

City of Brisbane

Agenda Report

To: City Council via City Manger
From: Betsy Cooper, Deputy Finance Director
Date: June 3, 2013
Subject: Northeast Ridge Assessment District 2001 Bonds refunding

Purpose:

To reduce the amount of payments made by the residents of the Northeast Ridge Assessment District.

Recommendation:

Approve Resolutions 2013-20 adopting the intention to Levy Reassessments and to issue bonds for the Northeast Ridge Assessment District.

Approve Resolution 2013-21 adopting Reassessment Report for the Northeast Ridge Assessment District and confirming and ordering new reassessments.

Approve Resolution 2013-22 authorizing the Issuance of Refunding Bonds, executing a fiscal agent agreement and an escrow agreement for the Northeast Ridge Assessment District.

Background:

In 1995, the City of Brisbane formed the Northeast Ridge Assessment District when there were three parcels of vacant land and approval for 579 housing units. The bonds were issued to acquire certain streets, curbs, gutters, sidewalks, water system and storm drainage improvements within the district. The special assessment bonds were issued in the amount of \$7,860,000 in December 1995 which were secured by the unpaid assessments.

In 2001, the City conducted reassessment proceedings to reduce the burden on the parcels in the District. The 1995 bonds were refunded in the amount of \$6,975,000 and were secured by the unpaid 2001 Reassessments.

Discussion:

With the current low interest rates, we now have the opportunity to reduce the burden on the parcels again. We have been approached by a bank who is offering to refund the outstanding bonds at 3.05%. This will save the homeowners at the ridge about \$190,000 over the remaining life of the debt. Current interest rate on the bonds is 5.6-5.875%.

Fiscal Impact:


This is not a debt of the City, therefore there is no fiscal impact to the City. This does lower the payments for the property owners in the assessment district by amounts between \$51.25 and \$289.00 depending on parcel and year.

Attachments:

1. Resolution 2013-20
2. Resolution 2013-21
3. Resolution 2013-22
4. Fiscal Agent Agreement
5. Escrow Agreement
6. Reassessment Report



Betsy Cooper, Deputy Finance Director



Clay Holstine, City Manager

\$3,395,000
City of Brisbane, California
Limited Obligation Refunding Bonds
Northeast Ridge Assessment District
(Reassessment and Refunding of 2013)



Tentative Issuance Schedule

Date	Activity	Participants
Monday, 04/22/13	Initial credit commitment received	PA
Friday, 04/26/13	Begin reassessment report	RE
Tuesday, 04/30/13	Draft refunding numbers distributed	FA
Monday, 05/13/13	Distribute draft reassessment report	RE
Friday, 05/17/13	Distribute draft bond documents	BC
Wednesday, 05/22/13	<ul style="list-style-type: none"> • Conference call to review documents • Finalize numbers 	All
Thursday, 05/23/13	Reassessment report complete	All
Friday, 05/24/13	Bond documents provided to City	BC
Monday, 06/03/13	Council adopts <ul style="list-style-type: none"> • bond resolution • reassessment resolution 	BRIS
Tuesday, 07/09/13	Bond Closing	All
Thursday, 08/01/13	Send Notice of Redemption	
Monday, 09/02/13	2001 Bonds redemption date	

Participants Key

BRIS = City of Brisbane, Issuer
 BC = Quint & Thimming, Bond Counsel
 FA = JNA Consulting Group LLC, Financial Advisor
 RE = NBS, Reassessment Engineer
 PA = Brandis Tallman, Placement Agent

City of Brisbane, California
Assessment Refunding Bonds, Series 2013 (2001 NRAD)
Debt Service Savings and Summary Schedule

Issue Summary

Dated Date	06/26/2013
Delivery Date	06/26/2013
Par Amount	\$3,395,000
Refunded Par	\$3,785,000
Avg Annual Savings	ERR
Total Savings	\$190,056
Present Value Savings	\$145,612
% of Refunding Par	4.289%
% of Refunded Par	3.847%
Net Underwriter's Spread	0.442%
Total Costs as % of Par	2.968%
TIC	3.16040%
Bond Yield	3.04856%
Arbitrage Yield	3.04856%
Escrow Yield	NA
Average Life - Refunding Bonds	4.31
Average Life - Refunded Bonds	4.41
Estimated Neg(Pos) Arbitrage	NA

Sources

Par Amount	\$3,395,000.00
Original Issue Prem/(Disc)	0.00
Debt Service Fund	599,071.46
Reserve Fund	356,805.71
Accrued Interest	<u>0.00</u>
Total	\$4,350,877.17

Uses

Gross Requirement	\$3,997,191.88
Initial Escrow Deposit	1.00
Reserve Fund	250,000.00
Placement Agent	15,000.00
Insurance	0.00
Issuance Costs	85,750.00
Accrued Interest	0.00
Miscellaneous	<u>2,934.29</u>
Total	\$4,350,877.17

City of Brisbane, California
 Assessment Refunding Bonds, Series 2013 (2001 NRAD)
 Debt Service Savings and Summary Schedule

Date	Principal	Rate	Interest	Annual Debt Service	Refunded Debt Service	Cashflow Savings
06/26/2013						
03/02/2014			70,757.46			
09/02/2014	430,000	3.050%	51,773.75	552,531.21	608,823.75	56,292.54
03/02/2015			45,216.25			
09/02/2015	460,000	3.050%	45,216.25	550,432.50	605,453.75	55,021.25
03/02/2016			38,201.25			
09/02/2016	470,000	3.050%	38,201.25	546,402.50	605,513.75	59,111.25
03/02/2017			31,033.75			
09/02/2017	485,000	3.050%	31,033.75	547,067.50	603,668.75	56,601.25
03/02/2018			23,637.50			
09/02/2018	505,000	3.050%	23,637.50	552,275.00	610,468.75	58,193.75
03/02/2019			15,936.25			
09/02/2019	520,000	3.050%	15,936.25	551,872.50	610,212.50	58,340.00
03/02/2020			8,006.25			
09/02/2020	525,000	3.050%	8,006.25	541,012.50	598,193.75	57,181.25
	3,395,000		446,593.71	3,841,593.71	4,242,335.00	400,741.29
					Less: DS Cash	(103,879.59)
					Less: Reserve Cash	<u>(106,805.71)</u>
					Net Savings	<u>190,056.00</u>

City of Brisbane, California
 Assessment Refunding Bonds, Series 2013 (2001 NRAD)
 Pricing Schedule

Date	Principal	Coupon	Yield	Call Date Price	09/02/2015 Production
06/26/2013					
09/02/2014	430,000	3.050%	3.050%	100.0000	430,000.00
09/02/2015	460,000	3.050%	3.050%	100.0000	460,000.00
09/02/2016	470,000	3.050%	3.050%	100.0000	470,000.00
09/02/2017	485,000	3.050%	3.050%	100.0000	485,000.00
09/02/2018	505,000	3.050%	3.050%	100.0000	505,000.00
09/02/2019	520,000	3.050%	3.050%	100.0000	520,000.00
09/02/2020	525,000	3.050%	3.050%	100.0000	525,000.00
	3,395,000.00	Par Amount			3,395,000.00
	(15,000.00)	- Discount Bid			
	3,380,000.00	= Amount Bid			
	15,000.00	+ Gross Underwriter's Spread			
	3,395,000.00	= Price to Public			

City of Brisbane, California
Assessment Refunding Bonds, Series 2013 (2001 NRAD)
Yield Calculation

Date	Debt Service	TIC		AYL	
		Present Value	Bond Yield Present Value	Adjusted Debt Service	Present Value
06/26/2013					
03/02/2014	70,757.46	69,257.45	69,309.59	70,757.46	69,309.59
09/02/2014	481,773.75	464,224.80	464,830.17	481,773.75	464,830.17
03/02/2015	45,216.25	42,891.44	42,971.03	45,216.25	42,971.03
09/02/2015	505,216.25	471,785.26	472,921.03	505,216.25	472,921.03
03/02/2016	38,201.25	35,118.47	35,222.40	38,201.25	35,222.40
09/02/2016	508,201.25	459,922.49	461,537.71	508,201.25	461,537.71
03/02/2017	31,033.75	27,648.66	27,761.04	31,033.75	27,761.04
09/02/2017	516,033.75	452,594.10	454,684.05	516,033.75	454,684.05
03/02/2018	23,637.50	20,409.07	20,514.61	23,637.50	20,514.61
09/02/2018	528,637.50	449,335.37	451,907.68	528,637.50	451,907.68
03/02/2019	15,936.25	13,334.90	13,418.62	15,936.25	13,418.62
09/02/2019	535,936.25	441,476.54	444,493.11	535,936.25	444,493.11
03/02/2020	8,006.25	6,492.54	6,540.50	8,006.25	6,540.50
09/02/2020	533,006.25	425,508.91	428,888.45	533,006.25	428,888.45
	3,841,593.71	3,380,000.00	3,395,000.00	3,841,593.71	3,395,000.00
Target Value					
	Par Amount	3,395,000.00	3,395,000.00		3,395,000.00
	Premium/OIP	(15,000.00)	0.00		0.00
	Insurance		0.00		0.00
	Accrued Interest		0.00		0.00
		3,380,000.00	3,395,000.00		3,395,000.00
	TIC/AYL	3.16040%	3.04856%		3.04856%

City of Brisbane, California
 Assessment Refunding Bonds, Series 2013 (2001 NRAD)
 Refunded Bonds Debt Service Schedule

Date	Principal	Rate	Interest	Semiannual Debt Service	Annual Debt Service	Call Date:
						09/02/2013
						Call Price:
						103.00
						Debt Service to Call
03/02/2013						
09/02/2013	385,000	5.600%	110,191.88	495,191.88	495,191.88	3,997,191.88
03/02/2014			99,411.88	99,411.88		
09/02/2014	410,000	5.700%	99,411.88	509,411.88	608,823.75	
03/02/2015			87,726.88	87,726.88		
09/02/2015	430,000	5.800%	87,726.88	517,726.88	605,453.75	
03/02/2016			75,256.88	75,256.88		
09/02/2016	455,000	5.900%	75,256.88	530,256.88	605,513.75	
03/02/2017			61,834.38	61,834.38		
09/02/2017	480,000	5.875%	61,834.38	541,834.38	603,668.75	
03/02/2018			47,734.38	47,734.38		
09/02/2018	515,000	5.875%	47,734.38	562,734.38	610,468.75	
03/02/2019			32,606.25	32,606.25		
09/02/2019	545,000	5.875%	32,606.25	577,606.25	610,212.50	
03/02/2020			16,596.88	16,596.88		
09/02/2020	565,000	5.875%	16,596.88	581,596.88	598,193.75	
03/02/2021						
	3,785,000		952,526.88	4,737,526.88	4,737,526.88	3,997,191.88

City of Brisbane, California
 Assessment Refunding Bonds, Series 2013 (2001 NRAD)
 Escrow Requirements Schedule

Date	Maturing Principal	Called Principal	Call Premium	Interest	Unrestricted Cashflow	Bond Payoff	Present Value @ 3.04856%
06/26/2013							
09/02/2013	385,000	3,400,000	102,000.00	110,191.88	0.00	3,997,191.88	3,975,081.37
	385,000	3,400,000	102,000.00	110,191.88	0.00	3,997,191.88	3,975,081.37

City of Brisbane, California
 Assessment Refunding Bonds, Series 2013 (2001 NRAD)
 Escrow Cost and Cashflow Schedule

Date	Maturing Principal	Rate	Interest Receipt	Total Receipt	Escrow Requirement	Balance	Price	Yield Limit Escrow Yield Cost	3.048564% NA Present Value
06/26/2013						3,997,192.88			
09/02/2013	0	0.000%	0.00	0.00	3,997,191.88	1.00	100.000	0.00	0.00
	0		0.00	0.00	3,997,191.88			0.00	0.00

City of Brisbane, California
 Assessment Refunding Bonds, Series 2013 (2001 NRAD)
 Savings Calculation

Date	Refunding Debt Service	Refunded Debt Service	Cashflow Savings	Present Value
06/26/2013	0.00		0.00	0.00
09/02/2013		495,191.88	495,191.88	492,452.72
03/02/2014	70,757.46	99,411.88	28,654.42	28,068.08
09/02/2014	481,773.75	509,411.88	27,638.13	26,666.12
03/02/2015	45,216.25	87,726.88	42,510.63	40,399.76
09/02/2015	505,216.25	517,726.88	12,510.63	11,710.90
03/02/2016	38,201.25	75,256.88	37,055.63	34,166.11
09/02/2016	508,201.25	530,256.88	22,055.63	20,030.46
03/02/2017	31,033.75	61,834.38	30,800.63	27,552.50
09/02/2017	516,033.75	541,834.38	25,800.63	22,733.27
03/02/2018	23,637.50	47,734.38	24,096.88	20,913.29
09/02/2018	528,637.50	562,734.38	34,096.88	29,147.84
03/02/2019	15,936.25	32,606.25	16,670.00	14,036.45
09/02/2019	535,936.25	577,606.25	41,670.00	34,560.13
03/02/2020	8,006.25	16,596.88	8,590.63	7,017.89
09/02/2020	533,006.25	581,596.88	48,590.63	39,098.90
	3,841,593.71	4,737,526.88	895,933.17	848,554.41
		Less: DSF Monies	(599,071.46)	(599,071.46)
		Less: Reserve Monies	(106,805.71)	(106,805.71)
		Plus: Miscellaneous	<u>2,934.29</u>	<u>2,934.29</u>
		Net Savings	192,990.29	145,611.54