answer any questions the Board might have.

Respectfully submitted,



LOUIS B. GREEN
County Counsel

LBG/stl

Att.

cc: Chief Administrative Officer
County Auditor
County Treasure/Tax-Collector

s:/Bd of Supervisors/Agenda Transmittals & Staff Reports/Special Tax Levy MC&FP trans