



AGENDA REPORT

Date: December 11, 2015
To: City Manager/Executive Officer for Oversight Board Information
From: Director of Finance/Assistant City Manager
Subject: 1999 Tax Allocation Bond Redemption

On March 5, 2015, the Oversight Board approved Resolution No. 2015-03, directing the Successor Agency to use the remaining proceeds to redeem a portion of the outstanding 1999 Tax Allocation Bonds. This resolution was approved by the Department of Finance on April 15, 2015. On September 24, 2015, the Oversight Board approved Resolution No. 2015-05, further directing the Successor Agency to use the remaining 1999 Bond proceeds to redeem outstanding 1999 Bonds.


The 1999 Tax Allocation Bonds could only be redeemed on June 1 and December 1 of each year. In order to call the bonds at the next available call date on December 1, 2015, the call provisions required that the Successor Agency notify the bond holders between October 1 and November 1. Based on an analysis from our Financial Advisor (KNN Public Finance), the amount needed to fully redeem the 1999 Tax Allocation Bonds on the next call date was estimated to be \$38.1 million.

On October 23, 2015, staff formally notified the Fiscal Agent that the 1999 Tax Allocation Bonds would be redeemed. On October 27, 2015, staff acting on behalf of the Successor Agency, transferred the amount of \$38,900,866 to the Fiscal Agent for full redemption of the 1999 Tax Allocation Bonds and on the same date the Fiscal Agent sent redemption notifications to bond holders.

On December 1, 2015, staff working with the Financial Advisor, Bond Counsel (Jones Hall), and Fiscal Agent (Bank of New York Mellon Trust Company) completed the full redemption of the 1999 Tax Allocation Bonds. The amount of \$38,900,866 was redeemed from a combination of \$12,208,448 in 1999 A Bond proceeds and \$26,692,418 in Successor Agency lease revenues. Taxing entities will save \$8.8 million of interest expense versus making payments on the normal debt service schedule.



Gary Ameling
Director of Finance/Assistant City Manager

APPROVED:


Julio J. Fuentes
City Manager
Executive Officer to Successor Agency

Documents Related to this Report: None