

Banning Lewis Metropolitan District Debt Issuance

City Council Work Session
October 26, 2015

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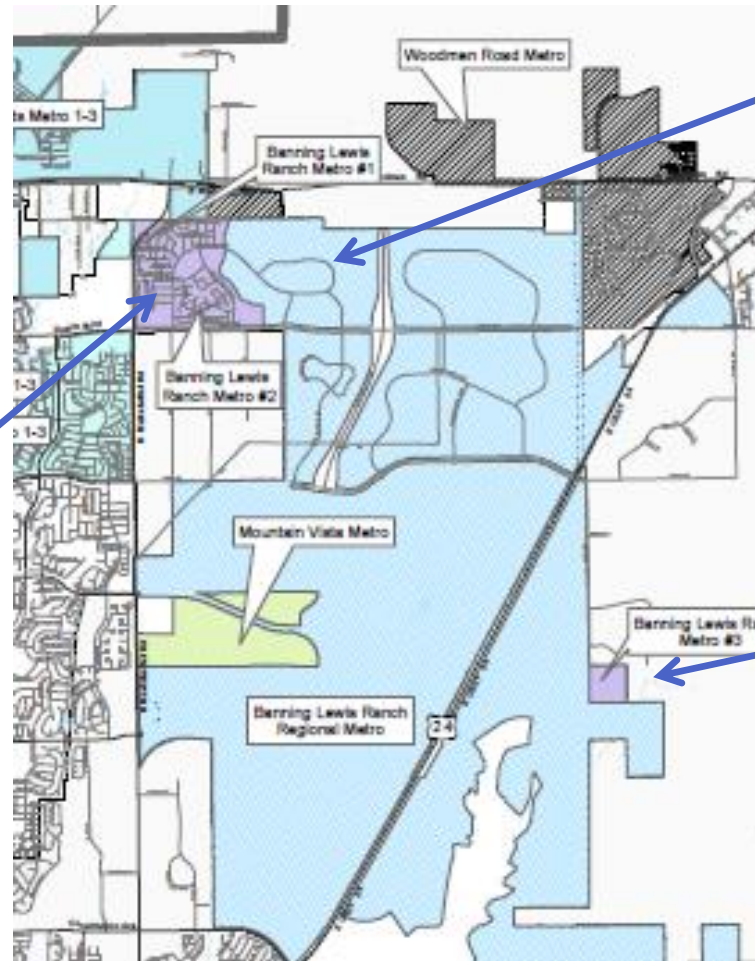
Summary:

- BLR District No. 3 Requests Authority to Issue Series 2015 Series A and B Bonds
 - Series A- General Obligation Bonds not to exceed \$9,000,000
 - Series B- Subordinate Cash Flow Bonds not to exceed \$1,800,000
 - Total- not to exceed \$10,800,000
- First bonds for District No. 3
- City Council authorization required prior to issuance

Structure of all BLR Districts

- District No. 1 – master or control district
- Districts No. 2 – 5 residential districts
- District No. 7 – commercial district
- Former District No. 6
 - Now redefined as Banning Lewis Ranch Regional Metropolitan District (limited to wastewater financing)
 - Districts 2-5, and 7 “rolled out and expanded in accordance with development phasing

Vicinity Map



Current location of District 3

Former (holding) location of District 3

BLR Dist. 2 Boundaries

District No. 3 Boundaries and Development Plan



- 288 acres
- About 880 homes
- All residential

Mill Levies and Maximum Caps- District No. 3

- Debt Service
 - 30 mills in place
 - Cap is 30 mills (Gallagher adjusted)
 - 40-year debt service maximum mill levy imposition term for residential districts
- Operations
 - 20 mills in place
 - Cap is 20 mills (special exception in 2008 service plan)
- Total District No. 3 Mill levy
 - 50 mills

Note: Banning Lewis Ranch Regional Metropolitan District (former BLR Dist. No. 6) overlays the entire BLR District area including all District 3

- 10 additional mills total (9.0 debt service, 1.0 operations)

Bond Issue Summary

- Two bond issues, 2015- Series A and B
 - Series A \$9,000,000 –senior
 - 6.5% anticipated interest rate
 - Series B \$1,800,000 -subordinate cash flow
 - 8.0% anticipated interest rate
 - Maximum amounts
- Arm's length- marketed
- Tax-exempt
- 30-year terms
 - Subject to refinancing
- Pledged revenues
 - Debt service mill levy (capped)
 - Specific ownership tax
 - System development fee (\$1,000 fee on lot sales)

Use of Proceeds

- Reimburse prior accruing developer advances
- All for public improvements previously dedicated to City/CSU
- Nexus to public improvements in this District

City Council Review

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

Supporting Materials

- Staff report
- Draft City resolution
- District cover letter
- Draft opinion of general counsel
- Draft indentures of trust
- Preliminary term sheets
- Pro forma financing analyses
- Summary of expenses to be covered
- District 3 map

Service Plan and Policy Consistency, Recommendation and Next Steps

- Issuance is or will be consistent with service plan and Policy, per staff and district general counsel
- Approval Recommended
- New Business for October 27, 2015
- One year to issue following Council approval
- Affirmative vote of 2/3rds of entire Council required