

Banning Lewis Ranch Metro. District No. 4 Debt Authorization City Council Work Session

September 24, 2018

Peter Wysocki, Planning and Community Development
Director

Carl Schueler, Comprehensive Planning Manager

District Representatives

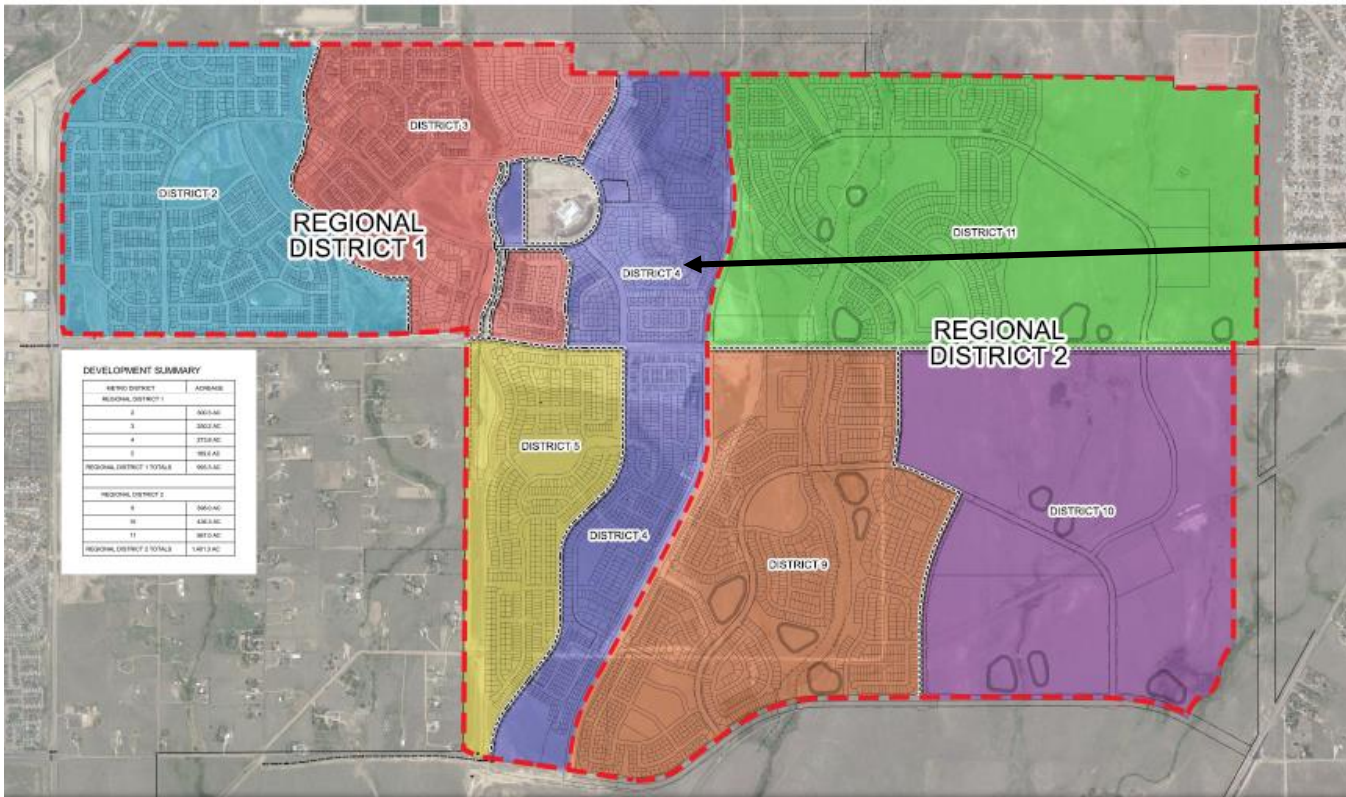


Background and Summary



- District originally created in 2005/2008
- First debt issuance by this District
- 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
- Gallagher-adjusted debt service mill levy pledged
 - Currently 33.166 mills
 - Along with specific ownership tax from debt service mill levy and \$1,000 per unit facility fee
- Overall service plan debt limit of \$400,000,000

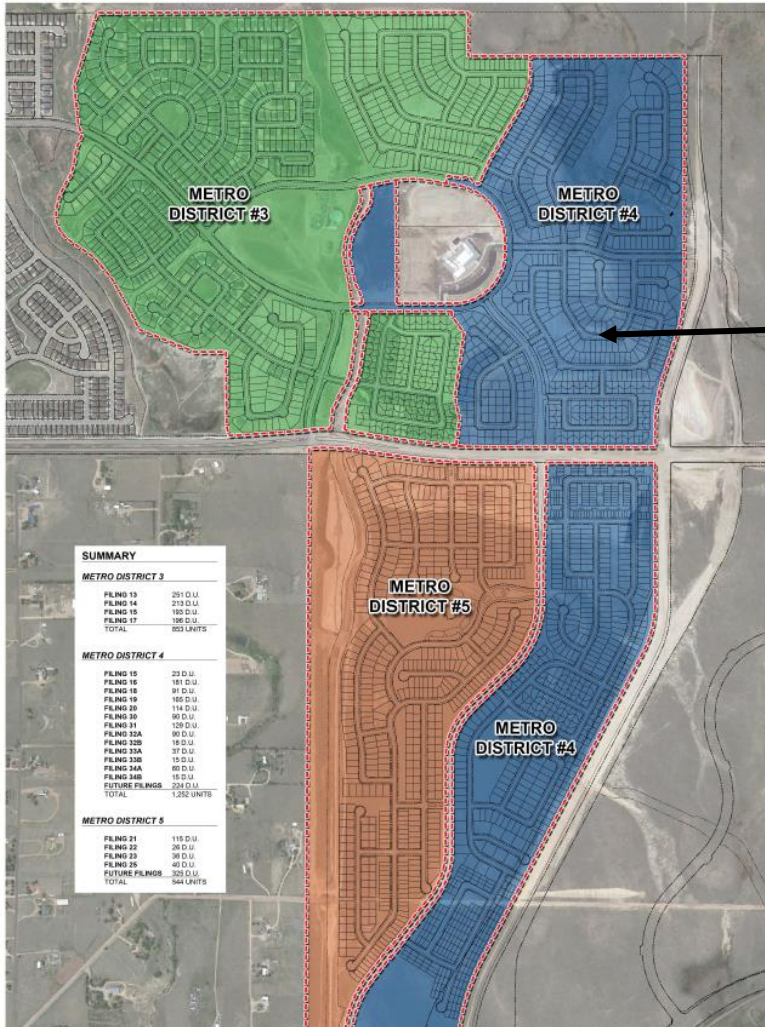
Vicinity Map



District
No. 4

DEVELOPMENT SUMMARY	
METRO DISTRICT	ACRES
REGIONAL DISTRICT 1	
2	380.0 AC
3	380.0 AC
4	375.0 AC
5	380.0 AC
REGIONAL DISTRICT 1 TOTAL	1515.0 AC
REGIONAL DISTRICT 2	
6	380.0 AC
7	380.0 AC
8	380.0 AC
9	380.0 AC
10	380.0 AC
11	380.0 AC
REGIONAL DISTRICT 2 TOTAL	2100.0 AC

Vicinity Map Inset



District
No. 4

Series A Bonds



- Limited Tax General Obligation- Senior bond
- \$12,865,000 par amount (estimated)
- \$10,456,776 project fund (estimated)
- 30-year term
- 5.5% interest- tax exempt (estimated)
- Marketed; non-rated
- Project fund used to reimburse combination of costs for existing and anticipated future public improvements benefiting this District.

Series B Bonds



- Subordinate Cash Flow bonds
 - Interest accrues in event principal 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 public improvements benefiting this District.

Series C Bonds



- Junior Subordinate Cash Flow bonds
 - Interest accrues in event principal not paid
- \$1,234,000 par amount (estimated)
- \$1,196,980 project fund (estimated)
- 40-year term
- 8% interest stepped down to 6% after optional redemption date
- tax exempt; non-rated
- Developer help- initially
- Project fund used to reimburse combination of costs for existing and anticipated future public improvements benefiting this District.

Development Status



- PUD zoning approved; residential development
- Development under construction

Funds Allocation



- Reimburse developers of project for public improvement costs including streets and utilities
- Generalized cost summaries attached

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