

improvements. The benefit fee will be in the amount of the assessment, including principal and interest, which would have been levied against the property had it been included in the original Improvement District. The benefit fee will be due and payable at the time the property begins being served by the improvements, in a single lump sum. The lump sum benefit fee received by the City will be first applied to reduce the remaining balance of future special assessments to be paid by properties in the Improvement District, in reserve chronological order. If all special assessments have been paid by properties in the Improvement District, then the Benefit Fee revenues received by the City will be repaid to the current property owners of the property liable for special assessments for the improvements. The properties in the Improvement District will pay assessments, subject to reduction when the benefit fee is paid.

The Development Agreement between hedge 175 Associates, LLC (Developer) and the City, provides that the Developer will construct the road and provide construction financing costs. Once the project is complete, the City will issue general obligation bonds to permanently finance the project.

FINANCIAL IMPACT:

The total cost is estimated at \$5,105,685.68. The cost will be apportioned on a per square foot basis to the property owner(s).

ACTION NEEDED:

Accept the report. A Resolution approving the creation of the benefit district, authorizing the project, and authorizing the development agreement will be on the April 6th City Council agenda for consideration.

ATTACHMENT(S):

- Attachment A - Benefit District Petition
- Attachment B - Development Agreement
- Attachment C - Draft Resolution