



AGENDA
SPECIAL MEETING OF THE OVERSIGHT BOARD FOR THE
REDEVELOPMENT AGENCY OF THE CITY OF CONCORD
SUCCESSOR AGENCY
Monday, June 30, 2014
9:00a.m.
Permit Center Conference Room
1950 Parkside Drive, Concord

Oversight Board Members:

Guy Bjerke, Contra Costa County	Dick Allen, CCC Office of Education
Greg Sawyer 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

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 JUNE 19, 2014 MEETING MINUTES.

OVERSIGHT BOARD CONSIDERATION ITEM:

- A. A RESOLUTION APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD TO REFINANCE REDEVELOPMENT ACTIVITIES WITHIN AND FOR THE BENEFIT OF THE CENTRAL CONCORD REDEVELOPMENT PROJECT AREA OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CONCORD AND APPROVING RELATED ACTIONS**
- REPORT BY KARAN REID, FINANCE DIRECTOR

IV. ADJOURNMENT

NOTICE TO PUBLIC

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.



ANNOTATED MINUTES
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

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

I. ROLL CALL – Karen Mitchoff, Dick Allen, Guy Bjerke, Howard Jenkins, Joan Ryan present; Peter Garcia and Fire District Representative 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 APRIL 4, 2014 MEETING MINUTES

ACTION: Minutes approved (5-0; Garcia abstained)

IV. OVERSIGHT BOARD CONSIDERATION ITEM:

A. RESOLUTION DIRECTING THE OVERSIGHT BOARD FOR 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 BY KARAN REID, FINANCE DIRECTOR

Karen Reid, Finance Director, made a presentation regarding the remaining indebtedness of the former Redevelopment Agency of the City of Concord. Her presentation stated that if the Oversight Board were to direct the City to commence proceedings for the issuance of bonds that would refund bonds from 2001 and 2004, there were be a total savings of \$4.5 million dollars; \$360,000.00 per year, of which the City of Concord would be entitled to about \$36,000.00 (10%) of those savings, also shared between 20-30 other agencies.

Joan Ryan made inquiry about the City of Concord seemingly being responsible for financing this transaction that other agencies would also benefit from in cost savings.

Oversight Board for the Redevelopment Agency of the
City of Concord Successor Agency

Annotated Minutes

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Karen responded stating that staff time would be added to the ROPS or made a part of final closing costs in an effort to recoup some of those monies spent upfront in the arrangement of the bond issuance.

Howard Jenkins also requested to see some form of Term Sheet that would reflect how the Net was determined.

Karen proposed to include documentation that would provide an overview at the next meeting of the Board on June 30, 2014.

ACTION: Board approved directing the City to commence proceedings for the issuance of bonds to refund indebtedness of the former Redevelopment Agency. (5-0; Garcia abstained)

IV. ADJOURNMENT – 9:15 am

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ROUTINE AGENDA ITEMS AND CONTINUED ITEMS

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DATE: June 30, 2014

SUBJECT: RESOLUTION APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD TO REFINANCE REDEVELOPMENT ACTIVITIES WITHIN AND FOR THE BENEFIT OF THE CENTRAL CONCORD REDEVELOPMENT PROJECT AREA OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CONCORD AND APPROVING RELATED ACTIONS

Report in Brief

The Oversight Board is requested to approve the issuance and sale of tax allocation bonds by the Successor Agency to the Redevelopment Agency of the City of Concord (“Successor Agency”).

AB 1484 specifically authorizes the issuance of refunding bonds by the Successor Agency and 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. 14-23 (Attachment 3) which will approve the issuance and sale of tax allocation refunding bonds of the Successor Agency to refinance redevelopment activities within and for the benefit of the Central Concord Redevelopment Project Area and approve related actions.

Background

The City of Concord Joint Powers Financing Authority has 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 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 (a) of the Dissolution Act (AB x1 26, as amended by AB 1484) provides that the Successor Agency may proceed to issue bonds to refund the existing bonds or other indebtedness of its former redevelopment agency to provide savings provided:

- a. the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the existing bonds plus the remaining principal of the existing bonds, and

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

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- b. the principal amount of the refunding bonds shall not exceed the amount required to decrease the existing bonds, to establish customary debt service reserves, and to pay related costs of issuance.

Section 34177.5 (f) provides that the actions of the Successor Agency authorized by Section 341177.5 (a) shall be subject to the approval of the Oversight Board as provided by Section 341180. Additionally, Section 341177.5 (f) provides that the Oversight Board may also direct the Successor Agency to commence a transaction described in Section 341177.5 (a) provided the Successor Agency is able to recover its related costs.

Successor Agency Staff has determined, in consultation with its Financial Advisor, Fieldman, Rolapp & Associates, 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 now. The market for post AB 1484 tax allocation bonds is favorable, with more than fifty such bonds issued to-date. The estimated average annual debt service savings are anticipated to be approximately \$360,000 per year. These savings would be distributed proportionately to all 28 taxing entities as additional property tax revenues. Since 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 approved on its June 10, 2014 regular agenda to commence the transaction to refund its existing bonds as authorized by Section 341177.5 (a). On June 19, 2014, the Oversight Board directed the Successor Agency to proceed with the refunding plan. Additionally, on June 24, 2014 the Successor Agency, City Council and the Public Finance Authority approved all legal documents necessary to issue the tax allocation refunding bonds.

Discussion

Today's action is the third step in the process to refinance the outstanding indebtedness of the Former Agency. It is anticipated that the refunding will take approximately 5 months to complete. The key milestones to complete the refinancing are identified below:

- Successor Agency approves retention of Consultants (**Completed**)
- Oversight Board directs Successor Agency to proceed with the refunding (**Completed**)
- Selection of an Underwriter to conduct a negotiated sale of the refunding bonds (**Completed**)
- Preparation of all required legal and disclosure documents (**Underway**)
- Approval of documents by Successor Agency (**Completed**)
- Approval by Oversight Board of Successor Agency action (**Today's 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**

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At its meeting on June 19, 2014, the Oversight Board requested additional information on the terms of proposed financing as well as details on the calculation of the estimated savings. These items are provided on Attachments 1 and 2. Resolution 14-23 is attached to this staff report and all other related legal documents are on file with the City Clerk. Due to the large size of these documents, copies will not be provided with this staff report and can be obtained by contacting the City Clerk.

Approval of today's resolution will approve the Successor Agency's action to authorize the issuance and sale of tax allocation refunding bonds to refinance redevelopment activities within and for the benefit of the Concord Redevelopment Project Area of the Former Agency so long as the requirements of Health and Safety Code Section 434177.5 (a) (1) are satisfied upon the issuance of the Refunding Bonds.

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, since 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 cost 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 such fees are contingent on the issuance of the refunding bonds, 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.

Public Contact

Agenda Posted

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

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Recommendation for Action

Staff recommends the Oversight Board adopt Resolution Number 14-23 approving the issuance and sale of tax allocation refunding bonds of the Successor Agency to the Redevelopment Agency of the City of Concord to refinance redevelopment activities within and for the benefit of the Central Concord Redevelopment project area of the former Redevelopment Agency of the City of Concord and approving related actions.

Prepared by: Karan Reid
Finance Director
Karan.Reid@ci.concord.org

Enclosures: ATT 1: Sources and Uses of Funds
ATT 2: Combined Savings of Proposed Financing
ATT3: Resolution 14-23; all other legal documents are on file with the City Clerk

SUCCESSOR AGENCY TO THE CONCORD REDEVELOPMENT AGENCY

SOURCES AND USES

Combined Refunding of the 2001 Lease Revenue Bonds and 2004 Tax Allocation Bonds

	Current Refunding of the 2004 Tax Allocation Refunding Bonds	Current Refunding of the 2001 Lease Revenue Bonds	Total
SOURCES:			
Par Amount	42,365,000	4,940,000	47,305,000
Net Premium/OID	998,989	162,027	1,161,015
Prior Reserve Fund	3,305,629	767,684	4,073,314
TOTAL SOURCES:	46,669,618	5,869,711	52,539,329
USES:			
Refunding Escrow Deposits	41,612,565	5,280,165	46,892,731
Debt Service Reserve Fund	4,340,477	506,124	4,846,602
Cost of Issuance	291,061	33,939	325,000
Underwriter's Discount	423,650	49,400	473,050
Additional Proceeds	1,865	82	1,947
TOTAL USES:	46,669,618	5,869,711	52,537,382

SUCCESSOR AGENCY TO THE CONCORD REDEVELOPMENT AGENCY

Combined Savings Current Refunding of the 2001 Lease Revenue Bonds and the 2004 Tax Allocation Refunding Bonds

Date	Prior Debt Service	Refunding Debt Service	Gross Savings	PV Savings
7/1/2015	7,036,568	6,621,910	414,658	420,935
7/1/2016	7,158,423	6,738,250	420,173	414,281
7/1/2017	7,162,848	6,741,150	421,698	405,624
7/1/2018	7,171,448	6,746,750	424,698	398,455
7/1/2019	7,159,715	6,736,550	423,165	387,520
7/1/2020	3,955,646	3,731,400	224,246	203,685
7/1/2021	3,958,960	3,731,000	227,960	201,975
7/1/2022	3,958,711	3,732,750	225,961	195,446
7/1/2023	3,959,524	3,021,500	938,024	773,696
7/1/2024	3,220,783	3,023,550	197,233	158,398
7/1/2025	3,219,783	3,023,050	196,733	154,131
	57,962,407	53,847,860	4,114,547	3,714,146

Present Value Savings	3,714,146	
Less: Prior Reserve Fund	-4,073,314	
Plus: Refunding Funds on Hand	4,848,548	
Net Present Value Savings	4,489,380	9.73%
Refunded Par Amount	46,155,000	

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

4 **A RESOLUTION APPROVING THE ISSUANCE**
5 **AND SALE OF TAX ALLOCATION REFUNDING**
6 **BONDS OF THE SUCCESSOR AGENCY TO THE**
7 **REDEVELOPMENT AGENCY OF THE CITY OF**
8 **CONCORD TO REFINANCE REDEVELOPMENT**
9 **ACTIVITIES WITHIN AND FOR THE BENEFIT**
10 **OF THE CENTRAL CONCORD**
11 **REDEVELOPMENT PROJECT AREA OF THE**
12 **FORMER REDEVELOPMENT AGENCY OF THE**
13 **CITY OF CONCORD AND APPROVING**
14 **RELATED ACTIONS**

Resolution No. 14-23

15 **RESOLVED**, by the Oversight Board to the Successor Agency of the Redevelopment Agency
16 of the City of Concord (the “Oversight Board”) as follows:

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

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

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

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

//

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

3 **WHEREAS**, the California Supreme Court subsequently upheld the provisions of the
4 Dissolution Act and invalidated the Opt-in Bill resulting in the Agency being dissolved as of February
5 1, 2012;

6 **WHEREAS**, the powers, assets and obligations of the Former Agency were transferred on
7 February 1, 2012 to the City of Concord (the “City”) as the Successor Agency of the Redevelopment
8 Agency of the City of Concord (the “Successor Agency”);

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

11 **WHEREAS**, AB 1484 specifically authorizes the issuance of refunding bonds by the
12 Successor Agency;

13 **WHEREAS**, the Successor Agency has determined that, due to prevailing financial market
14 conditions, it is in the best interests of the Successor Agency at this time to issue its bonds (the
15 “Refunding Bonds”) to refund the 2001 Bonds and the 2004 Bonds; and

16 **WHEREAS**, to provide moneys to refund the 2001 Bonds and the 2004 Bonds, the Successor
17 Agency has determined to issue its Successor Agency of the Redevelopment Agency of the City of
18 Concord, Tax Allocation Refunding Bonds, Series 2014, in the aggregate principal amount of not to
19 exceed \$50,000,000 (the “Bonds”), under the provisions of section 34177.5(g) of the Dissolution Act
20 and Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the
21 California Government Code;

22 **WHEREAS**, the Successor Agency has determined that the total net interest cost to maturity
23 of the Bonds plus the principal amount of the Bonds will not exceed the total net interest cost to
24 maturity of the 2001 Bonds and the 2004 Bonds to be refunded plus the principal amount of the 2001
25 Bonds and the 2004 Bonds to be refunded; and

26 **WHEREAS**, on June 24, 2014, the Successor Agency adopted a resolution authorizing the
27 issuance of the Bonds (the “Successor Agency Resolution”);

28 //

1 **WHEREAS**, under section 34180(b) of the Dissolution Act, the Successor Agency’s issuance
2 of bonds is subject to the approval of the Oversight Board;

3 **WHEREAS**, a copy of the Successor Agency Resolution has been submitted to the
4 Administrative Officer and the Auditor-Controller of Contra Costa County and the California
5 Department of Finance, as required by section 34180(j) of the Dissolution Act; and,

6 **WHEREAS**, the Oversight Board now desires to approve the issuance of the Bonds by the
7 Successor Agency and the other actions of the Successor Agency contemplated by the Successor
8 Agency Resolution;

9 **NOW, THEREFORE**, it is hereby ORDERED and DETERMINED, as follows:

10 **Section 1.** The Oversight Board finds and determines, based on information provided to the
11 Oversight Board, that, as required by section 34177.5(a)(1) of the Dissolution Act: (a) the total net
12 interest cost to maturity of the Bonds plus the principal amount of the Bonds will not exceed the total
13 net interest cost to maturity of the 2001 Bonds and the 2004 Bonds to be refunded plus the principal
14 amount of the 2001 Bonds and the 2004 Bonds to be refunded; and (b) the principal amount of the
15 Bonds will not exceed the amount required to decrease the 2001 Bonds and the 2004 Bonds to be
16 refunded, to establish customary debt service reserves, and to pay related costs of issuance.

17 **Section 2.** The Oversight Board finds and determines, based on information provided to the
18 Oversight Board, that, as required by section 34177.5(h) of the Dissolution Act: (a) the Successor
19 Agency has made, and will continue to make, diligent efforts to assure that the lowest long-term cost
20 financing is obtained with the Bonds; (b) the Bonds will not provide for any bullets or spikes and shall
21 not use variable rates of interest; and (c) that the Successor Agency has made, and will continue to
22 make, use of an independent financial advisor in issuing the Bonds.

23 **Section 3.** The Oversight Board approves the issuance of the Bonds by the Successor Agency
24 for the purposes of refunding the 2001 Bonds and the 2004 Bonds, so long as the requirements of
25 sections 34177.5(a)(1) and 34177.5(h) of the Dissolution Act are satisfied upon the issuance of the
26 Bonds.

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