

SOUTH GATE PUBLIC FINANCING AUTHORITY AND CITY COUNCIL

JOINT MEETING AGENDA

Tuesday, May 27, 2014 at 5:30 p.m.

CALL TO ORDER:

W.H. (Bill) De Witt Chairperson

ROLL CALL:

Carmen Avalos, City Clerk

CHAIRPERSON

W. H. (Bill) De Witt

SECRETARY

Carmen Avalos

VICE CHAIRPERSON

Gil Hurtado

CITY TREASURER

Maria Belen Bernal

BOARD OF DIRECTORS

Henry Gonzalez

Jorge Morales

Maria Davila

EXECUTIVE DIRECTOR

Michael Flad

LEGAL COUNSEL

Raul F. Salinas

FINANCE DIRECTOR

Bryan Cook

Materials related to an item on this Agenda submitted to the Public Financing Authority after distribution of the agenda packet are available for public inspection in the City Clerk's Office

8650 California Avenue, South Gate, California 90280

(323) 563-9510 * fax (323) 563-5411 * www.cityofsouthgate.org

In compliance with the American with Disabilities Act, if you need special assistance to participate in the Public Financing Authority Meetings, please contact the Office of the City Clerk. Notification 48 hours prior to the Public Financing Authority Meeting will enable the City to make reasonable arrangements to assure accessibility.

MEETING COMPENSATION DISCLOSURE

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by Board Members is \$50 per meeting.

1. Public Financing Authority Re-Organization

The Public Financing Authority Members will consider appointing a Chairperson and Vice Chairperson and ratify the reorganization. (CLERK)

2. Resolutions of the Public Financing Authority and City Council each Authorizing Amendments to Certain Agreements in Connection with the Issuance by the Successor Agency of its Successor Agency to the Community Development Commission of The City of South Gate Tax Allocation Refunding Bonds, in one or more Series

- a. The Public Financing Authority will consider adopting a **Resolution** _____ authorizing amendments to certain Agreements in connection with the issuance by the Successor Agency of its Successor Agency to the Community Development Commission of the City of South Gate tax allocation refunding bonds, in one or more series; and
- b. The City Council will consider adopting a **Resolution** _____ authorizing amendments to certain Agreements in connection with the issuance by the Successor Agency of its Successor Agency to the Community Development Commission of the City of South Gate tax allocation refunding bonds, in one or more series.

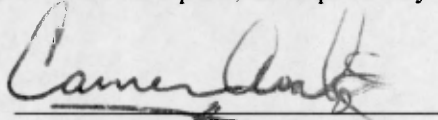
3. Minutes

The Public Financing Authority will consider approving the Public Financing Authority Meeting Minutes of August 28, 2012. (CLERK)

4. Comments from the Audience

Adjournment

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted on May 20, 2014 at 4:30 p.m., as required by law.


Carmen Avalos, City Clerk

RECEIVED

MAY 19 2014

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

12:06p

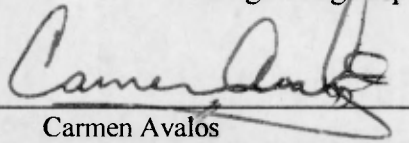
City of South Gate Item No. 1
PUBLIC FINANCING AUTHORITY

AGENDA BILL

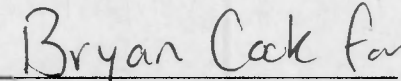
For the Regular Meeting of May 27, 2014

Originating Department: Office of the City Clerk

City Clerk


Carmen Avalos

City Manager


Michael Flad

SUBJECT: PUBLIC FINANCING AUTHORITY RE-ORGANIZATION

ACTION: The Authority Members will appoint a Chairperson and Vice Chairperson and ratify the re-organization.

FISCAL IMPACT: None

REPORT SUMMARY: Annually, the Authority Members following traditional protocol re-organizes and selects a new Chairperson and Vice Chairperson. The selection corresponds and follows the selection of the Mayor and Vice Mayor. The City Council, at its meeting of April 8, 2014, voted to select Henry C. Gonzalez as Mayor and Jorge Morales as Vice Mayor.

ATTACHMENTS: None

City of South Gate

JOINT MEETING OF THE SOUTH GATE PUBLIC FINANCING AUTHORITY AND CITY COUNCIL

RECEIVED

AGENDA BILL

MAY 19 2014

3:40pm

For the Special Meeting of May 27, 2014

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

Originating Department: Administration/Finance

Department Head _____

City Manager: _____

Assistant City Manager: _____

BC
Bryan Cook

Bryan Cook for
Michael Flad

SUBJECT: RESOLUTIONS OF THE PUBLIC FINANCING AUTHORITY AND CITY COUCIL EACH AUTHORIZING AMENDMENTS TO CERTAIN AGREEMENTS IN CONNECTION WITH THE ISSUANCE BY THE SUCCESSOR AGENCY OF ITS SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE TAX ALLOCATION REFUNDING BONDS, IN ONE OR MORE SERIES

ACTIONS:

- a. The Public Finance Authority will adopt a Resolution authorizing amendments to certain Agreements in connection with the issuance by the Successor Agency of its Successor Agency to the Community Development Commission of the City of South Gate tax allocation refunding bonds, in one or more series; and
- b. The City Council will adopt a Resolution authorizing amendments to certain Agreements in connection with the issuance by the Successor Agency of its Successor Agency to the Community Development Commission of the City of South Gate tax allocation refunding bonds, in one or more series.

FISCAL IMPACT: The Successor Agency to the Community Development Commission of the City of South Gate ("Successor Agency") is authorized under the Dissolution Law (Division 24, Parts 1.8 and 1.85 of the California Health and Safety Code) to refund outstanding bonds or other indebtedness in order to provide debt service savings subject to the approval of the Oversight Board and then the approval of the State of California, Department of Finance ("DOF"). Under current market conditions, the refinancing would reduce existing debt service payments by over \$5 million over the life of the Refunding Bonds, or over \$3.3 million on a present value basis, increasing the "residual" property tax distribution to all affected taxing entities. Based the most recent Recognized Obligation Payment Schedule ("ROPS") distribution of monies from the Redevelopment Property Tax Trust Fund ("RPTTF"), the City of South Gate ("City") is projected to receive approximately six percent (6%) of the total savings generated from the Refunding Bonds, or about \$200,000 on a present value basis, or approximately \$31,000 each year.

REPORT SUMMARY: The Successor Agency adopted Resolution No. 17 on May 13, 2014, authorizing the issuance of its Successor Agency to the Community Development Commission of the City of South Gate tax allocation refunding bonds, in one or more series; authorizing the execution and delivery of one or more indentures, local obligation purchase contracts, escrow agreements and continuing disclosure agreements and the preparation of one or more official statements and other matters related thereto. A copy of the Successor Agency Agenda Bill and Resolution are included and outline in more complete detail the Refunding Bonds and County Program. The amendments authorized by the SGPFA and the City Council Resolutions are necessary to align redemption requirements of the debts being refunded in the County Program. Both the City Council and the Public Finance Authority acted in the prior transactions, the amendments allow for the City and Public Finance Authority to dissolve its participation in the prior Redevelopment Agency Debts, and therefore allow just the Successor Agency to exclusively refinance all the Former Redevelopment Agency Debts.

- ATTACHMENTS:**
1. Proposed Public Financing Authority Resolution
 2. Proposed City Council Resolution
 3. May 13, 2014 Successor Agency Agenda Bill and Adopted Resolution
 4. Overview and Details of Transaction and Program
 5. Form of First Amendment to Indenture
 6. Form of First Amendment to Trust Agreement

ATTACHMENT 1.

RESOLUTION NO. __

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE SOUTH GATE PUBLIC FINANCING
AUTHORITY AUTHORIZING AMENDMENTS TO CERTAIN
AGREEMENTS IN CONNECTION WITH THE ISSUANCE BY THE
SUCCESSOR AGENCY OF ITS SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF
SOUTH GATE TAX ALLOCATION REFUNDING BONDS, IN ONE
OR MORE SERIES**

WHEREAS, the Community Development Commission of the City of South Gate (“Former RDA”) previously was a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health and Safety Code, and exercised the powers, authority, functions, jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, *et seq.*, and specifically formed by the City Council (“City Council”) of the City of South Gate (“City”); and

WHEREAS, Assembly Bill x1 26 chaptered and effective on June 28, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012, and subsequent legislation (together, “Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Former RDA was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Community Development Commission of the City of South Gate (“Agency”) administers the enforceable obligations of the Former RDA and otherwise unwinds the Former RDA’s affairs as confirmed by Resolution No. 7473 adopted by the City on January 11, 2012; and

WHEREAS, the Agency’s affairs are subject to the review and approval by a seven-member oversight board pursuant to Section 34179 (“Oversight Board”), which was formed and had its initial meeting on April 23, 2012; and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

WHEREAS, among other provisions of Assembly Bill No. 1484, Section 34177.5 of the Dissolution Law provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

WHEREAS, in 2002, the South Gate Public Financing Authority ("SGPFA"), for the benefit of the Former RDA, issued its South Gate Public Financing Authority 2002 Tax Allocation Revenue Bonds (South Gate Redevelopment Project No. 1) ("2002 Bonds") in the aggregate principal amount of \$17,335,000, pursuant to the Indenture of Trust, dated as of October 1, 2002 ("2002 Indenture"), by and between the SGPFA and U.S. Bank, N.A., as trustee; and

WHEREAS, the 2002 Bonds are payable from principal and interest payments under a Loan Agreement, dated as of October 1, 2002 ("2002 Loan"), by and between the Former RDA and the SGPFA, attributable to the Former RDA's South Gate Redevelopment Project No. 1, which 2002 Loan is subject to prepayment and which 2002 Bonds are subject to optional redemption and prepayment, and redemption may be made on any interest payment date for the 2002 Bonds, currently at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for prepayment and redemption, as applicable; and

WHEREAS, in 2002, the City, for the benefit of the Former RDA, caused (i) the City of South Gate Certificates of Participation 2002 Series A, evidencing interests in lease payments to be made by the City pursuant to a lease agreement ("2002A Lease"), in the aggregate principal amount of \$15,185,000 ("2002A Certificates"), and (ii) the City of South Gate Certificates of Participation 2002 Series B (Taxable), evidencing interests in lease payments to be made by the City pursuant to a lease agreement ("2002B Lease"), in the aggregate principal amount of \$7,280,000 ("2002B Certificates"), to be executed and delivered, which such lease payments of the City under each such lease agreement were supported by principal and interest payments (a) with respect to the 2002A Lease, under a Loan Agreement, dated as of March 1, 2002 ("2002A Loan"), by and between the Former RDA and the City, and (b) with respect to the 2002B Lease, under a Loan Agreement, dated as of March 1, 2002 ("2002B Loan"), by and between the Former RDA and the City, both attributable to the Former RDA's South Gate Redevelopment Project No. 1; and

WHEREAS, the 2002A Certificates were delivered pursuant to a Trust Agreement, dated as of March 1, 2002 ("2002A Trust Agreement"), by and among U.S. Bank, N.A., as trustee, the SGPFA and the City; and

WHEREAS, the 2002B Certificates were delivered pursuant to a separate Trust Agreement, dated as of March 1, 2002 ("2002B Trust Agreement"), by and among U.S. Bank, N.A., as trustee, the SGPFA and the City; and

WHEREAS, the 2002A Loan, 2002A Lease and 2002A Certificates, and 2002B Loan, 2002B Lease and 2002B Certificates, are subject to prepayment on any interest payment date for the related certificates, currently at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for prepayment; and

WHEREAS, in 2003, the SGPFA, for the benefit of the Former RDA, issued its South Gate Public Financing Authority 2003 Tax Allocation Revenue Bonds (South Gate Redevelopment Project No. 1) ("2003 Bonds") in the aggregate principal amount of \$31,900,000, pursuant to the Indenture of Trust, dated as of November 1, 2003 ("2003 Indenture"), by and between the SGPFA and U.S. Bank National Association, as trustee; and