



Legislation Text

File #: R-21-206, Version: 2

**CITY of ALBUQUERQUE
TWENTY-FOURTH COUNCIL**

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

SPONSORED BY: Cynthia D. Borrego, by request

RESOLUTION

Making Findings In Connection With The Trails 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 Trails Public Improvement District Special Levy Refunding Revenue Bonds, Series 2021, As Substantially Consistent With The Requirements Of City Ordinance Enactment No. 0-2003-12 And City Council Resolution No. R-07-13 Enactment No. R-2008-019 (Borrego, by request)

MAKING FINDINGS IN CONNECTION WITH THE TRAILS 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 TRAILS PUBLIC IMPROVEMENT DISTRICT SPECIAL LEVY REFUNDING REVENUE BONDS, SERIES 2021, AS SUBSTANTIALLY CONSISTENT WITH THE REQUIREMENTS OF CITY ORDINANCE ENACTMENT NO. 0-2003-12 AND CITY COUNCIL RESOLUTION NO. 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.

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

improvements; and

WHEREAS, pursuant to the Formation Resolution, the Council approved the Development Agreement between the Petitioner, the City and The Trails Public Improvement District, by which the District financed various Infrastructure Improvements to serve approximately 255 acres, located wholly within the corporate boundaries of the City, consisting of 2,319 single-family dwelling units and multifamily residential units, which is an authorized purpose and appropriate use of a public improvement district as set forth in the Act and the PID Ordinance; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2. Additional Requirements.

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

B. A reasonably required debt service reserve fund requirement (the "Reserve Requirement") shall be established in connection with the Series 2021 Bonds, which may be satisfied by purchasing a debt service reserve fund insurance policy with coverage in the amount of the Reserve Requirement.

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

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

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

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

Notice is hereby given of the title and general summary of the subject matter contained in a resolution duly adopted and approved by the City Council of the City of Albuquerque, New Mexico relating to ratification and approval of the issuance and sale of The Trails Public Improvement District Special Levy Refunding Revenue Bonds, Series 2021. Complete copies of the resolution are available for public inspection during the regular business hours of the City Clerk, City of Albuquerque, New Mexico.

The title of the Resolution is as follows:

RESOLUTION

MAKING FINDINGS IN CONNECTION WITH THE TRAILS 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 TRAILS PUBLIC IMPROVEMENT DISTRICT SPECIAL LEVY REFUNDING REVENUE BONDS, SERIES 2021, AS SUBSTANTIALLY CONSISTENT WITH THE REQUIREMENTS OF CITY ORDINANCE ENACTMENT NO. 0-2003-12 AND CITY COUNCIL RESOLUTION NO. R-07-13 ENACTMENT NO. R-2008-019.

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

(End of Form of Summary of Resolution for Publication)

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