

CITY of ALBUQUERQUE
TWENTY-FOURTH COUNCIL

COUNCIL BILL NO. R-21-206 ENACTMENT NO. _____

SPONSORED BY: Cynthia D. Borrego, by request

1 RESOLUTION

2 MAKING FINDINGS IN CONNECTION WITH THE TRAILS PUBLIC IMPROVEMENT
3 DISTRICT'S RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
4 SPECIAL LEVY REFUNDING REVENUE BONDS; RATIFYING AND APPROVING
5 THE ISSUANCE AND SALE OF THE TRAILS PUBLIC IMPROVEMENT DISTRICT
6 SPECIAL LEVY REFUNDING REVENUE BONDS, SERIES 2021, AS
7 SUBSTANTIALLY CONSISTENT WITH THE REQUIREMENTS OF CITY
8 ORDINANCE ENACTMENT NO. 0-2003-12 AND CITY COUNCIL RESOLUTION NO.
9 R-07-13 ENACTMENT NO. R-2008-019.

Capitalized terms in the following preambles shall have the meanings assigned in City Council Resolution No. R-07-13 Enactment No. R-2008-019 on February 4, 2008 (the "Formation Resolution") except as otherwise defined in this Resolution, or unless the context clearly requires otherwise.

14 WHEREAS, pursuant to the Act and Ordinance Enactment No. O-2003-12 (the
15 "PID Ordinance"), the Council enacted the Formation Resolution, in which the Council
16 approved the formation of The Trails Public Improvement District for the purpose of
17 financing public infrastructure improvements; and

18 WHEREAS, pursuant to the Formation Resolution, the Council approved the
19 Development Agreement between the Petitioner, the City and The Trails Public
20 Improvement District, by which the District financed various Infrastructure Improvements
21 to serve approximately 255 acres, located wholly within the corporate boundaries of the
22 City, consisting of 2,319 single-family dwelling units and multifamily residential units,

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

3 WHEREAS, pursuant to the Formation Resolution, the City approved: (i) the
4 Development Agreement; (ii) the General Plan; (iii) the Feasibility Study; (iv) the Rate
5 and Method; and (v) a form of Notice of Special Levy; and

6 WHEREAS, the Board of Directors of the District (the "Board") authorized,
7 pursuant to Resolution No. 2008-03 adopted on April 1, 2008 following a public hearing
8 as provided by law, among other things, to: (i) acquire, construct and finance the
9 Project and pay costs and expenses related thereto; (ii) impose a special levy upon the
10 real property within the District to finance the Project; and (iii) issue the District's Special
11 Levy Revenue Bonds, Series 2008 (the "Series 2008 Bonds") in an aggregate principal
12 amount not to exceed \$12,840,000 to finance the Project; and

13 WHEREAS, the District issued its Series 2008 Bonds on August 21, 2008 in the
14 aggregate principal amount of \$10,235,000; and

15 WHEREAS, the Series 2008 Bonds are presently outstanding in the aggregate
16 principal amount of \$8,380,000, of which up to \$8,380,000 shall be redeemed on
17 November 8, 2021 (the "Refunded Bonds"); and

18 WHEREAS, the Board adopted Resolution No. 2021-07 on September 29, 2021,
19 pursuant to which it authorized, subject to first obtaining any required City approval, the
20 issuance of a series of bonds to be denominated The Trails Public Improvement District
21 Special Levy Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds") to
22 refund, redeem and pay the Refunded Bonds will reduce debt service costs for the
23 District and effect other savings and economies, all to the benefit of the District and its
24 residents (the "Refunding"); and

25 WHEREAS, the District has caused to be placed on file with the City copies of
26 Resolution No. 2021-07 along with the transaction documents authorized by that
27 resolution; and

1 WHEREAS, the City Council has considered Resolution No. 2021-07 in
2 connection with the requirements for the District's issuance of the Series 2021 Bonds
3 set forth in the PID Ordinance and the Formation Resolution.

4 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY
5 OF ALBUQUERQUE:

6 Section 1. Findings. The City hereby declares that it has considered District
7 Resolution No. 2021-07 and all other relevant information and finds as follows:

8 A. District Resolution No. 2021-07 authorizes the issuance of the
9 Series 2021 Bonds in an aggregate amount not to exceed \$9,000,000, at a maximum
10 annual interest rate not to exceed ten (10) percent per annum, which rate and other
11 details of the Series 2021 Bonds will be specifically determined by the District and
12 approved in a sale certificate to be adopted by the District.

13 B. The Series 2021 Bonds will be issued for the purpose of refunding
14 the Refunded Bonds in order to achieve interest cost savings for the District and
15 corresponding reductions in special levies payable by residents of the District.
16 Proceeds of the Series 2021 Bonds shall be used to refund the Refunded Bonds,
17 purchase a debt service reserve fund insurance policy and pay costs of issuance for the
18 Series 2021 Bonds, which purposes are authorized by the PID Ordinance and is
19 consistent with the Formation Resolution, the Development Agreement, and District
20 Resolution No. 2021-07.

21 C. District Resolution No. 2021-07 provides that the Series 2021
22 Bonds will be the obligations solely of the District, and will not be backed by the faith,
23 credit, general funds or resources of the City in any manner. Owners of the Series 2021
24 Bonds will have no right to require that the City or the District impose ad valorem
25 property taxes to pay District Bonds, including but not limited to, the Series 2021 Bonds.

26 D. The City's Debt Committee has reviewed and approved the
27 District's proposed Series 2021 Bonds on September 24, 2021.

28 E. District Resolution No. 2021-07 provides for the following
29 parameters:

1 (i) The maximum principal amount of the Series 2021 Bonds
2 shall not exceed \$9,000,000.

3 (ii) The Series 2021 Bonds may be marketed to the public or
4 sold in a private placement.

5 (iii) The maximum net effective interest rate on the Series 2021
6 Bonds shall not exceed 10% per annum.

7 (iv) The minimum net present value savings (i.e. net of all costs
8 of issuance of the Series 2021 Bonds) achieved by the Refunding shall be three percent
9 (3%).

10 (v) The Series 2021 Bonds shall be dated as of the date of
11 delivery of the Series 2021 Bonds.

12 (vi) The Series 2021 Bonds shall be issued only as fully
13 registered bonds in minimum denominations of at least \$5,000, subject to book-entry
14 only system of registration.

15 (vii) The Series 2021 Bonds shall be numbered consecutively
16 from one upwards or as otherwise requested by the Purchaser.

17 (viii) The Series 2021 Bonds may mature in serial or term
18 maturities with the last such maturity no later than October 1, 2038.

19 (ix) The Series 2021 Bonds shall be subject to optional
20 redemption, special optional redemption and mandatory redemption as shall be set forth
21 in the Indenture.

22 (x) Prior to selling the Series 2021 Bonds, any required approval
23 by the City shall first have been obtained.

24 Section 2. Additional Requirements.

25 A. The Series 2021 Bonds shall mature not later than October 1,
26 2038, which is the final maturity date of the Refunded Bonds.

27 B. A reasonably required debt service reserve fund requirement (the
28 "Reserve Requirement") shall be established in connection with the Series 2021 Bonds,

1 which may be satisfied by purchasing a debt service reserve fund insurance policy with
2 coverage in the amount of the Reserve Requirement.

3 Section 3. Ratification and Approval of Issuance and Sale of Series 2021
4 Bonds. Pursuant to District Resolution No. 2021-07 based upon the findings set forth in
5 Section 1 of this Resolution, the issuance and sale of Series 2021 Bonds as set forth in
6 District Resolution No. 2021-07 adopted by the City Council's designees sitting as the
7 District Board, are hereby authorized and approved.

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

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

16 Section 6. Publication of Notice of Adoption of Resolution. The Clerk is hereby
17 directed to publish a notice of this Resolution, in substantially the following form:
18 Notice is hereby given of the title and general summary of the subject matter contained
19 in a resolution duly adopted and approved by the City Council of the City of
20 Albuquerque, New Mexico relating to ratification and approval of the issuance and sale
21 of The Trails Public Improvement District Special Levy Refunding Revenue Bonds,
22 Series 2021. Complete copies of the resolution are available for public inspection during
23 the regular business hours of the City Clerk, City of Albuquerque, New Mexico.

24 The title of the Resolution is as follows:

25 **RESOLUTION**

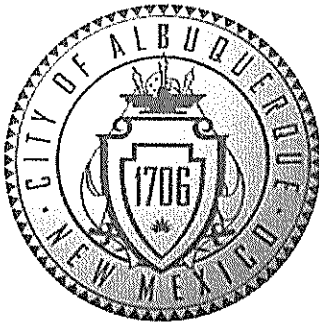
26 **MAKING FINDINGS IN CONNECTION WITH THE TRAILS PUBLIC IMPROVEMENT**
27 **DISTRICT'S RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF**
28 **SPECIAL LEVY REFUNDING REVENUE BONDS; RATIFYING AND APPROVING**
29 **THE ISSUANCE AND SALE OF THE TRAILS PUBLIC IMPROVEMENT DISTRICT**

1 SPECIAL LEVY REFUNDING REVENUE BONDS, SERIES 2021, AS
2 SUBSTANTIALLY CONSISTENT WITH THE REQUIREMENTS OF CITY
3 ORDINANCE ENACTMENT NO. 0-2003-12 AND CITY COUNCIL RESOLUTION NO.
4 R-07-13 ENACTMENT NO. R-2008-019.

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

6 (End of Form of Summary of Resolution for Publication)
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CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Tim Keller

INTER-OFFICE MEMORANDUM

September 21, 2021

TO: Cynthia Borrego, President - City Council

FROM: Tim Keller, Mayor 


SUBJECT: Bond Approval Resolution: The Trails Public Improvement District Special Levy Refunding Revenue Bonds, Series 2021 - \$12,840,000.

The attached bond approval resolution authorizes the issuance and sale of The Trails Public Improvement District Special Levy Refunding Revenue Bonds, Series 2021 in the maximum amount of \$12,840,000. The Series 2021 Bonds will refund, pay and defease the District's outstanding Series 2008 Special Levy Revenue Bonds resulting in lower interest rates and debt service savings for the District which will reduce the debt burden on property owners within The Trails Public Improvement District. The Trails Public Improvement District is a separate entity from the City and has its own governing board. City Council approval of public improvement district bonds is required prior to their issuance.

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


Bond Approval Resolution: The Trails Public Improvement District Special Levy Refunding Revenue Bonds, Series 2021 - \$12,840,000.

Approved:



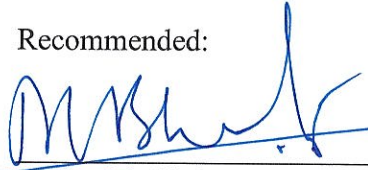
Sarita Nair Date
Chief Administrative Officer

Approved as to Legal Form:

DocuSigned by:
Esteban A. Aguilar, Jr. 9/23/2021 | 3:28 PM MDT 


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Esteban A. Aguilar, Jr. Date
City Attorney

Recommended:



Sanjay M. Bhakta Date
Chief Financial Officer

Recommended:



Lawrence Rael Date
Chief Operating Officer

DocuSigned by:
Renee Martinez 9/23/2021 | 1:22 PM PDT

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Renee Martinez
DFAS Director

Cover Analysis

1. What is it?

The attached bond approval resolution authorizes the issuance and sale of The Trails Public Improvement District Special Levy Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) in the maximum principal amount of \$12,840,000. City Council approval is required prior to issuance of bonds by public improvement districts.

2. What will this piece of legislation do?

The resolution authorizes the issuance and sale of The Trails Public Improvement District Special Levy Refunding Revenue Bonds, Series 2021 in the maximum principal amount of \$12,840,000.

3. Why is this project needed?

The Series 2021 Bonds will refund, pay and defease the District’s outstanding Series 2008 Special Levy Revenue Bonds resulting in lower interest rates and debt service savings for the District which will reduce the debt burden on property owners within The Trails Public Improvement District.

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

The Series 2021 Bonds will be issued in an amount of up to \$12,840,000. The debt service on the Series 2021 Bonds will be paid from the revenues of a special levy imposed on property owners benefitting from the infrastructure financed with the proceeds of the District’s Series 2008 Bonds which are being refunded. The Series 2021 Bonds are not an obligation of the City and no City funds will be used to pay the debt service on the Series 2021 Bonds.

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

The debt service on the Series 2021 Bonds will be paid from the revenues of a special levy imposed on property owners benefitting from the infrastructure financed with the proceeds of the Series 2008 Bonds which are being refunded.

6. What will happen if the project is not approved?

If the Resolution is not adopted, the Series 2021 Bonds will not be issued and the District’s Series 2008 Bonds will remain outstanding with the higher interest rates.

7. Is this service already provided by another entity?

N/A

FISCAL IMPACT ANALYSIS

TITLE: MAKING FINDINGS IN CONNECTION WITH THE TRAILS PUBLIC IMPROVEMENT DISTRICT'S
RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL LEVY REFUNDING
REVENUE BONDS;

R: xxxx O:

FUND: xxxx

DEPT: xxxx

☒ 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:

		Fiscal Years			Total
		2022	2023	2024	
Base Salary/Wages					-
Fringe Benefits	35.54%	-	-	-	-
Subtotal Personnel		-	-	-	-
Operating Expenses			-		-
Debt Service					-
Property			-		-
Indirect Costs	2.50%	-	-	-	-
Total Expenses		\$ -	\$ -	\$ -	\$ -
<hr/>					
[] Estimated revenues not affected					
[x] Estimated revenue impact					
Revenue from Fund 405		0	-	\$ -	-
Amount of Grant					
City Cash Match -Fund 405					
City In-kind Match					
City IDOH		-	-	-	-
Total Revenue		\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

Number of Positions created

COMMENTS: There is no fiscal impact to the City for refunding The Trails PID Revenue Bonds, Series 2008. The City is not responsible for the debt service on PIDs. The Trails PID is a separate entity and has its own governing board. Net present value savings to property owners within the PID is estimated at \$1,433,861 or 17.11% of refunded principal. Please see attached debt service schedules.

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

PREPARED BY:

APPROVED:

FISCAL ANALYST

DIRECTOR (date)

REVIEWED BY:

EXECUTIVE BUDGET ANALYST

BUDGET OFFICER (date)

CITY ECONOMIST

The Trails Public Improvement District

Proposed Refunding of Special Levy Revenue Bonds, Series 2008

September 14, 2021

Provided by:



SUMMARY OF BONDS REFUNDED
The Trails Public Improvement District
Proposed Series 2021 Refunding of Series 2008 Bonds

Special Levy Revenue Bonds, Series 2008

	Date	Interest Rate	Par Amount	Call Date
Term 2023	10/1/2022	7.625%	255,000	Currently callable
	10/1/2023	7.625%	275,000	Currently callable
Term 2038	10/1/2024	7.750%	295,000	Currently callable
	10/1/2025	7.750%	320,000	Currently callable
	10/1/2026	7.750%	340,000	Currently callable
	10/1/2027	7.750%	370,000	Currently callable
	10/1/2028	7.750%	400,000	Currently callable
	10/1/2029	7.750%	430,000	Currently callable
	10/1/2030	7.750%	460,000	Currently callable
	10/1/2031	7.750%	495,000	Currently callable
	10/1/2032	7.750%	535,000	Currently callable
	10/1/2033	7.750%	575,000	Currently callable
	10/1/2034	7.750%	620,000	Currently callable
	10/1/2035	7.750%	670,000	Currently callable
	10/1/2036	7.750%	720,000	Currently callable
	10/1/2037	7.750%	780,000	Currently callable
	10/1/2038	7.750%	840,000	Currently callable
			\$ 8,380,000	

SAVINGS SUMMARY
The Trails Public Improvement District
Proposed Series 2021 Refunding of Series 2008 Bonds
(Non-Rated)

Date	Prior Debt Service	I&S Transfer	Refunding Debt Service	Savings
10/1/2022	903,788	106,329	624,228	173,231
10/1/2023	904,344		701,350	202,994
10/1/2024	903,375		699,650	203,725
10/1/2025	905,513		702,650	202,863
10/1/2026	900,713		695,200	205,513
10/1/2027	904,363		702,600	201,763
10/1/2028	905,688		700,000	205,688
10/1/2029	904,688		701,800	202,888
10/1/2030	901,363		697,800	203,563
10/1/2031	900,713		698,200	202,513
10/1/2032	902,350		697,800	204,550
10/1/2033	900,888		696,600	204,288
10/1/2034	901,325		699,600	201,725
10/1/2035	903,275		696,600	206,675
10/1/2036	901,350		697,800	203,550
10/1/2037	905,550		703,000	202,550
10/1/2038	905,100		702,000	203,100
	<u><u>\$ 15,354,381</u></u>	<u><u>\$ 106,329</u></u>	<u><u>\$ 11,816,878</u></u>	<u><u>\$ 3,431,174</u></u>

True Interest Cost (TIC)

3.77%

PV Savings

\$ 2,223,808

Less: Prior funds on hand

794,528

Plus: Refunding funds on hand

4,582

Net PV Savings

\$ 1,433,861

PV savings as % of refunded principal

17.111%

SOURCES AND USES
The Trails Public Improvement District
Proposed Series 2021 Refunding of Series 2008 Bonds

Sources:

Par Amount	8,545,000
Premium	226,229
DSRF Liquidation	794,528
I&S Transfer	106,329
Total Sources:	\$ 9,672,086

Uses:

Refunding Escrow Deposit	8,486,329
Cost of Issuance	350,000
Underwriter's Discount	128,175
Debt Service Reserve Fund	703,000
Additional Proceeds	4,582
Total Uses:	\$ 9,672,086

SUMMARY FINANCING SCHEDULE

THE TRAILS PUBLIC IMPROVEMENT DISTRICT (ALBUQUERQUE, NEW MEXICO) SPECIAL LEVY REFUNDING REVENUE BONDS, SERIES 2021

September 2021							October 2021							November 2021						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	28	30	28	29	30				
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DATE	ACTIVITY
Tuesday, September 14, 2021	PID Board Meeting to consider Engagement of Professionals Resolution
Monday, September 20, 2021	Distribute Bond Parameters Resolution
Friday, September 24, 2021	Debt Committee Refunding Presentation
Friday, September 24, 2021	Distribute draft Preliminary Official Statement
Wednesday, September 29, 2021	PID Board Meeting to adopt Bond Parameters Resolution and approve bond documents
Monday, October 4, 2021	Introduce City Council Approval Resolution at City Council Meeting
Monday, October 18, 2021	Final Action on City Council Approval Resolution
Tuesday, October 19, 2021	Post Preliminary Official Statement
Tuesday, October 26, 2021	Pricing, Approval and Execution of Sale Certificate
Monday, November 1, 2021	30 Day Limitation of Actions Period Expires
Wednesday, November 3, 2021	Post Official Statement
Friday, November 5, 2021	Execute Closing Documents
Monday, November 8, 2021	Closing; Redeem Bonds