

**RESOLUTION NO. SA-17-58**

**A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AUTHORIZING THE ISSUANCE OF REFUNDING BONDS AND APPROVING THE FORMS OF DOCUMENTS IN CONNECTION THEREWITH**

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, the City Council has adopted redevelopment plans for Imperial Beach's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

**WHEREAS**, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code ("Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 was to make technical and substantive amendments to AB 26 based on issues that arose in the implementation of AB 26, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies, including without limitation refunding or refinancing bonds or other indebtedness; and

**WHEREAS**, Health and Safety Code Section 34179 of AB 26 as amended by AB 1484 (collectively the "Dissolution Act") establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act, the California Department of Finance has issued a Finding of Completion to the Successor Agency; and

**WHEREAS**, On November 18, 2010, the former Imperial Beach Redevelopment Agency (the "Former Agency") issued its \$21,595,000 aggregate principal amount of Palm Avenue/Commercial Redevelopment Project Tax Allocation Bonds, 2010 Tax Allocation Bonds (the "Series 2010 TABs ") secured by the Former Agency's tax increment revenues as funding for the debt service obligations, pursuant to an Indenture of Trust, dated as of November 1, 2010, by and between the Original Agency and Wells Fargo Bank, N.A., as Trustee (as supplemented, the "Series 2010 Indenture"). The Series 2010 TABs were issued in order to finance redevelopment activities relating to improvements within the Palm Avenue/Commercial Development Project Area ("Project Area") including street improvements, public park capital improvements, construction of community facilities, and landscaping improvements, among others; and

**WHEREAS**, debt service on the Series 2010 TABs is repaid solely with tax increment revenues generated within the Project Area. As of June 30, 2017, the outstanding principal balance was \$20,500,000 with principal maturities from June 1, 2018 through June 1, 2040. The Series 2010 TABs have interest rates ranging from 3.50% to 5.125%; and

**WHEREAS**, pursuant to the Dissolution Act, the Successor Agency may cause the refinancing or refunding of the Series 2010 TABs for debt service savings by issuing, or causing the issuance, of tax allocation refunding bonds in accordance with the Dissolution Act including, without limitation, Sections 34177.5 and 34180(b); and

**WHEREAS**, to determine compliance with the savings parameters of the Dissolution Act, Section 34177.5 (the "Savings Parameters"), the Successor Agency has caused its municipal advisor to prepare an initial analysis of the potential savings (the "Debt Service Savings Analysis"), a copy of which analysis has been provided to the Successor Agency and is on file with the Secretary of the Successor Agency. Based on current market interest rates, annual debt service savings are projected to average \$179,637 with a total Net Present Value savings greater than \$1.5M; and

**WHEREAS**, on November 8, 2017, the Successor Agency's Oversight Board adopted Resolution No. OB-17-50, directing the Successor Agency to commence the refinancing or refunding of the Series 2010 TABs and authorizing the Successor Agency to recover all costs associated with said bond refinancing or refunding; and

**WHEREAS**, the Successor Agency intends to refund all or a portion of the Series 2010 TABs by issuing an additional series of bonds designated as the "Imperial Beach Redevelopment Agency Successor Agency Palm Avenue/Commercial Redevelopment Project Tax Allocation Refunding Bonds, Series 2018" (as further described below, the "Bonds") under and pursuant to

the Redevelopment Law, the Dissolution Act, Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law"), the Series 2010 Indenture, a Second Supplemental Indenture of Trust to be entered into to provide for the issuance thereof, and the Constitution and other applicable laws of the State of California, and under, pursuant to and subject to the conditions and limitations of Section 34177.5 of the California Health and Safety Code. Such Bonds will be issued on parity with the bonds issued in 2013; and

**WHEREAS**, following approval by the Oversight Board of the issuance by the Successor Agency of the Bonds and upon submission of this Resolution and the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its disclosure counsel, Jones Hall, A Professional Law Corporation (the "Disclosure Counsel"), its municipal advisor and other professionals, cause to be prepared a form of Official Statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by Piper Jaffray & Co., as underwriter of the Bonds (the "Underwriter"), to persons and institutions interested in purchasing the Bonds;

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The foregoing recitals are true and correct, have served as the basis for the findings and approvals set forth below, and are a substantive part of this Resolution.
- Section 2.** The Successor Agency hereby authorizes and approves the issuance of the Bonds under the Dissolution Act and the Refunding Law as tax-exempt or taxable bonds, in the aggregate principal amount of not to exceed \$22 million, provided that the Bonds are in compliance with the conditions and limitations of Section 34177.5 of the California Health and Safety Code at the time of sale and delivery.
- Section 3.** The Successor Agency has heretofore provided the Debt Service Savings Analysis to the Oversight Board, and is hereby directed to provide a final copy of this Resolution to the Oversight Board. The Successor Agency is hereby further authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, as provided in Section 34180(j), with the San Diego County Administrative Officer, the San Diego County Auditor-Controller and the California Department of Finance.
- Section 4.** The Second Supplemental Indenture of Trust (the "Second Supplement"), between the Successor Agency and the Trustee, in substantially the form on file with the Secretary of the Successor Agency (the "Secretary"), is hereby approved and adopted. The Executive Director of the Successor Agency or the Finance Officer of the Successor Agency (each an "Authorized Officer"), each acting alone, or the designee of either, are hereby authorized and directed to execute the Second Supplement in substantial form as the Second Supplement attached to the Staff Report

subject to the Oversight Board's approval of the Second Supplement as required by the Dissolution Act or desired by the Authorized Officer, provided that the Authorized Officer, or designee, of the Successor Agency is hereby authorized to make non-substantive changes and amendments to the Second Supplement deemed necessary and as approved by the Authorized Officer and legal counsel to the Successor Agency, including to provide for taxable bonds, and to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency. The Successor Agency hereby agrees to comply with, or cause to be complied with, all covenants of the Successor Agency set forth in the Series 2010 Indenture and the Second Supplement.

**Section 5.** The form of the Escrow Agreement with Wells Fargo Bank, N.A., as escrow agent for the Series 2010 TABs, in substantially the form on file with the Secretary, is hereby approved. Each Authorized Officer, or designee, of the Successor Agency is hereby authorized and directed to execute the Escrow Agreement in substantial form as the Escrow Agreement attached to the Staff Report subject to the Oversight Board's approval of the Escrow Agreement as required by the Dissolution Act or desired by the Authorized Officer, provided that the Authorized Officer, or designee, of the Successor Agency is hereby authorized to make non-substantive changes and amendments to the Escrow Agreement deemed necessary and as approved by the Authorized Officer and legal counsel to the Successor Agency and to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency.

**Section 6.** It is the intent of the Successor Agency to sell and deliver the Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Series 2010 TABs that meet the Savings Parameters. In the event the Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Bonds without the further approval of the Successor Agency or the Oversight Board, provided that in each such instance the Bonds so sold and delivered in part are in compliance with the Savings Parameters.

**Section 7.** The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Bonds and reserve account surety bond(s) for the Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor and the Underwriter, that such municipal bond insurance policy and/or surety bond(s) will reduce the true interest costs with respect to the Bonds.

- Section 8.** The Successor Agency authorizes and directs the Authorized Officers, upon consultation with its Municipal Advisor, to sell the Bonds to Piper Jaffray & Co. (the "Underwriter"). Following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its Bond Counsel, Municipal Advisor and other professionals cause to be prepared a form of Purchase Agreement for the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval at a future Board meeting. In no event shall the terms of such sale result in a failure to meet the requirements of Section 34177.5 of the Redevelopment Law.
- Section 9.** Following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its Disclosure Counsel, Municipal Advisor and other professionals cause to be prepared a form of Official Statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the Bonds.
- Section 10.** The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approval by the California Department of Finance, and in the issuance, sale and delivery of the Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.
- Section 11.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.
- Section 12.** This Resolution shall take effect upon the date of its adoption.

**PASSED, APPROVED, AND ADOPTED** by the Imperial Beach Redevelopment Agency  
Successor Agency at its meeting held on the 6<sup>th</sup> day of December, 2017, by the following vote:

**AYES: BOARDMEMBERS: SPRIGGS, PATTON, WEST, BRAGG, DEDINA**  
**NOES: BOARDMEMBERS: NONE**  
**ABSENT: BOARDMEMBERS: NONE**



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**SERGE DEDINA,  
CHAIRPERSON**

**ATTEST:**



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**SUNEM CARBALLO,  
ASSISTANT SECRETARY**