

## **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 4<sup>th</sup> day of December, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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John F. Murray, Chairperson

ATTEST:

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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

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Jennifer Scarbrough, Board Secretary