

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

**TO:** City Council/Board of Directors

**FROM:** Aaron Adams, City Manager/Executive Director

**DATE:** April 25, 2023

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

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**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 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 request from SB Altair, LLC (the “Developer”), that expects to develop certain property in the City, 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”). The proposed CFD would be authorized to issue special tax bonds (the “Bonds”) in order to finance various public improvements necessitated by the development of the property identified in the Development Agreement, entered into as of January 9, 2018 between the City and Temecula West Village, LLC, as well as to fund various municipal services. The property to be developed 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 the Developer that expects to 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 Deposit and authorizing actions necessary to implement the Agreement. The passage of these Resolutions does not obligate the City Council or the Board of Directors to form the CFD or to issue the Bonds.

**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 of the CFD. There is no fiscal impact to the Authority or the City.

**ATTACHMENTS:**

1. City Council Resolution
2. TPFA Resolution
3. Deposit/Reimbursement Agreement