

Banning Lewis Ranch Regional Metropolitan District No. 1 Debt Authorization City Council Work Session

September 24, 2018

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Director

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District Representatives

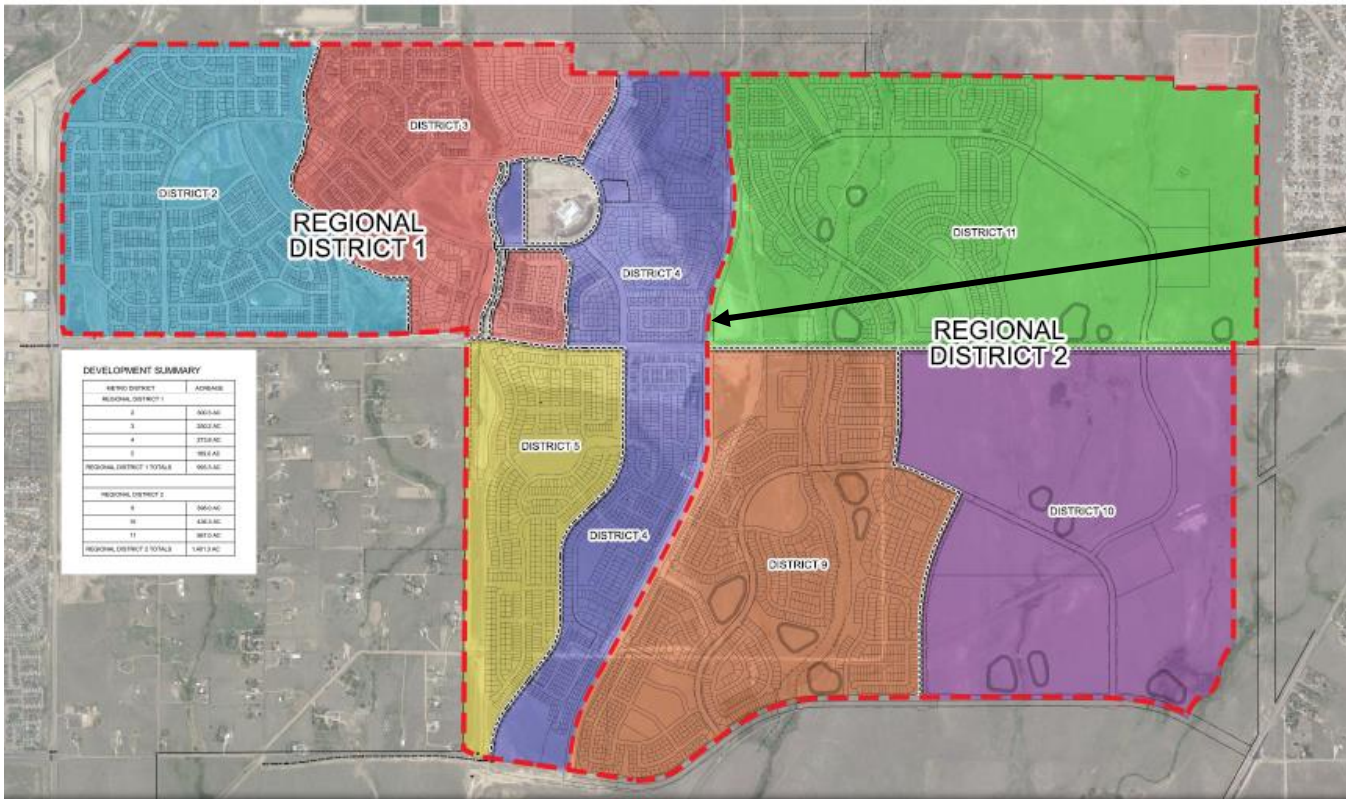


Background and Summary



- Second Amended and Restated Service Plan approved in April of 2018
- Additional “overlay” district with additional mill levy for regional-scale improvements
- First debt issuance by this District
 - But underlying districts also have or are planning on issuing debt
- 3 Bond Issues- all tax exempt
 - 2018 Series A Senior Bonds
 - 2018 Series B Subordinate Cash Flow Bonds
 - 2018 Series C Junior Subordinate Cash Flow Bonds-developer held
- Gallagher-adjusted debt service mill levy pledged
 - Currently 9.95 mills
 - Along with specific ownership tax from debt service mill levy
- Overall service plan debt limit of \$150,000,000 (shared with Regional District No. 2)

Vicinity Map



Regional District No. 1

DEVELOPMENT SUMMARY

METRO DISTRICT	ACRES
REGIONAL DISTRICT 1	
2	280.0 AC
3	280.0 AC
4	275.0 AC
5	185.0 AC
REGIONAL DISTRICT 1 TOTAL	820.0 AC
REGIONAL DISTRICT 2	
9	280.0 AC
10	430.0 AC
11	185.0 AC
REGIONAL DISTRICT 2 TOTAL	895.0 AC

Series A Bonds- BLR Regional No. 1



- Limited Tax General Obligation- Senior bond
- \$10,790,000 par amount (estimated)
- \$9,029,330 project fund (estimated)
- 30-year term
- 5.25% interest- tax exempt (estimated)
- Marketed; non-rated
- Project fund used to reimburse combination of costs for existing and anticipated future regional scale public improvements benefiting this District.

Series B Bonds- BLR Regional No. 1



- Subordinate Cash Flow bonds
 - Interest accrues in event principal and all interest not paid
- \$1,234,000 par amount (estimated)
- \$1,196,980 project fund (estimated)
- 30-year term
- 7.75% interest- tax exempt (estimated)
- Marketed; non-rated
- Project fund used to reimburse combination of costs for existing and anticipated future regional scale public improvements benefiting this District.

Series C Bonds



- Junior Subordinate Cash Flow bonds
 - Interest accrues and term extends in event principal and all interest not paid
- \$1,770,000 par amount (estimated)
- \$1,752,300 project fund (estimated)
- 30-year term
- 8% interest stepped down to 6% after optional redemption date
- tax exempt; non-rated
- Developer held- initially
- Project fund used to reimburse combination of costs for existing and anticipated future regional scale public improvements benefiting this District.

Development Status



- Combination of existing, ongoing and future development, all with approved PUD zoning

Funds Allocation



- Reimburse developers of project for public improvement costs for qualifying regional-scale improvements
- Combination of completed and pending improvements

Supporting Materials



- Agenda Memo
- City Council Resolution
- District Transmittal Letter
- Term Sheets
- Draft Indentures of Trust
- Development/ Financial Projections
- Generalized Cost Summary
- Draft General Counsel Opinion
- Draft External Advisor Opinion for Series C Developer-held Bonds

Staff Recommendations and Next Steps



- Approval based on consistency with service plan
- 1 Year to Issue/Close (October 9, 2019)
- Recommend for item to be placed on the agenda for October 9, 2018
- At Least **Six** Affirmative Votes Required
 - City Charter 7-100