

Legislation Text

File #: Resolution 62-2018, **Version:** 1

Agenda Date: 10/16/2018

Subject:

A resolution adopting the Aspen Grove Business Improvement District 2019 Operating Plan and Budget

Presented By: Steve Kemp, City Attorney

REQUESTED COUNCIL ACTION:

Does city council support adopting the 2019 Operating Plan and Budget for the Aspen Grove Business Improvement District (BID)?

BACKGROUND:

The Aspen Grove BID was formed to finance the public improvements necessary for the development and operation of the Aspen Grove Lifestyle Center. As of October 16, 2016, the Aspen Grove Lifestyle Center is owned by Aspen Grove GRF2, LLC, a Delaware limited liability company.

STAFF ANALYSIS:

The BID did not construct or acquire improvement during 2018.

As set forth in its 2018 Operating Plan and Budget, on April 13, 2018, the BID issued a \$5,435,000 Limited Tax General Obligation Refunding Bond, Series 2018 ("2018 Bond"), refunding the BID's Limited Tax General Obligation Refunding Bonds, Series 2007, outstanding in the amount of \$6,500,000. The 2018 Bond was purchased by BB&T Bank. The 2018 Bond bears interest at the rate of 3.45% and has a final maturity of December 1, 2030. The 2018 Bond produced a net present value savings to the BID of \$181,244.60, or approximately 3.334767%.

In 2008 city council excluded Lot 2, Block 3, Aspen Grove Subdivision ("Lot 2") from the BID's territorial boundaries so that Lot 2 could be developed into residential apartment units. Even though Lot 2 was excluded from the BID's territorial boundaries, it remains subject to the BID's debt service mill levy for the bonds that were in place at the time of the exclusion including any debt service mill levy that is necessary to pay principal and interest on any refunding bonds, including the 2018 Bond.

The 2018 preliminary assessed valuation for the area that is subject to the BID's debt service mill levy is \$26,460,543, which is slightly less than the BID's 2017 final assessed valuation of \$26,586,973. Even though the BID's preliminary assessed valuation for 2018 is slightly less than the BID's 2017 assessed valuation, the BID's debt service mill levy should remain at approximately 40 mills.

The BID has no plans to construct any improvements during 2019.

In 2019, the BID's focus will be to service the BID's outstanding 2018 Bond and to maintain the public

improvements the BID currently owns. The BID has sufficient funds to make its next debt service payment due December 1, 2018 in the amount of \$580,000. Based on the BID's 2019 Budget, the BID will have sufficient funds to make all scheduled 2019 debt service payments.

OPTIONS/ALTERNATIVES:

N/A

FISCAL IMPACTS:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of the resolution adopting the 2019 Operating Plan and Budget for the Aspen Grove BID.

PROPOSED MOTION:

I move to approve the resolution adopting the 2019 Operating Plan and Budget for the Aspen Grove Business Improvement District.