



Metro

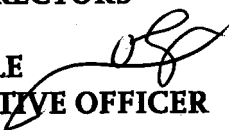
Metropolitan Transportation Authority


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AUGUST 8, 2008

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

FROM: CAROL INGE, CHIEF PLANNING OFFICER 
COUNTYWIDE PLANNING & DEVELOPMENT

**SUBJECT: 2008 TAX YEAR BENEFIT ASSESSMENT RATE FOR
METRO RAIL RED LINE DISTRICT A1**

ISSUE

In August 2008, staff will forward the final Metro Rail Red Line Benefit Assessment District A1 ("the District") assessments for the 2008 Tax Year to the Los Angeles County Assessor's Office for collection. The 2008 Tax Year assessment rate for the District is set at **\$0.27 per assessable square foot**. This is the last assessment year for the A1 Benefit Assessment District. We will retire the remaining A1 District's bonds in September 2009.

BACKGROUND

The District generated \$123.7 million of construction funding in 1992 for Metro Rail Red Line Segment 1 through the issuance of the District's bonds. The District continues to exist through 2009 in order to collect assessments to repay the bonds. The District includes 1,043 assessable properties, which have 57 million assessable square feet. The amount of the assessment rate is carefully calculated to ensure the financial health of the District and concurrently minimize the impact of the assessments on the property owners. The assessment was set considering the final bond debt service requirements, projected assessable square footage and other factors in order to facilitate management of the final assessment rate through 2009.

For the 2007 Tax Year, the assessment rate was \$0.33 per assessable square foot. The gross adjusted assessment was \$19,272,334. The total collected to date is \$18,402,342. The final payment from the Assessor's Office is due in August. When collected, the current period assessments, in combination with the \$3,225,000 from the Debt Service Reserve Fund and Surplus Account, recovery of prior period delinquent amounts and interest earnings are more than sufficient to meet the September 2008 debt payments of \$21,811,120. Debt service payments for the 2008 Tax Year are due in March and September 2009.

An estimate of the 2008 Tax Year sources and uses of revenue, which includes debt service payments due in March and September 2009, is provided below.

Sources:

Net collection*	\$14,430,100
Debt Service Reserve Fund and Surplus Account	<u>\$ 8,971,215</u>
Total Sources of Funds	\$23,401,315

Uses:

Debt service	\$21,912,800
Administration	\$ 375,000
Transfers to Surplus Account	<u>\$ 1,113,515</u>
Total Uses of Funds	\$23,401,315

* Less \$806,000 in appeals and refunds, and a collection factor of 99%

NEXT STEPS

The following are the next steps that the Benefit Assessment District Program will implement:

- August 2008** The Program staff submits the final 2008 Tax Year assessment tape. The Auditor-Controller prepares a new Tax Roll with the direct assessments.
- September 2008** The Secured Tax Roll and bills are printed and mailed out to property owners for payments due in December 2008 and April 2009.
- November 2008** Metro receives the LS09 Report "Agency Lien List," which provides the direct assessments billed for the current tax year.
- December 2008** Metro receives collections from County Assessor
- January, April 2009**
- May, August 2009**
- September 2009** Metro retires A1 District bonds.

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Benefit Assessment Districts Program

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