



Legislation Details (With Text)

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Indexes:

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Attachments:

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Staff Report for Resolution Approving the Issuance of the Successor Agency to the Redevelopment Agency of the City of San Leandro 2014 Tax Allocation Refunding Bonds

SUMMARY AND RECOMMENDATION

Staff recommends that City Council approve the resolution and Preliminary Official Statement (“POS”) associated with the Successor Agency to the Redevelopment Agency of the City of San Leandro (the “Successor Agency”) 2014 Tax Allocation Refunding Bonds (the “Refunding Bonds”). The proposed Refunding Bonds will be issued to refund \$10,375,000 of outstanding 2002 Tax Allocation Bonds (“2002 TABs”) and \$4,720,000 of outstanding 2004 Tax Allocation Bonds (“2004 TABs”). Annual debt service on the Refunding Bonds will not exceed the annual debt service currently payable on the outstanding 2002 and 2004 TABs.

DISCUSSION

Prior to the dissolution of the former Redevelopment Agency (“RDA”) of the City of San Leandro, the RDA issued Tax Allocation Bonds in 2002 and 2004 (the “Prior Bonds”). The proceeds of the 2002 and 2004 TABs were used to finance redevelopment activities in the Plaza Redevelopment Area and West San Leandro/MacArthur Boulevard Redevelopment Area, respectively. Debt service payments associated with the Prior Bonds are now the responsibility of the Successor Agency and are secured and paid through the Recognized Obligation Payment Schedule process. Based on an analysis conducted by Public Financial Management (“PFM”) and Stifel Nicolaus & Co. (“Stifel”), it has been determined that there is adequate savings to pursue a refunding of the Prior Bonds.

In order to pursue the refunding, the following actions have occurred:

- The Successor Agency approved undertaking the refunding at its meeting on June 16, 2014;
- The Successor Agency requested direction from the Oversight Board to undertake proceedings for the refunding on June 25, 2014;
- The Oversight Board approval was submitted to the Department of Finance (“DOF”) on June 25, 2014. After submission, the DOF has 65 days (until the week of August 25, 2014) to make a determination.

By adopting the resolution, the POS for the refunding bonds will be approved.

Fiscal Impact

Annual debt service on the Refunding Bonds will not exceed the annual debt service currently payable on the outstanding 2002 and 2004 TABs.

Budget Authority

City of San Leandro Charter

ATTACHMENT

Attachment to Resolution

- Preliminary Official Statement for the Successor Agency to the Redevelopment Agency of the City of San Leandro 2014 Tax Allocation Refunding Bonds

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