



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: June 13, 2017

Subject: Preliminary Official Statement for Tax Allocation Refunding Bonds, Series 2017A and 2017B

RECOMMENDATION(S):

Acting as the Governing Board to the Successor Agency of the Contra Costa County Redevelopment Agency (the "Successor Agency"):

1. ADOPT Resolution No. 2017/215 that approves the form of the preliminary official statement for the Successor Agency Tax Allocation Refunding Bonds, Series 2017A and 2017B, (together the "Refunding Bonds") (the "Preliminary Official Statement") and AUTHORIZE the Chair of the Board of Supervisors, the County Administrator, the Director of Conservation and Development, the Deputy Director of Conservation and Development for Policy Planning, the Assistant Deputy Director of Conservation and Development, or the Community Development Bond Program Manager (each a "Designated Officer") to approve changes or additions to the Preliminary Official Statement and deem final the Preliminary Official Statement prior to its distribution.
2. AUTHORIZE and DIRECT Stifel, Nicolaus & Company Incorporated, the underwriter for the Refunding Bonds, to distribute the Preliminary Official Statement to prospective purchasers of the bonds.
3. AUTHORIZE and DIRECT the Designated Officers to assist disclosure counsel in

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **06/13/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 13, 2017

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Kristen Lackey,
925-674-7888

cc:

causing the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement"), and to execute the Final Official Statement and a statement that the facts in the Final Official Statement were at the time of the sale of the Refunding Bonds true and correct, and did not contain any untrue statement or material fact.

4. AUTHORIZE the Final Official Statement, when prepared for distribution,

RECOMMENDATION(S): (CONT'D)

to actual purchasers of the Refunding Bonds.

5. AUTHORIZE and DIRECT the Designated Officers to execute and deliver a Continuing Disclosure Certificate, the form of which is an exhibit to the Preliminary Official Statement.

6. AUTHORIZE the Designated Officers to approve modifications to the documents related to the Refunding Bonds to allow for municipal bond insurance and/or a reserve fund surety bond or insurance policy, if such action will result in lower interest cost to the Successor Agency. The bond insurance or surety bond will be purchased with bond proceeds.

FISCAL IMPACT:

The issuance of Refunding Bonds at current market rates is expected to save over \$25 million in debt service payments over the next 19 years. The savings will be distributed among the various taxing entities within the former redevelopment project areas.

BACKGROUND:

On April 25, 2017, the Board of Supervisors, acting as the Governing Board of the Successor Agency to the Contra Costa County Redevelopment Agency (the "Successor Agency"), adopted Resolution No. 2017/147 that authorized the issuance and sale of two series of tax allocation refunding bonds (the "Refunding Bonds") to refinance twelve outstanding loan obligations of the former Contra Costa County Redevelopment Agency and, thereby, refund five series of County of Contra Costa Public Finance Authority Tax Allocation Bonds, and approved related documents and actions. On May 4, 2017, the Contra Costa County Oversight Board adopted Resolution No. 2017-3 that approved the issuance of the Refunding Bonds by the Successor Agency.

The County's independent registered municipal advisor, Montague DeRose and Associates, has determined that the Refunding Bonds will achieve a debt service savings within the parameters of California Health and Safety Code 34177.5(a)(1) and prepared a savings analysis (the "Debt Service Savings Analysis"). Following the Board of Supervisors and Oversight Board actions, Successor Agency staff submitted a request along with the Debt Service Savings Analysis to the California Department of Finance (the "DOF") seeking its approval of the Oversight Board Resolution 2017-3. The DOF has until July 9, 2017, to respond to the Successor Agency.

In order to issue the Refunding Bonds, the bond underwriter, Stifel, Nicolaus & Company (the "Underwriter"), must provide a Preliminary Official Statement to prospective bond purchasers. The Preliminary Official Statement provides information regarding the Refunding Bonds, including information about the revenue for repayment of the bonds and potential risks that could impact the revenue. The Successor Agency has also met with Standard and Poor's representatives and has requested a credit rating for the

Refunding Bonds. Standard and Poor's is expected to provide the credit rating following the completion of the DOF review of the Refunding Bonds, and its approval of the Oversight Board Resolution 2017-3.

Subsequent to the Underwriter pricing the bonds, the Designated Officers will assist the County's disclosure counsel in bringing the Preliminary Official Statement into the form of the Final Official Statement, including finalizing a Continuing Disclosure Certificate that is an Exhibit to the Preliminary Official Statement. Consistent with County Debt Management Policy, if bond insurance and/or a reserve fund surety bond or insurance policy is found to result in lower interest cost to the Successor Agency, the Designated Officers are authorized to approve modifications to the affected bond documents to accommodate the insurance and/or surety bond. The bond insurance or surety bond will be purchased with bond proceeds.

CONSEQUENCE OF NEGATIVE ACTION:

The Successor Agency will be unable to issue the Refunding Bonds and increase revenue to the taxing entities in the former redevelopment project areas.

ATTACHMENTS

Resolution No. 2017/215

Preliminary Official Statement