

		Agenda Item No.	D-2
DATE SUBMITTED:	November 30, 2015	OVERSIGHT BOARD	(X)
		PUBLIC HEARING REQUIRED	()
SUBMITTED:	Marshall Linn, Financial Advisor	RESOLUTION	(X)
		ORDINANCE 1 st READING	()
DATE ACTION		ORDINANCE 2 nd READING	()
REQUIRED:	November 30, 2015	CITY CLERK INITIALS	()

IMPERIAL OVERSIGHT BOARD AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: RESOLUTION OF THE OVERSIGHT OF THE SUCCESSOR AGENCY TO THE CITY OF IMPERIAL REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, AND APPROVING THE FORM OF AN INDENTURE OF TRUST AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

**BACKGROUND/
SUMMARY:**

In November 2007, the former Redevelopment Agency issued its \$16,935,000 Redevelopment Agency of the City of Imperial Project, Tax Allocation Refunding Bonds, Issue of 2007 (Refunding & New Money).

Successor Agency staff and its Financial Advisor have analyzed the economics of a refunding (refinancing) of the existing outstanding tax allocation bond debt to provide debt service savings to not only the City but to all of the taxing agencies with the "old" redevelopment project area boundaries.

With rates as historic lows (at least for the near term), the Successor Agency has the opportunity to save approximately \$2,434,000 (subject to market conditions) WITHOUT extending the maturity date of the refunded bonds.

The source of repayment for the proposed 2015 refunding Bonds is limited to the increment revenue generated in the Project Areas, net of pass through payments. The 2015 Bonds will not be a debt of the City or its general fund. The dissolution of redevelopment agencies which occurred in 2011 does not affect the Successor

Agency's ability to refund the older Prior Agency debt, as AB 1484 allows for bond refundings to generate debt service savings (no new money allowed), and further states that the pledge of Successor Agency tax revenues will be identical to the pledge of tax increment that originally secured the older bonds.

Due to the terms of AB 1484 and the new revenue distribution procedures by the County, the debt service savings amount will be shared by all taxing entities, including the City's general fund, share of property tax revenues.

In order to issue the 2015 Bonds, the Successor Agency would also need the approval of its Oversight Board, and the State Department of Finance ("DOF"). Upon approval of the Successor Agency Board and the Oversight Board, Preliminary financing documents will be sent to the State Department of Finance for their 60 day review period.

Upon the completion of their review and upon the receipt of a Standard & Poors Bond rating and an Issuance Commitment, the refunding Bonds will be priced, after the Successor Agency approves the final Official Statements.

It is anticipated that the transaction will be completed during the month of July.

FISCAL IMPACT: Refunding of the 2007 Bonds could result in a savings to all the taxing Agencies of Approximately \$2,434,000 without extending the term of the existing Bonds.

STAFF

RECOMMENDATION: Approve the attached Resolution.

MANAGER'S RECOMMENDATION:		MANGER'S INITIALS:			
MOTION:					
SECONDED:	APPROVED:	()	REJECTED	()	
AYES:	DISSAPPROVED	()	DEFERRED	()	
NAYES:					
ABSENT:	REFERRED TO:				

ATTACHEMENTS: Resolution
Draft Indenture

**OVERSIGHT BOARD
RESOLUTION NO. OB2015-12**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE CITY OF IMPERIAL REDEVELOPMENT
AGENCY APPROVING THE ISSUANCE AND SALE OF TAX
ALLOCATION REFUNDING BONDS BY THE SUCCESSOR
AGENCY TO THE CITY OF IMPERIAL REDEVELOPMENT
AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, the Redevelopment Agency of the City of Imperial (the “Prior Agency”) was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the “Law”), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the “City of Imperial Redevelopment Project” has been adopted and approved by Ordinance No. 659 of the City of Imperial on June 19, 2002 and amended by Ordinance No. 705 on July 20, 2005 and further amended by Ordinance No. 742 on June 20, 2007, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Prior Agency has previously issued \$16,935,000 aggregate principal amount of Redevelopment Agency of the City of Imperial, City of Imperial Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2007 (the “Prior Obligations”); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the “Dissolution Act”) and ABx1 27 (the “Opt-in Bill”); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Redevelopment Agency of the City of Imperial being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency to the City of Imperial Redevelopment Agency (the “Successor Agency”); and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the

refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time tax allocation refunding bonds in an aggregate principal amount sufficient to refund all or part of the Prior Obligations (the “2016 Bonds”), and to irrevocably set aside a portion of the proceeds of such 2016 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2016 Bonds and to make certain other deposits as required by the Indenture (as defined in the Successor Agency Resolution); and

WHEREAS, the 2016 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Bond Law”); and

WHEREAS, this Oversight Board of the Successor Agency to the City of Imperial Redevelopment Agency (the “Oversight Board”) desires to approve all matters relating to the issuance and sale of the 2016 Bonds as required by Sections 34177.5 (f) and 34180 of the Health and Safety Code of the State of California.

BE IT RESOLVED by the Oversight Board of the Successor Agency to the City of Imperial Redevelopment Agency:

SECTION 1. Each of the foregoing recitals is true and correct.

SECTION 2. The issuance by the Successor Agency to the City of Imperial Redevelopment Agency of the 2016 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2016 Bonds pursuant to the Indenture approved by Section 2 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2016 Bonds may be issued as a single issue, or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2016 Bonds by the Successor Agency and the Oversight Board shall constitute the sole approval of each and every separate series of the 2016 Bonds and the sale of the 2016 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

SECTION 3. The Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, a Bond Purchase Contract, a private placement memorandum, an Official Statement, a Continuing Disclosure Agreement, an Escrow Agreement for the Prior Obligations and any additional agreements as may be required to carryout the purposes hereof without the need for any further approval from the Oversight Board.

SECTION 4. The Chairman of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Successor Agency to the City of Imperial Redevelopment Agency are hereby authorized to execute such documents and certificates necessary to assist the Successor Agency in the issuance of the 2016 Bonds.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the Oversight Board of the Successor Agency to the City of Imperial Redevelopment Agency at a Special meeting on November 30, 2015.

Michael McMahon, Chairman

ATTEST:

Debra Jackson, Secretary