

**CITY COUNCIL/TEMECULA PUBLIC FINANCING AUTHORITY
AGENDA REPORT**

TO: City Manager/City Council Members
Executive Director/Board of Directors

FROM: Aaron Adams, City Manager/Executive Director

DATE: April 11, 2023

SUBJECT: Approve Deposit Agreement and Initiate Community Facilities District Formation Proceedings Related to the Altair Development

PREPARED BY: Jennifer Hennessy, Director of Finance/Treasurer

RECOMMENDATION: That the City Council/Board of Directors adopt resolutions entitled:

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING A DEPOSIT/REIMBURSEMENT AGREEMENT – ALTAIR

RESOLUTION NO. TPFA

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMECULA PUBLIC FINANCING AUTHORITY ACKNOWLEDGING RECEIPT OF A PETITION AND DEPOSIT RELATIVE TO THE FORMATION OF A COMMUNITY FACILITIES DISTRICT, AND AUTHORIZING AND DIRECTING ACTIONS WITH RESPECT THERETO – ALTAIR

BACKGROUND: The Authority has received a Petition (Including Waivers) (the “Petition”) from Temecula West Village LLC, the owner of certain property in the City (the “Owner”) requesting that the Board of Directors of the Authority, with the assistance of City Staff and the Authority’s and the City’s consultants, form the Temecula Public Financing Authority Community Facilities District No. 23-01 (Altair)” (the “CFD”). Furthermore, the Owner has requested in the Petition that the Authority be authorized to issue special tax bonds for the CFD in order to finance various public improvements necessitated by the development of the Property, as well as to fund various municipal services (the “Bonds”). The Property consists of the Altair development, including Riverside County Assessor’s Parcel Numbers 940-310-015 through 940-310-016, 940-310-044 through 940-310-048, 940-310-013, 940-320-001 through 940-320-007, and 922-210-049. It is expected the Property will be transferred later this year to SB Altair, LLC (the “Developer”), who will develop the Property.

The Developer has submitted to the Finance Director of the City a check in the amount of \$150,000 (the “Deposit”), to be used by the City to pay costs of the City and the Authority to form the CFD and issue the Bonds. Pursuant to a Deposit/Reimbursement Agreement (the “Agreement”) to be entered into by the Developer, the City and the Authority, and to be administered by the City, funds advanced by the Developer for CFD costs, including the Deposit, will be reimbursed to the Developer upon the issuance and from proceeds of the Bonds.

SPECIFIC ACTIONS: The City Council to consider the adoption of the Resolution approving the Agreement. The Board of Directors to consider the adoption of the Resolution acknowledging receipt of the Petition and Deposit and authorize actions necessary to implement the Agreement. The passage of these Resolutions does not obligate the City Council or Board of Directors to form the CFD.

FISCAL IMPACT: The City has received an initial \$150,000 deposit from the Developer; these funds will be expended in accordance with the Deposit/Reimbursement Agreement. Provisions in the Deposit/Reimbursement Agreement require the Developer to deposit additional funds as necessary to cover all costs of formation. There is no Fiscal Impact to the Authority or the City.

ATTACHMENTS:

1. City Council Resolution
2. TPFPA Resolution
3. Petition
4. Deposit/Reimbursement Agreement