

AGENDA REPORT

DATE March 15, 2005

ITEM Security Agreement with Centene Corporation, for Special Improvement District - SID 1301

INITIATED BY Fiscal Services Department

ACTION REQUESTED Adopt Security Agreement

PREPARED BY Martha Cappis, Operations Supervisor

APPROVED & PRESENTED BY Coleen Balzarini, Fiscal Services Director

- D-R-A-F-T -

RECOMMENDATION:

Staff recommends the City Commission approve the terms of the security agreement between Centene Corporation and the City of Great Falls, as required by the SID policy to insure annual assessment payments on undeveloped property within SID 1301 and authorize the City Manager to execute the agreement

MOTION:

"I move the City Commission approve the SID 1301 Assessment Security Agreement for SID 1301, Centene Corporation Undeveloped Property within the Medical Technology Park".

SYNOPSIS:

On March 15, 2005 the Commission will act upon Resolution No. 9457, Intention to Create SID 1301. The Notice of Passage of Resolution of Intention to Create SID 1301 will be mailed to Centene Corporation, the owner of the property, on March 16, 2005. The notice will also be published in the Great Falls Tribune on March 20th and 27th, stating the April 5th date of the public hearing prior to the creation. Following the public hearing, a resolution actually creating SID 1301 will be acted upon.

BACKGROUND:

On January 14, 2005 the City of Great Falls received a request from Centene Corporation to begin the process of providing offsite infrastructure improvements to the medical technology park.

In order to create SID 1301, for off-site water, sewer, storm drain, and roadway utility improvements, serving 25 acres of land at 26th Street South and 23rd Street South, to be known as the Medical Technology Park, the City SID policy requires owners of undeveloped property within the district to post additional security. The security may be posted in the form of cash and /or some other secured form of credit capable of providing additional security assessment principal and interest payments on a timely basis. The

terms and details are stated in the Special Improvement District 1301, Centene Corporation Undeveloped Property within the Medical Technology Park.

It has been determined that a cash deposit with the City, in the amount of \$185,000 will serve as security for this undeveloped parcel. Security may be released on individual pieces of property in the event a parcel is sold or that parcels' entire assessment is paid in full.

SPECIAL IMPROVEMENT DISTRICT 1301

CENTENE CORPORATION UNDEVELOPED PROPERTY WITHIN THE MEDICAL TECHNOLOGY PARK

SECURITY AGREEMENT

This agreement entered into this ____ day of _____, 2005 by and between the City of Great Falls, hereinafter referred to as "City", and Centene Corporation, hereinafter referred to as "Developer";

WHEREAS, Resolution # _____, creating Special Improvement District (SID) 1301, was passed by the City Commission on _____, 2005, authorizing off-site water, sewer, storm drain, and roadway utility improvements serving 25 acres of land at 26th Street South and 23rd Street South, to be known as the Centene Medical Technology Park; and,

WHEREAS, Developer owns certain undeveloped real estate benefiting from the SID 1301 off-site improvements and subject to assessments therefore; and,

WHEREAS, Developer requested creation of a SID to finance offsite improvements; and,

WHEREAS, the cost of improvements within SID 1301 shall be funded through the sale of bonds as authorized by Resolution # _____, passed by the City Commission on _____, _____ 2005; and,

WHEREAS, City requires additional security to guarantee payment of the principal and interest of said bonds for off-site improvements benefiting the undeveloped real estate to be provided by Developer;

NOW, THEREFORE, the parties hereto mutually covenant and agree as follows:

For and in consideration of the establishment of SID 1301 and improvements made thereby, **Developer will deposit with the City cash in the amount of \$185,000 to guarantee the payment of the aforesaid SID assessments within SID 1301.**

The term of the deposit shall be for fifteen (15) years through _____, 2020 unless otherwise terminated upon release or early satisfaction of the SID obligation.

Assessments shall become due on May 31 and November 30 of each year and notice thereof shall accompany the Cascade County tax statements.

Should such assessment become delinquent for thirty (30) days, City shall have the right to draw upon said deposit to satisfy said delinquent assessment but not before City has given Developer written notice of such delinquency and City's intent to draw upon the deposit to satisfy such delinquency.

The amount of credit shall be reduced by an amount corresponding to the assessment against each undeveloped parcel transferred to a third party or whenever an undeveloped parcel's assessment is paid in full. Prior to a reduction in credit, City and Developer must agree and acknowledge such reduction and release in writing.

This agreement shall be binding upon the successors and assigns of the parties hereto.

DATED this _____ day of _____, 2005.

Centene Corporation

John Lawton, City Manager