

Reagan Ranch Amended Metropolitan District Service Plan

**Council Work Session
November 7, 2022**

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Summary

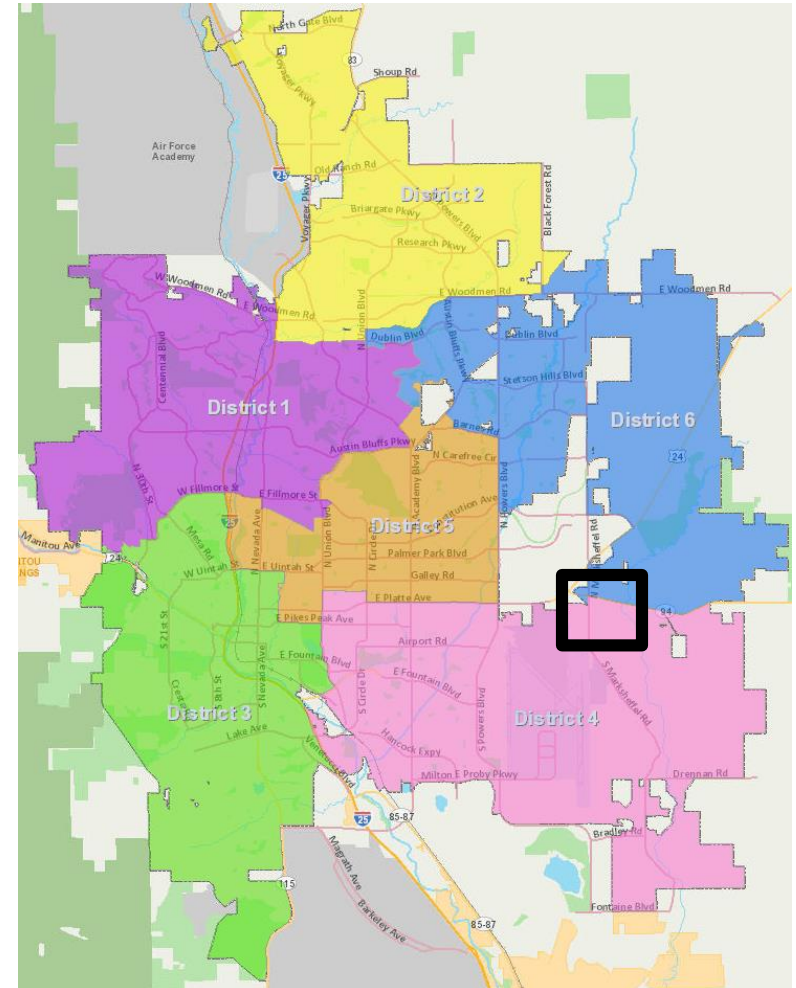
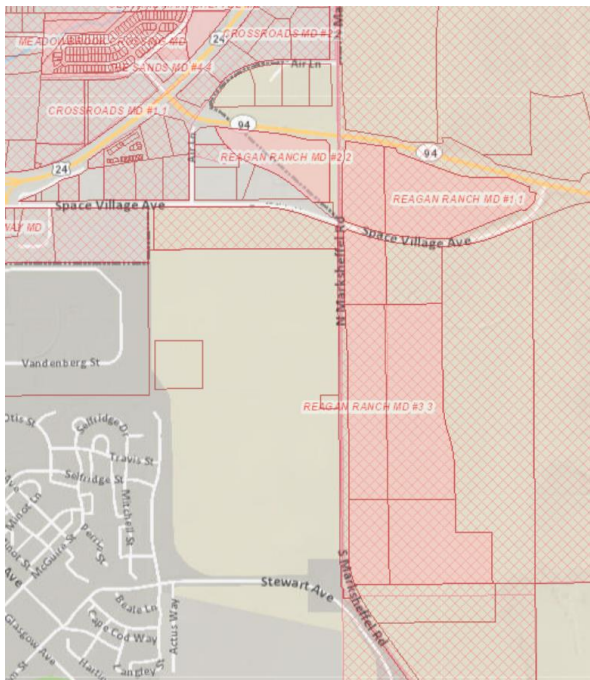


- Amended and Restated Service Plan for Existing Districts
- Utilizes new Policy and model service plan
 - Higher residential mill levy caps for residential districts
 - No exceptions; but several changes
- Changes:
 - Adds a new residential district (District No. 4)
 - Allows inclusion of new property into District No. 3 (commercial)
 - Same overall debt limit (\$121 Million) but removes district-specific caps
- Includes a complete Exhibit E (improvements and financial plan) supporting “pre-authorization” of future debt without the need to come back to Council

Location

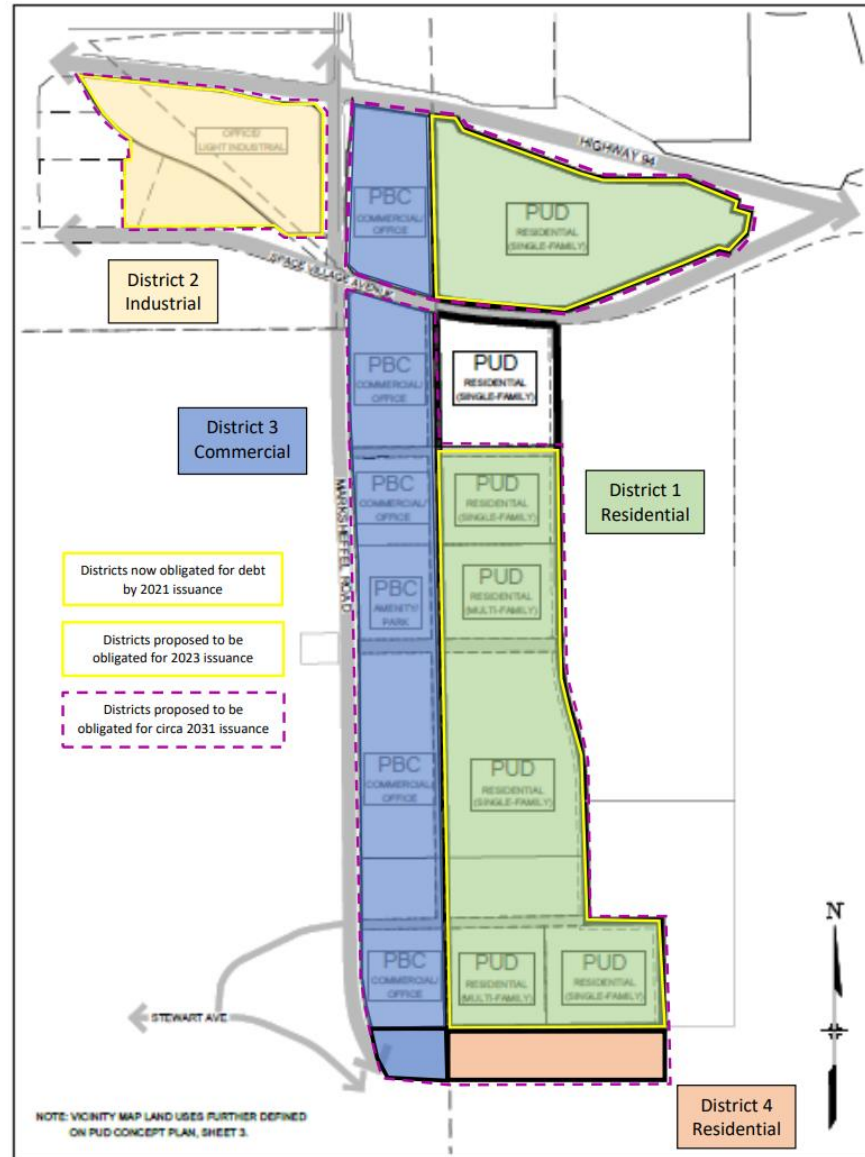


- West central Banning Lewis Ranch
- Council District 4



Boundaries

Boundaries – Reagan Ranch Metropolitan District Nos. 1-4



Background



- District Nos. 1-3 created in 2020
- District No. 2 (commercial/industrial) issued about \$17.9 Million in debt in 2021
 - With a pledge from District No. 1 residential
- Prior service plan amended in 2021 to modify district structure and district-specific mill levy caps
- Recently annexed parcel now included in District No. 2
- New parcels acquired to the south of project

Overall District and Development Summary



- About 250 total acres
- About 776 dwelling units
- About 1.06 Million square feet of non-residential
- New District No. 4 would include about 17.3 acres

Exhibit E



- Summaries of improvements costs
- Map depicting locations of major improvements
- “Anticipatory bond runs” with development absorption and other financial assumptions
 - Near term and potential future issuances

Potential Bonding



- **Existing 2021 bonds**
 - About \$17.9 Million
 - Issued by District No. 2 with a pledge from District No.1
- **Proposed 2023 bonds**
 - About \$12.8 Million also issued by No. 2 with a pledge from District No.1
 - Would pledge the remaining mill levy capacity of these 2 districts
- **Proposed 2031 bonds**
 - About \$113 Million
 - Would refinance the existing bonds and provide “new money”
 - Pledge from all four districts
- Property taxes and facility fees pledged in all cases

Future Bonding Options



- Interest rates, timing and other aspects will vary based on market
- Potential for modification of bond structures
e.g. subordinate bonds, or private placement not precluded

Process



- Amended and Restated Service Plan
- This would entirely replace the existing plan
- Majority vote of Council members present required for service plan
 - However, 2/3rds vote of entire Council required for debt “pre-authorization

What Would Change



- Use of the new model with all of its content
- Residential debt service mill levy cap increased from 30.0 (Gallagher adjusted) to 50.0 with no retroactive adjustment
- Residential operational mill levy cap similarly increased from 10.0 to 20.0
- New added district and inclusion area change
- Elimination of district-specific debt service caps
- “Pre-authorization” of future debt based on Exhibit E improvements and financial plans

What Would Not Change



- Maximum overall debt authorizations
- Most assumptions for District Nos. 1-3

Budget Committee



- October 25, 2022
- Responses to Committee Questions
- Reasoning for an added small additional district (District No. 4)
 - Existing bond issue would be “over-pledged” with revenues that would then not be available for subsequent bond issue

Next Steps



- Hearing on November 22, 2022
- Six affirmative votes needed for debt pre-authorization