



# Dinuba Successor Agency Agenda

Tuesday, May 26, 2015 – 6:15 pm

## Dinuba City Hall

405 E. El Monte Way | Dinuba, CA 93618

WWW.DINUBA.ORG

### Dinuba City Staff

Interim City Manager

Daniel L Meinert

Assistant City Manager / City Clerk

Jayne Anderson

City Attorney

Dan McCloskey

**District 1**  
Emilio Morales  
Mayor

**District 2**  
Maribel Reynosa  
Council Member

**District 3**  
Scott Harness  
Vice Mayor

**District 4**  
Kuldip Thusu  
Council Member

**District 5**  
Mike Smith  
Council Member

#### **DEFINITION OF TERMS:**

**Consent Calendar:** Items listed under the Consent Calendar are those items staff believes will not require Agency Board discussion and are routine in content.

**Action Item:** No action or discussion shall be taken on any item not appearing on the posted Agenda, except that Agency Board Members may briefly respond to statements made or questions posed by persons exercising their public testimony rights under the Public Forum.

**Informational Item:** an item of the agenda consisting only of an informational report that does not require or permit Agency Board action.

#### **Public Comment:**

The public wishing to address the Agency Board should approach the podium and state their name, address and the nature of their request. The Agency Board values your input. Please be advised that the Mayor may limit comments to 3 minutes per speaker. This time is reserved to accept comments from the public on Consent Agenda items, Closed Session items, or items within the subject matter jurisdiction of the Agency Board not otherwise scheduled on this agenda. Direction to staff may be given; however, State law does not allow action to be taken by the Agency Board on matters not on the printed agenda at this meeting. The law requires that notice be given to the public at large to allow for full disclosure and discussion and decisions on important public issues. To have Agency Board discussions and decisions on unnoticed items would prevent the type of public input necessary to make governmental decisions.

## 1. CALL TO ORDER

## 2. PUBLIC COMMENT

2.1. Unscheduled

## 3. CONSENT CALENDAR

3.1. Successor Agency Meeting Minutes, March 10, 2015

*A request that the Agency review and approve the draft meeting minutes as presented.*

## 4. CHAIR'S COMMENTS

4.1. Information Sharing

## 5. BOARD COMMENTS

5.1. Information Sharing

**6. AGENCY BUSINESS**

- 6.1. Successor Agency to the Dinuba Redevelopment Agency Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project No.2, As Amended Tax Allocation Refunding Bonds, Issue of 2015, Resolution 2015-03
- 6.2. Information Sharing

**7. ADJOURNMENT**



Linda Barkley, Recording Secretary

This is to certify that this agenda was posted at City Hall and the Police Department by 5:30 pm on May 22, 2015. A citizens' packet regarding this agenda is available at City Hall, 405 East El Monte Way, Dinuba.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Deputy City Clerk at 559-591-5900 or lbarkley@dinuba.ca.gov. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements. [28 CFR 35.102-35.104 ADA Title II]

En cumplimiento de la Ley de Estadounidenses con Discapacidades, si usted necesita asistencia especial para participar en esta reunión, por favor póngase en contacto con el diputado Secretaria de la ciudad al 559-591-5900 o lbarkley@dinuba.ca.gov. Notificación 48 horas antes de la reunion, permitirá que personal de la ciudad haga arreglos razonables. [28 CFR 35,102 -35.104 ADA Title II]

## **DINUBA SUCCESSOR AGENCY**

**Tuesday, March 10, 2015**

**BOARD MEMBERS PRESENT:** Reynosa, Smith, Morales, Harness, Thusu

**STAFF MEMBERS PRESENT:** Anderson, Barkley, Cook, Meinert

### **CALL TO ORDER:**

The meeting was called to order at 5:31 pm.

### **PUBLIC COMMENT**

2.1. Unscheduled

No comments were brought forward.

### **CONSENT CALENDAR**

3.1. Approval – Dinuba Successor Agency February 10, 2015 Meeting Minutes

A motion was made by Vice Chair Harness, second by Board Member Thusu, to approve the consent calendar.

AYES: Reynosa, Smith, Morales, Harness, Thusu

NOES: None

ABSTAIN: None

ABSENT: None

### **CHAIR'S COMMENTS**

4.1. Information Sharing

No comments were brought forward.

### **BOARD COMMENTS**

5.1. Information Sharing

No comments were brought forward.

### **AGENCY BUSINESS**

6.1. Successor Agency to the Dinuba Redevelopment Agency Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project No.2, As Amended Tax Allocation Refunding Bonds, Issue of 2015 (the "2015 Bonds")

Doug Anderson, Financial Advisor, Urban Futures, Inc. was present to talk about refunding a bond issue. He likened it to one that was adopted last year and described the reason for the bonds and why they are being re-funded. Anderson said this year we are looking at two older issues of the Redevelopment Agency. Based on the current

interest rates, the savings will be about \$3 million. They are currently at 3.6 percent and considered very low. This would need to go to the Department of Finance for approval who is generally in favor of these items. He asked the Board to adopt a resolution in this regard and explained it will then go to the Successor Agency Oversight Board for consideration and approval to move forward.

A motion was made by Vice Chair Harness, second by Board Member Smith, to adopt Resolution 2015-02 of the Successor Agency authorizing the issuance and sale of tax allocation refunding bonds, approving the form of an indenture of trust and authorizing certain other actions in connection therewith.

AYES: Reynosa, Smith, Morales, Harness, Thusu  
NOES: None  
ABSTAIN: None  
ABSENT: None

6.2. Information Sharing

None

**ADJOURNMENT**

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Emilio Morales, Chair

ATTEST:

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Linda Barkley, Recording Secretary



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# Successor Agency Report

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City Council Meeting: May 26, 2015

Department: Finance

To: Dan Meinert, Interim City Manager

From: Cass Cook  
Ph: 559.591.5900

Subject: **Successor Agency to the Dinuba Redevelopment Agency  
Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment  
Project No.2, As Amended  
Tax Allocation Refunding Bonds, Issue of 2015 (the “2015 Bonds”)**

## **RECOMMENDED ACTION**

It is recommended that the Successor Agency Adopt Resolution No. 2015-03, Approving the Form of a Preliminary Official Statement, a Bond Purchase Contract, Escrow Agreements and a Continuing Disclosure Agreement in Connection with the Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project No. 2, as Amended, Tax Allocation Refunding Bonds, Issue of 2015, and Authorizing Certain Other Actions in Connection Therewith

## **BACKGROUND**

In 2005 the Redevelopment Agency (the “Prior Agency”) issued Tax Allocation Bonds (the “2005 Bonds”), in the amount of \$5,670,000, of which \$4,440,000 is currently outstanding and eligible for refunding. In 2006 the Prior Agency issued additional Tax Allocation Bonds (the “2006 Bonds”) in the amount of \$17,270,000, of which \$11,640,000 is currently eligible for refunding (collectively, the “Existing Bonds”). Due to the dissolution of redevelopment agencies, the Dinuba Successor Agency (the “Agency”) now has responsibility for repayment of the 2005 and 2006 Bonds.

Per AB 1484, the Agency may refund the Existing Bonds, with approval of the Oversight Board and the State Department of Finance (“DOF”), for the purpose of generating a debt service savings. At its meeting on March 10, 2015, the Successor Agency authorized the issuance of its 2015 Tax Allocation Refunding Bonds (the “2015 Bonds”). Also on March 10, 2015, the Oversight Board to the Successor Agency (the “Oversight Board”) authorized the issuance of the 2015 Bonds by the Successor Agency. On May 8, 2015, DOF issued its approval of the issuance of the 2015 Bonds by the Successor Agency.

## **DISCUSSION**

Based on the receipt of required approvals from the Oversight Board and DOF, the Successor Agency may now move ahead with the sale and closing of the 2015 Bonds. Listed below are the documents necessary to finalize the sale of the 2015 Bonds.

1. Preliminary Official Statement – this is the offering document that will be presented to potential investors in the 2015 Bonds, and includes information about the Agency, the Project Area, and the tax revenues of the Project Area, as well as a summary of the terms and payment obligations of the Agency for the 2015 Bonds. Final interest rates and terms will be inserted into the final Official Statement after the pricing of the 2015 Bonds.
2. Bond Purchase Contract - this document provides the terms and conditions by which the Underwriter, Southwest Securities, will purchase the 2015 Bonds. Final interest rates and terms will be inserted after the pricing of the 2015 Bonds.
3. Continuing Disclosure Agreement - the Disclosure Agreement defines the Agency's obligation to provide annual updates of information related to the Project Area and the tax increment revenues, for the benefit of the Bondholders and other interested parties, pursuant to federal regulations.
4. Escrow Agreements – these documents will define the terms and conditions necessary to redeem the outstanding 2005 Bonds, and (a portion of) the 2006 Bonds from the net proceeds of the 2015 Bonds, with U.S. Bank, N.A. acting as the Escrow Bank.

The form of the documents is on file with the City Clerk. It is anticipated that the 2015 Bonds can be priced in June of 2015 and closed in July of 2015, with the proceeds then deposited into refunding escrows to repay the 2005 Bonds on September 1, 2015, and repay (a portion of) the 2006 Bond on September 1, 2016.

## **FINANCIAL IMPACT**

The repayment of principal and interest on the 2015 Bonds is payable solely from Pledged Tax Revenues, which is tax increment revenues from the Project Area deposited into the Agency's Redevelopment Property Tax Trust Fund ("RPTTF"), and available after satisfying certain administrative costs of the County and certain pass through obligations to affected taxing entities.

The 2015 Bonds will not be a debt of the City's general fund or the State, or any of its political subdivisions (except the Agency).

RESOLUTION NO. 2015-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE DINUBA REDEVELOPMENT AGENCY APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT, A BOND PURCHASE CONTRACT, ESCROW AGREEMENTS AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE MERGED CITY OF DINUBA REDEVELOPMENT PROJECT AND DINUBA REDEVELOPMENT PROJECT NO. 2, AS AMENDED, TAX ALLOCATION REFUNDING BONDS, ISSUE OF 2015, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Successor Agency to the Dinuba Redevelopment Agency (the "Successor Agency") has previously approved the issuance of its Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project No. 2, As Amended, Tax Allocation Refunding Bonds, Issue of 2015 (the "Bonds") at its meeting on March 10, 2015 for the purpose of refunding certain bonds issued by the Dinuba Redevelopment Agency (the "Prior Bonds"), and wishes at this time to approve a Preliminary Official Statement in connection with the marketing of the Bonds and for the purpose of deeming it final within the meaning of Rule 15c2-12;

WHEREAS, the Successor Agency desires to approve a Bond Purchase Contract, Escrow Agreements and a Continuing Disclosure Agreement in connection with the sale and delivery of the Bonds;

WHEREAS, the Oversight Board to the Successor Agency to the Dinuba Redevelopment Agency (the "Oversight Board") has approved of the issuance of the Bonds by a resolution adopted at its meeting on March 10, 2015; and

WHEREAS, the Department of Finance has approved the action of the Oversight Board in a letter dated May 8, 2015.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE DINUBA REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

Section 1. The Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in the form presented at this meeting and on file with the Secretary, is hereby approved and deemed final for the purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended ("Rule 15c2-12"). The Underwriter of the Bonds is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in substantially the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Chair of this Board, the Vice-Chair of this Board, the Executive Director of the Successor Agency, the Finance Director of the Successor Agency or any designee of such officers (collectively, the "Authorized Officers") to make the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading.

Section 2. The form of the Bond Purchase Contract (the "Bond Purchase Contract"), in the form presented at this meeting and on file with the Secretary, is hereby approved. Each of the Authorized

Officers, acting alone, is hereby authorized to execute the Bond Purchase Contract with such additions thereto and deletions therefrom as such Authorized Officer shall deem necessary; provided, however, that the Bond Purchase Contract shall be signed only if the Underwriter's discount (exclusive of original issue discount) does not exceed 1.25% of the principal amount of the Bonds.

Section 3. The forms of the Escrow Agreements in connection with the Prior Bonds (the "Escrow Agreements"), in the forms presented at this meeting and on file with the Secretary are hereby approved. Each of the Authorized Officers, acting alone is hereby authorized to execute the Escrow Agreements with such additions thereto and deletions therefrom as such Authorized Officer shall deem necessary.

Section 4. The form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), in the form presented at this meeting and on file with the Secretary, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized to execute the Continuing Disclosure Agreement with such additions thereto and deletions therefrom as such Authorized Officer shall deem necessary.

Section 4. The members of this Board, the Authorized Officers and all other officers of the Successor Agency are hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments and to take all actions which they deem necessary or proper to effectuate the purposes of this Resolution and the issuance of the Bonds.

IN WITNESS WHEREOF, this Resolution is adopted and approved the 26th day of May, 2015.

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Chair of the Successor Agency to the  
Dinuba Redevelopment Agency

ATTEST:

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Secretary of the Successor Agency to the  
Dinuba Redevelopment Agency