

**NEW PORT
COMMUNITY DEVELOPMENT AUTHORITY
CITY OF PORTSMOUTH, VIRGINIA
Question and Answers
Regarding the Community Development Authority
and Special Assessment Bonds**

1. What is the purpose of a Community Development Authority (“CDA”)?

The purpose of a CDA is to provide a means for planning and financing various public improvements within and around the CDA district for the benefit of the property owners within the CDA district.

2. When was the New Port CDA created?

The New Port CDA was created as a result of City Ordinance No. 2005-71, enacted on August 23, 2005 by the City Council.

3. What is the authority for Portsmouth (the “City”) to create a CDA and CDA district?

The CDA was created, special assessments levied, and bonds issued pursuant to the Virginia Water and Waste Authorities Act, beginning with §15.2-5100 et seq. of the Code of Virginia, 1950 (the “Act”), as it may be amended from time to time. The Act provides that the costs of improvements provided by the CDA may be assessed in a manner prescribed by the City upon property benefited by such improvements.

4. How and when were the Bonds issued?

Bonds were issued on May 12, 2006 pursuant to the Act and by a resolution adopted by the CDA, which authorized the CDA to provide certain infrastructure improvements benefiting property within the district.

5. What were the proceeds of the Bonds used to finance?

Bond proceeds were used to finance public infrastructure in and around the CDA District to provide a particular benefit for the property being assessed. These include, but are not limited to, road construction, water and sanitary sewer utilities, storm water systems, traffic signals, street and pedestrian lighting, public parking, signage, pavement, fencing, site work and hydrants.

6. Don’t my regular real estate taxes pay for these public improvements?

No. The real estate taxes paid to the City of Portsmouth, other than the Special Assessments, are used to pay for general City services and will not pay for the public improvements to be provided by the CDA.

7. What is the security for the Bonds?

The Bonds are secured solely by Special Assessments levied on the private property in the CDA District. Special Assessments were levied pursuant to Ordinance No. 2006-12, adopted by the City Council on February 14, 2006.

The Bonds are not a general obligation debt of the City and they do not constitute a pledge of the City's full faith and credit or taxing power.

8. Why do we have to pay this additional assessment?

The Special Assessment is being collected to pay the interest and principal on the Bonds that were issued to fund the public improvements provided by the CDA and the related administrative expenses related to the CDA's operations. Like a mortgage, the bond payments were spread over a thirty-year period to keep the annual payments manageable.

9. When do the Bonds mature and how long are Special Assessments collected?

The special assessments are to be collected each Assessment Year, beginning with the first year after the issuance of any of the bonds, on each taxable parcel for thirty years unless the bonds are fully paid prior to the completion of the thirty years. Currently, the bonds are scheduled to mature on September 1, 2036. Thus, special assessments are scheduled to be collected on eligible properties through June 2036.

10. Who is responsible for paying the Special Assessment and when is it due?

The owner of a parcel is responsible for paying the Special Assessments levied on that parcel during any period the person or entity owns the parcel. The Special Assessment will be listed as a separate line item on the property tax bill and is due at the same time as property taxes, which for owner-occupied residential property is quarterly on September 30th, December 31st, March 31st and June 30th of each year.

11. How much is the Special Assessment?

Special Assessments are equal to the principal of the Bonds issued by the CDA, interest on the Bonds until repaid, and administrative expenses of the CDA related to the Bonds. The Special Assessments per parcel are allocated based on equivalent units. The special assessment roll is updated each year to reflect new parcels. A copy of the Rate and Method of Apportionment of Special Assessments is available by contacting the Administrator at (910) 899-2330.

12. Can I payoff the Special Assessment?

Property owners have the option of prepaying the Special Assessments at any time and thereby fully satisfying the obligation to pay the Special Assessments. For further details, please contact the Administrator at the phone number provided below.

13. What happens if a property owner fails to pay the Special Assessments?

The failure of a property owner to pay the Special Assessments will not affect any other owner in the CDA District. Special Assessments constitute a lien on the property that in the event of a property owner failing to pay the Special Assessments, the City can employ the normal tax collection procedures available to them for all delinquent general ad valorem property tax collection efforts. This may include the tax sale of the parcel.

14. Where can a property owner review copies of the documents related to the Bonds?

Copies of all of the documents related to the Bonds are available on MSRB's Electronic Municipal Market Access at emma.msrb.org and filed with the City of Portsmouth.

If you have any additional questions regarding the Special Assessments or the CDA, please call the Administrator at (910) 899-2330.

Exhibit A, attached hereto, provides a summary of the remaining special assessment obligation as of tax year 2021 owed by four parcels located in the district that are being taken to tax sale.

Exhibit A
Outstanding Annual Installments – Tax Sale Parcels

Delinquent New Port Community Development Authority annual installments owed by four parcels are being taken to tax sale. The below table provides the tax map number and the remaining special assessment obligation for each of these parcels.

Tax Map Number	Remaining Special Assessment Obligation¹
0524-0031	\$561,610
0524-0032	\$1,164,863
0524-0010	\$8,773,487
0523-0010	\$5,186,358

¹Represents the remaining special assessment obligation for the 2021 tax year, as outlined in the Annual Assessment Report and the Levy of the Annual Installments for the New Port Community Development Authority, dated May 12, 2021.