

Allison Valley Metro. District No. 1 Debt Issuance

City Council Work Session
January 23, 2017

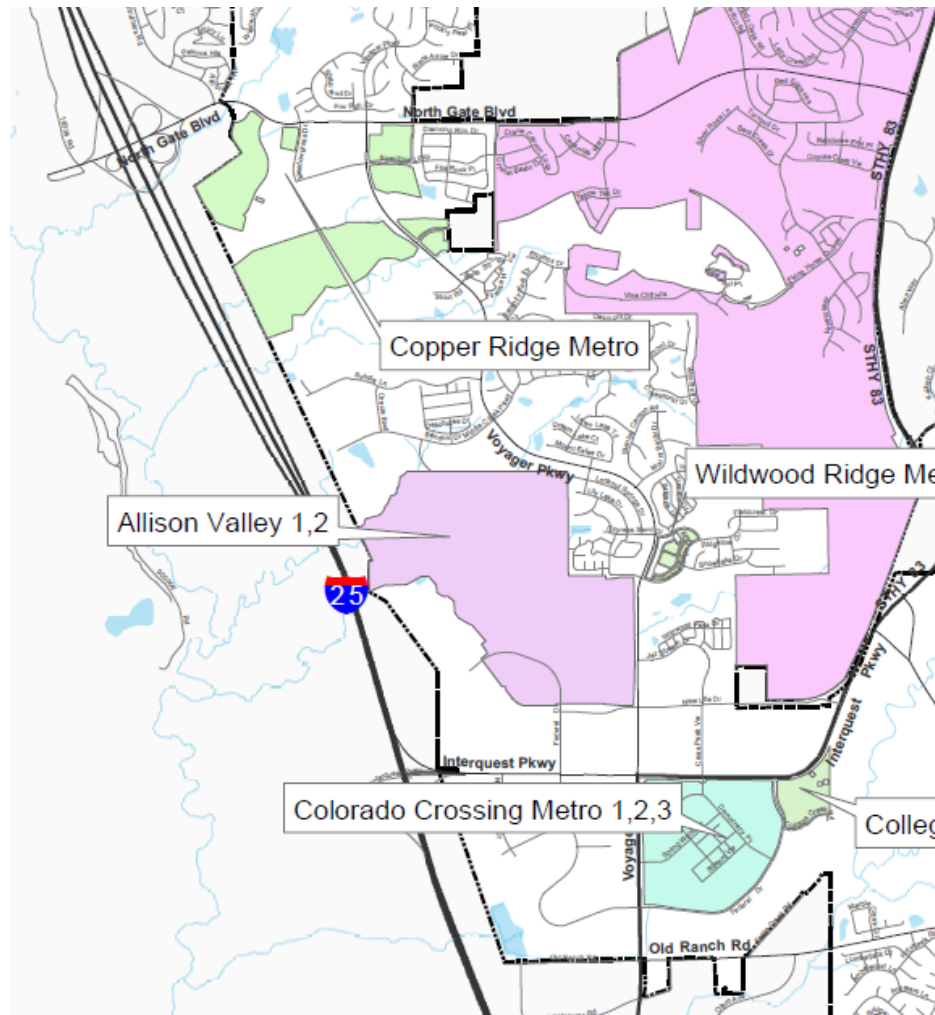
Peter Wysocki, Planning and Development Director
Carl Schueler, Planning Manager- Comprehensive Planning
District Representatives

Summary:

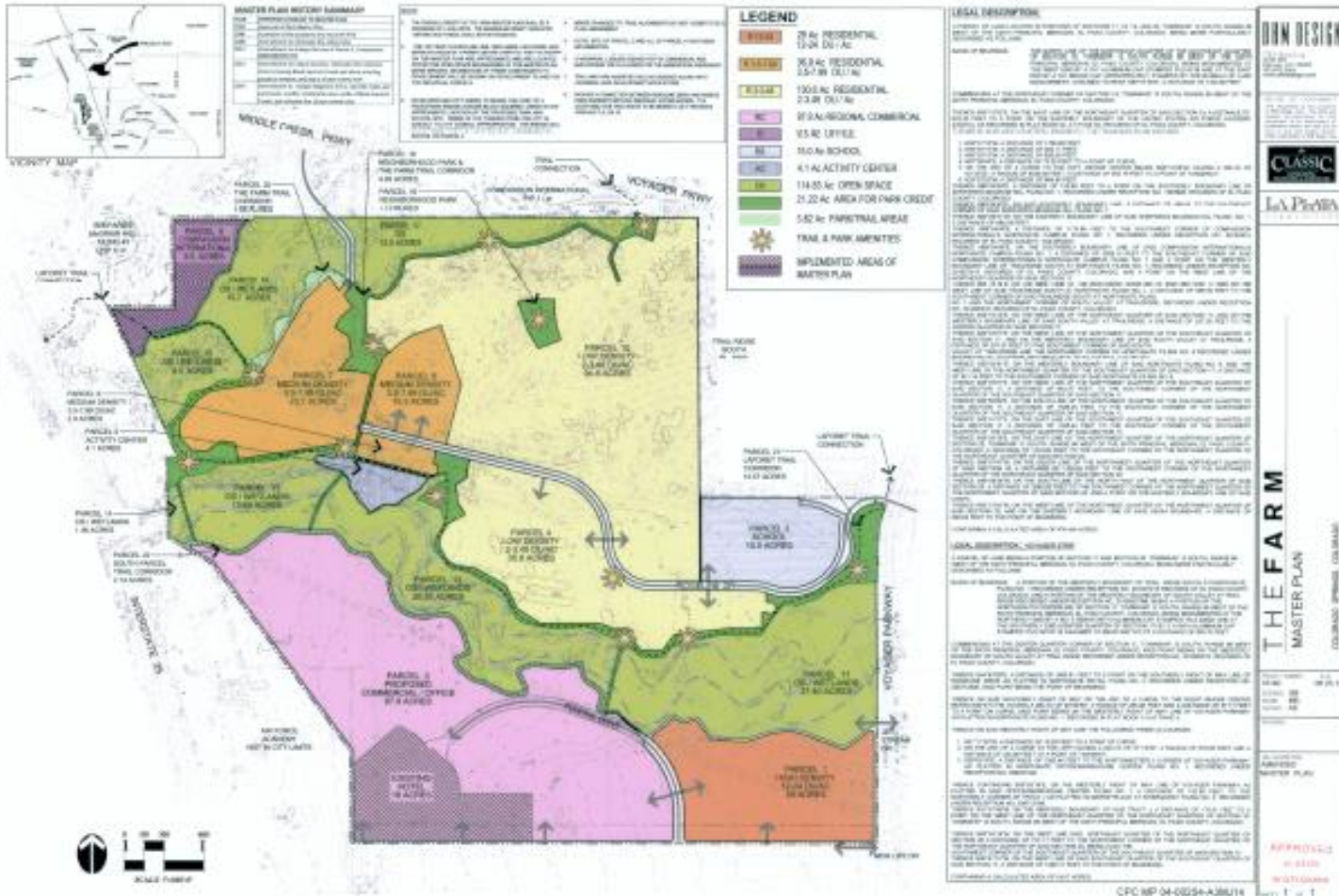
Approval of Debt Issuance for District No. 1

- \$16.5M Commercial bank loans, assumed tax-exempt
- Reimbursement of prior costs
- “Drawdown” structure tied to Assessed Value
- Issue 2017A \$10,000,000
- Issue 2017B \$6,500,000
 - Subordinate Debt.

Vicinity Map and Current Approved Boundaries



Current Master Plan- THE FARM



Structure of these Districts

- Two sequential districts
- Both classified as residential
 - 30 Mill Debt Service Cap
 - 10 Mill Operational Cap
 - 40-year Maximum Mill Debt Service Mill Levy Imposition Term
- District No. 2 – first phases of development
 - Debt issued in 2015
- District No. 1 – later phases of development
 - Now requesting first issuance

Debt Issuance

- \$16.5 Million in commercial bank loans
 - Arm's length
 - Draw down tied to accumulating AV
 - "permit ready lots"
 - Tax-exempt, possibly 3.75% interest (adjustable every five years)
 - 30-year terms
 - Series 2017A – Not to exceed \$10,000,000
 - Series 2017B- Not to exceed \$6,500,000
 - 30-year terms

Use of Proceeds

- Reimburse prior public facilities costs
- See attached budget detail
- Streets, drainage, water, wastewater, major and local roads, entry features etc.

City Council Review

- Primarily Consistency with service plan
- One year customary time limit to issue

Supporting Materials

- Staff memo
- Draft City resolution
- District cover letter
- Summary of expenses to be covered
- Preliminary term sheet
- Financing analyses
- Form of district loan resolution (with required “limited-default” language)
- Form of loan agreements
- District counsel opinion
- External financial advisor opinion

Service Plan and Policy Consistency, Recommendation and Next Steps

- Issuance is or will be consistent with service plan and City Policy
- Approval Recommended
- New Business for February 14, 2017
- One year to issue following that
 - Issuance assumes drawdown timing