



Ordinance Creating the 2021 SAD No. 2 (StoneGate I)

City Council Meeting
April 28, 2021

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Finance Director

CURRENT

- August 31, 2018 – Finance staff received an outline of Developer's proposal
- February 13, 2019 – Council approved a Deposit & Reimbursement Agreement of \$150,000 to pay the City's costs to proceed with the formation of the proposed assessment district
- March 10, 2021 – Council approved a Development and Financing Agreement

PROPOSED

- The Ordinance is required in order to create the StoneGate Special Assessment District (SAD)
- The SAD must be formed prior to issuance of special assessment bonds contemplated in the Council approved Development and Financing Agreement (DFA)

BENEFIT

- Formation of the SAD will allow for issuance of tax-exempt bonds.
- Tax-exempt bonds will be used to construct public infrastructure at a lower cost than conventional financing.
- The reduction of between \$16.7M and \$44.2M in interest costs allows for more affordable housing in the development

Next Steps

- Contribution Agreement for Affordable Housing – currently negotiating with Developer
- May 12, 2021 – First Reading of the Assessment Ordinance & Adoption of the Creation Ordinance
- May 26, 2021 – First Reading of the Bond Ordinance & Adoption of the Assessment Ordinance
- June 9, 2021 – Adoption of the Bond Ordinance
- August 17, 2021 – Bond transaction scheduled to close

RECOMMENDATION

- Staff recommends Council conduct the first reading of the Creation Ordinance and refer it for a second reading.