



Legislation Text

File #: 19-64, **Version:** 1

Fronterra Village Metro District 2 Refunding Request

Summary and Background Information:

The District's board is homeowner controlled and is seeking to refund \$7.625M in outstanding bonds by issuing refunding bonds of \$6.88M (with the original bond premium and reserve fund paying the remainder and associated costs). The District indicates that zero new money would be issued and the District would benefit from a lower interest rate.

The District wants to make sure that the refunding would not cause the "debt limitation" in the 2002 Service Plan (amended in 2007) to be exceeded. The City's current model plan allows for refundings to not count towards the debt limit. As the Service Plan is ambiguous, the District is using a procedure under the Special District Act to provide a "45-day notice" by publication (on 9/3) and court filing. If an interested party believes the proposed action violates the Service Plan, it must seek an injunction within 45 days of the publication.

Action Needed/Options:

1. The District is asking for the City to formally consent to the refunding, essentially waiving the 45-day notice and acknowledging the refunding is allowed under the Service Plan. This could be accomplished by motion to approve signing the "Acknowledgement and Consent" in the attached.
2. The City could do nothing, in which case the District could rely on the lack of an injunction within 45 days.
3. The City could object and seek to stop the refunding.

Staff Responsible (Department Head):

Staff Member Presenting: Robert Sheesley, City Attorney

Financial Impact:

Funding Source:

Staff Recommendation:

Suggested Motion: