



Legislation Text

File #: 15-059, **Version:** 1

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SUBJECT: Fahren's Park Assessment District Bond Call

REPORT IN BRIEF

Consider approving Fahren's Park Assessment District early Bond Call.

RECOMMENDATION

City Council - Adopt a motion approving Fahren's Park Assessment District Early Bond Call; and, authorizing the Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

1. Approve as recommended; or,
2. Refer back to staff for further study; or,
3. Deny; or,
4. Take no action.

AUTHORITY

Section 1105 of the City of Merced Charter

CITY COUNCIL PRIORITIES

Fiscal Administration

DISCUSSION

On November 16, 1998 there was a Development Agreement executed between the City of Merced and Fahren's Park, LP (Dunmore Homes). Pursuant to section 3.06 of the Development agreement, the developer is entitled to reimbursement from Public Facility Financing Plan fees for certain regional Public Improvements required to be installed as part of the development. These Public Improvements included: 1) Yosemite Avenue paving from Fahren's Creek to Highway 59; 2) Yosemite Avenue Bridge over Fahren's Creek; and 3) Yosemite Avenue bike undercrossing.

Developer, Fahren's Park, LP (Dunmore Homes), filed a petition with the City and the City instituted and proceeded under the Municipal Improvement Act of 1913 for the formation of a special assessment district known as the Fahren's Park Specific Plan Assessment District. On February 20, 2002 Fahren's Park Specific Plan Assessment District 2002 Limited Obligation Improvement Bonds

were issued in the amount of \$5,914,453 to finance the Public Improvements.

Since the above Public Improvements were originally funded by bond proceeds and Fahren's Park, LP (Dunmore Homes) dissolved due to insolvency, the reimbursable amount totaling \$276,274 should be refunded to the Assessment District to be used to pay down the principal of the bond.

IMPACT ON CITY RESOURCES

According to the official bond statement, bond calls are done in denominations of \$5,000 or any integral multiple thereof. Therefore, \$270,000 will be used to pay down the principal of the bond. As a result of this early bond call each parcel in the assessment district will realize annual savings which will be determined when the bond call process is complete.

ATTACHMENTS

1. Fahren's Park Assessment District Map