



Legislation Text

File #: R2017-044, Version: 1

Consider approving Resolution No. 2017-044 authorizing the dedication of Tax Increment Financing Reinvestment Zone Number Three revenue toward the reduction of the Mercer Crossing Public Improvement District annual assessments; and take appropriate action.

BACKGROUND:

The City Council approved Resolution No. 2017-028 on February 14, 2017 authorizing the creation of the Mercer Crossing Public Improvement District. The purpose of the district is to finance public improvements. The City Council has reviewed the Public Improvement District Service and Assessment Plan and Assessment Roll and, Assessment Ordinance levied assessments against certain parcels within the Public Improvement District. On February 21, 2017 the City adopted Ordinance No. 3431 approving the Final Reinvestment Zone Financing and Project Plan.

The Tax Increment collected each year shall be deposited in to the Tax Increment Fund and a portion of the Tax Increment in an aggregate amount not to exceed \$57,762,742, over the life of the Zone, shall be transferred annually to an assessment fund. The City will reduce each year the Annual Installments of the Assessments in an amount equal to the tax increment revenues dedicated to the Public Improvements in the Plan and transferred to the Assessment Fund each year. The City will use Zone Revenues to offset the Assessment applicable to each Parcel. The Annual Installment due for each Parcel will be calculated by taking Zone Annual Credit Amounts applicable to the Parcel, then deposit in the Assessment Fund.

The SAP established \$43,247,845.00 plus interest at the rate set forth in the SAP, as cost of the Public Improvements are assessed against the Assessed Property. The SAP allocated the Public Improvements Costs to the Assessed Property, and the SAP contemplated the allocation of the Public Improvements Costs proportionally based on the Equivalent Units calculated for each Land Use Class anticipated to be built on each Parcel once the District Property is developed. The assessments against the Assessed Property are reflected in the SAP as approved by the City Council and updated annually. The SAP and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full, and if an assessment is not paid in full, it shall be due and payable in Annual Installments plus interest for a period of 30 years or until the Assessment is paid in full. All revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs, and Administrative Expenses) (the "Assessment Revenue") shall be deposited as required by the PID Act into the Assessment Fund. The Assessment Revenue and Zone Revenues deposited into the Assessment Fund shall be used to reimburse the Developer for Public Improvements Costs in an amount not to exceed \$43,247,845.00, plus interest at the rate set forth in the SAP. The obligations of the City to use the Zone Revenues is authorized by the Zone Act.

DISCUSSION:

Resolution No. 2017-044 provides the Tax Increment Financing Reinvestment Zone Number Three Tax Increment Dedication to the Reduction of the Annual Installments.

RECOMMENDATION:

City Administration recommends approval of Resolution No. 2017-044, as presented.

POSSIBLE COUNCIL ACTION:

1. I move to approve Resolution No. 2017-044, as presented.
2. I move to approve Resolution No. 2017-044, with modifications.
3. I move to table the issue for further study or take no action.

ATTACHMENTS:

1. Resolution No. 2017-044