

**RESOLUTION NO. 16-02**

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF ADELANTO AUTHORIZING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS IN ONE OR MORE SERIES ON A TAX-EXEMPT AND/OR TAXABLE BASIS TO REFINANCE CERTAIN OUTSTANDING OBLIGATIONS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 AND APPROVING FOUR INDENTURES AND AUTHORIZING CERTAIN ACTIONS RELATING THERETO**

**WHEREAS**, the Adelanto Improvement Agency (the "Predecessor Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Health and Safety Code"), and the powers of the Predecessor Agency included the power to issue bonds for any of its corporate purposes;

**WHEREAS**, the Redevelopment Plan for the Adelanto Improvement Project (the "Adelanto Redevelopment Plan") for the project area (the "Adelanto Project Area") was approved by Ordinance No. 155, adopted by the City Council of the City of Adelanto (the "City Council") on February 24, 1981, as amended pursuant to an Agreement dated December 22, 1981 by and between the Predecessor Agency and the County of San Bernardino, California (the "County"), as further amended by Resolution No. IA 83-19 of the Predecessor Agency adopted on May 10, 1983, and as further amended by Ordinance No. 170 of the City Council adopted on May 31, 1983

**WHEREAS**, the Redevelopment Plan for the Improvement Project No. 95-1 (the "95-1 Redevelopment Plan") for the project area (the "95-1 Project Area") was approved by Ordinances No. 302U and No. 303, adopted by the City Council on October 30, 1995;

**WHEREAS**, the Redevelopment Plan for the Improvement Project No. 3 (the "No. 3 Redevelopment Plan") for the project area (the "No. 3 Project Area") was approved by Ordinance No. 397, adopted by the City Council on July 17, 2002;

**WHEREAS**, the Predecessor Agency previously issued its \$15,095,982.75 Adelanto Improvement Agency, Adelanto Improvement Project, Tax Allocation Refunding Bonds, Series 1993B (the "1993 Bonds"), currently outstanding in the aggregate principal amount of \$10,685,000, for the purpose of funding certain redevelopment projects of the Predecessor Agency;

**WHEREAS**, the Predecessor Agency previously entered into a Loan Agreement, dated as of January 1, 1996 (the "Loan Agreement"), as supplemented by the First Supplemental Loan Agreement, dated as of January 1, 1996 (the "First Supplemental Loan Agreement") relating to \$7,400,000 Adelanto Improvement Project Loan No. 1 (Project Area No. 95-1), each by and among the Predecessor Agency, the Adelanto Public Financing Authority (the "Authority"), and Dai-ichi Kangyo Bank of California, as Fiscal Agent (the "Fiscal Agent"), which secured the Authority's \$7,400,000 Local Agency Taxable Subordinated Revenue Bonds, 1995 Series A (the "1995A Bonds"), currently outstanding in the aggregate principal amount of \$2,545,000, for the purpose of funding certain redevelopment projects of the Predecessor Agency;

**WHEREAS**, the Predecessor Agency previously entered into the Loan Agreement, as supplemented by the Second Supplemental Loan Agreement, dated as of January 1, 1996 (the "Second Supplemental Loan Agreement") relating to \$17,560,000 Adelanto Improvement Project Loan No. 2

(Project Area No. 95-1), each by and among the Predecessor Agency, the Authority, and the Fiscal Agent, which secured the Authority's \$17,560,000 Local Agency Second Subordinated Revenue Bonds, 1995 Series B (the "1995B Bonds"), currently outstanding in the aggregate principal amount of \$12,730,000, for the purpose of funding certain redevelopment projects of the Predecessor Agency;

**WHEREAS**, the Predecessor Agency previously issued its \$3,560,000 Adelanto Improvement Agency, Adelanto Improvement Project No. 3, 2007 Allocation Bonds (the "2007 Bonds" and, together with the 1993B Bonds, the 1995A Bonds and the 1995B Bonds, the "Refunded Bonds"), currently outstanding in the aggregate principal amount of \$3,020,000, for the purpose of funding certain redevelopment projects of the Predecessor Agency;

**WHEREAS**, on June 28, 2011, the California Legislature adopted ABx1 26 to, *inter alia*, dissolving existing redevelopment agencies, including the Predecessor Agency;

**WHEREAS**, the California Supreme Court substantially upheld the provisions of ABx1 26 on December 29, 2011, resulting in the dissolution of the Predecessor Agency on February 1, 2012; and

**WHEREAS**, the City Council elected to serve as the Successor Agency of the Redevelopment Agency of the City of Adelanto (the "Successor Agency") under the provisions of ABx1 26 for the purpose of paying enforceable obligations, including the Refunded Bonds, and winding up the affairs of the Predecessor Agency pursuant to ABx1 26;

**WHEREAS**, Section 34173 of the Health and Safety Code provides that "[a] successor agency is a separate public entity from the public agency that provides for its governance and the two entities shall not merge. The liabilities of the former redevelopment agency shall not be transferred to the sponsoring entity and the assets shall not become assets of the sponsoring entity";

**WHEREAS**, the Successor Agency desires to achieve debt service savings in accordance with ABx1 26 and AB 1484 and therefor assist local taxing entities by refunding the Refunded Bonds with the proceeds of its: (i) Tax Allocation Refunding Bonds, Series 2016A (Redevelopment – Project No. 3) (2007 Refunding) (the "2016A Bonds"); (ii) Tax Allocation Refunding Bonds, Series 2016B (Redevelopment – Project No. 3) (1993B Refunding) (the "2016B Bonds"); (iii) Tax Allocation Refunding Bonds, Series 2016C (Federally Taxable) (Redevelopment – Project No. 3) (1995A Refunding) (the "2016C Bonds"); and (iv) Tax Allocation Refunding Bonds, Series 2016D (Redevelopment – Project No. 3) (1995B Refunding) (the "2016D Bonds" and, together with the 2016A Bonds, the 2016B Bonds, and the 2016C Bonds, the "Bonds");

**WHEREAS**, AB 1484 specifically provides in Section 34177.5(g) of the Health and Safety Code that "[a]ny bonds . . . authorized by [Section 34177.5] shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds . . . had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the Community Redevelopment Law that existed prior to that date . . . and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund";

**WHEREAS**, the Successor Agency desires to achieve debt service savings and therefor assist the local taxing entities by refunding all or a portion of the Refunded Bonds with the proceeds of its Bonds, as the Chairman, Vice-Chairman, Executive Director or any member of the Board of Directors (the "Board"), and their respective designees (each an "Authorized Representative") in one or more series on a tax-exempt and/or taxable basis through a public or private sale on a negotiated basis; and

**WHEREAS**, the issuance of the Bonds will comply with the provisions of Section 34177.5 of the Health and Safety Code;

**NOW THEREFORE**, the Board resolves, determines and orders as follows:

**Section 1. Findings.** The Board hereby finds and determines that the recitals hereto are true and correct.

**Section 2. Refunding and Payment Approved.** The Board hereby approves the issuance and delivery of the Bonds in an aggregate principal amount not to exceed \$27,000,000, in one or more series on a taxable or tax-exempt basis, and the public or private sale of the Bonds on a negotiated basis. The Bonds shall achieve debt service savings for the Successor Agency in accordance with the provisions of Section 34177.5 of the Health and Safety Code. The maximum aggregate underwriter's discount from the principal amount of the Bonds shall not exceed 1.25% of the aggregate principal amount of such Bonds, plus net premium or less net original issue discount.

The refunding of the Refunded Bonds is hereby authorized and approved. Any Authorized Representative is hereby authorized on behalf of the Successor Agency to purchase federal securities acceptable to Bond Counsel and authorized for the Refunded Bonds, including non-callable State and Local Government Series obligations of the United States of America issued by the Bureau of Public Debt and/or certain direct obligations of the United States of America purchased on the open market, in such amounts, maturing at such times and bearing such rates of interest as shall be necessary to pay when due the Refunded Bonds as provided in an escrow agreement or escrow instruction delivered in connection with the refunding or prepayment, and to take such other action he or she may deem necessary or appropriate to effectuate the purchase of such obligations.

**Section 3. Indentures.** To prescribe the terms and conditions upon which the respective series of Bonds are to be issued, secured, executed, authenticated and held, each of the Indentures proposed to be executed and delivered by the Successor Agency and U.S Bank National Association or another trustee to be selected by an Authorized Representative (the "Trustee"), in substantially the forms on file with the Secretary, copies of which have been made available to the Board, are hereby approved, and any Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute, and the Secretary is authorized to attest and deliver each of the Indentures to the Trustee in substantially such form, with such changes (including, without limitation, changes relating to the purchase of a municipal bond insurance policy and/or a surety bond for a debt service reserve fund or such changes as may be requested by a rating agency providing a rating on the respective series of Bonds) as may be approved by any Authorized Representative, acting on behalf of the Successor Agency, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the Successor Agency of all changes from the forms of the Indentures presented to this meeting. An Authorized Representative may approve such changes, including with respect to authorized denominations of and transfer provisions for the Bonds, that are necessary or desirable in connection with a private placement of all or a portion of the Bonds, if any.

**Section 4. Determinations by the Oversight Board.** The Successor Agency requests that the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Adelanto (the "Oversight Board") make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance, sale and delivery of the Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Bonds from the proceeds of the Bonds, including the cost of

reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Bonds;

(b) The application of proceeds of the Bonds by the Successor Agency to the refunding and defeasance of the Refunded Bonds, as well as to the payment by the Successor Agency of all costs of issuance of the Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, and, notwithstanding Section 34177.3 or any other provision of law to the contrary, no further approval of the Oversight Board, the California Department of Finance, the San Bernardino County Auditor-Controller or any other person or entity other than the Successor Agency shall be required; and

(c) The Successor Agency shall be entitled to receive its full "Administrative Cost Allowance" as defined and described under Section 34181(a)(3) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition, and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

**Section 5. Approval of Certain Financing Team Members.** The Board hereby approves the appointment of (a) Norton Rose Fulbright US LLP, to provide Bond Counsel and Disclosure Counsel services in connection with the Bonds, (b) Raymond James & Associates, Incorporated, as Underwriter or Placement Agent in connection with the Bonds, (c) Fieldman Rolapp & Associates, as Fiscal Consultant for the Bonds, and (d) Fieldman Rolapp & Associates, as Financial Advisor in connection with the Bonds. The Executive Director is hereby authorized and directed to execute services agreements with each of these financing team members.

**Section 6. General Authorization.** Each Authorized Representative and any other officer of the Successor Agency is hereby authorized to execute and deliver any and all agreements (including, but not limited to, investment agreements, bond insurance, reserve fund surety policies, guaranteed investment agreements, escrow agreements or escrow instructions), documents, certificates and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution, including, revising series designations, and acquiring any necessary consent of municipal bond insurers insuring the Refunded Bonds. Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

**Section 9. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED, APPROVED and ADOPTED** this 13th day of July 2016, by the following vote:

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Richard Kerr, Chairman

**ATTEST:**

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Cindy Herrera, Secretary

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO ) ss  
CITY OF ADELANTO )

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of Successor Agency of the Redevelopment Agency of the City of Adelanto held on the 13th day of July 2016, by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ASBSTAIN:**

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Cindy Herrera, Secretary