

# Banning Lewis Ranch Metro. District No. 5 Debt Authorization City Council Work Session

September 24, 2018

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Director

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District Representatives

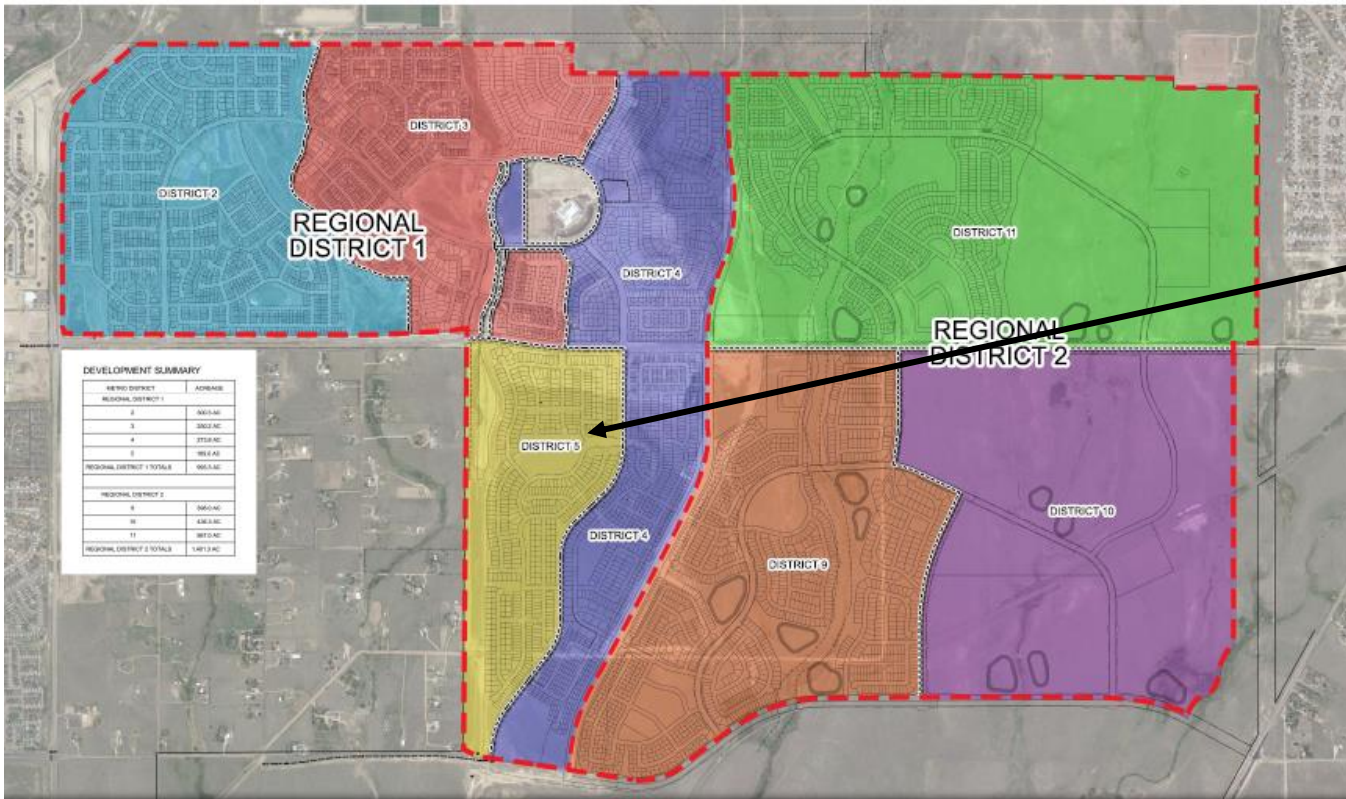


# Background and Summary



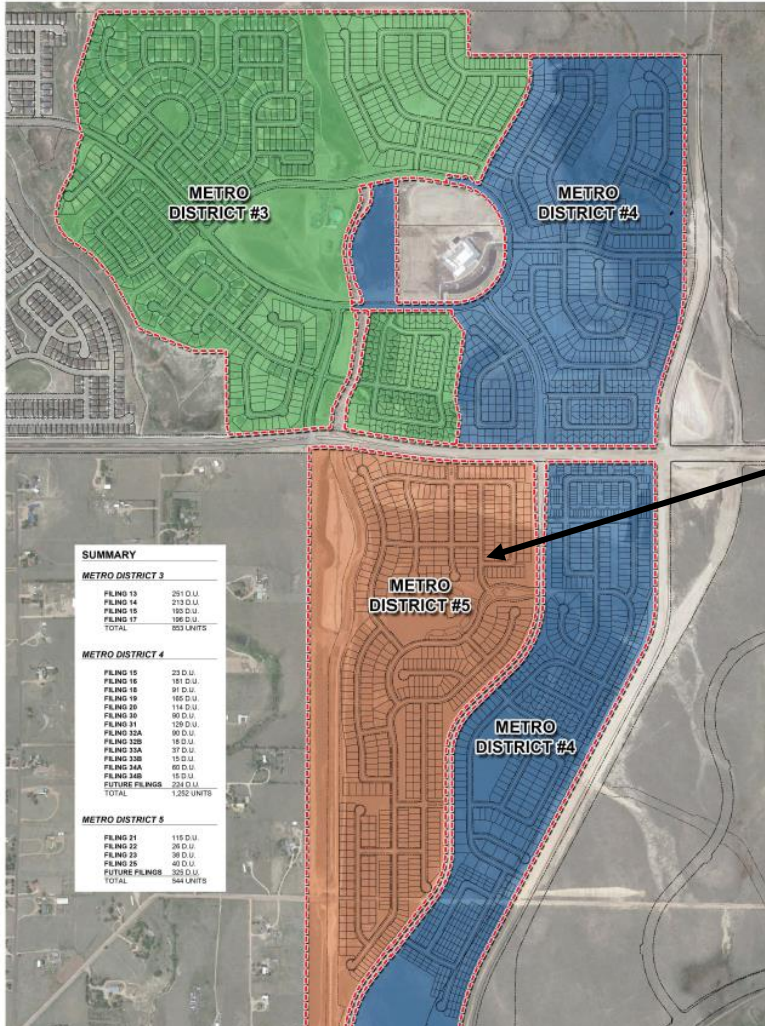
- District originally created in 2005/2008
- First debt issuance by this District
- 3 Bond Issues- all tax exempt
  - 2018 Series A Senior Bonds
  - 2018 Series B Subordinate Cash Flow Bonds
  - 2018 Series C Junior Subordinate Cash Flow Bonds
- Gallagher-adjusted debt service mill levy pledged
  - Currently 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. 5

# Vicinity Map Inset



District  
No. 5

# Series A Bonds- BLR No. 5



- Limited Tax General Obligation- Senior bond
- \$6,440,000 par amount (estimated)
- \$4,383,925 project fund (estimated)
  - Significant capitalized interest
- 30/40-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- BLR No. 5



- Subordinate Cash Flow bonds
  - Interest accrues in event principal and all interest not paid
- \$1,030,000 par amount (estimated)
- \$999,100 project fund (estimated)
- 30/40-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 and term extends in event principal and all interest not paid
- \$1,826,000 par amount (estimated)
- \$1,807,740 project fund (estimated)
- 40-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 public improvements benefiting this District.

# Development Status



- PUD zoning approved; senior living gated community
- Development anticipated



# Funds Allocation



- Reimburse developers of project for public improvement costs for improvements including streets and utilities
- Installed and future 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