



Council Action and Executive Summary

Item # 10 Ordinance/Resolution# 16-020

For Meeting of _____
(Ordinance First Reading Date)

For Meeting of August 3, 2015
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION TO APPROVE AMENDMENTS TO THE AGREEMENT FOR CONSTRUCTION OF NORTHRISE DRIVE AND PORTIONS OF RINCONADA AND SONOMA RANCH BOULEVARDS TO US HIGHWAY 70 BETWEEN THE CITY OF LAS CRUCES AND SONOMA RANCH SUBDIVISION LTD. CO.

PURPOSE(S) OF ACTION:

To approve amendments to an agreement.

COUNCIL DISTRICT: 6		
<u>Drafter/Staff Contact:</u> Monica Campbell	<u>Department/Section:</u> Legal	<u>Phone:</u> 541-2128
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

In 2000, the City of Las Cruces entered into an Agreement for Construction of Northrise Drive and Portions of Rinconada and Sonoma Ranch Boulevards to US Highway 70 Between the City of Las Cruces and Sonoma Ranch Subdivision Ltd. Co. ("2000 Agreement").

The developers/land owners in the vicinity of Northrise Drive entered into a voluntary assessment district to construct infrastructure. Bonds were issued to fund the improvements, with costs and interest to be reimbursed to the City within a 15-year period at an initial interest rate of approximately 6.6%. In 2009 the bonds were reissued to reduce the interest rate to approximately 3.5%. City staff has determined that the remaining principal plus accrued interest is due on November 16, 2016.

Sonoma Ranch Subdivision Ltd. Co. has requested that they be given a reduction of \$96,496.26, reflecting a reduction of the interest in the bonds initially issued in 2000 and the re-issued bonds in 2009. The approval of the Las Cruces City Council for a change in the interest amount is required prior to execution of any amendment to the 2000 Agreement.

(Continue on additional sheets as required)

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Savings Estimates due to Refunding Debt Related to the Northrise and Sonoma Ranch Voluntary Assessment District.

SOURCE OF FUNDING:

Is this action already budgeted? N/A	Yes	<input type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
	<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)	
	<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.	
Does this action create any revenue? N/A	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY__.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the change in the interest amount stated in the 2000 Agreement and approve the Amendment to the 2000 Agreement.
2. Vote "No"; this will mean that there will be no change to the interest amount and the 2000 Agreement will remain in place.
3. Vote to "Amend"; this could include additions or revisions to the proposed 2000 Agreement amendments.
4. Vote to "Table"; this could result in no changes to the interest amount.

(Continue on additional sheets as required)

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Resolution No. 01-057.

RESOLUTION NO. 16-020**A RESOLUTION TO APPROVE AMENDMENTS TO THE AGREEMENT FOR CONSTRUCTION OF NORTHRISE DRIVE AND PORTIONS OF RINCONADA AND SONOMA RANCH BOULEVARDS TO US HIGHWAY 70 BETWEEN THE CITY OF LAS CRUCES AND SONOMA RANCH SUBDIVISION LTD. CO.**

The City Council is informed that:

WHEREAS, In 2000, the City entered into an Agreement for Construction of Northrise Drive and Portions of Rinconada and Sonoma Ranch Boulevards to US Highway 70 Between the City of Las Cruces and Sonoma Ranch Subdivision Ltd. Co. ("2000 Agreement"); and

WHEREAS, developers/land owners in the vicinity of Northrise Drive entered into a voluntary assessment district to construct infrastructure. Bonds were issued to fund the improvements, with costs and interest to be reimbursed to the City within a 15-year period at an initial rate of approximately 6.6%. In 2009 the bonds were reissued to reduce the interest rate to approximately 3.5%. City staff has determined that the remaining principal plus accrued interest is due on November 16, 2016; and

WHEREAS, Sonoma Ranch Subdivision Ltd. Co. has requested that they be given a reduction of \$96,496.26, reflecting a reduction of the interest in the bonds initially issued in 2000 and the re-issued bonds in 2009; and

WHEREAS, approval of a change in the interest amount is required prior to execution of any amendment to the 2000 Agreement.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the Amended Agreement for Construction of Northrise Drive and Portions of Rinconada and Sonoma Ranch Boulevards to US Highway 70 Between the City of Las

Cruces and Sonoma Ranch Subdivision Ltd. Co. is hereby approved.

(II)

THAT Sonoma Ranch Subdivision Ltd. Co.'s interest owed will be reduced to \$623,353.73.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED on this _____ day of _____, 20_____.

APPROVED:

ATTEST:

Mayor

Interim City Clerk

(SEAL)

VOTE:

- Mayor Miyagishima: _____
- Councillor Silva: _____
- Councillor Smith: _____
- Councillor Pedroza: _____
- Councillor Small: _____
- Councillor Sorg: _____
- Councillor Levatino: _____

Moved by: _____

Seconded by: _____

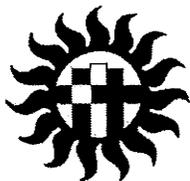
APPROVED AS TO FORM:



City Attorney

Savings Estimates due to Refunding Debt related to the Northrise and Sonoma Ranch Voluntary Assessment Districts

Sonoma Ranch		Total principal	\$ 646,986.74				
		Total interest - original	\$ 580,975.78				
		Total interest - revised	\$ 484,479.52				
		Total due - original	\$ 1,227,962.52				
		Total due - revised	\$ 1,131,466.26				
Date	Acres sold	Interest at original interest rate	Interest at refunded interest rate	Interest Savings due to Debt Refunding			
7/14/2011	18.473 acres	54,527.63	53,418.26	1,109.37			
12/21/2011	1.501 acres	4,632.36	4,489.37	142.99			
9/27/2012	12.742 acres	42,332.64	39,619.20	2,713.44			
5/16/2013	3.37 acres	11,853.05	10,807.96	1,045.09			
12/27/2013	3.905 acres	14,456.60	12,885.79	1,570.81			
11/4/2014	2.79 acres	11,071.93	9,579.21	1,492.72			
6/30/2015 *	165.46 acres	580,975.78	492,553.94	88,421.84			
		719,849.99	623,353.73	96,496.26			



City of Las Cruces®

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COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

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(Ordinance First Reading Date)

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(Adoption Date)

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A RESOLUTION TO APPROVE AMENDMENTS TO THE AGREEMENT FOR CONSTRUCTION OF NORTHRISE DRIVE AND PORTIONS OF RINCONADA AND SONOMA RANCH BOULEVARDS TO US HIGHWAY 70 BETWEEN THE CITY OF LAS CRUCES AND SONOMA RANCH SUBDIVISION LTD. CO.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes No

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact	<i>Monica Campbell</i>	541-2128	7/13/2015
Department Director	<i>W. B. G.</i>	541-2128	14 July 2015
Treasurer Other - Mark Krawczyk	<i>Mark Krawczyk</i>	541-2035	7/15/15
Assistant City Manager /CAO Management & Budget Manager	<i>Victoria Schubert for Mark W...</i> <i>W. B. G.</i>	541-2100 541-2106	7/15/15 7/14/15
Assistant City Manager/COO	<i>Daniel Oula</i>	541-2271	7/16/15
City Attorney	<i>W. B. G.</i>	541-2128	14 July 2015
City Clerk - Interim	<i>[Signature]</i>	541-2115	7-22-15