

RESOLUTION NO. 2014/15-01

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF ARCATA
AUTHORIZING THE COMMENCEMENT OF PROCEEDINGS IN CONNECTION
WITH THE REFINANCING OF CERTAIN OUTSTANDING TAX ALLOCATION
BONDS, AND APPOINTING THE NECESSARY CONSULTANTS IN
CONNECTION THEREWITH**

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (the “Code”), the Community Development Agency of the City of Arcata (the “Former Agency”) has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Code, the City Council of the City of Arcata has elected to serve as the successor agency to the Former Agency (the “Successor Agency”); and

WHEREAS, the Arcata Community Development Agency Project Area (the “Project Area”) was formally established with the adoption by the City Council of a redevelopment plan for the Project Area (the “Redevelopment Plan”) by Ordinance No. 1036 adopted on November 21, 1983; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Arcata Redevelopment Project (the “Redevelopment Project”) has been adopted and approved by the City of Arcata and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, in order to provide financing for certain redevelopment projects within the Project Area, the Former Agency issued the following tax allocation bonds prior to its dissolution:

(a) The City of Arcata Joint Powers Financing Authority, Tax Allocation Revenue Bonds (Community Development Project Loan) 1994 Series A, issued in the aggregate original principal amount of \$7,620,000 (the “1994 TABs”), pursuant to an Indenture of Trust, dated as of March 1, 1994, by and between the Former Agency and U.S. Bank Trust National Association, as trustee (the “1994 TABs Indenture”); and

(b) The Arcata Redevelopment Project, Series 2003 Tax Allocation Bonds, issued by the Former Agency in the aggregate original principal amount of \$9,865,000 (the “2003 TABs”), pursuant to an Indenture of Trust, dated as of December 1, 2003, by and between the Former Agency and U.S. Bank National Association, as trustee (the “2003 TABs Indenture”); and

WHEREAS, it is hereby determined that based on current conditions in the municipal bond market, the 1994 TABs and the 2003 TABs (collectively, the “Prior Bonds”) may be refunded, either separately or in combination, for the purpose of realizing debt service savings which would result in additional tax increment revenues for distribution to the affected taxing agencies; and

WHEREAS, Section 34177.5(a)(1) of the Code authorizes successor agencies to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall

not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance (the “Refunding Criteria”); and

WHEREAS, Section 34177.5(b) of the Code authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with §53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Bond Law”) for the purpose of refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in Section 34177.5 of the Code; and

WHEREAS, the Successor Agency desires to authorize and direct the issuance of Successor Agency refunding bonds (the “Refunding Bonds”), to be structured as either as a private placement, or as a public offering, as is determined most economically advantageous prior to the time of issuance, for the purpose of providing funds to refinance the Prior Bonds (interchangeably, the “Refunding” or the “Refunding Transaction”); and

WHEREAS, in order to efficiently accomplish the Refunding and issuance of the Refunding bonds, the District desires to appoint bond counsel, financial advisor, placement agent and fiscal consultant to provide the necessary professional services in connection therewith; and

WHEREAS, the Successor Agency adopted Resolution 01-1415 at its August 20, 2014, hearing approving the refunding and appointing Bond Counsel;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency to the Community Development Agency of the City of Arcata, as follows:

Section 1. Recitals and Findings. The Board of Directors (the “Board”) of the Oversight Board hereby specifically finds and declares that each of the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. Intention to Proceed with the Refunding. The Board hereby finds and determines that it is necessary and desirable to provide for the execution and delivery of Refunding Bonds, subject to final authorization thereof by resolution of the Oversight Board at a subsequent meeting held for such purpose. This Resolution does not bind the Successor Agency to make any expenditure, incur any indebtedness or provide for the issuance of Refunding Bonds.

Section 3. Authorized Representatives. The President, Executive Director, or Secretary and any other person authorized to act on behalf of the Successor Agency shall each be an “Authorized Representative” of the Successor Agency for the purposes of structuring and providing for the execution and delivery of the Refunding Bonds, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the Successor Agency, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Refunding and issuance of Refunding Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has approved in this Resolution.

Section 4. Appointment of Bond Counsel. The Oversight Board hereby approves the Successor Agency's appointment of The Weist Law Firm as Bond Counsel, NHA Advisors as Financial Advisor, Southwest Securities as Placement Agent and HDL Coren & Cone as Fiscal Consultant in connection with the Refunding and issuance of Refunding Bonds described in this Resolution. An Authorized Representative is authorized and directed to execute an agreement with each of such firms in the respective forms on file with the Secretary.

Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

ATTEST:

Secretary and Clerk, Oversight Board of the Successor Agency to the Arcata Community Development Agency

APPROVED:

Chairperson, Oversight Board of the Successor Agency to the Arcata Community Development Agency

SECRETARY'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of **Resolution No. 2014/2015-01**, passed and adopted at a regular meeting of the Oversight Board of the Successor Agency to the Arcata Community Development Agency, City of Arcata, County of Humboldt, State of California, held on the 21st day of August, 2014, by the following vote:

AYES: WHEETLEY, COWAN, LOVELACE, CLASS

NOES: NONE

ABSENT: HANGER, LINDSEY, HAUSER

ABSTENTIONS: NONE

Secretary and Clerk, Oversight Board of the Successor Agency to the Arcata Community Development Agency