

City Council Work Session Handouts

January 6, 2014

- I. Review and Discuss the TIF #1 Brick Row Agreement Amendment
- II. Review and Discuss the Sale of 2014 Certificate of Obligations – Series 2014

Brick Row Amendment For TIF Zone #1 Infrastructure Reimbursement, Grant and Development Agreement

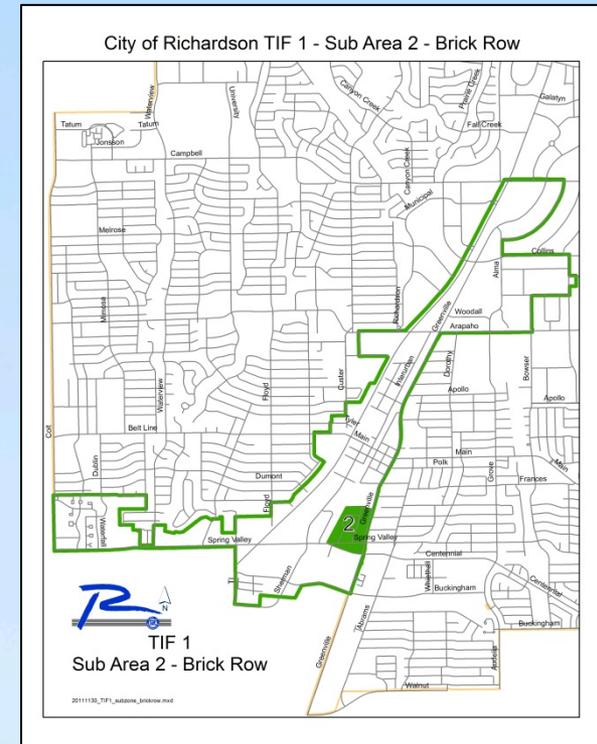
*City Council
Presentation
January 6, 2014*





Brick Row Development Overview

- Mixed use, transit-oriented development that includes townhomes, multi-family, retail/office space
- At build-out the neighborhood will comprise a walkable urban neighborhood comprising nearly 900 urban-style apartment homes and townhouses, ground floor retail and extensive amenities.
- Located on 30 acres at the NW corner of Greenville Ave at Spring Valley Rd.
- Designated as Sub-area #2 in the District





Brick Row Development Overview

- In 2007, City began working with the property owner to replace a deteriorating apartment complex and 16 single-family homes, all built in the 1960's.



- Original TIF Board entered into a Grant and Reimbursement Agreement with the Developer in September 2007.
- Due to several challenges, the Developer was not able to meet the Infrastructure completion dates that were originally contemplated in the agreement. **However, all infrastructure commitments are now complete.**



Brick Row Overview

Development Challenges

- Key Challenges for Developer
 - 2008 Economic downturn
 - Impacted market dynamics for condominiums, townhomes, apartments and retail
 - Market is still not there for condominiums and retail
 - Key Development partner passed away during construction
 - Contractor responsible for site/land work went out of business during project
 - Initial townhome developer left project



Brick Row Overview

Mixed Use Development History

2007 - Present

Use	Approved	Amended	Complete	Balance
Apartments	500	+77	<i>577</i>	0
Townhouses	140	+30	<i>106</i>	64
Condos	300	-300	<i>0</i>	0
Retail SF	51,619	0	<i>16,764</i>	34,855



Brick Row Overview

Value History

Fiscal Year	2006 Base Value	Certified Taxable Value	Captured Value	Incremental Value	City Tax Revenue
2013-14	\$10,704,578	\$71,072,291	\$60,367,713	\$60,367,713	\$383,432
2012-13	\$10,704,578	\$48,700,420	\$37,995,842	\$37,995,842	\$241,334
2011-12	\$10,704,578	\$40,668,620	\$29,964,042	\$29,964,042	\$190,319
2010-11	\$10,704,578	\$30,426,450	\$19,721,872	\$19,721,872	\$125,279
2009-10	\$10,704,578	\$10,107,230	(\$597,348)	(\$597,348)	(\$3,436)
2008-09	\$10,704,978	\$12,514,450	\$1,809,472	\$1,809,472	\$10,407
2007-08	\$10,704,978	\$9,548,710	(\$1,156,268)	(\$925,014)	(\$5,320)

- Eighteen Years Remain in the TIF Zone after 2013-2014.



TIF Agreement Overview

- Agreement requires Brick Row to purchase land for and construct an Urban Park and Infrastructure
- **Termination of all TIF obligations when they are paid off or at expiration of TIF – whichever occurs first**
- Agreement provides for two Incentives
 - **Grant** of up to \$3,299,865
 - For site demolition/utility relocations, land acquisition
 - Qualified for Grant beginning May 1, 2008
 - Accrues 7% Interest on unpaid portion of Grant
 - Through September 30, 2013
 - Paid \$567,498 in interest
 - Outstanding balance is \$4,166,043 (\$3,299,865 principal & \$866,178 interest)



TIF Agreement Overview

- **Reimbursement Amount** of up to \$6,285,726
 - For Urban Park and Infrastructure Components

Project	Reimbursement Amount	Required Completion Date
Urban Park	\$1,000,000	9/26/2010
Spring Valley Rd	\$229,901	9/26/2010
Tejas Trail	\$1,128,205	9/26/2011
Bruton Bends Dr	\$1,508,755	None
Greenville Ave	\$507,860	9/26/2010
Centennial Blvd	\$373,427	9/26/2011
Floyd Branch Drain.	\$1,537,578	9/26/2011
Total	\$6,285,726	

- 7% Interest – accrues from date contract is let for Urban Park and each Infrastructure Component
- Urban Park and Infrastructure are complete, but were not completed within dates set in the agreement



TIF Amendment

- Amendment is necessary to pay the Reimbursement Amount to reflect the updated completion dates
- Amendment addresses the following key items:
 - Removes Centennial Park Blvd Project from Agreement
 - Lowers Maximum Reimbursement Amt. to \$5,912,299.
 - Interest begins to accrue on the Reimbursement Amount from June 1, 2013 instead of when the contracts were let
 - States Company has satisfied the terms and conditions under the Original Agreement to be eligible to receive the Maximum Reimbursement Amount
 - Company will forgo County Increment since there is no eligible housing component; the County increment will remain in the TIF



Summary

- Centennial Park Richardson Ltd. has completed their obligations to construct an Urban Park and Infrastructure Components as part of the Brick Row Development
- The TIF Board reviewed this amendment change and approved it on October 17, 2013.
- Staff recommends approval of the amendment to the original TIF Zone #1 Agreement.



**Executive Summary
2014 Certificate of Obligation Sale
January 6, 2014**

BACKGROUND:

- During the 2013-2014 budget, the City Council planned to issue \$8,125,000 in Certificate of Obligation debt for equipment and capital improvements.
- Final refinements to the sale amount have included the following changes:

\$8,125,000	Beginning Estimate
(1,200,000)	Deferred Land Acquisition
1,200,000	Add Street & Neighborhood Vitality Supplement
(195,000)	Purchase of Rescue/Pumper instead of Aerial/Quint
<u>(75,000)</u>	Use prior year savings to offset cost of solid waste containers
\$7,855,000	Total

2014 CERTIFICATE OF OBLIGATION SALE:

- Requires the City Council to approve a Resolution authorizing the publication of a Notice of Intention to issue Certificates of Obligation.
 - The notice will be published on 2/28/14 and 3/07/14
- Certificates are planned to be priced through a competitive sale on Monday, April 7 and approved by the City Council that evening.
- Final Certificate Program includes:

Amount	Purpose	Final Maturity	Debt Service Fund
\$2,900,000	General Fund Capital Equipment	4-yr	General
\$ 800,000	General Fund Fire Equipment	8-yr	General
\$1,500,000	Dog Park	2-yr	General
\$1,700,000	Streets & Neighborhood Vitality Supplement & Next Gen 911 System	2-yr	General
\$ 955,000	Solid Waste Capital Equipment	8-yr	Solid Waste
\$7,855,000	Total		

SUMMARY:

- Staff will continue to work on this transaction with our financial advisor, First Southwest, and our Bond Attorney, Norton Rose Fulbright.
- Resolution for the Notice will be placed on the January 13, City Council Agenda

ATTACHMENTS:

- 2014 CO Calendar of Events



City of Richardson, Texas

Combination Tax and Revenue Certificates of Obligation, Series 2014

Projected Schedule of Events

Jan-14							Feb-14							Mar-14						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28		23	24	25	26	27	28	29
														30	31					

Apr-14							May-14						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

By	Day	Event
13-Jan-14	Monday	City Council passes Resolution authorizing Notice of Intent Publication for Certificates of Obligation
10-Feb-14	Monday	Provide initial draft of Preliminary Official Statement to City and Bond Council for comments and modifications
21-Feb-14	Friday	Receive Draft Preliminary Official Statement with updated information from City
26-Feb-14	Wednesday	Send revised draft Preliminary Official Statement to City and Bond Council for comments and modifications and send to credit rating agencies
4-Mar-14	Tuesday	Moody's Rating Conference Call (9AM - 10:30AM)
5-Mar-14	Wednesday	S&P Rating Conference Call (9AM - 10:30AM)
7-Mar-14	Friday	Last Possible Day to Publish Notice of Intent to Issue Certificates
TBD		Second Publication of Notice of Intent to Issue Certificates (<u>one week after first publication</u>)
21-Mar-14	Friday	Receive credit ratings
26-Mar-13	Tuesday	Finalize Preliminary Official Statement and Distribute Preliminary Official Statement electronically through i-Deal Prospectus
7-Apr-14	Monday	Pricing of Certificates City Council Considers Adoption of Ordinance Authorizing Issuance and Approve Sale of Certificates
6-May-14	Tuesday	Closing and delivery of funds