

AGENDA ITEM #: _____

DATE: June 10, 2019

CAR #: 2019-6630



CITY COUNCIL ACTION REPORT

SUBJECT: Resolution approving the modification of Assessment Number 14 within the McDowell Road Commercial Corridor Improvement District ("MRCCID")

STAFF PRESENTER(S): Jared Askelson, Finance Manager, Financial Services

OTHER PRESENTER(S): None

Summary: Resolution 2019-1956 divides a single assessment within the MRCCID into three assessments, based on the change of ownership and replatting of the property comprising the assessed area.

Recommendation: APPROVE RESOLUTION 2019-1956 APPROVING THE MODIFICATION OF ASSESSMENT NUMBER 14 WITHIN THE MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT.

Fiscal Impact: All costs related to the assessment modification process including the application fee, District Engineer, and legal costs are paid in advance by the applicants. Approval of this petition for modification will cause the original assessment's remaining principal amount to be divided among the three new assessments as follows:

Current Assessment		Proposed Assessment Modification		
Assessment Number	Amount	Assessment Number	APN	Amount
14	\$ 14,833,941.52	14-01-001	501-73-962 501-73-964 501-73-965	\$ 14,305,202.11
		14-01-002	501-73-963	\$ 312,932.77
		14-01-003	501-73-966	\$ 215,806.64
Total	\$ 14,833,941.52	Total		\$ 14,833,941.52

Background and Previous Actions

The MRCCID was created in 2006 by Resolution 06-1098 to assist with the funding of public infrastructure related to the MRCCID and the development of a regional mall and retail center. Improvement Bonds were issued in 2007 in the principal amount of \$47,165,000 with principal and interest to be repaid through assessments apportioned to parcels within the MRCCID. The Improvement Bonds were refinanced at a lower interest rate in 2018 with Refunding Bonds.

The original assessment parcels have previously been modified by City Council in 2010 and 2018 following petition from the parcel landowners. These assessments are generally modified as development plans are solidified and new parcels are created with Maricopa County. As part of the assessment process the District Engineer reviews and certifies that the modification's effect on the ratio of fair market value between the original and amended parcels complies with the original intent of the assessment model.

Staff Analysis

Westcor Goodyear RSC LLC and Goodyear Peripheral LLC, as owners of the property, have petitioned for a modification of a certain assessment of their property within the MRCCID. The application for modification contains one existing parcel which would be split into three distinct parcels and be allocated a fair share of the existing assessment based upon the original intent of the assessment model. The requested modifications can be broken into three main areas of consideration:

14-01-001 (Lot 9, Lot 10 and Tract "A") – owned by Westcor Goodyear RSC LLC (Macerich).

14-01-002 (Lot 11) – contributed in 2018 by Westcor Goodyear RSC LLC (Macerich) into a new Joint Venture owned by Goodyear Peripheral LLC, which consists of Macerich Goodyear Peripheral LLC (Macerich) and Globe Land Investors, LLC (Globe). Macerich Goodyear Peripheral LLC (Macerich) is the managing member of Goodyear Peripheral LLC.

14-01-003 (Lot 12) – currently a portion of Lot 9, owned by Westcor Goodyear RSC LLC (Macerich). After the re-plat that is currently in process has been executed, Lot 12 is proposed to be contributed into the Goodyear Peripheral LLC Joint Venture and will be under the same ownership structure as Lot 11.

If City Council approves the petition for modification, new assessment numbers and amounts will be assigned as proposed. The modification of assessments has been reviewed and it is determined that the modification is in compliance with State law, City policies and the best interest of the City.

Attachments

- 1) Resolution 2019-1956
- 2) Map of Proposed Modifications to Assessment 14

- 3) Application for Modification of Assessments
- 4) Petition for Modification of Assessments