



LEMOORE
CALIFORNIA

OVERSIGHT BOARD FOR
SUCCESSOR AGENCY TO
THE FORMER LEMOORE
REDEVELOPMENT
AGENCY
COUNCIL CHAMBER
429 "C" STREET
December 4, 2013

AGENDA

SPECIAL MEETING 3:00 p.m.

Please silence all electronic devices as a courtesy to those in attendance. Thank you.

1. Call to Order: A. Pledge of Allegiance B. Roll Call
2. Public Comment

Public Comment may be addressed to the Special Meeting Items listed below. In order to allow time for all public comments, each individual's comments are limited to five minutes. When addressing the Council, you are requested to come forward to the speaker's microphone, state your name and address, and then proceed with your presentation.

3. Report and Recommendation – Refunding of the Series 1998 and 2003 Bonds
4. Adjournment

Notice of ADA Compliance: If you or anyone in your party needs reasonable accommodation to attend, or participate in, any Oversight Board Meeting, please make arrangements by contacting City Hall at least 24 hours prior to the meeting by calling 924-6700, or by mail at 119 Fox Street, Lemoore, California 93245.

Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter at City Hall located at 119 Fox Street, Lemoore, CA during normal business hours. In addition, most documents will be posted on the City's website at www.lemoore.com.

CERTIFICATION OF POSTING

I, Brooke Austin, Board Clerk for the Oversight Board, do hereby declare that the foregoing agenda for the Oversight Board special meeting of December 4, 2013 was posted on the outside bulletin board located at City Hall, 119 Fox Street in accordance with applicable legal requirements on the 3rd day of December 2013.

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Brooke Austin, Board Clerk

WELCOME TO YOUR OVERSIGHT BOARD OF THE SUCCESSOR AGENCY MEETING

Whether you are attending this meeting because of general interest, or because a particular item of special interest is to be reviewed, your presence is an important means of helping to insure an informed public and responsible City Government.

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY

The purpose of the Oversight Board of the Successor Agency is to supervise and review the activities of the Successor Agency in administering the dissolution and wind down of the City of Lemoore's Redevelopment Agency. The Oversight Board has a fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues.

CONDUCT AT PUBLIC MEETINGS

Your courtesy is requested to help our meeting run smoothly. If you'll be kind enough to follow these simple rules, we can make the best possible use of time. Please silence all electronic devices. Please refrain from public displays or outbursts such as unsolicited applause, comments, cheering, foul language, or obscenities. Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting or prevents/disrupts others from fully participating in the meeting will not be permitted and offenders will be requested to leave the meeting pursuant to Government Code § 54957.9.

PUBLIC COMMENTS

At an Oversight Board meeting, those who wish to be heard on matters on the agenda should indicate their desire to speak when the item is ready for discussion. If you wish to comment on an item which is not on the agenda, you may do so under "Public Comments". In order to allow time for all public comments, each individual's comments are limited to five minutes. Time shall not be shared/loaned from speaker to speaker. If you wish to request time on an upcoming Board Agenda to present a particular item or matter to the Board, you may contact the City Manager at any time before 12:00 noon on the Thursday immediately preceding the Board meeting to so request. If the matter is within the Board's jurisdiction, and the Board has not taken action or considered the item at a recent meeting, the City Manager may place the item on the Agenda. When addressing the Board, you are requested to come forward to the speaker's microphone, state your name and address, and then proceed with your presentation.

Mayor
William Siegel
Mayor Pro Tem
Lois Wynne
Council Members
John Gordon
Eddie Neal
Willard Rodarmel



**Oversight Board for
the Successor
Agency**

119 Fox Street
Lemoore • CA 93245
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To: Oversight Board for the Successor Agency to the Lemoore Redevelopment Agency **Item# 3**

From: Cheryl Silva, Finance Director

Date: December 2, 2013

Subject: Refunding of the Series 1998 and 2003 Bonds

Discussion:

The Lemoore Redevelopment Agency issued its \$6,180,000 Tax Allocation Refunding Bonds ("1998 Bonds") in 1998, and its \$13,835,000 Tax Allocation Refunding Bonds ("2003 Bonds") in 2003 (collectively, the "Prior Bonds"). In 2011, another \$19,150,000 Tax Allocation Bond ("2011 Bonds") was issued prior to the dissolution of the Redevelopment Agency. The proceeds from the 2011 Bonds are being held by the trustee due to the dissolution of redevelopment and the position of the State Department of Finance.

Subsequent to the dissolution of the Lemoore Redevelopment Agency, staff has consulted with Cooperman Associates, a financial advising firm, regarding the potential savings associated with refunding of the bonds held by the Successor Agency to the Former Redevelopment Agency. The recommendation is to Refund the 1998 and 2003 Bonds into a combined estimated \$16,700,000 Refunding at a market interest rate, currently estimated at 4%. The 1998 Bonds carried a fixed interest rate ranging from 5.0% to 5.2% for the remainder of the term of the bonds. The 2003 Bonds carry a fixed interest rate ranging from 3.9% to 4.75% for the remainder of the term on the bonds. The potential savings for the refunding is estimated at \$1,000,000. This savings would be realized over the next 20 years. The potential savings on the debt payments of the Lemoore Successor Agency would have the effect of increasing the funds available at the County to distribute to the local taxing entities over the 20 year period of time.

The Lemoore Successor Agency is meeting on December 3, 2013 and will consider approving a resolution authorizing the refunding of the 1998 and 2003 Bonds. If the resolution is approved by the Lemoore Successor Agency, the Oversight Board for the Successor Agency to the Former Lemoore Redevelopment Agency would need to approve a resolution to move forward with the refunding of the bonds. The final step would be for the State Department of Finance to approve the refunding. Cooperman Associates representative, Josh Cooperman, will be taking the lead in completing this process and will be available at the meeting to answer any questions.

Budget Impact:

The proposed 20 year, \$16,700,000 Refunding Bonds would be paid with the existing funds received from the County as approved on the Recognized Obligation Payment Schedules that are approved twice a year. The potential savings associated with the debt over the 20 years is estimated at approximately \$1,000,000. This will be shared by all taxing entities.

Recommendation:

That the Oversight Board for the Successor Agency to the Former Lemoore Redevelopment Agency adopt Resolution No. 2013-10, Directing and Approving the Issuance of Refunding Bonds by the Lemoore Successor Agency to the Former Redevelopment Agency.

RESOLUTION 2013-10

A RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY DIRECTING AND APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE SUCCESSOR AGENCY

WHEREAS, California Assembly Bill No. 26 (“AB 26”) was passed by the California State Legislature on June 15, 2011, and adopted on June 29, 2011, resulting in the dissolution of all redevelopment agencies and community development agencies in existence in the State of California (the “State”), as of February 1, 2012; and

WHEREAS, among other things, AB 26 assigned “successor agencies” and “oversight boards” with the authority and responsibility of (i) satisfying “enforceable obligations” of respective former redevelopment agencies, and (ii) administering dissolution and wind-down of respective former redevelopment agencies; and

WHEREAS, pursuant to Section 34173 of the California Health and Safety Code (all sections referenced hereafter being to such code), the City of Lemoore has become the successor agency (the “Successor Agency”) to the Lemoore Redevelopment Agency (the “Former Agency”), which has been dissolved; and

WHEREAS, pursuant to Section 34179, this oversight board (the “Oversight Board”) has been duly established for the Successor Agency; and

WHEREAS, on June 27, 2012 as part of the Fiscal Year 2012-2013 State of California budget bill, the Governor signed into law Assembly Bill 1484 (“AB 1484”), which modified or added to some of the provisions of AB 26, including provisions related to the refunding of outstanding redevelopment agency bonds and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010, thereby providing a mechanism to refund tax allocation bonds under certain enumerated circumstances; and

WHEREAS, prior to its dissolution, the Former Agency, for the purpose of financing and refinancing redevelopment activities, issued its (i) 1998 Tax Allocation Refunding Bonds (the “1998 TABs”) in the principal amount of \$6,180,000 (of which \$4,860,000 principal amount is currently outstanding), (ii) its Series 2003 Tax Allocation Refunding Bonds (the “2003 TABs”) in the principal amount of \$13,835,000 (of which \$11,380,000 principal amount is currently outstanding), and (iii) its Series 2011 Tax Allocation Refunding Bonds (the “2011 TABs”) in the principal amount of \$19,150,000 (of which \$18,820,000 principal amount is currently outstanding); and

WHEREAS, the Successor Agency has determined that it is in the best financial interests of the Successor Agency and the affected taxing entities to refund (the “Refunding”) the 1998 TABs and the 2003 TABs (together, the “Prior Bonds”), and has engaged the necessary financial consulting professionals, and has adopted the form of all financing documents, necessary to execute the Refunding; and

WHEREAS, the Successor Agency, has indicated that there are potential debt service savings that can be achieved through the Refunding of the Prior Bonds, and the Oversight Board now wishes to authorize the Successor Agency to conduct the Refunding of all or a portion of the Prior Bonds, in one or more series, as necessary to achieve such debt service savings; and

WHEREAS, pursuant to the foregoing direction and approval, the Board of Directors of the Successor Agency adopted its Resolution 2013-01 (the “Agency Resolution”), which (i) authorized the issuance and sale of its 2013 Tax Allocation Refunding Bonds (the “Bonds”) to refund all or a portion of the Prior Bonds (such portion to be refunded being referred to herein as the “Refunded Prior Bonds”), (ii) engaged the services of the necessary financial consulting professionals, and (iii) approved the execution and delivery of the following documents and proposed agreements, which are incorporated herein by reference and have been presented to the Oversight Board for its review and approval:

1. an indenture (the “Indenture”) between the Successor Agency and U.S. Bank National Association, pursuant to which the Successor Agency will issue the Bonds; and
2. an escrow agreement between the City and U.S. Bank National Association, as escrow agent, that provides for the deposit of funds sufficient to retire the refunded 1998 TABs (the “1998 Escrow Agreement”); and
3. an escrow agreement between the City and U.S. Bank National Association, as escrow agent, that provides for the deposit of funds sufficient to retire the refunded 2003 TABs (the “2003 Escrow Agreement”); and

WHEREAS, the Agency Resolution has also been presented to this Oversight Board for approval; and

WHEREAS, the Oversight Board now desires to approve all matters relating to the issuance and sale of the Bonds as required by Sections 34177.5(f) and 34180 of the Health and Safety Code; and

NOW, THEREFORE, BE IT RESOLVED by the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency that:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of Successor Agency Actions. The Oversight Board hereby approves the following actions of the Successor Agency:

- (a) the issuance of the Bonds, either as a single issue or from time to time in separate series, as the Successor Agency shall determine;

- (b) the sale of the Bonds as described in the Agency Resolution;
- (c) the execution and delivery of the Indenture, the 1998 Escrow Agreement, and the 2003 Escrow Agreement (collectively, the “Bond Documents”);
- (d) the approval of the named financial consultants appointed by the Successor Agency to assist in the structuring, issuance, sale and delivery of the Bonds; and
- (e) all other actions of the Successor Agency described in the Agency Resolution.

Section 3. Approval of Refunding Financial Plan. The Successor Agency has filed the debt service savings analysis in the form of a Bond Refunding Financing Plan prepared by an independent financial advisor, with the Oversight Board, which debt service savings analysis is hereby approved as demonstrating the potential savings that may result from the Refunding of all or a portion of the Prior Bonds.

Section 4. Filing of Documents. The Secretary to the Successor Agency is hereby authorized and directed to file the Agency Resolution and the Bond Documents, together with a certified copy of this Resolution 2013-10 of the Oversight Board, as provided in Sections 34179 (h) and 34180 (j), with the Kings County Administrative Officer and Auditor Controller and the State Department of Finance.

Section 5. Recovery of Costs. The Oversight Board hereby authorizes and approves the Successor Agency to cover reasonable related costs incurred in connection with this transaction. The Successor Agency may recover such costs from the proceeds of the Bonds. For the purpose of expending such proceeds, Section 34177.3 and other provisions relating to Recognized Obligation Payment Schedules shall not apply. If the Successor Agency is not able to issue its Bonds, the Successor Agency may recover such costs by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in Health and Safety Code Section 34171(b).

Section 6. Approval of Bonds. Except for review and approval by the California Department of Finance, all conditions, things and acts required by law to exist, to happen and to be performed precedent to and in connection with the issuance by Successor Agency of the Bonds exist, have happened and been performed in due time, form and manner, in accordance with applicable law, and the Successor Agency is now authorized pursuant to Article 10 (commencing with Section 53570) and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of title 5 of the California Government Code, in accordance with Section 34177.5 of the California Health and Safety Code, to issue the Bonds in the manner and form provided by the Agency Resolution.

Section 7. Additional Authorizations. The Oversight Board further authorizes its staff and the Successor Agency to take such other actions as they deem necessary or convenient to carry out the purposes of this Resolution pursuant to AB 26 and AB 1484 and to expedite the process of review of the refunding transaction by the California Department of Finance.

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PASSED, APPROVED, AND ADOPTED by the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency at a special meeting this 4th day of December, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John F. Murray, Chairperson

ATTEST:

Jennifer Scarbrough
Board Secretary

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, **Jennifer Scarbrough**, Board Secretary of the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency, do hereby certify the forgoing Resolution of the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency was duly passed and adopted at a Special Meeting of the Lemoore Oversight Board held on December 4, 2013.

DATED: December 4, 2013

Jennifer Scarbrough, Board Secretary