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1 an authorized purpose and appropriate use of a public improvement district as set forth
2 in the Act and the PID Ordinance; and

3 WHEREAS, the Board of Directors of the District (the "Board") authorized,
4 pursuant to Resolution No. 2007-3, among other things, to: (i) acquire, construct and
5 finance the Project and pay costs and expenses related thereto; (ii) impose a special
6 levy upon the real property within the District to finance the Project; and (iii) issue the
7 District's special levy revenue bonds in an aggregate principal amount not to exceed
8 \$4,390,000 to finance the Project; and

9 WHEREAS, pursuant to the Formation Resolution, the City approved: (i) the
10 Development Agreement; (ii) the General Plan; (iii) the Feasibility Study; (iv) the Rate
11 and Method; and (v) a form of Notice of Special Levy (the "Notice of Special Levy" and,
12 together with the Development Agreement, General Plan, Feasibility Study, Rate and
13 Method and Notice of Special Levy, the "Formation Documents"); and

14 WHEREAS, pursuant to District Resolution No. 2007-3 adopted by the Board on
15 September 6, 2007 following a public hearing as provided by law, the Board approved
16 the Feasibility Study, the Project, the Rate and Method, and the Notice of Special Levy;
17 and

18 WHEREAS, pursuant to District Resolution 2007-4, the Board authorized the
19 issuance and sale of its "Montecito Estates Public Improvement District Special Levy
20 Revenue Bonds, Series 2007" (the "Series 2007 Bonds") in an original aggregate
21 principal amount of \$4,390,000, for the purpose of defraying the costs of the Project;
22 and

23 WHEREAS, the Series 2007 Bonds are presently outstanding in the aggregate
24 principal amount of \$4,000,000, of which \$3,830,00 shall be redeemed on October 1,
25 2017 pursuant to an escrow agreement (the "Refunded Bonds"); and

26 WHEREAS, the Board adopted Resolution No. 2016-___, pursuant to which it
27 authorized, subject to first obtaining any required City approval, the issuance of a series
28 of bonds to be denominated the Montecito Estates Public Improvement District Special
29 Levy Refunding Revenue Bonds, Series 2016 (the "Series 2016 Bonds") to refund,

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1 redeem and pay the Refunded Bonds will reduce debt service costs for the District and
2 effect other savings and economies, all to the benefit of the District and its residents
3 (the "Refunding"); and

4 WHEREAS, the District has caused to be placed on file with the City copies of
5 Resolution No. 2016-__ along with the transaction documents authorized by that
6 resolution; and

7 WHEREAS, the City Council has considered Resolution No. 2016-__ in
8 connection with the requirements for the District's issuance of the Series 2016 Bonds
9 set forth in the PID Ordinance and the Formation Resolution.

10 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY
11 OF ALBUQUERQUE:

12 Section 1. Findings. The City hereby declares that it has considered District
13 Resolution No. 2016-__ and all other relevant information and finds as follows:

14 A. District Resolution No. 2016-__ authorizes the issuance of the Series
15 2016 Bonds in an aggregate amount not to exceed \$4,200,000, at a maximum annual
16 interest rate not to exceed ten (10) percent per annum, which rate and other details of
17 the Series 2016 Bonds will be specifically determined by the District and approved in a
18 sale resolution to be adopted by the District (the "Sale Resolution").

19 B. The Series 2016 Bonds will be issued for the purpose of refunding the
20 Refunded Bonds in order to achieve interest cost savings for the District and
21 corresponding reductions in special levies payable by residents of the District.
22 Proceeds of the Series 2016 Bonds shall be used to refund the Refunded Bonds,
23 purchase a debt service reserve fund insurance policy and pay costs of issuance for the
24 Series 2016 Bonds, which purposes are authorized by the PID Ordinance and is
25 consistent with the Formation Resolution, the Development Agreement, and District
26 Resolution No. 2016-__.

27 C. District Resolution No. 2016-__ provides that the Series 2016 Bonds
28 will be the obligations solely of the District, and will not be backed by the faith, credit,
29 general funds or resources of the City in any manner. Owners of the Series 2016

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1 Bonds will have no right to require that the City or the District impose ad valorem
2 property taxes to pay District Bonds, including but not limited to, the Series 2016 Bonds.

3 D. The City's Debt Committee has reviewed and approved the District's
4 proposed Series 2016 Bonds on June 10, 2016.

5 E. District Resolution No. 2016-__ provides for the following parameters:

6 (i) The maximum principal amount of the Series 2016 Bonds
7 shall not exceed \$4,200,000.

8 (ii) The Series 2016 Bonds may be marketed to the public or
9 sold in a private placement.

10 (iii) The maximum net effective interest rate on the Series 2016
11 Bonds shall not exceed 10% per annum.

12 (iv) The minimum net present value savings (i.e. net of all costs
13 of issuance of the Series 2016 Bonds) achieved by the Refunding shall be three percent
14 (3%).

15 (v) The Series 2016 Bonds shall be dated as of the date of
16 delivery of the Series 2016 Bonds.

17 (vi) The Series 2016 Bonds shall be issued only as fully
18 registered bonds in minimum denominations of at least \$5,000, subject to book-entry-
19 only system of registration.

20 (vii) The Series 2016 Bonds shall be numbered consecutively
21 from one upwards or as otherwise requested by the Purchaser.

22 (viii) The Series 2016 Bonds may mature in serial or term
23 maturities with the last such maturity no later than October 1, 2037.

24 (ix) The Series 2016 Bonds shall be subject to optional
25 redemption, special optional redemption and mandatory redemption as shall be set forth
26 in the Indenture.

27 (x) Prior to selling the Series 2016 Bonds, any required approval
28 by the City shall first have been obtained.

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1 Section 2. Additional Requirements.

2 A. The Series 2016 Bonds shall mature not later than October 1,
3 2037, which is the final maturity date of the Refunded Bonds.

4 B. A reasonably required debt service reserve fund requirement (the
5 "Reserve Requirement") shall be established in connection with the Series 2016 Bonds,
6 which may be satisfied by purchasing a debt service reserve fund insurance policy with
7 coverage in the amount of the Reserve Requirement.

8 Section 3. Ratification and Approval of Issuance and Sale of Series 2016
9 Bonds Pursuant to District Resolution No. 2016-__ based upon the findings set forth in
10 Section 1 of this Resolution, the issuance and sale of Series 2016 Bonds as set forth in
11 District Resolution No. 2016-__ are hereby approved.

12 Section 4. Repealer. All ordinances or resolutions, or parts thereof in conflict with
13 the provisions of this Resolution, are hereby repealed to the extent only of such
14 inconsistency. This repealer shall not be construed to revive any ordinance or
15 resolution, or part thereof, heretofore repealed.

16 Section 5. Severability. If any section, paragraph, clause or provision of this
17 Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or
18 unenforceability of such section, paragraph, clause or provision shall in no manner
19 affect any remaining provisions of this Resolution.

20 Section 6. Publication of Notice of Adoption of Resolution. The Clerk is hereby
21 directed to publish a notice of this Resolution, in substantially the following form:

22 Notice is hereby given of the title and general summary of the subject matter contained
23 in a resolution duly adopted and approved by the City Council of the City of
24 Albuquerque, New Mexico relating to ratification and approval of the issuance and sale
25 of the Montecito Estates Public Improvement District Special Levy Refunding Revenue
26 Bonds, Series 2016. Complete copies of the resolution are available for public
27 inspection during the regular business hours of the City Clerk, City of Albuquerque, New
28 Mexico.

29 The title of the Resolution is as follows:

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RESOLUTION

MAKING FINDINGS IN CONNECTION WITH THE MONTECITO ESTATES PUBLIC IMPROVEMENT DISTRICT’S RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL LEVY REFUNDING REVENUE BONDS; RATIFYING AND APPROVING THE ISSUANCE AND SALE OF THE MONTECITO ESTATES PUBLIC IMPROVEMENT DISTRICT SPECIAL LEVY REFUNDING REVENUE BONDS, SERIES 2016, AS SUBSTANTIALLY CONSISTENT WITH THE REQUIREMENTS OF CITY ORDINANCE ENACTMENT NO. 0-2003-12 AND CITY COUNCIL RESOLUTION ENACTMENT NO. 169-2003.

A summary of the subject matter of the Resolution is contained in its title.

(End of Form of Summary of Resolution for Publication)



CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Richard J. Berry

INTER-OFFICE MEMORANDUM

July 15, 2016

TO: Dan Lewis, President, City Council

FROM: Richard J. Berry, Mayor

SUBJECT: Bond Resolution – Montecito PID Special Levy Refunding Bonds, Series 2016

The attached bond resolution authorizes the issuance and sale of Special Levy Refunding Revenue Bonds, Series 2016 in the approximate amount of \$4,000,000 for the Montecito Public Improvement District (PID).

The Series 2016 bond proceeds will be used to refund the Series 2007 Bonds - \$3,830,000 of principal maturing July 1, 2017 through July 1, 2038, which have an average interest rate of 7.00%. The net present value debt service savings are estimated between 20% - 24% of the refunded par amount. The debt service savings from the refunding will be used to decrease the special levies imposed on property owners of the PID.

A floor substitute resolution will be provided to the Council prior to adoption on August 15, 2016.

The attached proposed resolution is hereby forwarded to the Council for its consideration and action.

Bond Resolution – Montecito PID Special Levy Refunding Bonds, Series 2016


Approved:



Robert J. Perry
Chief Administrative Officer

7/27/16
Date


Approved as to Legal Form:



Jessica M. Hernandez
City Attorney

7/27/16
Date

Recommended:



Lou D. Hoffman
Director, Finance & Administrative Svcs.

7/20/16
Date

Recommended:



Melissa Lozoya
Acting Director, Municipal Development

7/20/16
Date

Cover Analysis

1. . What is it?

The attached bond resolution authorizes the issuance and sale of Special Levy Refunding Revenue Bonds, Series 2016 in the approximate amount of \$4,000,000 for the Montecito Public Improvement District (PID).

2. What will this piece of legislation do?

The attached bond resolutions authorizes issuance of the Series 2016 Bonds (\$4,000,000) that will refund the Series 2007 Montecito PID Special Levy Revenue Bonds.

3. Why is the project needed?

The Series 2016 bond proceeds will be used to refund the Series 2007 Bonds - \$3,830,000 of principal maturing July 1, 2017 through July 1, 2038, which have an average interest rate of 7.00%. The net present value debt service savings are estimated between 20% - 24% of the refunded par amount. The debt service savings from the refunding will be used to decrease the special levies imposed on property owners of the PID.

4. How much will it cost and what is the funding source?

The debt service from issuing the Series 2016 Bonds will be paid from special levies imposed on property owners benefitting from the infrastructure improvements. Net present value debt service savings per year is approximately \$790,000 - \$920,000 per year or 20% - 24% of the refunded par amount.

5. Is there a revenue source associated with this contract? If so, what level of income is projected?

The revenue source utilized to pay off the bonds will be the special levies imposed on the property owners benefitting from the infrastructure improvements.

FISCAL IMPACT ANALYSIS

TITLE: **Montecito Estates Public Improvement Districts Resolution Authorizing the Issuance and Sale of Special Levy Refunding Revenue Bonds** R: xxx O:
 FUND: n/a
 DEPT: n/a

- No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- (if Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2017	Fiscal Years 2018	2019	Total
Base Salary/Wages				-
Fringe Benefits at Subtotal Personnel	30.36%	-	-	-
Operating Expenses		-		-
Debt Service on Montecito PID - no recourse to City	\$ 108,516	\$ 216,950	\$ 309,700	\$ 635,166
Property Indirect Costs	0.00%	-	-	-
Total Expenses	\$ 108,516	\$ 216,950	\$ 309,700	\$ 635,166
<input type="checkbox"/> Estimated revenues not affected				
<input type="checkbox"/> Estimated revenue impact				
Revenue from program				
Amount of Grant				
City Cash Match				
Special Levy Revenue - Montecito	\$ 108,516	\$ 216,950	\$ 309,700	\$ 635,166
City In-kind Match				
City IDOH				
Total Revenue	\$ 108,516	\$ 216,950	\$ 309,700	

These estimates do not include any adjustment for inflation.
 * Range if not easily quantifiable.

Number of Positions created

COMMENTS: The fiscal impact is neutral. City is not responsible for the debt service on PIDs. The Montecito PID is a separate entity and has its own governing board. The Series 2016 bond proceeds will be used to refund the Series 2007 Bonds - \$3,830,000 of principal maturing July 1, 2017 through July 1, 2038, which have an average interest rate of 7.00%. The net present value debt service savings are estimated between \$791,000 - \$920,000 or 20% - 24% of the refunded par amount. The debt service savings from the refunding will be used to decrease the special levies imposed on property owners of the PID. See Attached Debt Service Savings schedule.

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

PREPARED BY:

FISCAL ANALYST

APPROVED:

DIRECTOR

(date)

REVIEWED BY:

EXECUTIVE BUDGET ANALYST

BUDGET OFFICER (date)

CITY ECONOMIST

Montecito Public Improvement District
Summary of Outstanding Debt

Fiscal Year End 6/30	Series 2007		
	Principal	Interest	Total P&I
2017	\$ 80,000	\$ 277,200	\$ 357,200
2018	90,000	271,250	361,250
2019	95,000	264,775	359,775
2020	100,000	257,950	357,950
2021	105,000	250,775	355,775
2022	115,000	243,075	358,075
2023	125,000	234,675	359,675
2024	130,000	225,750	355,750
2025	140,000	216,300	356,300
2026	150,000	206,150	356,150
2027	160,000	195,300	355,300
2028	170,000	183,750	353,750
2029	185,000	171,325	356,325
2030	195,000	158,025	353,025
2031	210,000	143,850	353,850
2032	225,000	128,625	353,625
2033	240,000	112,350	352,350
2034	260,000	94,850	354,850
2035	275,000	76,125	351,125
2036	295,000	56,175	351,175
2037	315,000	34,825	349,825
2038	340,000	11,900	351,900
	<u>4,000,000</u>	<u>3,815,000</u>	<u>7,815,000</u>

Series 2007 Recap	
Original Issue Date:	December 19, 2007
Original Issue Size:	\$ 4,390,000
Original Coupon:	7.00%
Call Date:	October 1, 2017
Principal to be Refunded:	\$ 3,830,000
Refunded Coupon:	7.00%

Montecito Public Improvement District
Summary of Refunding Scenarios

Fiscal Year End 6/30	Remaining Series 2007 Debt Service	Unrefunded Debt Service	Series 2016 Refunding		Series 2016 Refunding	
			Scenario 1 - Insured w/ Surety Bond		Scenario 2 - Uninsured w/ DSRF	
			Debt Service	Savings	Debt Service	Savings
2017	\$ 357,200	\$ 89,100	\$ 97,031	\$ 171,069	\$ 108,516	\$ 159,584
2018	361,250	93,150	185,950	82,150	216,950	51,150
2019	359,775	-	279,000	80,775	309,700	50,075
2020	357,950	-	276,100	81,850	306,500	51,450
2021	355,775	-	273,200	82,575	302,500	53,275
2022	358,075	-	279,425	78,650	307,550	50,525
2023	359,675	-	279,700	79,975	307,375	52,300
2024	355,750	-	274,900	80,850	302,125	53,625
2025	356,300	-	275,025	81,275	306,725	49,575
2026	356,150	-	275,000	81,150	306,100	50,050
2027	355,300	-	274,825	80,475	305,325	49,975
2028	353,750	-	273,600	80,150	303,400	50,350
2029	356,325	-	276,200	80,125	305,200	51,125
2030	353,025	-	273,500	79,525	301,700	51,325
2031	353,850	-	275,500	78,350	302,900	50,950
2032	353,625	-	272,200	81,425	303,700	49,925
2033	352,350	-	273,600	78,750	299,200	53,150
2034	354,850	-	274,600	80,250	304,300	50,550
2035	351,125	-	270,300	80,825	299,000	52,125
2036	351,175	-	270,700	80,475	298,400	52,775
2037	349,825	-	270,700	79,125	297,400	52,425
2038	351,900	-	270,300	81,600	300,900	51,000
	7,815,000	182,250	5,771,356	1,861,394	6,395,466	1,237,284
Par Amount of Refunding Bonds				\$ 3,900,000		\$ 4,320,000
True Interest Cost of Refunding Bonds				3.18%		3.67%
Net Present Value Savings				\$ 919,706		\$ 791,046
Net Present Value Savings / Refunded Bonds				24.01%		20.65%

Note: Scenario 1 based on Insured rates as of 6/6/2016 and a surety bond policy. Scenario 2 based on uninsured BBB- rates as of 6/6/2016 and a Debt Service Reserve Fund. Preliminary / Subject to Change.