

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Ron Ahlers, Finance Director 

DATE: March 9, 2011 (City Council meeting of March 16, 2011)

SUBJECT: Consider Mr. Damian Lindo's Refund Request from the Moorpark Highlands Community Facilities District (CFD) 2004-1

BACKGROUND

Mr. Damian Lindo paid-off the Special Tax for the Moorpark Highlands CFD 2004-1 in 2007 on APN 513-0-100-605 which is located at 13891 Eaton Hollow in Moorpark Highlands. Mr. Lindo believes that he is owed a refund due to the September 2010 decrease in Bond Principal (bond call). Willdan Financial Services has performed a refund calculation that amounts to \$14,138.84. Staff is prepared to issue this refund to Mr. Damian Lindo from the Moorpark Highlands CFD 2004-1.

DISCUSSION

Mr. Lindo has requested a refund from the City due to reduction in bond principal that came about from bond improvement proceeds that were not utilized since the school project was terminated. The bond call occurred on September 1, 2010 in the amount of \$8,395,000.

At Mr. Lindo's request, Willdan Financial Services prepared a new prepayment calculation based on the current conditions of the district after the \$8,395,000 bond call. If any credit is due it would be based on the variance between the original amount paid (2007) and the current pay-off amount. The new prepayment calculation is \$59,444.54. The 2007 prepayment calculation which Mr. Lindo paid in 2007 was \$73,583.38. Therefore, the variance is \$14,138.84. See Attachment 1.

Keep in mind that this is a special circumstance since the school project was cancelled. Generally refunds are not given to property owners that payoff their special taxes in advance. Property Owners forfeit their rights to any future credits if a special tax is paid off before maturity.

Staff recommends that the City Council authorize the refund request per the reason cited in this report.

FISCAL IMPACT

The City will issue an order to the Fiscal Agent of the Moorpark Highlands CFD 2004-1 to issue a check in the amount of \$14,138.84 to Mr. Damian Lindo.

STAFF RECOMMENDATION (Roll Call Vote)

Authorize staff to process the refund request.

Attachment:

1. Willdan Calculation of the refund

City of Moorpark
Community Facilities District No. 2004-1
Prepayment of Special Tax for Facilities ⁽¹⁾
Valid through December 31, 2010

APN 513-0-100-605
Tract 5045-4
Bldg/Unit
Zone 3
Bldg SF 3,165
Plan Type
LU Class 5
Address 13891 Eaton Hollow

Step 1	Assigned Special Tax		\$4,977.00
	Backup Special Tax		\$5,245.06
Step 2	Total Assigned Special Tax		\$2,917,555
	Total Backup Special Tax		\$3,436,500
	Parcel's Share of Total Assigned Special Tax		0.1706%
	Parcel's Share of Total Backup Special Tax		0.1526%
Step 3	Parcel's Share of Special Tax	Greater of Step 2	0.1706%
	Outstanding Bonds ⁽²⁾		\$25,045,000
	Bond Redemption Amount		<u>\$42,723.78</u>
Step 4	Redemption Premium	3% of bond redemption	\$1,281.71
Step 5 & 6	Future Facilities Amount		\$0.00
Step 7	Interest on Bonds to Be Called		\$0.00
Step 8	Reinvestment Expectation		
	Bond Redemption Amount + Redemption Premium		\$44,005.49
	Three Month T-bill rate ⁽³⁾		0.127%
	Daily Interest		\$0.153
	Days until bond call date 12/31/10-3/1/11		60
	Total		<u>\$9.19</u>
Step 9	Defeasance Amount	Step 7 Amount	\$0.00
		Step 8 Amount	\$9.19
			<u>(\$9.19)</u>
Step 10	Administrative Fees and Expenses		\$750.00
	Less: Prepaid amount		<u>\$250.00</u>
			<u>\$500.00</u>
Step 11	Reserve Fund Credit		
	Reserve Fund requirement prior to bond call		\$1,761,003.76
	Reserve Fund requirement after bond call		<u>\$1,757,885.00</u>
	Difference		\$3,118.76
	Current Reserve Fund Balance (9/2/10)		\$1,761,122.57
	Reserve Fund requirement after bond call		<u>\$1,757,885.00</u>
	Difference		\$3,237.57
		Lesser of the above	<u>(\$3,118.76)</u>
Step 12	Special Tax prepayment		<u>\$41,377.54</u>
	Revised Special Tax Prepayment ⁽¹⁾		<u>\$41,377.54</u>
Add:	Special Tax Prepayment since prior payoff date ⁽⁴⁾		
	Fiscal Year 2007/2008		\$4,977.00
	Fiscal Year 2008/2009		\$4,977.00
	Fiscal Year 2009/2010		\$4,977.00
	Fiscal Year 2010/2011		\$3,136.00
	Total		<u>\$18,067.00</u>
	Total Special Tax Prepayment Including Missed Levies		<u>\$59,444.54</u>
Less	Prior Prepayment made Property Owner		<u>-\$73,583.38</u>
	Balance Due From (To) Property Owner		<u><u>-\$14,138.84</u></u>

⁽¹⁾ This calculation reflects prepayment required had Property Owner remained in the District through 9/1/10 the date of the bond call from surplus Improvement Funds

⁽²⁾ Outstanding principal as of September 2, 2010 less principal included in the FY 10/11 special tax levy

⁽³⁾ Three month Treasury Bill Rate as published by the Wall Street Journal on-line as of 10/22/10

⁽⁴⁾ Amounts necessary to equalize property owner with others in the District prior to 9/1/10 bond call from surplus Improvement Funds