



## AGENDA ITEM SUMMARY FORM

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**MEETING DATE:** September 27, 2022

**PREPARED BY:** Debra Jones

**AGENDA CONTENT:** Discussion and possible action on Riverwood Ranch Public Improvement District Service and Assessment Plan debt rate.

**AGENDA ITEM SECTION:** Regular Agenda

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**BUDGETED AMOUNT:** N/A **FUNDS REQUESTED:** N/A

**FUND:** N/A

**EXECUTIVE SUMMARY:**

Riverwood Ranch PID has an adopted Service and Assessment Plan ("SAP") that used an estimated rate for debt of 4.00%. The assessments were shown to increase overtime. The disclosures for estimated assessment payments given to homebuyers used this for disclosure purposes over the last year. The disclosure given homebuyers did say that the assessments were subject to change. Best practice is for an overall level assessment payment. In current market conditions we expect the debt rate will be 6.00% or higher. This will not be known until bonds are priced. We expect to use best practice and structure for level overall assessments. The impact of the level payment structure and increase in rates will mean that either assessments increase or the reimbursement to the developer will decrease. Refer to the attached letter for 3 possible scenarios.

**RECOMMENDATION:**

N/A