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**AGENDA**  
**SPECIAL MEETING OF THE OVERSIGHT BOARD FOR THE**  
**REDEVELOPMENT AGENCY OF THE CITY OF CONCORD**  
**SUCCESSOR AGENCY**  
**Thursday, June 19 2014**  
**9:00a.m.**  
**Permit Center Conference Room**  
**1950 Parkside Drive, Concord**

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Oversight Board Members:

Guy Bjerke, Contra Costa County CCC Fire Protection Dist.	Dick Allen, CCC Office of Education Karen Mitchoff, Contra Costa County Peter Garcia, Diablo Valley College Supervisor, District IV
Howard Jenkins, Concord Resident	Joan Ryan, City of Concord

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**I. ROLL CALL**

**II. PUBLIC COMMENT PERIOD**

(This is the time set aside for comment on any matter not listed on the agenda. We request all speakers complete a blue speaker card.)

**III. APPROVAL OF APRIL 4, 2014 MEETING MINUTES IV.**

**OVERSIGHT BOARD CONSIDERATION ITEM:**

- A. RESOLUTION DIRECTING THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CONCORD TO COMMENCE PROCEEDINGS FOR THE ISSUANCE OF BONDS TO REFUND BONDS AND OTHER INDEBTEDNESS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CONCORD - REPORT BY KARAN REID, FINANCE DIRECTOR**

**IV. ADJOURNMENT**

## **NOTICE TO PUBLIC**

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### **ADA ACCOMMODATION**

In accordance with the Americans with Disabilities Act and California Law, it is the policy of the City of Concord to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the ADA Coordinator at (925) 671-3025, at least five (5) days in advance of the hearing. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

### **SPEAKER'S CARD**

Members of the audience who wish to address the Oversight Board are requested to complete a speaker's card available in the Permit Center Conference Room. Submit the completed card to staff before the item is called, preferably before the meeting begins.

### **PUBLIC COMMENT**

This is the time set aside for public comment on any matter not listed on the agenda. A completed Speaker's Card inclusive of name and address is requested, and comments should be limited to three minutes.

### **CONSENT CALENDAR**

All matters listed under CONSENT CALENDAR are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board Member prior to the time Board votes on the motion to adopt.

### **CORRESPONDENCE**

Correspondence and writings received within 72 hours of the scheduled Oversight Board for the Successor Agency City of Concord meeting that constitute a public record under the Public Records Act concerning any matter on the agenda is available for inspection during normal business hours at 1950 Parkside Drive, Concord. For additional information, contact John Montagh, Economic Development and Housing Manager, at (925) 671-3082.

### **ROUTINE AGENDA ITEMS AND CONTINUED ITEMS**

All routine and continued items will be considered by the Oversight Board at the beginning of the meeting. There will not be separate discussions of these items unless a request is made prior to the time the Oversight Board considers the motions.

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**ANNOTATED MINUTES**  
**SPECIAL MEETING OF THE OVERSIGHT BOARD FOR THE**  
**REDEVELOPMENT AGENCY OF THE CITY OF CONCORD**  
**SUCCESSOR AGENCY**  
**Thursday, April 3, 2014**  
**9:30 a.m.**  
**Permit Center Conference Room**  
**1950 Parkside Drive, Concord**

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Oversight Board Members:

Guy Bjerke, Contra Costa County	Dick Allen, CCC Office of Education
Ed Estrada, CCC Fire Protection Dist.	Karen Mitchoff, Contra Costa County
Peter Garcia, Diablo Valley College	Supervisor, District IV
Howard Jenkins, Concord Resident	Joan Ryan, City of Concord

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- I. ROLL CALL** – Guy Bjerke, Dick Allen, Peter Garcia, Karen Mitchoff and Joan Ryan present; Ed Estrada and Howard Jenkins absent.
- II. PUBLIC COMMENT PERIOD** – None from the public  
(This is the time set aside for comment on any matter not listed on the agenda. We request all speakers complete a blue speaker card.)
- III. APPROVAL OF FEBRUARY 24, 2014 MEETING MINUTES**
- ACTION:** Minutes approved (5-0; Estrada and Howard abstained)
- IV. OVERSIGHT BOARD CONSIDERATION ITEMS:**
- A. CONSIDERATION OF RESOLUTION NO. 14-021 ADOPTING AMENDED AND RESTATED BYLAWS FOR THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY FOR THE CITY OF CONCORD - REPORT BY JOHN MONTAGH**
- John Montagh, Economic Development and Housing Manager, presented amending the Restated Bylaws for the board regarding the frequency of meetings and elections. It was proposed that the Board adopt Resolution No. 14-021 that would limit meeting frequency to one (1) annual meeting a year in April on a day that is convenient for the members of the board and to then meet, as needed to address obligations such as ROPS, DoF findings or any other item requiring a Special Meeting of the board. It was further proposed that election terms be extended and/or changed.
- ACTION:** Resolution No. 14-021 “Adopting Amended and Restated Bylaws for the Oversight Board for the Successor Agency for the City of Concord” Adopted (5-0)

**B. CONSIDERATION OF ELECTION OF OVERSIGHT BOARD  
CHAIRPERSON AND VICE CHAIRPERSON– REPORT BY JOHN  
MONTAGH**

John Montagh, Economic Development and Housing Manager, gave way to current Chairman of the Board, Guy Bjerke, to lead a discussion determining election of a new Chair and Vice-Chair of the Board.

**ACTION:** Board voted (5-0) to reinstate current Chairman and Vice-Chairman Guy Bjerke and Howard Jenkins to serve in that capacity.

**C. CONSIDERATION OF REPORT ON THE AFFAIRS OF THE BOARD –  
REPORT BY JOHN MONTAGH**

John Montagh, Economic Development and Housing Manager presented consideration of the Report on the Affairs of the Board. It has been determined that this Board will serve through July 1, 2016. After that time, the Oversight Board for the Successor Agency for the City of Concord will become a countrywide oversight board. Resolutions will be made at staff level.

**ACTION:** Approved (5-0)

**V. STAFF REPORTS**

John announced that the expectation of meetings would be cancelled May – September 2014, but for any Special Meeting deemed necessary for meeting of the board.

**VI. ADJOURNMENT – Meeting adjourned at 9:46 am**

## **NOTICE TO PUBLIC**

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### **ROUTINE AGENDA ITEMS AND CONTINUED ITEMS**

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DATE: June 11, 2014

**SUBJECT: RESOLUTION DIRECTING THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD TO COMMENCE PROCEEDINGS FOR THE ISSUANCE OF BONDS TO REFUND BONDS AND OTHER INDEBTEDNESS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CONCORD**

**Report in Brief**

The Oversight Board is requested to direct the Successor Agency to commence the refunding of the City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001 (the “2001 Bonds”), secured pursuant to a reimbursement agreement by tax increment revenues from the Redevelopment Project and the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004 (the “2004 Bonds”).

AB 1484 specifically authorizes the issuance of refunding bonds by the Successor Agency. Due to prevailing financial market conditions, it is in the best interest of the Successor Agency at this time to issue Refunding Bonds to refund the 2001 Bonds and the 2004 Bonds.

Staff recommends that the Oversight Board adopt Resolution No. 14-022 (Attachment 1), which will direct the Successor Agency of the Redevelopment Agency of the City of Concord to commence proceedings for the issuance of bonds to refund the bonds and other indebtedness of the former Redevelopment Agency of the City of Concord, so long as the requirements of sections 34177.5(a) (1) and 34177.5(h) of the Dissolution Act are satisfied upon the issuance of the Refunding Bonds.

**Background**

The City of Concord Joint Powers Financing Authority previously issued its City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001 (the “2001 Bonds”), secured pursuant to a reimbursement agreement by tax increment revenues from the Redevelopment Project and the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004 (the “2004 Bonds”). The 2001 and 2004 Bonds are listed as Enforceable Obligations on the Successor Agency’s Recognized Obligation Payment Schedule (“ROPS”). The current outstanding par amount of the 2001 Bonds is \$5,230,000, and the current outstanding par (face value) amount of the 2004 Bonds is \$40,925,000. The final maturity of the 2001 Bonds is March 1, 2023, while the 2004 Bonds mature on June 1, 2025. All of the outstanding bonds are callable at par or 100%.

Section 34177.5(f) of the California Health and Safety Code (the “Code”) provides that the Oversight Board may direct the Successor Agency to commence proceedings for the issuance of bonds to refund bonds or other indebtedness of its former redevelopment agency as permitted by section 34177.5(a) (1) of the Code, so long as the Successor Agency is able to recover its related costs in connection with the transaction.

## Oversight Board approval directing Successor Agency to commence refunding of outstanding bonds

June 11, 2014

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Staff has determined in consultation with its Financial Advisor that current bond market conditions allow for the issuance of refunding bonds to refinance all of the outstanding bonds. Furthermore, as indicated earlier, all outstanding bonds are now callable at par, which makes the economics of the refunding work better. The market for post AB 1484 tax allocation bonds is favorable, with more than forty such bonds issued to-date. The estimated average annual debt service savings are anticipated to be approximately \$360,000 per year. These savings are distributed to all taxing entities as additional property tax revenues. Because the debt service on the bonds is not level, the savings will be greater in years 2015 to 2019 and declining in years 2020 to 2025, due to the different final maturities of the bonds.

Accordingly, the Successor Agency is considering an item on its June 10, 2014 regular agenda to commence the transaction to refund its existing bonds as authorized by Section 34177.5(a), subject to the specific direction from the Oversight Board to do so. In the event the Oversight Board adopts the attached resolution and thereby provides the Successor Agency the direction to commence the transaction to refund the existing bonds, the Successor Agency resolution also then authorizes the City Manager to enter into professional services agreements with three consultants to serve as financial advisor (Fieldman, Rolapp & Associates), bond counsel and disclosure counsel (Quint & Thimmig LLP), and fiscal consultant (Keyser Marston Associates) in connection with the bond refunding transaction.

### Discussion

Today's action is the second step in the process to refund the outstanding indebtedness of the former Redevelopment Agency of the City of Concord. Staff anticipates that the refunding will take approximately five (5) months to complete. The key milestones to complete the refunding are identified below:

- June 10, 2014 Successor Agency approves retention of Consultants
- June 11, 2014 Oversight Board directs Successor Agency to proceed with the refunding
- Selection of an Underwriter to conduct a negotiated sale of the refunding bonds
- Preparation of all required legal and disclosure documents
- Approval of documents by Successor Agency
- Approval by Oversight Board of Successor Agency action
- Submission to Department of Finance
- Secure an underlying credit rating and potentially bond insurance and/or reserve fund surety
- Department of Finance Approval
- Negotiate sale of Bonds
- Bond Closing and payoff of outstanding bonds

**Oversight Board approval directing Successor Agency to commence refunding of  
outstanding bonds**

June 11, 2014

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**Fiscal Impact**

The refinancing of the outstanding indebtedness of the former Redevelopment Agency will generate net present value savings of approximately \$4.5 million over the remaining life of the indebtedness. The average annual savings will be approximately \$360,000 per year with the debt retired by FY 2025-26. **The term of the refunding bonds is the same as the original term of the currently outstanding indebtedness and will not be extended.** As was discussed earlier, because the debt service on the bonds is not level, the savings will be greater in years 2015 to 2019 and declining in years 2020 to 2025, due to the different final maturities of the bonds. These savings are net of the costs of issuance and underwriter's discount. The costs of issuance cover the fees of the financial advisor, bond/disclosure counsel, fiscal consultant, rating agencies, escrow agent, trustee, and other miscellaneous costs. All the costs of issuance fees are only incurred if the refinancing is approved, except for the costs of the fiscal consultant and rating agencies. These costs are eligible to be included on the future ROPs per the provisions of AB 1484 if the refunding fails to close. Both agreements of the financial advisor and bond/disclosure counsel are contingent on the refinancing of the bonds. Both of these firms as well as KMA have done work with the City on prior financial issues.

**Public Contact**

Agenda Posted

**Recommendation for Action**

Staff recommends the Oversight Board adopt Resolution Number 14-022, directing the Successor Agency of the Redevelopment Agency of the City of Concord to commence proceedings for the issuance of bonds to refund the bonds and other indebtedness of the former Redevelopment Agency of the City of Concord described above, so long as the Successor Agency is able to recover its related costs in connection with the transaction.

Prepared by: Karan Reid  
Finance Director  
[Karan.Reid@ci.concord.org](mailto:Karan.Reid@ci.concord.org)

Enclosures: Resolution 14-022

1                   **BEFORE THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY CITY OF**  
2   **CONCORD**  
3                   **COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

4                   **RESOLUTION DIRECTING THE OVERSIGHT**  
5                   **BOARD FOR THE SUCCESSOR AGENCY OF**  
6                   **THE FORMER REDEVELOPMENT AGENCY OF**  
7                   **THE CITY OF CONCORD TO COMMENCE**  
8                   **PROCEEDINGS FOR THE ISSUANCE OF BONDS**  
9                   **TO REFUND BONDS AND OTHER**  
10                   **INDEBTEDNESS OF THE FORMER**  
11                   **REDEVELOPMENT AGENCY OF THE CITY OF**  
12                   **CONCORD**

Resolution No. 14-022

13                   **WHEREAS**, the Oversight Board for the Successor Agency of the former Redevelopment  
14                   Agency of the City of Concord (the “Former Agency”), was a public body, corporate and politic, duly  
15                   established and authorized to transact business and exercise powers under and pursuant to the  
16                   provision of the Community Redevelopment Law of the State of California, constituting Part 1 of  
17                   Division 24 of the California Health and Safety Code (the “Law”), including the power to issue bonds  
18                   for any of its corporate purposes; and

19                   **WHEREAS**, in 1974, a redevelopment plan for the Central Concord Redevelopment Project  
20                   in the City of Concord, California (the “Redevelopment Project”), was adopted in compliance with all  
21                   requirements of the Law; and

22                   **WHEREAS**, the City of Concord Joint Powers Financing Authority previously issued City of  
23                   Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking  
24                   Structure), Series 2001 (the “2001 Bonds”), secured pursuant to a reimbursement agreement by tax  
25                   increment revenues from the Redevelopment Project; and

26                   **WHEREAS**, the Former Agency previously issued Redevelopment Agency of the City of  
27                   Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004  
28                   (the “2004 Bonds”), secured by tax increment revenues from the Redevelopment Project;

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

31                   **WHEREAS**, the California Supreme Court subsequently upheld the provision of the  
32                   Dissolution Act and invalidated the Opt-in Bill, resulting in the Former Agency being dissolved as of

1 February 1, 2012; and

2           **WHEREAS**, the powers, assets and obligation of the Former Agency were transferred on  
3 February 1, 2012 to the City of Concord (the “City”) acting in its capacity as the Oversight Board for  
4 the Successor Agency of the former Redevelopment Agency of the City of Concord (the “Successor  
5 Agency”); and

6           **WHEREAS**, on or about June 27, 2012, the California Legislature adopted AB 1484 as a  
7 trailer bill in connection with the 2012-13 California Budget; and

8           **WHEREAS**, AB 1484 specifically authorizes the issuance of refunding bonds by the  
9 Successor Agency; and

10           **WHEREAS**, the Successor Agency for the City of Concord has determined that due to  
11 prevailing financial market conditions, it is in the best interests of the Successor Agency at this time to  
12 issue bonds (the “Refunding Bonds”) to refund the 2001 Bonds and the 2004 Bonds; and

13           **WHEREAS**, section 34177.5(f) of the Dissolution Act provides that an oversight board of a  
14 successor agency to a former redevelopment agency may direct the successor agency to commence  
15 proceedings for the issuance of bonds or the incurrence of indebtedness to refund bonds or other  
16 indebtedness of its former redevelopment agency as permitted by section 34177.5(a)(1) of the  
17 Dissolution Act; and

18           **WHEREAS**, the Successor Agency now desires to direct the Successor Agency to commence  
19 proceedings to issue bonds in one or more series (the “Refunding Bonds”) to refund in whole or in  
20 part all or any of the 2001 Bonds and the 2004 Bonds, so long as the Refunding Bonds and the 2001  
21 Bonds and the 2004 Bonds to be refunded satisfy the requirements of section 34177.5(a)(1) and  
22 34177.5(h) of the Dissolution Act.

23           **NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY**  
24 **OF THE CITY OF CONCORD DOES RESOLVE AS FOLLOWS:**

25           **Section 1.** The Oversight Board for the Successor Agency of the City of Concord hereby finds  
26 and determines that the foregoing recitals are true and correct.

27           //

28           //

1                    **Section 2.** The Oversight Board for the Successor Agency for the City of Concord hereby  
2 directs the Successor Agency to commence proceedings to issue Refunding Bonds to refund in whole  
3 or in part all or any of the 2001 Bonds and the 2004 Bonds, so long as the requirements of sections  
4 34177.5(a)(1) and 34177.5(h) of the Dissolution Act are satisfied upon the issuance of the Refunding  
5 Bonds.

6                    **Section 3.** The Oversight Board for the Successor Agency for the City of Concord  
7 acknowledges and agrees that the Successor Agency is entitled under section 34177.5(f) of the  
8 Dissolution Act to recover its costs in connection with the proceedings for the issuance and payment  
9 of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent  
10 with respect to the authorization, issuance, sale and delivery of the Refunding Bonds.

11                    **Section 4.** This resolution shall become effective immediately upon its passage and adoption.

12  
13                    **PASSED AND ADOPTED** by the Oversight Board for the Successor Agency of the City of  
14 Concord on June 11, 2014, by the following vote:

15 **AYES:**            Board Members -  
16 **NOES:**            Board Members -  
17 **ABSTAIN:**        Board Members -  
18 **ABSENT:**         Board Members -  
19

20  
21                    **I HEREBY CERTIFY** that the foregoing Resolution No. 14-022 was duly and regularly  
22 adopted at a special meeting of the Oversight Board for the Successor Agency of the City of Concord  
23 on June 11, 2014.

24  
25  
26                    \_\_\_\_\_  
27 Mary Rae Lehman, CMC  
28 City Clerk