

# MILPITAS OVERSIGHT BOARD

TO THE RDA SUCCESSOR AGENCY FOR THE CITY OF MILPITAS

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455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479  
GENERAL INFORMATION: 408-586-3000 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

## SPECIAL MEETING OF THE MILPITAS OVERSIGHT BOARD

**Monday, November 3, 2014, at 4:00 PM**

Milpitas City Hall, Committee Room  
455 E. Calaveras Blvd., Milpitas, CA

### **MEMBERS:**

*Maribel Medina, Chair*  
*Armando Gomez*  
*Emma Karlen*  
*Bruce Knopf*  
*Mike Mendizabal*  
*Mike McInerney*  
*Glen Williams*

## **AGENDA**

### **I. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**

### **II. PUBLIC FORUM:**

*Public comments regarding any subject not on the agenda, limited to three minutes.*

### **III. APPROVAL OF AGENDA**

### **IV. APPROVAL OF MINUTES FOR SEPTEMBER 18, 2014, MEETING**

### **V. OLD BUSINESS:**

- A. Receive Update on Communications with DOF Regarding ROPS 14-15B, and Adopt a Resolution Directing Successor Agency Staff to Obtain Approval of Future Revised ROPS from Oversight Board Counsel Prior to Submission to DOF
- B. Direct Successor Agency Staff to Pay Invoices for Oversight Board Administrative and Legal Services

### **VI. NEW BUSINESS:**

- A. Review and Approve Long Range Property Management Plan
- B. Approve Selection of Property Appraiser(s) and Authorize Appointed Subcommittee to Approve Contracts

- C. Authorize Successor Agency Staff to Contract with Necessary Consultants for 2003 Tax Allocation Bond Refunding, including Bond Counsel, Financial Advisory Services, and Independent Fiscal Consultant
- D. Consider Request to Approve Fixed Fee for City Staff Services Related to 2003 Tax Allocation Bond Refunding

## **VII. SET NEXT MEETING DATE**

## **VIII. MEETING ADJOURNMENT**

**Pursuant to the Brown Act, the public has an opportunity to speak on any matter on the agenda, or to any matter not on the agenda within the subject matter jurisdiction of the agency. Comments are limited to no more than 3 minutes per speaker, unless modified by the Board Chair. By law, no action may be taken on any item raised during public comment on items not on the agenda, although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency.**

**Note: The Board may take action on any matter, however listed on the Agenda, and whether or not listed on this Agenda, to the extent permitted by applicable law.**

**If requested, this agenda can be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Oversight Board Clerk for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting, should contact the Board Clerk as soon as possible. The Board Clerk may be reached at [barb.crump@gmail.com](mailto:barb.crump@gmail.com).**

# MILPITAS OVERSIGHT BOARD

## TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

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### MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall, Committee Room  
455 E. Calaveras Blvd., Milpitas, CA

#### MEMBERS:

*Maribel Medina, Chair*  
*Michael Mendizabal*  
*Armando Gomez*  
*Emma Karlen*  
*Bruce Knopf*  
*Mike McInerney*  
*Glen Williams*

#### ALTERNATES:

*Nimrat Johal*  
*Felix Reliford*  
*Jane Corpus Takahashi*  
*Michael Murdter*  
*Alan Minato*

### DRAFT Minutes of the September 18, 2014, Meeting

#### **I. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE**

Chair Medina called the meeting to order at 4:00 pm.

#### **ROLL CALL**

**MEMBERS PRESENT:** Maribel Medina, Emma Karlen, Bruce Knopf,  
Mike McInerney, Felix Reliford and Glen Williams

**MEMBERS ABSENT:** Mike Mendizabal

#### **II. PUBLIC FORUM** None.

#### **III. APPROVAL OF AGENDA**

Moved by Mr. McInerney and seconded by Mr. Knopf, to approve the agenda. The motion passed unanimously.

#### **IV. APPROVAL OF MINUTES FOR February 20, 2014, AND JUNE 19, 2014, MEETINGS**

Moved by Mr. McInerney and seconded by Mr. Knopf, to approve the minutes for February 20, 2014, and June 19, 2014, meetings. The motion passed unanimously.

#### **V. NEW BUSINESS**

##### **A. Approve Agreement for Allowance to Use Bond Proceeds**

Ms. Gore presented the staff report recommending approval of the Successor Agency's request to enter into an agreement with the City of Milpitas to allow the City to spend the remaining \$3.98 million in bond proceeds held by the Successor Agency to implement the Mail Street Pavement Reconstruction Project, consistent with the bond covenants, Redevelopment

Law, and other applicable laws. The proposed agreement included two new provisions requested by legal counsel - an indemnity provision and a default provision.

Moved by Mr. Knopf and seconded by Mr. Williams for approval of the Bond Expenditure Agreement. The resolution was unanimously approved.

### **B. Approve Next Steps for Development of Long Range Property Management Plan**

Ms. Gore presented the staff report recommending that the Oversight Board direct Successor Agency staff to work with the Oversight Board's appointed subcommittee to secure appraisal reports for the properties identified in the City's memorandum, and direct Successor Agency staff to work with the County to bring back a Long Range Property Management Plan for presentation to the Oversight Board no later than November 5, 2014. It is recommended to delegate to the subcommittee the ability to secure appraisals for the four (4) properties.

Mr. Knopf asked of the subcommittee how long would it take to complete the appraisals. Mr. Williams said it would be unlikely that appraisals could be obtained prior to the Oversight Board's next meeting on November 3, 2014, adding that the appraisals are not needed in order to proceed with a Long Range Property Management Plan (LRPMP). Mr. Ogaz agreed but, thought the appraisals would be helpful to know the potential uses for each property. For example, because the Cracolice building is currently used for government use, and because of there might be a reversionary provision stating that it needed to be used for recreation purposes, an appraisal might impact affect its recommended use for that property in the LRPMP.

Moved by Mr. Knopf and seconded by Mr. Williams to approve a modified resolution reflecting the following changes: (1) revise the second to last paragraph starting "BE IT FURTHER RESOLVED," given the length of time it will take to bring in the appraisals, to direct the Successor Agency to bring the proposed LRPMP to the Oversight Board at the next meeting, and to present appraisal information as soon as practicably possible with the status report at the next meeting; and (2) strike the final paragraph starting "BE IT FURTHER RESOLVED." The revised resolution was unanimously approved.

### **C. Approve Successor Agency's Administrative Budget for January to June 2015 (FY14-15B)**

Ms. Gore presented the staff report recommending approval of the proposed Administrative Budget of \$128,289.00 for January 1, 2015, to June 30, 2015, which does not exceed the Administrative Cost Allowance allowed under the Dissolution Law.

Moved by Mr. Knopf and seconded by Mr. McInerney to approve the Successor Agency's Administrative Budget for January to June 2015. The resolution was approved unanimously.

### **D. Consider Requested Revision to the Agreement between Sun Power, Inc. and the Former Redevelopment Agency**

Ms. Gore presented the staff report recommending that the Oversight Board deny the requested revision because the Oversight Board has no authority to grant the equitable remedy of reformation, and because the amendment would not reduce the liabilities or increase net revenues to the taxing entities, and is not in the best interest of the taxing entities, as required by Health and Safety Code subsection 34181, subsection (e).

Mr. Ogaz requested that the Oversight Board reform the SunPower Agreement for the reasons set forth in his memo.

Mr. Knopf asked Mr. Ogaz to explain the risk of litigation and the process. Mr. Ogaz said that under the authorities provided, Sun Power could file litigation against not only the Successor Agency but also the Oversight Board, and asked that the Oversight Board consider the potential for attorney's fees.

Ms. Medina pointed out that in the absence of authority to grant reformation, and without any benefit to the taxing entities, the Oversight Board could be sued by one of the taxing entities for approving the requested revision to the agreement.

After additional discussion, it was moved by Mr. Williams and seconded by Mr. Knopf to deny the requested amendment to the agreement between Sun Power, Inc. and the Former Redevelopment Agency. The resolution was approved by the following vote: **AYES:** Knopf, McInerney, Medina, Williams; **NOES:** Karlen and Reliford.

**E. Approve Recognized Obligation Payment Schedule for January to June 2015 (FY 14-15B)**

Ms. Gore presented the staff report and recommended that the Oversight Board approve the ROPS for the period of January 1, 2015, to June 30, 2015, as required under the dissolution Law (ABx1 26, as revised by Court order and AB 1484), and direct Successor Agency staff to take all actions required under law, including but not limited to, forwarding the approved ROPS to the County Auditor-Controller, California Department of Finance, and the California State Controller's Office.

After much discussion, it was moved by Ms. Medina and seconded by Mr. Knopf to approve the ROPS as revised by the Oversight Board to amend line items 5, 12, 13, 15, and 16, consistent with the County Controller-Treasurer's objection letter, and to amend line item 14, column C to replace "Bond Expenditure Agreement" with "Improvement/Infrastructure." The resolution was approved by the following vote: **AYES:** Knopf, McInerney, Medina, Williams; **NOES:** Karlen and Reliford.

**F. Consider Request to Authorize Issuance of Refunding Bonds for 2003 Tax Allocation Bonds**

Ms. Gore presented the staff report recommending that the Oversight Board consider the Successor Agency Staff's request that the Oversight Board delegate authority to staff to issue refunding bonds to take advantage of lower interest rates.

After much discussion, it was moved by Ms. Medina and seconded by Mr. Williams to approve a modified resolution reflecting the following changes: (1) Strike the first and second paragraphs starting "NOW, BE IT FURTHER RESOLVED"; and (2) amend the last paragraph starting BE IT FURTHER RESOLVED to direct Successor Agency staff to contact other Successor Agency staff in the County that have recently completed their own bond refinancing, if necessary, and bring back information to enable the Oversight Board to make the necessary statutory findings, including the recommended Financial Advisor, Bond Counsel and contracts for approval. The revised resolution was approved unanimously.

**G. Consider Request to Terminate Standstill Agreement Between Oversight Board and Milpitas Entities.**

Ms. Gore expressed her opinion that the Standstill Agreement was terminated automatically by its terms when the litigation concerning the return of assets was settled, and therefore no action by the Oversight Board to terminate the agreement was needed.

**V. SET NEXT MEETING DATE**

The next meeting will be Monday, November 3, 2014, at 4:00 p.m.

**ADJOURNMENT**

Moved by Mr. Knopf and seconded by Mr. McInerney to adjourn the meeting, which passed unanimously. Chair Medina adjourned the meeting at 5:44 p.m.

*Meeting minutes drafted and submitted by  
Barbara Crump, Board Secretary*

*Approved on September 18, 2014:*

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Maribel Medina  
Oversight Board Chair

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Barbara Crump  
Oversight Board Secretary

## **OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE:** November 3, 2014

### **ITEM V.A: RECEIVE UPDATE ON COMMUNICATIONS WITH DEPARTMENT OF FINANCE REGARDING ROPS 14-15B AND ADOPT A RESOLUTION DIRECTING SUCCESSOR AGENCY STAFF TO OBTAIN APPROVAL OF FUTURE REVISED ROPS FROM OVERSIGHT BOARD COUNSEL PRIOR TO SUBMISSION TO DOF**

#### **RECOMMENDED ACTION(S):**

Adopt the proposed resolution directing Successor Agency Staff to submit all future, final Recognized Obligation Payment Schedules (ROPS) to Oversight Board counsel for approval prior to submission to the Department of Finance (DOF), and direct Oversight Board counsel to send a letter to DOF reminding DOF that Oversight Board counsel was designated as the official contact for DOF.

#### **DISCUSSION:**

It was brought to staff's attention that the ROPS 14-15B submitted to DOF was not revised to reflect the Oversight Board's action on Item 12 (requesting \$94,193 for the "housing entity administrative cost allowance").

On October 9, 2014, Oversight Board Counsel provided a letter to the City Manager and City Attorney requesting that a corrected ROPS be provided to DOF immediately, and indicating that Oversight Board counsel would submit a corrected ROPS if necessary.

Following that letter, Oversight Board Counsel spoke to DOF regarding this matter, but was advised not to submit a corrected ROPS 14-15B, as DOF was prepared to deny the item without receiving a corrected ROPS.

To avoid similar issues in the future, staff recommends that Successor Agency staff be directed to submit the final ROPS to Oversight Board counsel for review prior to submission to DOF. Successor Agency staff has taken this step with some prior ROPS cycles, however, this resolution would formalize this process to ensure that it happens with each ROPS cycle.

Staff also recommends that the Oversight Board direct staff to issue a letter to DOF, reminding DOF that Oversight Board counsel was designated as the official contact for DOF pursuant to Health and Safety Code section 34179, subsection (h) (OB Resolution 12), and should therefore be contacted whenever there is an issue with an action approved by the Oversight Board.

#### **ATTACHMENT(S):**

Proposed Resolution

Prepared by: Jennifer Gore  
Oversight Board Legal Counsel

**RESOLUTION NO. \_\_**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY DIRECTING SUCCESSOR AGENCY STAFF TO OBTAIN APPROVAL OF FUTURE REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE S FROM OVERSIGHT BOARD COUNSEL PRIOR TO SUBMISSION TO THE DEPARTMENT OF FINANCE**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, at its September 18, 2014, meeting, the Oversight Board approved the Recognized Obligation Payment Schedule covering the period January 1, 2015, to June 30, 2015 (ROPS 14-15B); and

**WHEREAS**, the Oversight Board directed that the proposed ROPS 14-15B, be revised to amend line items 5, 12, 13, 15, and 16, consistent with the County Controller-Treasurer's objection letter attached hereto, and to amend line item 14, column C to replace "Bond Expenditure Agreement" with "Improvement/Infrastructure"; and

**WHEREAS**, the final ROPS 14-15B submitted to the Department of Finance (DOF) included no revision to line item 12.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board directs Successor Agency staff to forward all ROPS revised by the Oversight Board to the Oversight Board's counsel prior to submitting such ROPS to DOF through the RAD-App.

**BE IT FURTHER RESOLVED** that the Oversight Board directs its counsel to send a letter to DOF, reminding DOF that in December 2012, the Oversight Board's legal counsel was designated as the official contact for items DOF requests to review (OB Resolution No. 12).

**PASSED AND ADOPTED** this 3rd day of November, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Maribel S. Medina  
Oversight Board Chair

## **OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE:** November 3, 2014

### **ITEM V.B: DIRECT SUCCESSOR AGENCY STAFF TO PAY INVOICES FOR OVERSIGHT BOARD ADMINISTRATIVE AND LEGAL SERVICES**

#### **RECOMMENDED ACTION(S):**

Direct Successor Agency staff to pay outstanding invoices for the Oversight Board's Administrative and Legal Services or provide a legal justification for refusing to carry out this administrative task.

#### **DISCUSSION:**

As of the date of publication of this staff report, the Successor Agency has not paid the invoice for the services of the Oversight Board's clerk for the period of May 22, 2014, through June 30, 2014, totaling \$187.36. An additional invoice was submitted on October 21, 2014, for the period of August 14, 2014, through September 30, 2014, in the amount of \$407.29, bringing the total due to \$594.65.

The Oversight Board retained conflict legal counsel in order to obtain independent legal counsel. The Oversight Board and not the Successor Agency, or Successor Agency staff is the client to the Oversight Board's legal counsel Miller & Owen. The invoices at issue have been approved for payment by the Oversight Board Chair who received a detailed invoice and forwarded a summary sheet to the Successor Agency for payment. The Chair has instructed Successor Agency staff that the information requested by the Successor Agency is protected under Attorney/Client Privilege, and that disclosure of that information would waive the privilege. Nonetheless Successor Agency staff has conditioned processing of the payments on waiver of the attorney client privilege.

At this time, staff recommends that the Oversight Board direct Successor Agency staff to pay the invoices for Oversight Board expenses, as approved by the Oversight Board Chair, or provide a written legal justification for refusing to carry out this administrative task.

#### **ATTACHMENT(S):**

Proposed Resolution

Prepared by: Jennifer Gore  
Oversight Board Legal Counsel

**RESOLUTION NO.**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF  
THE FORMER MILPITAS REDEVELOPMENT AGENCY  
DIRECTING SUCCESSOR AGENCY STAFF TO PAY THE INVOICES FOR  
OVERSIGHT BOARD EXPENSES, AS APPROVED BY THE OVERSIGHT BOARD  
CHAIR**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, pursuant to Health and Safety Code section 34177, the Oversight Board of the Successor Agency of the former Milpitas Redevelopment Agency shall direct the expeditious wind down of the affairs of the redevelopment agency, consistent with its fiduciary responsibilities to holders of enforceable obligations and the taxing entities; and

**WHEREAS**, pursuant to Health and Safety Code sections 341179 (c) and (p), respectively, the Oversight Board, in furtherance of its duties under the Dissolution Law, may direct the staff of the Successor Agency to perform work, and if necessary, may supersede decisions made by the Successor Agency or Successor Agency staff on matters within the purview of the Oversight Board; and

**WHEREAS**, the Oversight Board retained conflict legal counsel in order to obtain independent legal counsel and contracted with the County for administrative services; and

**WHEREAS**, the Oversight Board Chair has approved certain invoices for administrative and legal services which the Successor Agency staff has failed to pay; and

**WHEREAS**, Successor Agency staff has conditioned processing of payment for invoices from the Oversight Board's counsel on the waiver of attorney client privilege.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board has considered the full record before it, which includes but is not limited to the staff report, testimony by staff and the public, and other materials and evidence provided to it.

**BE IT FURTHER RESOLVED** that the Oversight Board directs Successor Agency staff to pay the invoices for Oversight Board expenses, as approved by the Oversight Board Chair, or provide a written legal justification for refusing to perform this administrative task.

**PASSED AND ADOPTED** this 3rd day of November, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Maribel S. Medina  
Oversight Board Chair

## **OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE:** November 3, 2014

### **ITEM VI.A: REVIEW AND APPROVE LONG RANGE PROPERTY MANAGEMENT PLAN**

#### **RECOMMENDED ACTION(S):**

Receive an update on the progress of development of the Long Range Property Management Plan (LRPMP), and review and approve the proposed LRPMP if a draft is available.

#### **DISCUSSION:**

At its September 18, 2014, meeting, the Oversight Board directed Successor Agency staff to present a proposed LRPMP at the November meeting of the Oversight Board, consistent with the ninety (90) business day deadline set forth in the settlement agreement resulting from the litigation between the County of Santa Clara, the County Office of Education, the State of California, the Milpitas Successor Agency, the City of Milpitas, and the Milpitas Economic Development Corporation.

As of the date of publication, no draft LRPMP is available for distribution to the Oversight Board for review. However, this item has been placed on the agenda in the event that Successor Agency staff and County staff can present a proposed plan at the November 3<sup>rd</sup> meeting.

#### **ATTACHMENT(S):**

Draft Resolution Approving LRPMP

Prepared by: Jennifer Gore  
Oversight Board Legal Counsel

**RESOLUTION NO. 39**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF  
THE FORMER MILPITAS REDEVELOPMENT AGENCY  
APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, the Dissolution Law requires the Successor Agency to submit a long-range property management plan ("LRPMP") to the Department of Finance for approval no later than six months following the issuance of a finding of completion; and

**WHEREAS**, the Milpitas Successor Agency received its finding of completion from the Department of Finance on June 27, 2014; and

**WHEREAS**, the settlement agreement resulting from the litigation between the County of Santa Clara, the County Office of Education, the State of California, the Milpitas Successor Agency, the City of Milpitas, and the Milpitas Economic Development Corporation ("Settlement Agreement") provides that a jointly prepared LRPMP shall be submitted to the Oversight Board no later than ninety (90) business days following the satisfaction of certain requirements in the settlement agreement; and

**WHEREAS**, at its September 18, 2014, meeting, the Oversight Board directed Successor Agency staff to present a proposed Settlement Agreement at its next meeting, consistent with the deadline set forth in the Settlement Agreement.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board has considered the full record before it, which includes but is not limited to the staff report, testimony by staff and the public, and other materials and evidence provided to it.

**BE IT FURTHER RESOLVED** that the Oversight Board approves the LRPMP presented, in substantially the same form as attached hereto.

**PASSED AND ADOPTED** this 3rd day of November, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Maribel S. Medina  
Oversight Board Chair

**OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE:** November 3, 2014

**ITEM VI.B: APPROVE SELECTION OF PROPERTY APPRAISER(S) AND AUTHORIZE SUBCOMMITTEE TO NEGOTIATE AND APPROVE CONTRACTS, IF NECESSARY**

**RECOMMENDED ACTION(S):**

Receive update and approve the subcommittee’s recommendation concerning which property appraiser(s) to engage for the appraisal of the three vacant parcels listed in settlement agreement between the County, the Department of Finance, the Successor Agency, the City of Milpitas, and the Milpitas Economic Development Corporation (“Settlement Agreement”), as well as the Cracolice Building.

**DISCUSSION:**

At its September meeting, the Oversight Board directed its subcommittee to commission appraisals for the following parcels:

<b>APN</b>	<b>Address</b>	<b>Description</b>
028-24-025	86 N. Main Street	Vacant Parcel
086-02-086	Alder Drive and Barber Lane	Vacant Parcel
028-34-001 through 028-34-094	230 N. Main Street	Vacant Parcel
086-10-025	540 S. Abel Street	Cracolice Building

Board Member Karlen circulated a draft Request for Proposals (RFP) on October 10, 2014, for the committee’s review and input. On October 15, 2014, the Subcommittee met via conference call to discuss the proposed RFP process and to provide input on the draft RFP.

On October 17, 2014, the Request for Qualifications (RFQ) was finalized and distributed. Three Statements of Qualifications were received on October 24, 2014, in response to the RFQ.

While the Subcommittee has not yet met to select an appraiser or appraisers, it anticipates that it will do so prior to the Oversight Board meeting on November 3<sup>rd</sup>. If the Subcommittee has had the opportunity to meet, it will provide an update and its recommendation at the Board meeting.

In order to keep this process moving, staff recommends that the Oversight Board delegate authority to the Subcommittee to negotiate and approve the proposed contract with the selected appraiser(s), if necessary. Because the Successor Agency will be the entity to contract with the selected appraiser(s), it may not be necessary for the Oversight Board’s subcommittee to have any further involvement in the contracting process.

**ATTACHMENT(S):**

None.

Prepared by: Jennifer Gore  
Oversight Board Legal Counsel

**RESOLUTION NO. \_\_**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF  
THE FORMER MILPITAS REDEVELOPMENT AGENCY  
APPROVING SELECTED PROPERTY APPRAISER**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, the Dissolution Law requires the Successor Agency to submit a long-range property management plan ("LRPMP") to the Department of Finance for approval no later than six months following the issuance of a finding of completion; and

**WHEREAS**, the Milpitas Successor Agency received its finding of completion from the Department of Finance on June 27, 2014; and

**WHEREAS**, the settlement agreement resulting from the litigation between the County of Santa Clara, the County Office of Education, the State of California, the Milpitas Successor Agency, the City of Milpitas, and the Milpitas Economic Development Corporation ("Settlement Agreement") provides that a jointly prepared LRPMP shall be submitted to the Oversight Board no later than ninety (90) business days following the satisfaction of certain requirements in the settlement agreement; and

**WHEREAS**, at its February 20, 2014, meeting, the Oversight Board added a line item to ROPS 14-15A to pay for property appraisal services and appointed a Subcommittee to work with Successor Agency and City staff to determine a process for property appraisal services; and

**WHEREAS**, at its September 18, 2014, meeting, the Oversight Board further directed its Subcommittee to commission appraisals for the three vacant properties to be disposed of, as identified in Schedule 4 of the Settlement Agreement, as well as the Cracolice Building identified in Schedule 5, and directed Successor Agency staff to present appraisal information to the Oversight Board in conjunction with the presentation of the proposed LRPMP; and

**WHEREAS**, the Subcommittee has met to select an appraiser or appraisers, as discussed and identified during today's meeting\_\_\_\_\_.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board has considered the full record before it, which includes but is not limited to the staff report, testimony by staff and the public, and other materials and evidence provided to it.

**BE IT FURTHER RESOLVED** that the Oversight Board approves the Subcommittee's selection of \_\_\_\_\_, and directs the Subcommittee to negotiate and approve contracts with the selected appraiser(s).

**PASSED AND ADOPTED** this 18<sup>th</sup> day of September, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Maribel S. Medina  
Oversight Board Chair

## **OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE:** November 3, 2014

### **ITEM VI.C: AUTHORIZE SUCCESSOR AGENCY STAFF TO CONTRACT WITH NECESSARY CONSULTANTS NECESSARY CONSULTANTS FOR 2003 TAX ALLOCATION BOND REFUNDING, INCLUDING LEGAL SERVICES, FINANCIAL ADVISORY SERVICES, AND INDEPENDENT FISCAL CONSULTANT**

#### **RECOMMENDED ACTION(S):**

Authorize Successor Agency staff to contract with Fieldman Rolapp and Associates for Financial Advisory Services, Fraser & Associates for Independent Fiscal Consultant services, and with Jones Hall for Bond Counsel and Disclosure Counsel services for the issuance of tax allocation refunding bonds.

#### **DISCUSSION:**

At the September meeting of the Oversight Board, the Board authorized Successor Agency staff to issue requests for proposals, as needed, for a financial advisor and bond counsel, and to bring back information to allow the Oversight Board to make the necessary findings, including the proposed bond counsel and financial advisor contracts for approval by the Oversight Board.

Attached are three memoranda from Board Member Karlen in her capacity as City Finance Director, outlining her recommendations, for your review.

#### Financial Advisory Services

Board member Karlen has recommended that the Oversight Board authorize Successor Agency staff to enter into a contract with Fieldman Rolapp & Associates for Financial Advisory Services.

Successor Agency staff issued a request for proposals (RFP) for these services on September 23, 2014. On October 8, 2014, the Successor Agency received proposals from nine potential consultants, including: Columbia Capital; CMdC; CSG Advisors; Fieldman Rolapp and Associates; Harrell & Company; KNN Public Finance Group; Public Financial Management, Inc.; Steven Gortler; and Urban Futures, Inc.

On October 15, 2015, an interview panel including Emma Karlen (Assistant City Manager/Director of Financial Services), Johnny Phan (Assistant City Attorney), and Jane Corpus (Finance Manager), interviewed the four highest ranked proposers, including (not in ranked order) Fieldman Rolapp and Associates, KNN Public Finance Group, Public Financial Management, Inc., and Urban Futures, Inc.

The proposal from the highest ranked consultant, Fieldman Rolapp & Associates, is attached hereto for the Oversight Board's review.

This fee for these services would be \$63,000 plus out of pocket expenses and a surcharge of 6% of the net fee for non-verifiable out of pocket expenses. However, these fees are contingent on the close of financing, and will be paid out of the refunding bond proceeds as a cost of issuance.

#### Independent Fiscal Consultant

Board Member Karlen has recommended that the Oversight Board authorize Successor Agency staff to enter into a contract with Fraser & Associates to serve as the Independent Fiscal Consultant for the purpose of issuing the Tax Allocation Refunding Bonds.

The Successor Agency did not issue an RFP for these services, however, a proposal from Fraser & Associates is attached for your review. The proposed fee for this service is \$27,500. As stated in the attached memorandum, this is not a contingent fee, but it will be paid out of the refunding bond proceeds as a cost of issuance.

Fraser & Associates served as the Independent Fiscal Consultant on the original 2003 Tax Allocation Bond issuance, and it is on this basis that Successor Agency staff has recommended that their services be utilized for the proposed refunding of the bonds.

Legal Services

Board Member Karlen has recommended that the Oversight Board authorize Successor Agency staff to enter into a contract with Jones Hall to serve as Bond Counsel and Disclosure Counsel for the proposed Tax Allocation Refunding Bonds. Again, the Successor Agency did not issue an RFP for these services, however, Jones Hall has served the City and the former RDA as bond counsel on a number of bond financings in the past. Based on that experience, Successor Agency staff requested a proposal from Jones Hall. A copy of the firm's proposed engagement letter is attached for your review.

The proposed legal fees for bond counsel service are \$75,000. The proposed fees for disclosure counsel services are \$45,000. In addition to these fees, Jones Hall estimates out-of-pocket expenses not to exceed \$3,500. As with the Financial Advisory Services, these fees will be contingent on the close of financing, and will be paid out of the refunding bond proceeds as a cost of issuance.

**ATTACHMENT(S):**

Successor Agency staff memoranda (3) with attachments  
Resolution Authorizing Successor Agency Staff to Enter into Contracts

Prepared by: Jennifer Gore  
Oversight Board Legal Counsel

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**OVERSIGHT BOARD MEMORANDUM**

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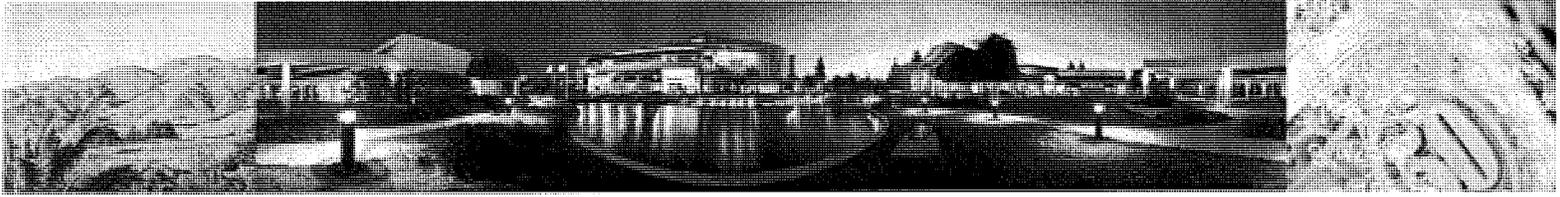
**TO:** OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS RDA  
**FROM:** EMMA KARLEN, CITY OF MILPITAS FINANCE DIRECTOR  
**SUBJECT:** APPROVE SUCCESSOR AGENCY TO ENTER INTO AN AGREEMENT WITH FIELDMAN  
ROLAPP & ASSOCIATES FOR FINANCIAL ADVISORY SERVICES RELATED TO THE  
ISSUANCE OF THE 2015 TAX ALLOCATION REFUNDING BONDS  
**DATE:** 10/17/2014  
**CC:** JENNIFER GORE, OVERSIGHT BOARD GENERAL COUNSEL

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On September 18, 2014, the Oversight Board approved the Successor Agency to initiate the bond refunding process including hiring of a financial advisor. Through a RFP process, Successor Agency recommends engaging the services of Fieldman, Rolapp and Associates as Financial Advisor for the 2015 Tax Allocation Refunding Bonds ("2015 Refunding Bonds"). Enclosed with this staff memo is their response to the RFP.

The fee for the financial advisory service is \$63,000 plus out of pocket expenses and a surcharge of 6% of the net fee for non-verifiable out-of-pocket expenses. The fees and expenses are on a contingent basis. If the financing is not closed, no fees will be paid for the work provided on the financing. Fees are paid out of the refunding bond proceeds as a cost of issuance.

**RECOMMENDATION:** That the Board adopts a resolution approving the Successor Agency to enter into an agreement with Fieldman, Rolapp & Associates for financial advisory services related to issuance of the 2015 Tax Allocation Refunding Bonds.



REQUEST FOR PROPOSAL NO. 2070  
FINANCIAL ADVISORY SERVICES

October 8, 2014



SUCCESSOR AGENCY TO THE FORMER  
REDEVELOPMENT AGENCY OF  
THE CITY OF MILPITAS



*There is no substitute for experience.*

October 8, 2014

Emma Karlen  
City of Milpitas  
Director of Financial Services  
455 E. Calaveras Blvd.  
Milpitas, CA 95035

Re: RFP No. 2070 Financial Advisory Services

Dear Ms. Karlen:

Thank you for the opportunity to provide my firm's qualifications and fee proposal for financial advisory services. Our experience working closely with California cities and their Successor agencies qualifies Fieldman, Rolapp & Associates ("FRA") to serve as financial advisor to the Successor Agency to the former Redevelopment Agency of the City of Milpitas (the "Successor Agency"). The information provided in this proposal demonstrates that FRA will offer the Successor Agency an unparalleled combination of highly relevant financial expertise, reliable transaction execution and value.

Our service to the Successor Agency will focus on:

- Using our expertise in Redevelopment Financing to assist the Successor Agency to develop a financing plan to maximize debt service savings.
- Using our expertise with the rating agency credit criteria to position the Successor Agency to seek the highest possible underlying credit rating.
- Using our expertise with the Department of Finance ("DOF") to expedite their review and approval. We recently received approval for the Concord Successor Agency in 46 days.
- Managing the debt issuance process so that Successor Agency staff ("Staff") can be appropriately involved without the transaction details becoming burdensome to Staff.
- Synthesizing complex issues into understandable concepts to allow Staff, City Council/Successor Agency and Oversight Board Members to make informed, timely decisions.
- Working collaboratively with the Successor Agency's Financing Team members to execute the transaction to produce the greatest savings under the most flexible financing terms.

As financial advisor for more than 47 cities in California, we offer education, guidance, and recommendations, acting as an extension of Successor Agency staff. It is our duty to provide clients with the clearest, most direct, and least costly path to achieve their financial objectives. Our advisory role begins with a thorough understanding of our clients' objectives. We help clients achieve their goals by offering multiple options and applying our expertise to narrow the field of potential options to a viable few. We use our understanding of market, economic, and political conditions to analyze the remaining viable options and assess mitigation strategies where appropriate.

Additionally, FRA is an Independent Financial Advisor and is a registered municipal advisor with the Municipal Securities Rulemaking Board (MSRB) and the Security and Exchange Commission (SEC) and does not underwrite bonds or serve as a swap counterparty.



*There is no substitute for experience.*

We trust that the material contained herein will conclusively demonstrate the usefulness of hiring our team for planning and executing your financing strategy. Our experience with issuance of post AB 1484 Tax Allocation Refunding Bonds is extensive and we understand the nuances of managing the approval process required to get the approval of the Successor Agency, Oversight Board and DOF in order to issue the Refunding Bonds.

We are enthusiastic about the opportunity to serve as the Successor Agency's Financial Advisor on this important transaction.

Sincerely,

FIELDMAN, ROLAPP & ASSOCIATES

A handwritten signature in black ink that reads "James V. Fabian".

James V. Fabian, CIPFA

Principal

(949) 660-7307 direct

(949) 246-2344 cell

(949) 660-7300 office

(949) 474-8773 fax

[jfabian@fieldman.com](mailto:jfabian@fieldman.com)



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APPENDIX B:	Credit Presentation for the Successor Agency of the City of Emeryville
APPENDIX C:	Presentation to the Rialto Oversight Board and to the Concord Successor Agency
APPENDIX D:	Weekly Market Update as of October 3, 2014
APPENDIX E:	All Tax Allocation Bond transactions, January 1, 2009 to present
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APPENDIX J:	Example of DOF submittal package
APPENDIX K:	Example letters requesting rate quotes to Assured Guaranty and Build America Mutual
APPENDIX L:	Market comparable worksheet for Concord Tax Allocation Refunding Bonds
APPENDIX M:	All signed forms as required by Successor Agency to the former Redevelopment Agency of the City of Milpitas, RFP No. 2070, for Financial Advisory Services: <ul style="list-style-type: none"> <li>◆ Fee Proposal and Certification of Proposer</li> <li>◆ Proposal Offer Form</li> <li>◆ Non-Collusion Affidavit</li> <li>◆ Proposer's Statement Regarding Insurance Coverage</li> <li>◆ Worker's Compensation Insurance Certificate</li> <li>◆ References Form</li> </ul>



### 3. EXECUTIVE SUMMARY

FRA's proposal will demonstrate we are the most qualified firm to perform the services requested by detailing our extensive experience providing financial advisory services to California cities and their Successor Agencies, by outlining our approach to debt issuance and providing an experienced project team that is dedicated to the City of Milpitas Successor Agency. Our strength is our people and the breadth and depth of our experience.

Our proposal provides the following: an overview of FRA history as well as the current structure of the firm, an outline of our proposed scope of services based upon the needs identified in the RFP, examples of our work products provided to other clients that showcase our abilities to analyze complex financial information and make clear and concise recommendations, a description of our project team and the skills and experience they bring to the engagement to assist the Successor Agency to achieve their objectives, and a list of references we encourage you to contact to get a client's perspective on the level of service we provide. FRA has the experience necessary to assist the Successor Agency with the refunding of the Milpitas Redevelopment Agency 2003 Tax Allocation Bonds ("The 2003 Bonds").

### 4. FIRM OVERVIEW

Fieldman, Rolapp & Associates ("FRA" or the "Firm") is a full service, independent, financial advisor focused on California public finance. Since 1966, FRA has emphasized providing financial advisory services to California Cities as a core business practice. FRA is an Independent Financial Advisor and is a registered municipal advisor with the Municipal Securities Rulemaking Board (MSRB) and the Security and Exchange Commission (SEC). As an independent advisor, FRA neither underwrites bonds nor has a relationship, direct or otherwise, with any municipal bond underwriter, broker/dealer or financial institution. We represent only the public sector. See **APPENDIX A** for a copy of these certifications.

As an independent financial advisor, it has always been our practice to have a fiduciary responsibility to our clients, representing solely their interests. As an independent financial advisor, we neither trade nor underwrite bonds, thus avoiding the inherent conflict of interest many underwriters have when serving both as an advisor and an underwriter for agencies' public offerings. Because of this conflict representing both issuers and investors, under the new regulations, underwriters are required to provide issuers with special disclosure in the form of a G-23 and a G-17 letter. The G-23 letter discloses the role of the underwriter to the issuer and the G-17 letter explains the role of the underwriter, that contingent compensation creates conflict of interest and that the underwriter does not have a fiduciary duty to the issuer. For municipal issuers the new rules exempt from the definition of a municipal advisor all members of governing boards, advisory boards, and committees of, and officials of, municipal entities. In addition, issuers will probably start seeing underwriters change their behavior and try to provide only underwriting services as opposed to providing financial advice as well. The rules clarify that underwriters are not municipal advisors and that issuers need to engage their own independent financial advisors, who are registered as such with the SEC.

We are registered with the SEC and the MSRB as discussed above and, as an independent financial advisor, we do not envision changing the way we provide financial advisory services to our clients. Additionally, in response to proposed Rules G-42 on Duties of Non-Solicitor Municipal Advisors and G-44 on Supervisory and Compliance Obligations of Municipal Advisors, we have developed a Municipal Advisors Manual for our supervisory and professional personnel.

We have a staff of 19 employees (13 financial advisors), with our main office in Irvine and our branch office in Walnut Creek, readily available to our clients spread throughout California. There are no engagements



which would impact our ability to perform our fiduciary duties to the Successor Agency, we have no outstanding pending litigation with respect to municipal securities matters and we have not been removed or asked to resign from any transaction in the past five years. Through our Employee Stock Ownership Program (ESOP), our employees, as beneficial owners of the Firm, participate in an ownership culture. Each of us has a strong interest in being efficient and providing responsive service to each client on each and every assignment.

Our goal is to provide sound, unbiased, and creative consulting services to the Successor Agency. Our experience has proven to us that this mission is best accomplished through interaction with our client at multiple levels and by assigning professional staff with a variety of talents. By concentrating on the client's overall needs, the Firm is equipped to provide topical, useful consulting services to its clients on all aspects of the capital process.

**Providing financial advice is all we do.** We exist to provide our clients the level of sophisticated analysis and service equal to the large investment banks, but with a focus solely on our clients' interests.

### Commitment to California Cities

FRA is deeply committed to the support and development of California cities and has been for decades. We have demonstrated this commitment through our memberships in the League of California Cities ("LOCC"), California Society of Municipal Finance Officers ("CSMFO") and the California Municipal Treasurers Association ("CMTA"). Our professional staff-members are frequent speakers at chapter lunches and annual conferences of these organizations.

Through our involvement and commitment as a firm, we know the issues and needs facing California cities and their Successor Agencies. FRA is proud of our involvement, commitment, and support to California cities and plans to continue and strengthen our involvement in the future.

Specifically, we have extensive experience in the following areas outlined in the RFP:

- ♦ **Maintaining Rating Agency Relationship(s):** We have recent experience assisting California Cities and their Successor Agencies with obtaining or maintaining existing or new credit ratings and will use our experience to develop and recommend strategies to maintain/upgrade the Successor Agency's credit rating. We are passionate about our City clients' credit ratings and maintaining frequent communication with the rating agencies. Attached as **APPENDIX B** is an example of a credit presentation we recently prepared for the Successor Agency of the City of Emeryville.
- ♦ **Development of Presentations to the City Council, Successor Agency and Oversight Board:** We have recent experience assisting Successor Agencies with the development of presentations required to provide an overview of the process and benefits of refunding outstanding Tax Allocation Bonds. Attached as **APPENDIX C** is a presentation to the Rialto Oversight Board and to the Concord Successor Agency related to refunding outstanding Tax Allocation Bonds. Our experience will help us develop presentations tailored to your specific needs and we can either make the presentations on your behalf or prepare staff to make them and be available as a resource.
- ♦ **Provide timely financial information and advice regarding general economic and capital market conditions:** As an Independent Financial Advisor our job is to provide our clients with up to date information about the current bond market conditions. Each week we provide an update of current bond market conditions and review this information with our clients. Attached as **APPENDIX D** is our weekly market update as of October 3, 2014. We believe this up to date information allows us to identify refunding opportunities for our clients.



- ♦ **Manage competitive and negotiated sales:** We have extensive experience assisting California cities and their Successor Agencies issue new money or refund existing debt either by negotiated or competitive sales. It is important to note that all post-AB 1484 Tax Allocation Refunding Bonds have been sold on a negotiated basis. **We have significant and relevant experience for the Successor Agency's needs. We are one of California's most active financial advisors. To date in 2014, FRA has served as Financial Advisor on 45 California issues totaling \$1.8 billion in par amount – 3<sup>rd</sup> most of any firm according to Thomson Reuters. Moreover, in 2013, we have advised on 80 bond issues totaling \$3.3 billion. Per Thomson Reuters, we were the most active financial advisor in the State.**

Our approach in serving as a financial advisor is to act as an extension of staff, taking the lead role in managing all details of the transaction, allowing our clients to focus on the big picture. As such, we prepare a financing schedule outlining each team member's responsibilities and delivery deadlines and as work progresses, we monitor and update the schedule to ensure everyone is delivering as agreed upon. Maintaining an open dialogue with all team participants ensures everyone has a clear understanding of the issuer and specific project objectives and facilitates a smooth and efficient process.

We constantly monitor the market and keep track of current or proposed and/or adopted legislation. By keeping an open dialogue with our clients, we provide them with up-to-date updates on potential changes or impacts they need to be aware of. This was particularly true with the federal government shutdown last year and then the window of opportunity that we were able to capture for an issuer by accelerating a new money pricing for them to take advantage of favorable market conditions. In addition, we have been actively involved with and advising our clients on post-redevelopment issues and the impacts of AB1484, as well as assisting them with current refunding opportunities for tax allocation bonds and expediting the process of DOF approval. We have also been working closely with our clients to inform them of the new standards and requirements of the Dodd-Frank Act and what they mean to them and how they impact them. Additionally, we have been actively assisting our clients comply with the SEC MCDC self-reporting initiative. We provide an extensive review of our clients' past disclosure filings and provide them with a report outlining compliance and identifying areas of non-compliance. We have actively engaged with Underwriters to review their disclosure reports on behalf of our clients. Lastly, we are paying close attention to the recently adopted bank liquidity rule by the Federal Reserve/OCC/FDIC that excludes municipal bonds from the definition of banks' high-quality liquid assets, and the concerns that it could potentially have a negative impact on the market for municipal bonds by increasing the borrowing costs for municipalities and lowering the interest rates on deposits.

Since January 2009, FRA has assisted with the issuance of 23 tax allocation bond financings totaling nearly \$889 million. A complete list of Tax Allocation Bonds completed since January 1, 2009 is included as **APPENDIX E**. Several of these transactions were completed before AB X1 26 and AB 1484 became law and included financings for the Redevelopment Agencies of the Cities of Long Beach, Temecula, Tustin, Merced, Culver City, Arcadia and San Marcos. We are presently providing financial advisory services to 12 Successor Agencies with 18 post AB 1484 tax allocation bond financings. We have significant experience with and have closely been following all of the post AB X1 26 and AB 1484 court challenges, potential clean-up legislation, Department of Finance actions and rating agencies' announcements and criteria regarding redevelopment debt. To date, we have served as Financial Advisor on 7 post AB 1484 tax allocation refunding bonds totaling approximately \$500 million and are presently engaged on 6 more totaling approximately \$200 million. We have been successful in securing strong underlying credit ratings, aggressive bond insurance premium quotes and commitments for reserve fund sureties resulting in greater than anticipated savings being achieved of all deals priced to date.



## FIRM'S EXPERIENCE

Since September 1, 2012, FRA has acted as financial advisor for financings totaling 170 transactions and approximately \$7.6 billion in proceeds. These include transactions for Cities, Counties, Special Districts, Transportation Agencies and School Districts. We apply the knowledge gained working in these other areas to better serve California cities and their Successor Agencies. Through a combination of our length of experience and the depth of staff in the firm, FRA has established itself as a leader in the industry, where the firm is consistently held as one of the top three financial advisors in California.

<b>ALL TRANSACTIONS</b>		
<i>September 1, 2012 to Present</i>		
<b>TRANSACTION TYPE</b>	<b>NO. OF ISSUES</b>	<b>PAR AMOUNT</b>
Certificates of Participation/Lease	13	\$532,940,300
Land Secured	66	1,295,980,000
Revenue Bonds	42	2,764,338,562
Tax Allocation Bonds	7	505,125,000
Other	42	2,564,833,943
<b>TOTALS</b>	<b>170</b>	<b>\$7,663,217,804</b>

FRA has continuing, day-to-day experience handling transactions similar in size and nature to the Successor Agency's. We have extensive, broad experience in California financing methods. In the last two years, we have served as Financial Advisor on 55 City transactions with a total par size of over \$1.6 billion. The following table provides a summary of these transactions; a complete detailed listing is included in APPENDIX F.

<b>ALL CITY TRANSACTIONS</b>		
<i>September 1, 2012 to Present</i>		
<b>TRANSACTION TYPE</b>	<b>NO. OF ISSUES</b>	<b>PAR AMOUNT</b>
Certificates of Participation/Lease	8	\$169,935,300
Land Secured	25	683,601,000
Revenue Bonds	11	246,215,000
Tax Allocation Bonds	8	521,640,000
Other	3	26,789,000
<b>TOTALS</b>	<b>55</b>	<b>\$1,648,180,300</b>

City governments account for a considerable part of our business and accordingly we focus a great deal of our attention on this sector. Almost one third of our transaction volume has been generated by engagements from city clients. This focus on city governments as a major practice area assures the Successor Agency that a "city-wise" advisor will meet its needs. We believe that the number of transactions and assignments that we have completed and the diversity of our clients have given our professionals a better understanding of the policy and business side of city government. It is this understanding which permits us to approach challenges with practicality and develop effective financial advice.



Our technical capabilities are another distinguishing feature of our firm. The technical capabilities of an advisor, in terms of the level of resources and technical staff, make a huge difference in the breadth of the services provided. Our mission is to provide to our clients a level of resources and expertise equal to those of the "Wall Street" investment banking firms but also to present our analysis in a clear, concise manner so our clients can make informed decisions. The first step is having the resources; the next step is having the capability to apply those resources to produce tangible results.

One of our most important resources is our access to Bloomberg "Professional" service through which we can monitor and analyze real-time financial market data movements. This same system is used by all major Wall Street investment firms. The indispensable timeliness and breadth of the data available through this resource justify its high cost, which is prohibitive for smaller firms. Accordingly, this is one of the features that we believe strongly differentiates us from smaller competitors in terms of resources.

Our firm also has subscription access to [www.TM3.com](http://www.TM3.com), Thomson Municipal Data (MMD) internet resource. TM3.com provides comprehensive coverage of the municipal cash, derivatives and U.S. Treasury markets. In addition, we maintain the most sophisticated software used for sizing and structuring municipal bond issues, DBC Finance ("DBC"). DBC offers the most sophisticated software package that will permit us to analyze and structure almost any bond or loan structure for the Successor Agency. The personnel assigned to the Successor Agency's team are proficient in the use of this software and FRA runs all of its analyses "in-house."

Each of these resources allows us to gather and analyze data for use in debt pricing, spread negotiations and forecasting economic conditions. With access to Bloomberg and TM3, we have access to the latest pricing information in the fixed income markets. This information gives us the ability to actively monitor our client's debt portfolio, estimate interest rates (which we utilize in pricing scenarios and in preparing for competitive and negotiated sales) and to monitor refunding opportunities.

## 5. KEY PERSONNEL AND CLIENT REFERENCES

As an independent financial advisor, FRA's goal is to provide sound, unbiased, and creative consulting services to the Successor Agency. In furtherance of that goal, and to always ensure that the Successor Agency has ready access to a senior officer of the firm, we intend to serve the Successor Agency with a team approach. The team includes: an Engagement Manager, with accountability to the Successor Agency for the quality and timeliness of the engagement as well as responsibility for major strategic decision making processes; a Project Manager, with day to day responsibility for both strategic and tactical decisions and primary responsibility for communications with Successor Agency staff; and Technical/Quantitative Support Professionals, having responsibility to support the Engagement and Project Managers in the delivery of services and to provide quantitative analyses that support the overall financial advisory services. Using a team approach assures the Successor Agency that several individuals will be familiar with the Successor Agency's needs and requirements. This approach offers superior service, better turnaround times, and more efficient use of the Successor Agency's staff time.

### Project Team

**James V. Fabian**, a Principal with the Firm, will be the Firm's engagement manager for all Successor Agency engagements. Mr. Fabian is the primary person who will be responsible for managing the relationship with the Successor Agency. Mr. Fabian specializes in city transactions and advises most of the Firm's city clients. Mr. Fabian will be responsible for allocating FRA resources to meet the needs of the Successor Agency,



managing the day-to-day activities of the project team and interfacing with Successor Agency staff, management and City Council.

**Anna V. Sarabian**, Senior Vice President, will serve as project manager for all assignments for the Successor Agency. Ms. Sarabian has worked with Mr. Fabian on numerous city transactions and will prepare and oversee all technical and computer financial analyses, credit metrics, and review all documents. She has extensive city and successor agency experience that will benefit the Successor Agency.

**Mr. Jason Chung**, Associate, will serve as primary technical consultant. Mr. Chung will be responsible for technical analysis and the preparation of credit presentations. He has recent successor agency experience that will benefit the Successor Agency. Detailed resumes of the assigned team members can be found in **APPENDIX G**.

MEMBER	ROLE/RESPONSIBILITY	EXPERIENCE AND SKILLS
<p><b>James Fabian</b> Principal</p> <p>Mr. Fabian will contribute 50% of work on each engagement.</p>	<p><u>Engagement Manager</u></p> <ul style="list-style-type: none"> <li>✓ Responsible for organizing and directing the team and the process.</li> <li>✓ Advises and develops strategic objectives. Ensures fulfillment of goals.</li> <li>✓ Primary communicator with Successor Agency staff and management.</li> <li>✓ Attends City Council/Successor Agency/Oversight Board meetings, and stakeholder meetings or rating presentations.</li> </ul>	<p><u>Qualifications</u></p> <ul style="list-style-type: none"> <li>✓ 29 years of experience in municipal finance including 14 years in local government.</li> <li>✓ 15 years of experience as a financial advisor to cities and redevelopment agencies.</li> <li>✓ Shareholder of the firm.</li> <li>✓ Has completed more than \$2.0 billion of municipal transactions.</li> <li>✓ Primary focus is on city and redevelopment agency clients.</li> </ul>
<p><b>Anna Sarabian, Ph.D.</b> Senior Vice President</p> <p>Ms. Sarabian will contribute 35% of work on each engagement.</p>	<p><u>Project Manager</u></p> <ul style="list-style-type: none"> <li>✓ Back-up contact for the Successor Agency.</li> <li>✓ Manages execution of FRA work products and deal execution.</li> <li>✓ Provides senior level quantitative &amp; technical analysis, and ad-hoc financial analysis, as needed.</li> <li>✓ Reviews all financing and legal documents.</li> </ul>	<p><u>Qualifications</u></p> <ul style="list-style-type: none"> <li>✓ Ph.D. in Economics.</li> <li>✓ Over 13 years of municipal finance experience – issuer and financial advisor.</li> <li>✓ Has completed over \$4 billion of municipal transactions.</li> <li>✓ Primary focus on city and redevelopment clients.</li> <li>✓ Specializes in both fixed and variable rate general fund, general obligation and tax allocation debt.</li> <li>✓ Experience in post-redevelopment tax allocation bond financings and issues.</li> </ul>
<p><b>Jason Chung</b> Associate</p> <p>Mr. Chung will contribute 15% of work on each engagement.</p>	<p><u>Primary Technical Consultant</u> Under the direction of the Project Manager:</p> <ul style="list-style-type: none"> <li>✓ Responsible for data gathering, preparation of excel worksheets and charts required for credit presentation.</li> <li>✓ Provides primary technical and quantitative analysis.</li> <li>✓ Prepares market comparables sales worksheet.</li> </ul>	<p><u>Qualifications</u></p> <ul style="list-style-type: none"> <li>✓ Experience in debt sizing and refunding analysis.</li> <li>✓ Experience in cash flow and debt modeling analysis.</li> <li>✓ Experience in preparing financial models.</li> </ul>

The table on the following page illustrates some of our most recent efforts to issue new debt or to refund existing debt of our city or successor agency clients.

Proposal for Financial Advisory Services  
 Successor Agency to the former Redevelopment Agency of the City of Milpitas  
 October 8, 2014



Public Agency	Private Placement	General Obligation Bonds	Variable Rate Debt to Fixed Rate	Revenue Bonds	Certificates of Participation/ Lease Revenue Bonds	Land Secured Bonds	Tax Allocation Bonds
City of Arcadia*		✓					✓
City of Brea*				✓			✓
City of California City*							✓
City of Cathedral City*							✓
City of Concord*	✓			✓	✓		✓
City of Culver City*				✓	✓		✓
City of Diamond Bar			✓				
City of Dublin						✓	
City of Emeryville*	✓						✓
City of Irvine	✓		✓	✓		✓	
City of Lake Forest	✓				✓	✓	
City of Long Beach					✓	✓	
City of Mission Viejo					✓	✓	
City of Monterey	✓				✓	✓	
City of Moreno Valley	✓				✓		
City of Orange*						✓	✓
City of Pomona*							✓
City of Rancho Cucamonga*					✓		✓
City of Rohnert Park					✓	✓	
City of Rialto*	✓					✓	✓
City of San Bruno					✓	✓	
City of San Francisco		✓					
City of San Marcos*				✓	✓	✓	✓
City of San Juan Capistrano		✓			✓		
City of Temecula	✓				✓	✓	
City of Thousand Oaks					✓	✓	
City of Tustin				✓		✓	

\*Currently working on or have completed post AB 1484 TAB refundings for these clients



**Client References for Successor Agencies:**

	<p><b>CITY OF BREA</b>                  1 Civic Center Circle, Brea, CA 92821  <b>Bill Gallardo</b>, <i>Administrative Services Director</i>, (714) 990-7676, <a href="mailto:billga@cityofbrea.net">billga@cityofbrea.net</a>                  Contract Term: 36 months Last transaction fee: \$35,000 Transaction Advisory Services</p>
	<p><b>CITY OF CATHEDRAL CITY</b>                  68-799 Avenida Lalo Guerrero, Cathedral City, CA 92234  <b>Tami Scott</b>, <i>Administrative Services Director</i>, 760-770-0340, <a href="mailto:tscott@cathedralcity.gov">tscott@cathedralcity.gov</a>                  Contract Term: 12 months Last Transaction fee: \$37,500 Transaction Advisory Services</p>
	<p><b>CITY OF CONCORD</b>                  1950 Parkside Drive, Concord, CA 94519  <b>Karan Reid</b>, <i>Finance Director</i>, (925) 671-3192, <a href="mailto:kreid@ci.concord.ca.us">kreid@ci.concord.ca.us</a>                  Contract Term: 36 months Last transaction fee: \$57,500 Transaction Advisory Services</p>
	<p><b>CITY OF EMERYVILLE</b>                  1333 Park Ave., Emeryville, CA 94608  <b>Sabrina Landreth</b>, <i>City Manager</i>, (510) 596-4371, <a href="mailto:slandreth@emeryville.org">slandreth@emeryville.org</a>                  Contract Term: 36 months Last transaction fee: \$74,500 Transaction Advisory Services</p>
	<p><b>CITY OF RIALTO</b>                  150 S. Palm Ave., Rialto, CA 92376  <b>George Harris</b>, <i>Director of Administrative and Community Services</i>, (909) 421-7219  <a href="mailto:gharris@rialto.ca.gov">gharris@rialto.ca.gov</a>                  Contract Term 36 months Last transaction fee: \$44,500 Transaction Advisory Services</p>

A detailed description of the types of services provided on Post AB 1484 Tax Allocation Refunding Bonds Transactions is provided below:

	<p><b>SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY</b>                  2013 Tax Allocation Refunding Bonds</p>
<p><b>Relevant Facts for the City of Milpitas Successor Agency:</b></p>	
<ul style="list-style-type: none"> <li>◆ Obtained a S&amp;P “AA-” credit rating for a Successor Agency</li> <li>◆ Obtained DOF approval in an expedited manner</li> <li>◆ Assisted staff with presentations and approval from the Oversight Board, Successor Agency and the City Council</li> <li>◆ Procured a debt reserve fund surety without the purchase of bond insurance</li> <li>◆ Provided guidance on market entry to maximize savings and negotiated a fair takedown with the City’s underwriter</li> <li>◆ Prepared pricing memo for staff to present results of the negotiated sale of the Bonds to the Successor Agency</li> <li>◆ Recommended pricing adjustments to enhance Net Present Value savings</li> </ul>	

The Successor Agency to the Brea Redevelopment Agency engaged us in the spring of 2013 to assist the Successor Agency with the analysis and the potential refunding of its 2001 and 2003 Tax Allocation Bonds.



We assisted the City throughout the entire process, serving as part of the financing team and participating in the structuring and refunding analysis, document review and discussion, as well as credit rating agency presentations. We prepared the debt service savings analysis for the Successor Agency, which was submitted to the Department of Finance, and advised the agency on the timing of market entry, the negotiation of underwriting spread and interest rates for the refunding issue, as well as the ability to use a stand-alone surety instead of cash funding a debt service reserve fund without the need to purchase bond insurance as well. The 2013 Refunding Bonds were sold on November 14<sup>th</sup> in the par amount of \$96.62 million and generated net present value savings in excess of \$8.8 million with average annual savings for the first nine years of approximately \$950,000 and average annual savings of approximately \$465,000 thereafter.



### **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF CITY OF CATHEDRAL CITY**

Tax Allocation Revenue Refunding Bonds (Series 2014 A, Series 2014 B and Series 2014 C)

#### **Relevant Facts for the City of Milpitas Successor Agency:**

- ◆ **Obtained a S&P credit rating for the Successor Agency**
- ◆ **Obtained DOF approval in an expedited manner**
- ◆ **Assisted staff with presentations and approval from the Oversight Board, Successor Agency and the City Council**
- ◆ **Procured a debt service reserve fund surety and bond insurance**
- ◆ **Provided guidance on market entry to maximize savings and negotiated a fair takedown with the City's underwriter**
- ◆ **Negotiated underwriter spread with the Successor Agency's Underwriter**
- ◆ **Recommended pricing adjustments to enhance Net Present Value savings**

The Successor Agency to the Redevelopment Agency of the City of Cathedral City engaged us in the spring of 2014 to assist the Successor Agency with the analysis and the potential refunding of its 2000A, 2002A, 2004A, 2005 Non-Housing Bonds and its 2002D and 2002E Housing Bonds. We assisted the City throughout the entire process, serving as part of the financing team and participating in the structuring and refunding analysis, document review and discussion, as well as credit rating agency presentations. We prepared the debt service savings analysis for the Successor Agency, which was submitted to the Department of Finance, and advised the agency on the timing of market entry, the negotiation of underwriting spread and interest rates for the refunding issue, as well as the purchase of bond insurance and a debt service reserve fund surety. The 2014 Series A,B &C Refunding Bonds were sold on September 18<sup>th</sup> in the par amount of \$73.76 million and generated net present value savings in excess of \$8.7 million with average annual savings of approximately \$572,000.



### **SUCCESSOR AGENCY TO THE CONCORD REDEVELOPMENT AGENCY**

#### **Relevant Facts for the City of Milpitas Successor Agency:**

- ◆ **Recent experience obtaining a credit rating for a Successor Agency**
- ◆ **Obtained DOF approval in an expedited manner**
- ◆ **Assisted staff with presentations and approval from the Oversight Board, Successor Agency**



**and the City Council**

- ◆ **Procured bond insurance and a debt reserve fund surety bids**
- ◆ **Assisted staff prepare, distribute and select a bond underwriter through a competitive selection process**
- ◆ **Recommended pricing adjustments to enhance Net Present Value savings**

The Successor Agency to the Concord Redevelopment Agency engaged us in the spring of 2014 to assist the Successor Agency with the analysis and the potential refunding of its 2001 Lease Revenue Bonds secured by a Reimbursement Agreement pledging tax revenues and 2004 Tax Allocation Bonds. We assisted the City throughout the entire process, serving as part of the financing team and participating in the structuring and refunding analysis, document review and discussion, as well as credit rating agency presentations. We prepared the debt service savings analysis for the Successor Agency, which was submitted to the Department of Finance and received approval in 46 days. We prepared an Underwriter's Request for Qualification, reviewed submitted proposals and recommended the selection of a firm to underwrite the Bonds. We advised the agency on the timing of market entry. We secured quotes for a reserve fund surety and bond insurance and recommended purchasing insurance for only certain maturities along with a reserve fund surety. The Refunding Bonds Series 2014 were sold on October 1st in the par amount of \$37.550 million and generated net present value savings in excess of \$5.6 million with average annual savings of \$976,000. Due to strong investor demand and a positive tone in the bond market on the day of pricing we were able to recommend lower yields resulting in greater savings to the Successor Agency.

Emeryville ✱

**SUCCESSOR AGENCY TO THE EMERYVILLE  
REDEVELOPMENT AGENCY**

**Relevant Facts for the City of Milpitas Successor Agency:**

- ◆ **Recent experience obtaining a credit rating for a Successor Agency**
- ◆ **Obtained DOF approval in an expedited manner**
- ◆ **Assisted staff with presentations and approval from the Oversight Board, Successor Agency and the City Council**
- ◆ **Procured bond insurance and a debt reserve fund surety bids**
- ◆ **Assisted staff prepare, distribute and select a bond underwriter through a competitive selection process**
- ◆ **Recommended pricing adjustments to enhance Net Present Value savings**

The Successor Agency to the Emeryville Redevelopment Agency engaged us in the spring of 2014 to assist the Successor Agency with the analysis and the potential refunding of their Outstanding Tax Allocation Bonds. We assisted the City throughout the entire process, serving as part of the financing team and participating in the structuring and refunding analysis, document review and discussion, as well as credit rating agency presentations. We prepared the debt service savings analysis for the Successor Agency, which was submitted to the Department of Finance and received approval in 58 days. We prepared an Underwriter's Request for Qualification, reviewed submitted proposals and recommended the selection of an underwriting syndicate to underwrite the Bonds. We advised the agency on the timing of market entry. We secured quotes for a reserve fund surety and bond insurance and recommended purchasing insurance for only certain maturities along with a reserve fund surety. The Tax Allocation Refunding Bonds Series 2014A and Series 2014B were sold on July 24<sup>th</sup> in the par amount of \$109.72 million and generated net present value savings in excess of \$21.01 million with average annual savings of \$2.03 million. Due to



strong investor demand and a positive tone in the bond market on the day of pricing we were able to recommend lower yields resulting in greater savings to the Successor Agency.



### SUCCESSOR AGENCY TO THE RIALTO REDEVELOPMENT AGENCY

**Relevant Facts for the City of Milpitas Successor Agency:**

- ◆ Recent experience obtaining a credit rating for a Successor Agency
- ◆ Obtained DOF approval in an expedited manner
- ◆ Assisted staff with presentations and approval from the Oversight Board, Successor Agency and the City Council
- ◆ Procured bond insurance and a debt reserve fund surety bids
- ◆ Assisted staff prepare, distribute and select a bond underwriter through a competitive selection process
- ◆ Recommended pricing adjustments to enhance Net Present Value savings

The Successor Agency to the Rialto Redevelopment Agency engaged us in the spring of 2014 to assist the Successor Agency with the analysis and the potential refunding of its 2003 Tax Refunding Allocation Bonds. We assisted the City throughout the entire process, serving as part of the financing team and participating in the structuring and refunding analysis, document review and discussion, as well as credit rating agency presentations. We prepared the debt service savings analysis for the Successor Agency, which was submitted to the Department of Finance and received approval in 43 days. We prepared an Underwriter’s Request for Qualification, reviewed submitted proposals and recommended the selection of a firm to underwrite the Bonds. We advised the agency on the timing of market entry. We secured quotes for a reserve fund surety and bond insurance and recommended purchasing insurance for only certain maturities along with a reserve fund surety. The Refunding Bonds (Merged Project Area) 2014 Series A were sold on August 21<sup>st</sup> in the par amount of \$16.515 million and generated net present value savings in excess of \$3.1 million with average annual savings of \$485,000. Due to strong investor demand and a positive tone in the bond market on the day of pricing we were able to recommend lower yields resulting in greater savings to the Successor Agency.

**Client references for General Advisory Services**

	<p><b>CITY OF DUBLIN</b>                  100 Civic Plaza, Dublin, CA 94568  <b>Colleen M. Tribby</b>, <i>Administrative Services Director/Finance Director</i> (925) 833-6654,  <a href="mailto:colleen.tribby@dublin.ca.gov">colleen.tribby@dublin.ca.gov</a>                  Contract Term: 36 months Last transaction fee: \$15,000 (hourly services) General Advisory Services</p>
	<p><b>CITY OF MONTEREY</b>                  735 Pacific Street, Suite A, Monterey, CA 93940  <b>Jimmy Forbis</b>, <i>Finance Director</i>, (831) 646-3940, <a href="mailto:forbis@monterey.org">forbis@monterey.org</a>                  Contract Term: 36 months Last transaction fee: \$31,000 General Advisory Services</p>



	<p><b>CITY OF ROHNERT PARK</b>                  130 Avram Avenue, Rohnert Park, CA 94928  <b>Darrin Jenkins</b>, <i>City Manager</i>, (707)588-2243, <a href="mailto:dajenkins@rpcity.org">dajenkins@rpcity.org</a>                  Contract Term: 36 months Last transaction fee: \$20,000 (hourly services) General Advisory Services</p>
	<p><b>CITY OF SAN BRUNO</b>                  567 El Camino Real, San Bruno, CA 94066  <b>Connie Jackson</b>, <i>City Manager</i>, (650) 616-7056, <a href="mailto:cjackson@sanbruno.ca.gov">cjackson@sanbruno.ca.gov</a>                  Contract Term 36 months Last transaction fee: \$50,000 General Advisory Services</p>
	<p><b>CITY OF TUSTIN</b>                  300 Centennial Way, Tustin, CA 92780  <b>Pamela Arends-King</b>, <i>Finance Director</i>, (714) 573-3061, <a href="mailto:PArends-King@tustinca.org">PArends-King@tustinca.org</a>                  Contract Term: 36 months Last transaction fee: \$44,500 General Advisory Services</p>

A detailed description of the types of services we have provided as General Advisory Services is included below:



FRA has served as the City of Dublin’s financial advisor since 2013. The firm has been involved in the formation of the City’s first Community Facilities District (“CFD”) for the Dublin Crossing Project. The Dublin Crossing Project involves the transfer of property between the US Army and Sun-Cal. The project will be built-out over a five phased transfer of land and will consist of 1,600 to 1,995 residential units, 75,000 to 200,000 square feet of commercial uses, 30 net acre community park, a 5 net acre neighborhood park, privately owned open space and a 12 acre elementary school site and associated infrastructure to serve the project. The 1,600 to 1,995 residential units will be subject to special taxes. Phase 1 will consist of 402 residential units. Phase 2 will consist of 350 residential units and 75,000 square feet of commercial use. Phase 3 will consist of 339 residential units and 50,000 square feet of commercial use. Phase 4 will consist of 143 residential units and 75,000 square feet of commercial use. Phase 5 will consist of 338 residential units. Currently, the Dublin Crossing Project is in the initial steps of formation. The Landowner Petition to initiate formation is expected in October of 2014 and other formation processes are being initiated. We have highlighted below the tasks that have been completed to date:

**Completed Tasks:**

- ◆ Negotiated final terms of the Development Agreement that included specific provisions related to the future CFD.
- ◆ Prepared an Underwriter RFP to select an Underwriter, and prepared an Appraiser, Bond and Disclosure Counsel and Special Tax Consultant RFPs to select the other members of the City’s consultant team.
- ◆ Analyzed potential bonding capacity of the future CFD based on proposed Special Tax Rates.
- ◆ Prepared City Council presentation to outline the future CFD Special Taxes.



## CITY OF MONTEREY

We have been serving as the City's financial advisor since 2012. We have assisted the City with the review and analysis of the City's outstanding general fund and enterprise fund debt, as well as the City's Safety Side Fund obligation. As part of our analysis, we identified several refunding candidates and recommended that the City pursue a current refunding of its 2002 lease revenue bonds. The bonds were originally issued in the par amount of \$9.86 million in 2002 to provide funds for the expansion of the Monterey Sports Center and the purchase of an adjacent parcel. The final maturity of the bonds was 2032 and they were secured by the City's Sports Center. We prepared and distributed a request for proposal for the private placement refunding of bonds and received three proposals. After careful evaluation, we selected the proposal that provided the best interest rate and terms for the City. Since the Sports Center's insured value was well above the par amount of the refunding bonds, we assisted the City with the release of the Sports Center as the pledged asset and substituted it with two fire stations, whose combined insured values were closer to the par amount of the refunding bonds of \$7.190 million. The refunding resulted in net present value savings of \$482,000 or 6.3%, which translated into average annual savings for the city's general fund of approximately \$85,000.

During the past year, we have worked with the City on analyzing the City's Safety Side Fund unfunded liability and whether it makes sense for the City to pay it off through the issuance of pension obligation bonds. After careful consideration of the City's specific circumstances, the assumptions utilized by CalPERS, as well as the potential cost for issuing bonds and the projected debt service on the bonds compared to the actual and projected payments the City makes annually for its Side Fund, we advised the City against the issuance of bonds last year. However, based on current changes in CalPERS assumptions and methodology, we are proceeding with evaluating present benefits from the issuance of pension obligation bonds and will be proceeding with identifying the best structure to maximize savings for the City.

In addition, we have assisted the City with the analysis of the best funding mechanism for the Monterey Conference Center Renovation and Upgrade Project as part of the greater downtown revitalization efforts. We evaluated financing options such as a Transient Occupancy Taxes or a Business Improvement District or the formation of a Conference Center Financing District (CCFD) to fund the Conference Center renovation and upgrade. After determining that the CCFD was the best funding mechanism that provides the most flexibility and would impact only those who would benefit from the Conference Center renovation and upgrade, we worked with the City, bond counsel and the special tax consultant to form the Conference Center Financing District No. 2013-1. This is the third CCFD formed in California following San Jose and San Diego to levy special taxes against hotel rooms to pay for upgrades to a Convention/Conference Center. There was a special mailed ballot election and a significant public outreach undertaken with impacted hospitality community shareholders. The result was an overwhelming support for forming the CCFD, with 90% of the votes cast in favor of the CCFD. Last month we also completed validation proceedings to enable bond counsel to provide clean legal opinion required to be able to issue CCFD bonds in the future secured by the special taxes against the hotels and received our default judgment without any protest from the public. Based on the successful validation action, bond sale is anticipated to occur in the first quarter of 2015.



### CITY OF SAN BRUNO

FRA has served as the City of San Bruno's financial advisor since 2011. The firm has been involved in every capital financing undertaken by the City during that time. Highlighted below are the two most recent financings we completed for the City:

1. Negotiated Sale of the 2013 Wastewater Revenue Refunding Bonds on August 1, 2013. We were able to secure an underlying "AA+" rating from Standard and Poor's. The refunding resulted in total net present value savings of approximately \$500,000 and annual cash flow savings of \$80,000 per year over the 19 year term of the Bonds. We were also able to structure the bonds without funding a cash-funded debt service reserve fund.
2. Negotiated Sale of the 2013 Pension Obligation Bonds on January 16, 2013. We were able to secure an underlying AA rating from Standard and Poor's. The refunding resulted in total net present value savings of approximately \$3.1 Million and annual cash flow savings of \$350,000 per year over the 14 year term remaining on the City's Public Safety Side-Fund Obligation. The Bonds were taxable and did not have a debt service reserve fund.



### CITY OF ROHNERT PARK

FRA was hired by the City of Rohnert Park in the spring of 2014. The firm has been involved in evaluating whether the City should utilize existing General Fund Reserves to pay off outstanding Certificates of Participation secured by General Fund revenues. Additionally, we have been engaged to assist in the formation of Community Facilities Districts for the following projects:

- ♦ Southeast Community Specific Plan – We are coordinating a Community Facilities District to be established to fund the property owner's obligations under a Development Agreement to fund on-going City services. The Community Facilities District will include an escalator, back-up special tax and does not have a sunset. The formation is anticipated to be completed in late January of 2015.
- ♦ University Park – We are coordinating a Community Facilities District to be established to pay for the acquisition of approximately \$50M of infrastructure required to be built under a Development Agreement with Brookfield Homes. Brookfield Homes has the right under the Development Agreement to utilize CSCDA as the entity to form the Community Facilities District. We are assisting the City review all formation documents, including the Acquisition and Funding Agreement that will be used to acquire the infrastructure from Brookfield Homes over the next 5 years.



### CITY OF TUSTIN

- ♦ FRA has served as the City of Tustin's financial advisor since 2010. The firm has been involved in every capital financing undertaken by the City/Agency during that time. Highlighted below is our most current experience:
- ♦ Tustin Community Redevelopment Agency, Tax Allocation Housing Bonds, Series 2010 were issued



to fund low and moderate income housing projects. The TABs were sold on a negotiated basis by Piper Jaffray. We were able to secure an "A" rating from S&P and bond insurance from Assured Guaranty.

- ◆ Tustin Community Redevelopment Agency, Tax Allocation Bonds, (MCAS-Project Area) Series 2010 were issued to fund redevelopment projects located in the former Marine Base located in the City. The TABs were sold on a negotiated basis by Stone & Youngberg. We were able to secure an "A" rating from S&P.
- ◆ Water Revenue Bonds were issued to fund improvements to the City's water system. The Bonds were sold on a negotiated basis by Citi. We were able to secure an "AA" rating from S&P.
- ◆ Water Revenue Refunding Bonds were issued to advance refund the outstanding 2003 Water Revenue Refunding Bonds. The Bonds were sold on a negotiated basis by Stone & Youngberg. We were able to secure an "AA" rating from S&P and avoid funding a debt service reserve fund.
- ◆ In early 2013, we assisted the City form CFD 13-01 (Tustin Legacy) for the levy of a special tax that will cover services such as police protection; fire protection; ambulance and paramedic services; maintenance of parks, open space, streets, sidewalks and storm protection; and other city services that includes building, planning and finance.
- ◆ In the summer of 2013 we assisted the City with the issuance of special tax refunding bonds to refund in full and defease the outstanding 2004 bonds for CFD No. 04-1 (Tustin Legacy/John Laing Homes). We were able to secure a "BBB+" rating from Standard & Poor's and achieved net present value savings of 9.9% or approximately \$974,000, with annual savings from \$84,000 to \$88,000. These Bonds were recently upgraded to A- by Standard & Poor's.
- ◆ In the fall of 2013 we assisted the City with the issuance of Water Bonds to fund improvements to the City's water system. The Bonds were sold on a negotiated basis by FirstSouthwest. We were able to secure an AA rating from S&P and avoid funding a debt service reserve fund.
- ◆ In 2014, we assisted the City form CFD No 2014-01 for a new residential project to be constructed by Standard Pacific in the Tustin Legacy Project. We assisted the City with the selection of the Finance Team and the review of all CFD formation documents. The CFD includes special taxes for both facilities and services and is structured so the Effective Tax Rate of each home is 1.75%. The special tax includes a 2% annual escalator. We are in the process of working on the issuance of bonds for the CFD and anticipate to price them in mid-November, with proceeds available in early December, 2014.

## 6. BACKGROUND AND APPROACH

The Successor Agency is looking for financial advisory services to be provided in connection with refunding the City's 2003 Tax Allocation Bonds ("TABs"). We have reviewed the bond issue to ascertain the level of savings that would be generated by refunding the debt, as well as various strategies that might be used to further enhance those savings. Thus, based on our current understanding of the City's needs, we have listed below a proposed scope of work.

### *1. Evaluate legal approaches permitting various financing structures and propose financing methods.*

FRA will work closely with the Successor Agency's other finance team members to review and evaluate all legal approaches permitting the various financing structures. We have been closely following all of the post AB X1 26 and AB 1484 court challenges, potential clean-up legislation, Department of Finance actions and rating agencies announcements regarding redevelopment debt. We have also reviewed all of the TABs issued



to date post AB1484 (Refer to **APPENDIX H** for our post AB 1484 TAB worksheet) and have tracked how they have priced and any unique credit features. In our experience the use of a term sheet is a good tool used to identify the Successor Agency's objectives and to develop a legal structure to meet those objectives. We would work collaboratively with Successor Agency's Staff and the finance team members to develop a term sheet to use as the blue print to draft the required legal documents.

*2. Analyze and report on the advantages and disadvantages of each proposed financing structure.*

FRA will analyze and identify the advantages and disadvantages of each proposed financing structure in collaboration with the Successor Agency's Underwriter. In our review of the proposed refunding of the Successor Agency's outstanding TABs, we have structured them as a single refunding transaction. We have also assumed the purchase of a Debt Service Reserve Fund Surety and bond insurance. In recent transactions we have priced, we have negotiated and agreed to terms with both bond insurers AGM and BAM for partial insurance on the refunding transaction. Given the City's strong credit profile, this would be a recommended action to potentially reduce the cost of bond insurance. We have also noted that the redemption provisions for the TABs allow for a conditional call notice to be exercised. We would recommend distributing a conditional call notice the day after pricing to allow for redemption of the TABs only a few days after an extended closing period. This method will ensure maximum efficiency of the escrow fund by minimizing the amount of negative arbitrage until the TABs are called. As the Successor Agency's financial advisor we will develop a matrix to outline the advantages and disadvantages of various scenarios to help Successor Agency's staff make the most informed decision regarding the preferred approach.

*3. Assist with the selection of an Underwriter(s).*

FRA will assist the Successor Agency in selection of an Underwriter. We have recently assisted with the selection of Underwriters for the Successor Agencies of the Cities of Concord, Emeryville and Rialto. In each case, we prepared a Request for Proposal ("RFP"), distributed the RFP, evaluated the proposals and prepared a recommendation of the firm to be selected. (Refer to **APPENDIX I** for the Emeryville RFP and selection memo). Due to the large par size of the 2015 Refunding Bonds, we would recommend the Successor Agency consider hiring a senior and co-underwriter(s) for the transaction. We would work with Successor Agency staff to review the City's debt policy on underwriter selection. Based on the team selected to underwrite the 2003 TABs, it appears the City's preference is to have a senior and co-underwriters. We would assist the Successor Agency draft syndicate policies to maximize the distribution of bonds and to ensure the fair treatment of all the firms.

*4. Evaluate the projected cash flow from future-year tax increment.*

FRA will work closely with the Successor Agency's Fiscal Consultant ("Fraser & Associates") to analyze the projected cash flow from future-year tax revenues to determine the level of current and future debt service coverage. We have reviewed the City's Recognized Obligation Payment Schedule and Continuing Disclosure Reports to become familiar with the City's Redevelopment Project Area's current and projected revenues. FRA will work with Fraser & Associates to make sure the projected cash flow provides a reasonable basis for demonstrating that available tax revenues will be sufficient to cover future debt service payments. We have estimated coverage to be at least 2.70 based upon the FY 2012/13 Net Tax Revenues from the last Annual Report and our estimated refunding debt service on the 2015 Refunding Bonds.



*5. Collaborate with the Successor Agency's Bond Counsel and Underwriter in recommending specific terms and conditions affecting the basic security of a debt issue.*

FRA will work closely with the selected consultants to review specific terms and conditions affecting the basic security of a debt issue. We will review specific provisions of AB X1 26 related to the authorization of refunding bonds and the pledge of tax revenues deposited into the Redevelopment Property Tax Trust Fund ("RPTTF") held by the county auditor-controller. We will review the specific terms defining "Pledged Tax Revenues" and the "Covenants of the Agency" in the legal documents to provide the required security to the Bondholders, but not create onerous requirements for the Successor Agency going forward.

*6. Prepare and submit the required AB 1484 "Debt Service Savings Report" to Department of Finance ("DOF") and coordinate all follow up on all requested information to expedite approval.*

We will also work closely with the Successor Agency, Bond Counsel and Underwriter to coordinate the required written confirmation and approval from the Department of Finance before the 2015 Refunding bonds can be sold.

Additionally, we will prepare the required AB 1484 "Debt Service Savings Report" for the 2015 Refunding Bonds to be attached to the Resolution approving the refunding by the Oversight Board. (Refer to **APPENDIX J** for an example of a DOF submittal package) We will also handle all follow up questions with DOF to ensure an expedited review. We have been successful recently in getting DOF approval in 46 days for the City of Concord.

*7. Provide specific recommendations to the City and the City's Underwriter on the marketing of the Refunding Bonds.*

FRA has significant experience advising Redevelopment Agencies on the issuance of Tax Allocation Refunding Bonds. In **APPENDIX E** we have provided a detailed listing of our previous tax allocation bond issues. As the Successor Agency's financial advisor we would work collaboratively with the Successor Agency's Underwriter to structure the refunding bonds to appeal to the widest array of retail and institutional investors by securing the highest underlying ratings possible and to develop a mix of serial and term bonds with different coupons and yields based upon the market conditions at the time of sale. We will discuss with the Successor Agency's Underwriter whether in-person meetings with the large institutional investors such as Franklin Fund, Vanguard and Putnam, are warranted, or whether to do an Investor Road Show to broadcast the deal to the widest possible investor base. On our City of Brea Tax Allocation Refunding Bonds engagement we worked collaboratively with the Successor Agency's Underwriter to reach out to Vanguard to address questions they had and to make a requested change in the Continuing Disclosure Certificate to allow them to submit the anchor order that allowed for the Refunding Bonds' interest rate scale to be improved during the order period, thereby increasing the debt service savings. We would also want to explore the idea of a retail-only order period to garner as many traditional retail investors as possible. The Morgan Hill Successor Agency did this for their Tax Allocation Bonds.

*8. Review potential credit enhancement options including Reserve Fund Surety and Bond Insurance and make recommendation on whether they should be purchased.*

We have prepared a summary of the outstanding 2003 TABs. As was discussed earlier in Section 2, we have structured them as a stand-alone refunding with a conditional call notice mailed to bondholders the day after pricing and a four-week closing period. We have prepared this scenario with partial bond insurance and a Debt Service Reserve Fund Surety. In our recommended scenario we have assumed a current refunding in the spring of 2015. Based upon our current assumptions of the costs of issuance, costs of a reserve fund



surety, bond insurance on maturities 2024-2032 and current interest rates, the refunding of the TABs produces good financial results. A summary of the estimated annual savings is included in the summary of outstanding TABs shown below:

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE  
 CITY OF MILPITAS**

**2015 Tax Allocation Refunding Bonds**

<b>Refunding Savings<sup>(1)</sup> - March 2015 Closing</b>	
<b>Issue</b>	<b>2003 Tax Allocation Bonds</b>
<b>Sale Method</b>	<b>Public Sale</b>
<b>Redemption Dates</b>	<b>Any Date @ 100%</b>
<b>Closing Date</b>	<b>3/17/2015</b>
<b>Date Bonds Called</b>	<b>3/20/2015</b>
<b>Par Amount to be Refunded</b>	<b>\$145,990,000</b>
<b>Total Gross Debt Service Savings</b>	<b>\$24,757,892</b>
<b>Net Present Value Savings</b>	<b>\$19,600,265</b>
<b>Percentage Savings of Refunded Bonds</b>	<b>13.43%</b>
<b>Average Annual Savings (2015-2032)</b>	<b>\$1,375,438</b>

For Illustration Purposes.

- <sup>(1)</sup> Market Rates and Assumptions based on "A+" rated Emeryville SA scale as of 7-24-14.
- <sup>(1)</sup> Assumes a conditional call notice mailed to bondholders day after pricing and a 4-week closing period.
- <sup>(1)</sup> Assumes maturities 2024-2032 are insured.
- <sup>(1)</sup> For uninsured maturities 2022-23, assumes Emeryville SA yields in 2022-23 plus 10 basis points.
- <sup>(1)</sup> Underwriter's Discount reflects an estimated amount of 0.5% of the par amount.
- <sup>(1)</sup> Estimated Costs of Issuance assumes \$425,000, estimated cost of a reserve fund surety is 1.80% and estimated cost of bond insurance is 58 basis points.

We had recent conversations with Assured Guaranty ("AG") and Build America Mutual ("BAM") about providing a reserve fund surety and bond insurance for refunding TABs and both are very active and willing to provide aggressive quotes. Attached as **APPENDIX K** are examples of letters we sent to AG and BAM to request quotes. Our analysis assumed certain cost assumptions based upon these conversations. Also, at the present time, bond investors seem to be indicating they prefer AG insurance over BAM by demanding



less of a spread to AAA MMD for bonds with AG insurance. We will need to continue to monitor the market to determine if this trend continues. At the time of the bond sale we will work collaboratively with the Successor Agency's Underwriter to evaluate whether to insure all maturities or only certain maturities based on market conditions.

*9. Assist the City in achieving the highest possible credit rating on each Tax Allocation Refunding Bond issuance.*

As part of the contemplated borrowing, if selected as the City's financial advisor, we will prepare the City's credit presentation. We will assist in coordinating presentation materials among all the City presenters and coach presenters on their specific parts. We recommend to clients that face to face meetings be held with the rating analysts for the bond issuance. Our presentation will highlight the Project Area's overall strong credit features and focus on presenting and highlighting key credit benchmarks and financial ratios, based on our experience and knowledge of what criteria the rating agencies typically assess. We would recommend obtaining a credit rating from Standard & Poor's. Attached as **APPENDIX B** is the credit presentation we prepared for the Emeryville Successor Agency.

*10. Assist the City in reviewing bond terms and related fees.*

In a negotiated sale of debt, we will perform a thorough evaluation of market conditions preceding the negotiation of the terms of the sale of debt and will assist the City with the negotiation of final issue structure, interest rates, interest cost, reoffering terms and gross underwriting spread to provide a recommendation on acceptance or rejection of the offer to purchase the debt. The assistance and evaluation will focus on the following areas as determinants of interest cost: size of financing; sources and uses of funds; terms and maturities of the debt issue; investment of debt issue proceeds; distribution mixes among institutional and retail purchasers; interest rate, reoffering terms and underwriting discount with comparable issues; and redemption provisions. We will provide regular commentary on current municipal market conditions, trends in the market and how these may favorably or unfavorably affect the Successor Agency's proposed financing. We will make specific recommendations as to the optimal time to enter the market and provide a market comparable worksheet to provide current market information on Tax Allocation Bonds. Please refer to **APPENDIX L** for an example of a market comparable worksheet for the Concord Tax Allocation Refunding Bonds.

In addition, we will act as the Successor Agency's representative in procuring the services for trustees, fiscal consultant, verification agent or financial printers for the official statement and related services, as necessary. We have built and maintained a customized database for servicing the needs of our clients in these matters. In addition, we have developed and utilized a four phase systematic method of procuring the aforementioned service needs. Our systematic method (Identification, RFP, Response and Evaluation) has yielded favorable results to our current and past clients.

*11. Assist the City in closing of the Tax Allocation Refunding Bond issuance.*

We will prepare a closing memorandum with wire instructions and coordinate with Trustee and Underwriter to ensure the smooth closing of the transaction. We will work closely with the financing team to coordinate all aspects of the closing, review all closing documents and assist in the settlement of the costs of issuance. Additionally, we will prepare a closing laminate for Successor Agency Staff to have as a summary reference guide.



*12. Assist in representing the City and/or delivering presentations at various meetings if such meetings are necessary or desirable.*

We stand ready and willing to attend all public meetings, workshops, and hearings that Successor Agency Staff deem necessary including attending the City Council, Successor Agency and Oversight Board meetings.

*13. Coordinate meetings of the financing team on an as-needed basis.*

To ensure milestones are met in a timely manner and that the preparation for the issuance of bonds occurs according to schedule, our firm will work with the rest of the finance team to draft a schedule of responsibilities. Thereafter, we will coordinate the team to make certain that financing activities are occurring according to schedule. In most cases we also prepare an Interested Parties List to be used to distribute all legal and financing documents to all required parties.

## 7. COMPENSATION AND FEES

Financial advisory services, as detailed in our scope of services, performed in connection with a refinancing of the Successor Agency's TABs will be billed for at the amounts set forth below and will be contingent upon, and payable at the closing of the debt issue.

Transaction Size		Negotiated Sale Fees
\$1	to \$140,000,000	\$63,000*

\*The above fee is based upon the TABs being done as a stand-alone refunding and completed by March 31, 2015 and reflects a 15% discount from our Emeryville fee due to a stand-alone refunding of one series of bonds and our sincere interest in wanting to serve as the Successor Agency's Financial Advisor on this important transaction.

For all other services provided, not related to the specified refinancing transaction, we propose to bill the Successor Agency on an hourly basis at our current rates shown below. For any services billed in this manner we are willing to negotiate a not-to-exceed amount with the Successor Agency once we have established a thorough understanding of the scope of work to be provided.

SCHEDULE OF FEES Effective January 1, 2011	
Executive Officer	\$300 Per Hour
Principal	\$290 Per Hour
Principal/Senior Vice President	\$275 Per Hour
Vice President	\$225 Per Hour
Assistant Vice President	\$195 Per Hour
Senior Associate	\$150 Per Hour
Associate	\$125 Per Hour
Analyst	\$85 Per Hour
Administrative Assistant	\$65 Per Hour
Clerical	\$35 Per Hour



## Expenses

Expenses incurred as part of the transaction will be billed for separately and will cover, among other things, travel, lodging, subsistence, overnight courier, Internet posting, computer, and fax transmission charges. Advances made on behalf of the Successor Agency for costs of preparing, printing or distributing disclosure materials or related matter whether by postal services or electronic means, may also be billed through to the Successor Agency upon prior authorization. Additionally, a surcharge of 6% of the net fee amount is added to non-verifiable out-of-pocket expenses.

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## APPENDIX A

MSRB and SEC certifications

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## Certificate of Current MSRB Registration

The Municipal Securities Rulemaking Board (MSRB) certifies that the organization listed below is registered with the MSRB as of the date of this letter.

MSRB ID:	K0276	Registration Date:	12/13/2010
Registration Type:	Municipal Advisor	Company Name:	Fieldman, Rolapp & Associate, Inc.

This certificate may be verified by contacting the MSRB Market Information Department at (703) 797-6668 or by email to [MarketInformation@msrb.org](mailto:MarketInformation@msrb.org).

Signature:

Name: Nancy E. Nickerson, Operation Supervisor

Date: August 17, 2011

1900 Duke Street, Suite 660  
Alexandria, VA 22314  
P 202 223 9347  
F 202 872 0347  
[www.msrb.org](http://www.msrb.org)



UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549



OFFICE OF  
 THE SECRETARY

July 30, 2014

IN THE MATTER OF:

Fieldman, Rolapp & Associates, Inc.  
 1990 Macarthur Blvd., Suite 1100  
 Irvine, Ca 92612

SEC FILE NO.: 867-00175

Application Completion Date: July 25, 2014

ORDER GRANTING  
 REGISTRATION PURSUANT  
 TO SECTION 15B(a)(2) OF  
 THE SECURITIES EXCHANGE  
 ACT OF 1934

The above-named Applicant has completed its application with the Commission for registration as a municipal advisor pursuant to Section 15B(a)(2) of the Securities Exchange Act of 1934 (the "Act") on the above-referenced application completion date.

The Commission finds that the application contains the information prescribed under Section 15B(a)(2) of the Act and the rules thereunder. The Commission has not passed on the accuracy or adequacy of the information, and the effectiveness of Applicant's registration does not imply Commission approval or disapproval of Applicant's registration.

Accordingly, it is ORDERED, pursuant to Section 15B(a)(2) of the Act, that the Applicant's registration be, and hereby is, granted, effective forthwith.

For the Commission, by the Office of Compliance Inspections and Examinations, pursuant to delegated authority.

Lynn M. Powalski,  
 Deputy Secretary

00098707



## APPENDIX B

Credit Presentation for the Successor Agency of the City of Emeryville

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## APPENDIX C

Presentation to the Rialto Oversight Board and to the Concord Successor Agency

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## APPENDIX E

All Tax Allocation Bond transactions, January 1, 2009 to present

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**Fieldman, Rolapp & Associates**  
**All Tax Allocation Bond Transactions**  
 January 1, 2009 to Present

Issuer	Description	Par Amount	Sale Date	Type of Financing
Successor Agency to the City of Concord	Tax Allocation Refunding Bonds, Series 2014	\$45,000,000	10/1/2014	Tax Allocation TA
Successor Agency to the City of Cathedral City Redevelopment Agency	2014 Tax Allocation Refunding Bonds	\$70,000,000	9/18/2014	Tax Allocation TA
Successor Agency to the Redevelopment Agency of the City of Rialto	Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2014 Series A	\$16,515,000	08/21/2014	Tax Allocation TA
Successor Agency to the City of California City Redevelopment Agency	2014 Tax Allocation Refunding Bonds	\$9,735,000	08/06/2014	Tax Allocation TA
Successor Agency to the Emeryville Redevelopment Agency	Taxable Tax Allocation Refunding Bonds, Series 2014B	\$14,270,000	07/24/2014	Tax Allocation TA
Successor Agency to the Emeryville Redevelopment Agency	Tax Allocation Refunding Bonds, Series 2014A	\$95,450,000	07/24/2014	Tax Allocation TA
Successor Agency to the Rancho Cucamonga Redevelopment Agency	Rancho Redevelopment Project Area Tax Allocation Refunding Bonds, Series 2014	\$174,050,000	06/26/2014	Tax Allocation TA
Successor Agency to the Brea Redevelopment Agency	Redevelopment Project AB, 2013 Tax Allocation Refunding Bonds	\$96,620,000	11/14/2013	Tax Allocation TA
Culver City Redevelopment Agency	Tax Allocation Bonds, 2011 Series A (Culver City Redevelopment Project)	\$13,827,887	03/01/2011	Tax Allocation TA
Redevelopment Agency of the City of Temecula	Temecula Redevelopment Project No. 1, Tax Allocation Housing Bonds, 2011 Series A	\$17,035,000	03/01/2011	Tax Allocation TA
Culver City Redevelopment Agency	Taxable Tax Allocation Bonds, 2011 Series B (Culver City Redevelopment Project)	\$33,585,000	03/01/2011	Tax Allocation TA
San Marcos Redevelopment Agency	Housing Set-Aside Tax Allocation Bonds, Series 2010 (Taxable)	\$52,805,000	01/27/2011	Tax Allocation TA
City of Tustin Community Redevelopment Agency	(MCAS Tustin Redevelopment Project Area) Series 2010 Tax Allocation Bonds	\$44,170,000	10/27/2010	Tax Allocation TA
Arcadia Redevelopment Agency	Central Redevelopment Project, Subordinate Tax Allocation Bonds, Series 2010 (Taxable)	\$19,830,000	08/31/2010	Tax Allocation TA
Community Redevelopment Agency of the City of Compton, CA	Compton Redevelopment Project Second Lien Tax Allocation Bonds (Housing), Series 2010A	\$31,130,000	06/02/2010	Tax Allocation TA
Community Redevelopment Agency of the City of Compton, CA	Compton Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010C (Taxable)	\$18,260,000	06/02/2010	Tax Allocation TA

Issuer	Description	Par Amount	Sale Date	Type of Financing
Community Redevelopment Agency of the City of Compton, CA	Compton Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010B	\$51,335,000	06/02/2010	Tax Allocation TA
City of Long Beach Redevelopment Agency	Taxable Recovery Zone Development Bonds 2010 Series A (North Long Beach Redevelopment Project)	\$22,235,000	04/28/2010	Tax Allocation TA
City of Long Beach Redevelopment Agency	Taxable Build America Bonds 2010 Series B (North Long Beach Redevelopment Project)	\$10,745,000	04/28/2010	Tax Allocation TA
Redevelopment Agency of the City of Temecula	Temecula Redevelopment Project No. 1 Tax Allocation Housing Bonds, 2010 Series A (Tax-Exempt)	\$1,035,000	02/23/2010	Tax Allocation TA
Tustin Community Redevelopment Agency	Tax Allocation Housing Bonds, Series 2010	\$26,170,000	02/23/2010	Tax Allocation TA
Redevelopment Agency of the City of Temecula	Temecula Redevelopment Project No. 1 Tax Allocation Housing Bonds, 2010 Series B (Taxable Build America Bonds)	\$12,720,000	02/23/2010	Tax Allocation TA
Redevelopment Agency of the City of Merced	Merced Gateways Redevelopment Project 2009 Tax Allocation Bonds, Series A	\$13,120,000	05/19/2009	Tax Allocation TA

**TOTAL PAR:** \$889,642,887  
**NO. OF ISSUES:** 23



## APPENDIX F

All City transactions, January 1, 2009 to present

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# Fieldman, Rolapp & Associates

## All City Transactions

September 1, 2012 to Present

Issuer	Project Name	Sale Date	Total Par	Type of Financing
Successor Agency to the City of Concord	Tax Allocation Refunding Bonds, Series 2014	10/1/2014	\$45,000,000	Tax Allocation TA
Successor Agency to the City of Cathedral City Redevelopment Agency	2014 Tax Allocation Refunding Bonds	9/18/2014	\$70,000,000	Tax Allocation TA
Successor Agency to the Redevelopment Agency of the City of Rialto	Tax Allocation Revenue Refunding Bonds (Merged Project Area) 2014 Series A	8/21/2014	\$16,515,000	Tax Allocation TA
Brea Community Benefit Financing Authority	2014 Water Revenue Bonds	8 /12/2014	\$18,555,000	Revenue Bonds RB
City of Irvine	Community Facilities District No. 2013-3 (Great Park) Improvement Area No. 1 Special Tax Bonds, Series 2014	8 /6 /2014	\$72,700,000	Community Facilities District CFD
Successor Agency to the City of California City Redevelopment Agency	2014 Tax Allocation Refunding Bonds	8 /6 /2014	\$9,735,000	Tax Allocation TA
Successor Agency to the Emeryville Redevelopment Agency	Taxable Tax Allocation Refunding Bonds, Series 2014B	7 /24/2014	\$14,270,000	Tax Allocation TA
Successor Agency to the Emeryville Redevelopment Agency	Tax Allocation Refunding Bonds, Series 2014A	7 /24/2014	\$95,450,000	Tax Allocation TA
City of Rancho Cucamonga	Community Facilities District No. 2000-03 (Rancho Summit) Special Tax Refunding Bonds, Series 2014	7 /17/2014	\$7,276,000	Community Facilities District CFD
Successor Agency to the Rancho Cucamonga Redevelopment Agency	Rancho Redevelopment Project Area Tax Allocation Refunding Bonds, Series 2014	6 /26/2014	\$174,050,000	Tax Allocation TA
Indio Financing Authority	Assessment Revenue Refunding Bonds, Series 2014	6 /9 /2014	\$10,162,000	1915 Act AD
City of Santa Ana	Private Placement Refunding of the 1994A Lease Revenue Bonds and 1998 Certificates of Participation	6 /4 /2014	\$45,060,000	Lease Revenue Bonds LRB
Indio Financing Authority	Special Tax Revenue Refunding Bonds, Series 2014	5 /21/2014	\$24,390,000	Community Facilities District CFD
City of Irvine	Reassessment District No. 04-20 (Group 4)	3 /13/2014	\$14,460,000	1915 Act AD
City of Dana Point	Community Facilities District No. 2006-1, 2014 Special Tax Bonds	2 /27/2014	\$26,245,000	Community Facilities District CFD

Issuer	Project Name	Sale Date	Total Par	Type of Financing
City of Irvine	Reassessment District No. 05-21 (Group 1)	2 /19/2014	\$74,860,000	1915 Act AD
City of Rancho Cucamonga	Community Facilities District No. 2004-01 (Rancho Etiwanda Estates) 2014 Special Tax Refunding Bonds	2 /3 /2014	\$34,384,000	Community Facilities District CFD
City of Brea	Private Placement Refunding of Community Facilities District No. 1996-1	1 /24/2014	\$1,630,000	Community Facilities District CFD
City of Aliso Viejo	Community Facilities District No. 2005-01 (Glenwood at Aliso Viejo) 2014 Special Tax Refunding Bonds	1 /23/2014	\$32,270,000	Community Facilities District CFD
Successor Agency to the Brea Redevelopment Agency	Redevelopment Project AB, 2013 Tax Allocation Refunding Bonds	11/14/2013	\$96,620,000	Tax Allocation TA
Emeryville Public Financing Authority	Private Placement Refunding of 1998A Lease Revenue Bonds	11/4 /2013	\$4,390,300	Lease
Redlands Financing Authority	Solid Waste Revenue Bonds, Series 2013A	10/9 /2013	\$13,500,000	Revenue Bonds RB
City of Tustin	Water Revenue Bonds, Series 2013	10/8 /2013	\$14,045,000	Revenue Bonds RB
City of Rancho Cucamonga	Community Facilities District No. 2003-01 Improvement Area No. 2, Special Tax Refunding Bonds, Series 2013	9 /27/2013	\$2,784,000	Community Facilities District CFD
City of San Luis Obispo	2013 Private Placement Financing (Water Reclamation Facility)	9 /26/2013	\$7,479,000	Other
City of Monterey	Private Placement Refunding of 2002 Lease Revenue Bonds	8 /22/2013	\$7,170,000	Lease
City of San Bruno	2013 Wastewater Revenue Refunding Bonds	8 /1 /2013	\$6,955,000	Revenue Bonds RB
Chula Vista Municipal Financing Authority	Special Tax Revenue Refunding Bonds, Series 2013	7 /30/2013	\$72,100,000	Community Facilities District CFD
City of Rancho Cucamonga	Community Facilities District No. 2003-01 Improvement Area No. 1 Special Tax Refunding Bonds, Series 2013	7 /16/2013	\$14,170,000	Community Facilities District CFD
City of Irvine	Assessment District No. 10-23 (Series B) Limited Obligation Improvement Bonds	6 /19/2013	\$12,695,000	1915 Act AD
City of San Diego	Assessment District No. 4096 (Piper Ranch) Limited Obligation Refunding Bonds	6 /18/2013	\$3,830,000	1984 Act AD

Issuer	Project Name	Sale Date	Total Par	Type of Financing
City of Irvine	Limited Obligation Improvement Bonds Reassessment District No. 13-1	6 /5 /2013	\$80,755,000	1915 Act AD
City of Tustin	Community Facilities District No. 04-1 (Tustin Legacy/John Laing Homes) 2013 Special Tax Bonds	5 /29/2013	\$9,350,000	Community Facilities District CFD
City of Dana Point	Community Facilities District No. 2006-1 2013 Special Tax Refunding Bonds	5 /22/2013	\$17,885,000	Community Facilities District CFD
City of Irvine	Community Facilities District No. 2005-2 (Columbus Grove) 2013 Special Tax Refunding Bonds	5 /15/2013	\$16,975,000	Community Facilities District CFD
Encinitas Public Financing Authority	2013 Lease Revenue Bonds, Series A (Public Park Construction Project)	3 /5 /2013	\$7,835,000	Lease
City of Orange	Community Facilities District No. 91-2 (Serrano Heights Public Improvements) 2013 Special Tax Refunding Bonds	2 /26/2013	\$28,810,000	Community Facilities District CFD
City of San Diego	Community Facilities District No. 3 (Liberty Station Special Tax Bonds, Series 2013)	2 /14/2013	\$15,770,000	Community Facilities District CFD
City of Irvine	Reassessment District No. 04-20 (Group 3)	2 /13/2013	\$11,795,000	1915 Act AD
City of Irvine	Assessment District No. 07-22 (Group 4)	2 /13/2013	\$28,350,000	1915 Act AD
City of Los Angeles	Solid Waste Resources Revenue Bonds, Series 2013-A	2 /12/2013	\$73,665,000	Revenue Bonds RB
City of Los Angeles	Solid Waste Resources Refunding Revenue Bonds, Series 2013-B	2 /12/2013	\$78,780,000	Revenue Bonds RB
City of San Bruno	2012 Taxable Pension Obligation Bonds	1 /16/2013	\$13,175,000	Other
City of Carlsbad	Reassessment District No. 2012-1 Limited Obligation Refunding Bonds	1 /16/2013	\$31,300,000	1915 Act AD
Rancho Santa Margarita Public Financing Authority	Lease Revenue Refunding Bonds, Series 2012A	12/5 /2012	\$11,230,000	Lease
City of Irvine	Assessment District No. 11-24 (Series A) Limited Obligation Improvement Bonds, Series A (Cypress Village)	12/4 /2012	\$38,655,000	1915 Act AD
Long Beach Bond Finance Authority	Taxable Lease Revenue Refunding Bonds, 2012 Series B	11/28/2012	\$15,120,000	Lease

Issuer	Project Name	Sale Date	Total Par	Type of Financing
Long Beach Bond Finance Authority	Lease Revenue Refunding Bonds, 2012 Series A (Tax Exempt)	11/28/2012	\$54,630,000	Lease
Encinitas Ranch Golf Authority	Revenue Refunding Bonds, 2012 Series A (Encinitas Ranch Golf Course Refinancing and Improvement Project)	11/8 /2012	\$9,915,000	Revenue Bonds RB
City of Arcadia	General Obligation Refunding Bonds, Series 2012 (Police Station Project) (Bank Qualified)	10/23/2012	\$6,135,000	General Obligation GO
San Marcos Public Financing Authority	Special Tax Revenue Refunding Bonds, Series 2012D	10/10/2012	\$12,585,000	Revenue Bonds RB
Indio Public Financing Authority	Lease Revenue Refunding Bonds, Series 2012 (Public Capital Improvements)	10/10/2012	\$24,500,000	Lease
Redlands Financing Authority	Wastewater Revenue Refunding Bonds, Series A	10/3 /2012	\$4,655,000	Revenue Bonds RB
Redlands Financing Authority	Water Revenue Refunding Bonds, Series A	10/3 /2012	\$3,480,000	Revenue Bonds RB
City of Concord	2012 Wastewater Revenue Refunding Bonds	9 /18/2012	\$10,080,000	Revenue Bonds RB

TOTAL PAR: \$1,648,180,300  
NO. OF ISSUES: 55



## APPENDIX G

### Project Team Resumes

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## RESUMES

### Engagement Manager



**JAMES V. FABIAN**  
CIPFA

949.660.7307 direct  
949.660.7300 office  
949.474.8773 fax  
949.246.2344 cell  
jfabian@fieldman.com

**Mr. James V. Fabian**, Principal, has been with the firm since September 1999. Since joining the firm, Mr. Fabian has focused on serving the firm's City and Redevelopment Agency clients. He serves as engagement management for the Cities of Monterey, Marina, Concord, Hayward, San Francisco, San Jose and Emeryville. He has completed financings for approximately fifty clients totaling \$2.0 billion in par size. He has also developed Financial Management Policies, Local Goals and Policies for Land Secured Financings and credit rating presentations for several major cities and redevelopment agencies.

Prior to joining the firm, Mr. Fabian served as a Financial Services manager for the City of Oxnard for more than ten years, where he administered the city's annual debt service budget, the outstanding debt portfolio of approximately \$250,000,000, and the city's assessment districts and community facilities districts. He was also responsible for the administration of the city worker's compensation plan, insurance pool and property management program. Prior to his tenure with Oxnard, he was a budget and management analyst with the Office of Budget and Management Policy of Broward County, Florida. Mr. Fabian has extensive experience with the operational considerations of local government finance.

Mr. Fabian presently is licensed as an Investment Advisor Representative and holds the CIPFA designation as a Certified Independent Public Finance Advisor from the National Association of Investment Advisors. He is a member of California Society of Municipal Finance Officers (CSMFO), California Redevelopment Association (CRA) and Municipal Management Association of Southern California (MMASC).

Mr. Fabian has served as the co-moderator for the CDIAC seminar entitled "The Fundamentals of Land-Secured Financing". He also had participated in speaker panels at the CSMFO and CRA annual conferences.

Mr. Fabian earned his undergraduate degree (cum laude) in Political Science from Kent State University in Kent, Ohio, and his graduate degree in Public Administration (emphasis in local government) also from Kent State.

### Project Manager



**ANNA V. SARABIAN**  
PH.D., CIPFA

949.660.7308 direct  
949.660.7300 office  
949.474.8773 fax  
asarabian@fieldman.com

**Ms. Anna V. Sarabian, Ph.D.**, Senior Vice President, joined the firm in July 2003. Before joining the firm, Ms. Sarabian served as a management analyst, investment banking analyst, and teaching and research assistant. Ms. Sarabian has focused on serving a wide variety of municipal clients in the firm's city and successor agencies client sectors. She has completed transactions with, or is currently engaged by, the City and County of San Francisco, the cities of Monterey, Hayward, Concord, Dublin, Emeryville, Rohnert Park, San Bruno, Arcadia, Culver City, Pomona, Brea, Aliso Viejo, Dana Point, Mission Viejo, Santa Ana, Diamond Bar, Lake Forest, Temecula, and Merced, among others.

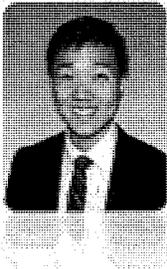
Since joining the firm, Ms. Sarabian has completed several hundred financing engagements, including a variety of fixed and variable rate negotiated or competitive transactions, such as tax allocation bonds, certificates of participation, lease revenue bonds, water and wastewater revenue bonds, commercial paper, general obligation bonds, interest rate swap agreements, and special district formation and financings. Recently, she has completed projects involving a wide range of financial advisory services, including post-redevelopment tax allocation bond financings, solar feasibility analysis, debt, reserve and budget policy development, capital improvement plans and long-range financial plans, parking fund financial analysis, swap advisory services, debt



structuring cash flow utilization and refinancing opportunities, credit analysis, and ad hoc financial analysis. She is currently involved in 25 post redevelopment tax allocation bond issues for eight different successor agencies.

Ms. Sarabian received her Master of Business Administration (concentration in Finance) from the University of California-Riverside and her Ph.D. in Economics from the Center for Economic Research and Graduate Education (CERGE), Prague, the Czech Republic and the State of New York. She holds the CIPFA designation as a Certified Independent Public Finance Advisor from the National Association of Independent Public Finance Advisors (NAIPFA).

#### Technical Consultant



**JASON CHUNG**

949.660.7314 direct  
949.660.7300 office  
949.474.8773 fax  
jchung@fieldman.com

**Mr. Jason Chung**, Associate, joined the firm in July 2012. Since joining the firm, Mr. Chung has been active with the firm's school district clients, placing a special interest in GO Bonds and COPs for school districts. Also, Mr. Chung has assisted with the firm's city clients including the Cities of Tustin, San Bruno, Laguna Beach, San Juan Capistrano and Dana Point. He has gained experience in financial modeling and preparing credit rating presentations.

Prior to joining the firm, Mr. Chung served as an Intern for Towers Watson in its Health and Group Benefits Consulting department and as a Financial Analyst Intern for Morningstar, Inc.

Mr. Chung received his Bachelor of Arts degree in Business Economics along with a minor in Statistics from University of California, Irvine, where he was also a board member of the Undergraduate Finance Association.



## APPENDIX H

Post-AB 1484 TAB worksheet

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## APPENDIX I

Emeryville Underwriter RFP and selection memo

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**City of Emeryville**  
**2014 Tax Allocation Refunding Bonds Series A (Tax-Exempt) & Series B**  
**(Taxable)**  
**\$127,825,000\***

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**Request for Qualifications for Underwriting Services**

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On behalf of the City of Emeryville (herein, the "City"), we are requesting qualifications to serve as underwriter for a negotiated pricing related to the City's upcoming issuance of 2014 Tax Allocation Refunding Bonds Series A (Tax-Exempt) & Series B (Taxable) (the "Bonds"). The Bonds are expected to close in September 2014.

Responses are to be delivered via e-mail by **4:00 p.m., Monday, March 31, 2014** to the following individuals at the City:

Debra Auker ([dauker@emeryville.org](mailto:dauker@emeryville.org))

And to the following individuals of Fieldman, Rolapp & Associates, the City's financial advisor:

Jim Fabian ([jfabian@fieldman.com](mailto:jfabian@fieldman.com))  
Anna Sarabian ([asarabian@fieldman.com](mailto:asarabian@fieldman.com))

**Responses should be no more than ten (10) pages, excluding any appendices, or twenty (20) pages including appendices.**

Additional information regarding this RFQ may be obtained by contacting Anna Sarabian at (949) 660-7308.

Sincerely,



Anna Sarabian  
Fieldman, Rolapp & Associates

\*Preliminary, subject to change.

## **I. BACKGROUND**

The Emeryville Redevelopment Agency has previously issued Tax Allocation Bonds in 1995, 1998, 2001, 2002 and 2004. The Emeryville Successor Agency plans to refund all outstanding Tax Allocation Bonds by the issuance of Tax Allocation Refunding Bonds Series A (Tax-Exempt) & Series B (Taxable).

On June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"). The California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Agency being dissolved as of February 1, 2012. On January 17, 2012, the Emeryville City Council opted to act as the Successor Agency to the Emeryville Redevelopment Agency. The City Council also decided to assume the housing assets and functions formerly held by the Agency and maintain local control of the City's affordable housing program. Thus, the powers, assets and obligations of the Agency were transferred on February 1, 2012 to the Successor Agency. The Emeryville Successor Agency has received DOF finding of completion and its ROPS is available on its website. The Successor Agency approved its ROPS 14-15A on February 4, 2014.

On or about June 27, 2012, the California Legislature adopted AB 1484 as a trailer bill in connection with the 2012-13 California Budget. AB 1484 specifically authorizes the issuance of refunding bonds by the Successor Agency.

The Successor Agency is planning to issue approximately \$127.8 million\* of tax-exempt and taxable, fixed rate Refunding Tax Allocation Bonds to refund all outstanding Emeryville Redevelopment Agency Tax Allocation Bonds. The Bonds will mature in 2031, the final maturity of the outstanding 2004A Bonds. Initial drafts of the legal and financing documents are being prepared and should be distributed in late April/early May. In addition, rating presentations with Standard & Poor's and Fitch are being contemplated for late July.

In connection with the negotiated sale of the Bonds, the City is requesting certain information regarding your firm's qualifications for underwriting services.

### **The Finance Team**

Quint & Thimmig is serving as Bond and Disclosure Counsel, Keyser Marston & Associates is acting as Fiscal Consultant and Fieldman, Rolapp & Associates is serving as financial advisor.

### **Timeline**

Municipal bond ratings from Standard & Poor's and possibly Fitch are expected to be received in early August, 2014. The anticipated bond pricing date is mid-August 2014, with a closing anticipated in mid-September 2014.

### **Selection Considerations & Criteria**

Firms will be selected based upon their responses to the questions below and their qualifications. **The City is specifically interested in qualifications and capabilities in the marketing and successful public sale of Tax Allocation Bonds completed since January 1, 2012.**

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## **II. QUESTIONS**

1. What other post-redevelopment tax allocation bonds have you done and/or are working on at present? Please summarize your California tax allocation bond experience since January 1, 2012, including number of transactions, par amounts, and whether your firm served as a senior or a co-manager. Please include only public offerings.
2. What concerns, if any, do you have about a post-redevelopment tax allocation bond refunding?
3. What are some of the most important considerations for rating agencies, bond insurers and investors in the current environment for post-redevelopment tax allocation bond refundings?
4. Describe your firm's approach for issuance of the 2014 Refunding Tax Allocation Bonds. Describe your firm's recent success at selling similarly structured financings to retail and institutional clients. Please provide recent examples of Tax Allocation Bonds that you have senior managed since January 1, 2012. For each pricing used as an example, please provide year of maturity, par amount, coupon, yield and takedown by maturity.
5. In light of the current conditions in the municipal marketplace, please discuss your marketing and sales strategy for the Bonds. Please specify any efforts you would recommend to target high net worth retail investors in the Bay Area. Also, provide a recommendation on whether you would do a retail-only order period.
6. Please provide a proposed lead banker and list that banker's experience with California Redevelopment City Tax Allocation Bonds over the last 5 years, including number of transactions and par amounts. Who else from your firm will be working on our refunding? Please provide brief resumes of your proposed team members.
7. Please provide three references from similar transactions where you served as senior underwriter. Please list the agency name, contact information and a brief description of the financing.

## **III. PROPOSED COMPENSATION AND OTHER ISSUES**

1. Please provide a confidential, firm, bid and identify the management fee and takedown by maturity your firm would view as necessary to ensure optimal participation on your part. This may be indicated by maturities or in ranges as may be applicable.

2. Please note that the cost of underwriter's counsel, if any, is to be born by the underwriter and should not be included in your expense component. Please provide a detailed breakdown of your anticipated expenses. Please list any potential conflicts of interest your firm may have in acting as a senior manager for the City.
  3. Please discuss any other factors not addressed previously that you believe should be considered in the formation of the City's underwriting team.
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# MEMORANDUM

Date: April 11, 2014

To: Sabrina Landreth, City Manager  
 City of Emeryville

From: Jim Fabian, Principal and Anna Sarabian, Vice President  
 Fieldman, Rolapp & Associates

Re: Underwriter Selection for 2014 Tax Allocation Refunding Bonds Series A (Tax-Exempt) & Series B (Taxable)

The City of Emeryville ("City") sought information on how to further develop, enhance and implement the plan of refinancing for its 2014 Tax Allocation Refunding Bonds Series A (Tax-Exempt) & Series B (Taxable) ("Refunding Bonds") from underwriting firms that have underwritten the most Tax Allocation Refunding Bonds post AB 1484. The City distributed a Request for Qualification ("RFQ") on March 14, 2014 with a due date of March 31, 2014.

As a result of the RFQ, three firms submitted proposals to serve as underwriters for the Refunding Bonds. The three firms who submitted proposals were Piper Jaffray & Company ("Piper Jaffray"), Morgan Stanley ("Morgan Stanley") and Stifel, Nicolaus & Company ("Stifel"). Southwest Securities declined to submit a proposal. Each of the proposals were reviewed, scored and ranked based on the following criteria:

Criteria	Criteria #	Weight
Firm Experience and Project Team	1	20%
Retail and Institutional Sales Capacity	2	20%
Other Attributes	3	10%
References	4	10%
Relevant Financings	5	20%
Fees	6	20%

The evaluation of each of the proposals resulted in the following scoring for each firms based on a score of 5 being considered excellent and a score of 0 being considered incomplete:

Firm	Total Score	Ranking
Stifel	4.70	1
Morgan Stanley	4.30	2
Piper Jaffray	4.08	3

It is our recommendation that the City select **Stifel** to serve as a senior manager and **Morgan Stanley** to serve as a co-manager based on a 65%/35% split of liability for the Refunding Bonds based on their extensive experience underwriting Tax Allocation Bonds post AB 1484, significant knowledge of Emeryville 1976 and Shellmound Project Areas' unique credit factors, aggressive underwriting fee and the experience of their proposed banking team. Please let me know if you have any questions regarding our recommendation or the detailed information included in the scoring sheets and let me know if it is okay to contact the firms.



## APPENDIX J

Example of DOF submittal package

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CITY OF CONCORD  
1950 Parkside Drive, M/S 06  
Concord, California 94519-2578  
FAX: (925) 671-3353

Telephone: (925) 671-3192



CITY COUNCIL  
Timothy S. Grayson, Mayor  
Ronald E. Leone, Vice Mayor  
Edi E. Birsan  
Daniel C. Helix  
Laura M. Hoffmeister

Thomas J. Wentling, City Treasurer  
Valerie J. Barone, City Manager

July 1, 2014

Department of Finance  
Local Government Unit  
State of California  
915 L Street  
Sacramento, California 95814-3706  
Attention: Mr. Justyn Howard

Re: Expedited Request for Approval of Oversight Board Action

Dear Mr. Howard:

This is an expedited request from the City of Concord (the "City"), acting as the Successor Agency to the Redevelopment Agency of the City of Concord (the "Successor Agency"), for approval of an action taken by its Oversight Board and the Successor Agency Board with respect to the proposed refunding of the outstanding City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001 (the "2001 Bonds") secured, pursuant to a reimbursement agreement, by tax increment revenues from the Central Concord Redevelopment Project, and the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004 (the "2004 Bonds").

#### **BACKGROUND**

The Redevelopment Agency of the City of Concord (the "Former Agency") was established and authorized to transact business and exercise its powers under, and pursuant to, the provisions of Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "Community Redevelopment Law") and the powers of the Former Agency included the power to issue bonds. The City of Concord Joint Powers Financing Authority has previously issued the 2001 Bonds and the Former Agency has previously issued the 2004 Bonds. The 2001 and 2004 Bonds are listed as Enforceable Obligations on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"). The current outstanding par amount of the 2001 Bonds is \$5,230,000 and the current outstanding par amount of the 2004 Bonds is \$40,925,000. The final maturity of the 2001 Bonds is March 1, 2023, and the final maturity of the 2004 Bonds is July 1, 2025. All of the outstanding bonds are callable at par or 100%.

## REFUNDING AUTHORITY AND PLEDGE

Section 34177.5(a)(1) of the Health and Safety Code of the State of California provides, in relevant part, that --

. . . a successor agency shall have the authority, rights, and powers of the redevelopment agency to which it succeeded [f]or the purpose of issuing bonds or incurring other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency or of the successor agency to provide savings to the successor agency, provided that (A) 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 (B) 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 Authority").

In accordance with the Refunding Authority, the Successor Agency proposes to refund all or a portion of the outstanding 2001 Bonds and 2004 Bonds. When the refunding is completed, the refunding bonds of the Successor Agency (the "Refunding Bonds") will be secured by a pledge of, and lien on all amounts deposited from time to time in the Redevelopment Property Tax Trust Fund and as described in the indenture for the Refunding Bonds.

## PLAN OF REFUNDING

The Successor Agency intends to refund all or a portion of the 2001 Bonds and 2004 Bonds, provided that the interest rate environment at the time of sale permits such a refunding to be completed in accordance with the Refunding Authority. Based on current market conditions and reflecting interest rates as of July 1, 2014 that assume an A rating on the refunding bonds provided by the Successor Agency's bond underwriter, Stifel, Nicolaus & Company Incorporated, the Successor Agency's financial advisor, Fieldman, Rolapp & Associates, estimates that the refunding would save approximately \$360,000 on average per year from completing the Successor Agency's plan of refunding. See Attachment 1 hereto for a debt service savings analysis report and estimated sources and uses of funds.

The savings analysis shows the required principal amounts necessary to refund the 2001 Bonds and 2004 Bonds and presents the existing and projected debt service amounts for both the existing bonds and for the refunding bonds. Accordingly, the Successor Agency believes that the savings test required under Section 34177.5(a)(1), as to the refunded bonds will be satisfied in the proposed refunding. **No refunding will occur if the savings test set forth in Section 34177.5(a)(1) is not satisfied.**

### ACTIONS TAKEN AND CONTEMPLATED

At its regular meeting of June 24, 2014, the Successor Agency adopted a resolution making certain findings and authorizing the preparation and distribution of an indenture and other related documents relating to the above-referenced refunding. A certified copy of the Resolution is provided in Attachment 2.

At its regular meeting of June 30, 2014, the Oversight Board of the Successor Agency adopted a resolution approving the Successor Agency resolution and making certain findings in connection therewith. A certified copy of the Resolution is provided in Attachment 3.

### CONCLUDING MATTERS

As you know, the refunding process is complex and involves numerous activities, many of which are beyond the control of the Successor Agency or the Department of Finance. Accordingly, we would appreciate your earnest cooperation in expediting this request for approval. As indicated above, the aggregate savings on average per year from completing the Successor Agency's plan of refunding are estimated to be \$360,000.

All bond documents are available for review upon request. If there are any questions or if the Department of Finance needs clarification on any of the particulars discussed herein, please contact the person listed below:

James V. Fabian  
Fieldman, Rolapp & Associates, Inc.  
19900 MacArthur Boulevard, Suite 1100  
Irvine, California 92612  
Direct: (949) 660-7307

On behalf of the Successor Agency, I thank you for your prompt attention to this matter and your early determination of the benefit of completing the proposed transaction.

Very truly yours,

  
Karan Reid  
Director of Finance

Cc: Brian Quint, Quint & Thimmig, LLP, Bond Counsel  
James V. Fabian, Fieldman, Rolapp & Associates, Inc., Financial Advisor

Attachment 1 – Debt Service Savings Analysis Report

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**DEBT SERVICE SAVINGS ANALYSIS REPORT  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD**

**Bond Refunding Financing Plan**

	Refunding of Concord RDA 2004 TABs	Refunding of Concord JPFA 2001 LRBS	Total
Refunding Bond Amount	\$39,045,000	\$4,575,000	\$43,620,000
Par Refunded	\$40,925,000	\$5,230,000	\$46,155,000
Final Maturity	7/1/2025	7/1/2022	7/1/2022
Average Coupon of Refunding Bonds	4.80%	4.80%	4.80%
True Interest Cost	2.57%	2.28%	2.55%
Net Present Value Savings (\$)	3,874,695	597,234	4,471,929
Present Value Savings (%)	9.47%	11.42%	9.69%
Nominal Savings (\$)	3,155,206	963,365	4,118,571
Average Annual Savings (\$)	286,837	107,041	374,416
City's Percentage of Savings (~10%)	28,684	10,704	37,442
	<b>Cash-Funded Reserve</b>		

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Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*

Assumes 'A-' TAB Scale as of 6/27/2014

Full Cash-Funded DSRF

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**SOURCES AND USES OF FUNDS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*

Assumes 'A-' TAB Scale as of 6/27/2014  
Full Cash-Funded DSRF

\*\*\*\*\*

Dated Date                    10/21/2014  
Delivery Date                10/21/2014

Sources:	Refunding of 2004 TABs	Refunding of 2001 LRBs	Total
Bond Proceeds:			
Par Amount	39,045,000.00	4,575,000.00	43,620,000.00
Premium	4,278,468.60	526,545.35	4,805,013.95
	<u>43,323,468.60</u>	<u>5,101,545.35</u>	<u>48,425,013.95</u>
Other Sources of Funds:			
2004 Reserve Fund	3,305,629.25		3,305,629.25
2001 Reserve Fund		767,684.26	767,684.26
	<u>3,305,629.25</u>	<u>767,684.26</u>	<u>4,073,313.51</u>
	<u>46,629,097.85</u>	<u>5,869,229.61</u>	<u>52,498,327.46</u>
Uses:	Refunding of 2004 TABs	Refunding of 2001 LRBs	Total
Refunding Escrow Deposits:			
Cash Deposit	41,612,565.33	5,280,165.35	46,892,730.68
Other Fund Deposits:			
Debt Service Reserve Fund	4,334,604.93	507,896.47	4,842,501.40
Delivery Date Expenses:			
Cost of Issuance	290,913.00	34,087.00	325,000.00
Underwriter's Discount	390,450.00	45,750.00	436,200.00
	<u>681,363.00</u>	<u>79,837.00</u>	<u>761,200.00</u>
Other Uses of Funds:			
Additional Proceeds	564.59	1,330.79	1,895.38
	<u>46,629,097.85</u>	<u>5,869,229.61</u>	<u>52,498,327.46</u>

Notes:

1. Assumes Cost of Issuance of \$325,000 (per Fieldman cash flows).
2. Assumes Underwriter's Discount of \$10/bond (per Fieldman cash flows).
3. Assumes conditional call notice mailed 2 weeks prior to closing.
4. Reserve balances as of April 2014 provided by BNY Mellon and Union Bank.

**SUMMARY OF REFUNDING RESULTS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*

Assumes 'A-' TAB Scale as of 6/27/2014

Full Cash-Funded DSRF

\*\*\*\*\*

	Refunding of 2004 TABs	Refunding of 2001 LRBs	Total
Dated Date	10/21/2014	10/21/2014	10/21/2014
Delivery Date	10/21/2014	10/21/2014	10/21/2014
Arbitrage Yield	2.310674%	2.310674%	2.310674%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	39,045,000.00	4,575,000.00	43,620,000.00
True Interest Cost	2.573759%	2.278752%	2.545073%
Net Interest Cost	2.782910%	2.452883%	2.751140%
Average Coupon	4.804397%	4.799704%	4.803945%
Average Life	4.926	4.478	4.879
Par amount of refunded bonds	40,925,000.00	5,230,000.00	46,155,000.00
Average coupon of refunded bonds	4.848836%	5.113566%	4.877175%
Average life of refunded bonds	5.001	4.692	4.966
PV of prior debt	46,281,877.91	5,904,911.91	52,186,789.82
Net PV Savings	3,874,695.20	597,233.74	4,471,928.94
Percentage savings of refunded bonds	9.467795%	11.419383%	9.688937%

**SAVINGS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*

Assumes 'A-' TAB Scale as of 6/27/2014

Full Cash-Funded DSRF

\*\*\*\*\*

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2014 @ 2.3106742%
07/01/2015	7,036,568.13	6,614,236.11	422,332.02	427,103.46
07/01/2016	7,158,422.50	6,734,600.00	423,822.50	414,291.56
07/01/2017	7,162,847.50	6,740,500.00	422,347.50	403,026.77
07/01/2018	7,171,447.50	6,750,500.00	420,947.50	392,367.96
07/01/2019	7,159,715.00	6,738,500.00	421,215.00	383,674.76
07/01/2020	3,955,646.26	3,728,750.00	226,896.26	204,451.59
07/01/2021	3,958,960.00	3,735,500.00	223,460.00	196,836.77
07/01/2022	3,958,711.26	3,734,750.00	223,961.26	192,779.02
07/01/2023	3,959,523.76	3,021,500.00	938,023.76	773,147.30
07/01/2024	3,220,782.50	3,021,000.00	199,782.50	159,984.71
07/01/2025	3,219,782.50	3,024,000.00	195,782.50	153,181.77
	57,962,406.91	53,843,836.11	4,118,570.80	3,700,845.67

Savings Summary

PV of savings from cash flow	3,700,845.67
Less: Prior funds on hand	-4,073,313.51
Plus: Refunding funds on hand	4,844,396.78
Net PV Savings	4,471,928.94

**SAVINGS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Refunding of 2004 TABs

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2014 @ 2.3106742%
07/01/2015	6,428,777.50	6,035,416.67	393,360.83	394,434.36
07/01/2016	6,420,997.50	6,028,500.00	392,497.50	378,414.54
07/01/2017	6,425,172.50	6,029,850.00	395,322.50	372,056.22
07/01/2018	6,429,772.50	6,036,250.00	393,522.50	361,730.60
07/01/2019	6,421,227.50	6,027,250.00	393,977.50	353,925.67
07/01/2020	3,216,627.50	3,016,750.00	199,877.50	175,568.76
07/01/2021	3,220,947.50	3,024,250.00	196,697.50	168,838.75
07/01/2022	3,218,242.50	3,020,750.00	197,492.50	165,649.85
07/01/2023	3,218,392.50	3,021,500.00	196,892.50	161,369.70
07/01/2024	3,220,782.50	3,021,000.00	199,782.50	159,984.71
07/01/2025	3,219,782.50	3,024,000.00	195,782.50	153,181.77
	51,440,722.50	48,285,516.67	3,155,205.83	2,845,154.93

Savings Summary

PV of savings from cash flow	2,845,154.93
Less: Prior funds on hand	-3,305,629.25
Plus: Refunding funds on hand	4,335,169.52
<b>Net PV Savings</b>	<b>3,874,695.20</b>

**SAVINGS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Refunding of 2001 LRBs

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2014 @ 2.3106742%
07/01/2015	607,790.63	578,819.44	28,971.19	32,669.11
07/01/2016	737,425.00	706,100.00	31,325.00	35,877.02
07/01/2017	737,675.00	710,650.00	27,025.00	30,970.55
07/01/2018	741,675.00	714,250.00	27,425.00	30,637.36
07/01/2019	738,487.50	711,250.00	27,237.50	29,749.09
07/01/2020	739,018.76	712,000.00	27,018.76	28,882.83
07/01/2021	738,012.50	711,250.00	26,762.50	27,998.02
07/01/2022	740,468.76	714,000.00	26,468.76	27,129.16
07/01/2023	741,131.26		741,131.26	611,777.60
	6,521,684.41	5,558,319.44	963,364.97	855,690.74

Savings Summary

PV of savings from cash flow	855,690.74
Less: Prior funds on hand	-767,684.26
Plus: Refunding funds on hand	509,227.26
Net PV Savings	597,233.74

**SUMMARY OF BONDS REFUNDED**

Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*

Assumes 'A-' TAB Scale as of 6/27/2014  
Full Cash-Funded DSRF

\*\*\*\*\*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
<b>Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001:</b>					
Serial Bond	03/01/2015	4.875%	475,000.00	11/09/2014	100.000
	03/01/2016	5.000%	495,000.00	11/09/2014	100.000
	03/01/2017	5.000%	520,000.00	11/09/2014	100.000
2023 Term Bond	03/01/2018	5.125%	550,000.00	11/09/2014	100.000
	03/01/2019	5.125%	575,000.00	11/09/2014	100.000
	03/01/2020	5.125%	605,000.00	11/09/2014	100.000
	03/01/2021	5.125%	635,000.00	11/09/2014	100.000
	03/01/2022	5.125%	670,000.00	11/09/2014	100.000
	03/01/2023	5.125%	705,000.00	11/09/2014	100.000
			5,230,000.00		
<b>Tax Allocation Refunding Bonds, Series 2004:</b>					
Serial Bond	07/01/2015	4.400%	4,495,000.00	11/09/2014	100.000
	07/01/2016	4.500%	4,685,000.00	11/09/2014	100.000
	07/01/2017	4.600%	4,900,000.00	11/09/2014	100.000
	07/01/2018	4.650%	5,130,000.00	11/09/2014	100.000
	07/01/2019	4.750%	5,360,000.00	11/09/2014	100.000
	07/01/2020	4.800%	2,410,000.00	11/09/2014	100.000
	07/01/2021	4.850%	2,530,000.00	11/09/2014	100.000
	07/01/2022	4.900%	2,650,000.00	11/09/2014	100.000
	07/01/2023	4.950%	2,780,000.00	11/09/2014	100.000
	07/01/2024	5.000%	2,920,000.00	11/09/2014	100.000
	07/01/2025	5.050%	3,065,000.00	11/09/2014	100.000
			40,925,000.00		
			46,155,000.00		

**BOND SUMMARY STATISTICS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*  
Assumes 'A-' TAB Scale as of 6/27/2014  
Full Cash-Funded DSRF  
\*\*\*\*\*

Dated Date:	10/21/2014
Delivery Date	10/21/2014
Last Maturity	07/01/2025
Arbitrage Yield	2.310674%
True Interest Cost (TIC)	2.545073%
Net Interest Cost (NIC)	2.751140%
All-In TIC	2.700363%
Average Coupon	4.803945%
Average Life (years)	4.879
Duration of Issue (years)	4.440
Par Amount	43,620,000.00
Bond Proceeds	48,425,013.95
Total Interest	10,223,836.11
Net Interest	5,855,022.16
Total Debt Service	53,843,836.11
Maximum Annual Debt Service	6,750,500.00
Average Annual Debt Service	5,034,748.31
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	10.000000
Total Underwriter's Discount	10.000000
Bid Price	110.015621

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	43,620,000.00	111.016	4.804%	4.879
	43,620,000.00			4.879

	TIC	All-In TIC	Arbitrage Yield
Par Value	43,620,000.00	43,620,000.00	43,620,000.00
+ Accrued Interest			
+ Premium (Discount)	4,805,013.95	4,805,013.95	4,805,013.95
- Underwriter's Discount	-436,200.00	-436,200.00	
- Cost of Issuance Expense		-325,000.00	
- Other Amounts			
Target Value	47,988,813.95	47,663,813.95	48,425,013.95
Target Date	10/21/2014	10/21/2014	10/21/2014
Yield	2.545073%	2.700363%	2.310674%

**BOND PRICING**

Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*

Assumes 'A-' TAB Scale as of 6/27/2014

Full Cash-Funded DSRF

\*\*\*\*\*

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	07/01/2015	5,315,000	2.000%	0.460%	101.066		56,657.90
	07/01/2016	4,970,000	3.000%	0.680%	103.901		193,879.70
	07/01/2017	5,125,000	4.000%	1.060%	107.788		399,135.00
	07/01/2018	5,340,000	5.000%	1.440%	112.761		681,437.40
	07/01/2019	5,595,000	5.000%	1.800%	114.340		802,323.00
	07/01/2020	2,865,000	5.000%	2.120%	115.369		440,321.85
	07/01/2021	3,015,000	5.000%	2.420%	115.853		477,967.95
	07/01/2022	3,165,000	5.000%	2.700%	115.879		502,570.35
	07/01/2023	2,610,000	5.000%	2.930%	115.782		411,910.20
	07/01/2024	2,740,000	5.000%	3.110%	115.709		430,426.60
	07/01/2025	2,880,000	5.000%	3.280%	114.180 C	3.406%	408,384.00
		43,620,000					4,805,013.95

Dated Date	10/21/2014		
Delivery Date	10/21/2014		
First Coupon	01/01/2015		
Par Amount	43,620,000.00		
Premium	4,805,013.95		
Production	48,425,013.95	111.015621%	
Underwriter's Discount	-436,200.00	-1.000000%	
Purchase Price	47,988,813.95	110.015621%	
Accrued Interest			
Net Proceeds	47,988,813.95		

**BOND DEBT SERVICE**

Successor Agency to the Redevelopment Agency of the City of Concord  
Tax Allocation Refunding Bonds, Series 2014

\*\*\*\*\*

Assumes 'A-' TAB Scale as of 6/27/2014  
Full Cash-Funded DSRF

\*\*\*\*\*

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2015	5,315,000	2.000%	1,299,236.11	6,614,236.11
07/01/2016	4,970,000	3.000%	1,764,600.00	6,734,600.00
07/01/2017	5,125,000	4.000%	1,615,500.00	6,740,500.00
07/01/2018	5,340,000	5.000%	1,410,500.00	6,750,500.00
07/01/2019	5,595,000	5.000%	1,143,500.00	6,738,500.00
07/01/2020	2,865,000	5.000%	863,750.00	3,728,750.00
07/01/2021	3,015,000	5.000%	720,500.00	3,735,500.00
07/01/2022	3,165,000	5.000%	569,750.00	3,734,750.00
07/01/2023	2,610,000	5.000%	411,500.00	3,021,500.00
07/01/2024	2,740,000	5.000%	281,000.00	3,021,000.00
07/01/2025	2,880,000	5.000%	144,000.00	3,024,000.00
	43,620,000		10,223,836.11	53,843,836.11

---

**ESCROW REQUIREMENTS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Refunding of 2004 TABs

Period Ending	Interest	Principal Redeemed	Total
11/09/2014	687,565.33	40,925,000.00	41,612,565.33
	687,565.33	40,925,000.00	41,612,565.33

---

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**ESCROW REQUIREMENTS**

Successor Agency to the Redevelopment Agency of the City of Concord  
Refunding of 2001 LRBs

Period Ending	Interest	Principal Redeemed	Total
11/09/2014	50,165.35	5,230,000.00	5,280,165.35
	50,165.35	5,230,000.00	5,280,165.35

---

CERTIFIED COPY

BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD  
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA

A Resolution, as Successor Agency to the  
Redevelopment Agency of the City of Concord,  
Authorizing the Issuance and Sale of Tax Allocation  
Bonds to Refinance Redevelopment Activities Within  
and for the Benefit of the Central Concord  
Redevelopment Agency of the City of Concord and  
Approving Related Documents and Actions

Resolution No. 14-775S

RESOLVED, by the Successor agency of the Redevelopment Agency of the City of Concord  
(the "Successor Agency"), as successor to the former Redevelopment Agency of the City of Concord  
(the "Former Agency") as follows:

WHEREAS, the Former Agency was a public body, corporate and politic, duly established  
and authorized to transact business and exercise powers under and pursuant to the provisions of the  
Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the  
California Health and Safety Code (the "Law"), including the power to issue bonds for any of its  
corporate purposes; and

WHEREAS, in 1974, a redevelopment plan for the Central Concord Redevelopment Project  
(the "Redevelopment Project") in the City of Concord, California (the "City"), was adopted in  
compliance with all requirements of the Law; and

WHEREAS, the City of Concord Joint Powers Financing Authority (the "Authority") has  
previously issued its City of Concord Joint Powers Financing Authority Lease Revenue Bonds  
(Concord Avenue Parking Structure), Series 2001 (the "2001 Bonds"), secured, pursuant to a  
reimbursement agreement, by tax increment revenues from the Redevelopment Project; and

WHEREAS, the Former Agency has previously issued its Redevelopment Agency of the City  
of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004  
(the "2004 Bonds"), secured by tax increment revenues from the Redevelopment Project; and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution  
Act") and ABx1 27 (the "Opt-in Bill"); and

//

1           **WHEREAS**, the California Supreme Court subsequently upheld the provisions of the  
2 Dissolution Act and invalidated the Opt-in Bill resulting in the Former Agency being dissolved as of  
3 February 1, 2012; and

4           **WHEREAS**, the powers, assets and obligations of the Former Agency were transferred on  
5 February 1, 2012 to the City of Concord (the "City") as the Successor Agency of the Redevelopment  
6 Agency of the City of Concord (the "Successor Agency"); and

7           **WHEREAS**, on or about June 27, 2012, the California Legislature adopted AB 1484 as a  
8 trailer bill in connection with the 2012-13 California Budget; and

9           **WHEREAS**, AB 1484 specifically authorizes the issuance of refunding bonds by the  
10 Successor Agency; and

11           **WHEREAS**, the Successor Agency has determined that, due to prevailing financial market  
12 conditions, it is in the best interests of the Successor Agency at this time to issue its bonds (the  
13 "Refunding Bonds") to refund the 2001 Bonds and the 2004 Bonds; and

14           **WHEREAS**, to provide moneys to refund the 2001 Bonds and the 2004 Bonds, the Successor  
15 Agency has determined to issue its Successor Agency of the Redevelopment Agency of the City of  
16 Concord, Tax Allocation Refunding Bonds, Series 2014, in the aggregate principal amount of not to  
17 exceed \$50,000,000 (the "Bonds"), under the provisions of section 34177.5(g) of the Dissolution Act  
18 and Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the  
19 California Government Code (collectively, the "Refunding Bond Law"); and

20           **WHEREAS**, the Successor Agency has determined that the total net interest cost to maturity  
21 of the Bonds plus the principal amount of the Bonds will not exceed the total net interest cost to  
22 maturity of the 2001 Bonds and the 2004 Bonds to be refunded plus the principal amount of the 2001  
23 Bonds and the 2004 Bonds to be refunded; and

24           **WHEREAS**, the Successor Agency has duly considered such transactions and wishes at this  
25 time to authorize proceedings for the issuance and sale of the Bonds.

26 //

27 //

28 //

1           **NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Concord, as  
2 governing body of the Successor Agency to the Redevelopment Agency of the City of Concord, as  
3 follows:

4           **Section 1. Authorization.** The Successor Agency hereby authorizes the issuance of the  
5 Bonds to refinance redevelopment activities within and for the benefit of the Redevelopment Projects  
6 and to refund the 2001 Bonds and the 2004 Bonds.

7           **Section 2. Issuance of the Bonds; Approval of the Indenture.** The Bonds shall be issued  
8 pursuant to the Refunding Bond Law and pursuant to an Indenture of Trust, by and between the  
9 Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the  
10 “Indenture”), so long as the requirements of sections 34177.5(a)(1) and 34177.5(h) of the Dissolution  
11 Act are satisfied upon the issuance of the Bonds. The Successor Agency hereby approves the  
12 Indenture in the form on file with the Secretary, together with such additions thereto and changes  
13 therein as the Chairman, the Vice Chairman, the Treasurer or the Executive Director (the “Designated  
14 Officers”), shall deem necessary, desirable or appropriate, and the execution thereof by a Designated  
15 Officer shall be conclusive evidence of the approval of any such additions and changes. The  
16 Designated Officers are hereby authorized and directed to execute, and the Secretary is hereby  
17 authorized and directed to attest to, the final form of the Indenture for and in the name and on behalf  
18 of the Successor Agency. The Successor Agency hereby authorizes the delivery and performance of  
19 the Indenture.

20           **Section 3. Approval of Escrow Agreements.** (a) An escrow deposit and trust agreement, by  
21 and among the Authority, the City, the Successor Agency and Union Bank, N.A., as escrow bank,  
22 relating to the refunding of the 2001 Bonds (the “2001 Escrow Agreement”), in the form thereof on  
23 file with the Secretary, together with any additions thereto or changes therein deemed necessary or  
24 advisable by a Designated Officer is hereby approved by the Successor Agency. The Designated  
25 Officers are hereby authorized and directed to execute, and the Secretary is hereby authorized and  
26 directed to attest to, the final form of the 2001 Escrow Agreement for and in the name and on behalf  
27 of the Successor Agency. The Successor Agency hereby authorizes the delivery and performance of  
28 the 2001 Escrow Agreement. (b) An escrow deposit and trust agreement, by and between the

1 Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank, relating  
2 to the refunding of the 2004 Bonds (the "2004 Escrow Agreement"), in the form thereof on file with  
3 the Secretary, together with any additions thereto or changes therein deemed necessary or advisable  
4 by a Designated Officer is hereby approved by the Successor Agency. The Designated Officers are  
5 hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest  
6 to, the final form of the 2004 Escrow Agreement for and in the name and on behalf of the Successor  
7 Agency. The Successor Agency hereby authorizes the delivery and performance of the 2004 Escrow  
8 Agreement.

9 **Section 4. Sale of the Bonds.** The Successor Agency hereby authorizes the sale of the Bonds  
10 to an underwriter selected pursuant to a competitive process (the "Underwriter"), so long as the  
11 Underwriter's discount, excluding original issue discount which does not constitute compensation to  
12 the Underwriter, does not exceed 0.6%. The Successor Agency hereby approves the bond purchase  
13 agreement, by and between the Underwriter and the Successor Agency, in the form on file with the  
14 Secretary (the "Bond Purchase Agreement"), together with such additions thereto and changes therein  
15 as a Designated Officer shall deem necessary, desirable or appropriate, and the execution thereof by a  
16 Designated Officer shall be conclusive evidence of the approval of any such additions and changes.  
17 The Designated Officers are hereby authorized and directed to execute, and the Secretary is hereby  
18 authorized and directed to attest to, the final form of the Bond Purchase Agreement for and in the  
19 name and on behalf of the Successor Agency. If it is determined by a Designated Officer that a private  
20 placement of the Bonds to one or more institutional investors would generate greater savings to the  
21 Successor Agency, the Successor Agency hereby authorizes the sale of the Bonds on a private  
22 placement basis and authorizes the revision of the Bond Purchase Agreement as necessary to provide  
23 for such sale.

24 **Section 5. Official Actions.** The Chairman, the Vice Chairman, the Executive Director, the  
25 Treasurer and the Secretary of the Successor Agency, and any and all other officers of the Successor  
26 Agency, are hereby authorized and directed, for and in the name and on behalf of the Successor  
27 Agency, to do any and all things and take any and all actions, including execution and delivery of any  
28 and all assignments, certificates, requisitions, agreements, notices, consents, instruments of

1 conveyance, warrants and other documents which they, or any of them, may deem necessary or  
2 advisable in order to consummate the lawful issuance and sale of the Bonds as described herein,  
3 including the application to providers of municipal bond insurance and/or a reserve fund surety bond  
4 for the Bonds. Whenever in this resolution any officer of the Successor Agency is authorized to  
5 execute or countersign any document or take any action, such execution, countersigning or action may  
6 be taken on behalf of such officer by any person designated by such officer to act on his or her behalf  
7 in the case such officer shall be absent or unavailable.

8 **Section 6. Effective Date.** This resolution shall become effective immediately upon its  
9 passage and adoption.

10 **PASSED AND ADOPTED** by the City Council of the City of Concord, as Successor Agency  
11 to the Redevelopment Agency of the City of Concord, on June 24, 2014, by the following vote:

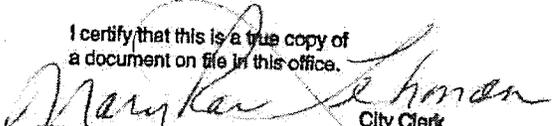
- 12 **AYES:** Councilmembers - E. Birsan, D. Helix, L. Hoffmeister, R. Leone, T. Grayson
- 13 **NOES:** Councilmembers - None
- 14 **ABSTAIN:** Councilmembers - None
- 15 **ABSENT:** Councilmembers - None

16 **I HEREBY CERTIFY** that the foregoing Resolution No. 14-775S was duly and regularly  
17 adopted at a regular meeting of the City Council of the City of Concord on June 24, 2014.

18  
19  
20   
21 **Mary Rae Lehman, CMC**  
City Clerk

22 **APPROVED AS TO FORM:**

23   
24 **Mark S. Coon**  
City Attorney

25 I certify that this is a true copy of  
26 a document on file in this office.  
27   
28 **Mary Rae Lehman**  
City Clerk  
City of Concord, California  
SEAL

**CERTIFIED COPY**

**BEFORE THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE  
CITY OF CONCORD  
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Approving the Issuance and Sale of Tax  
Allocation Refunding Bonds of the Successor Agency  
to the Redevelopment Agency of the City of Concord  
to Refinance Redevelopment Activities within and for  
the Benefit of the Central Redevelopment Project  
Area of the Former Redevelopment Agency of the  
City of Concord and Approving Related Actions**

**Resolution No. 14-023**

**RESOLVED**, by the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Concord (the "Oversight Board") as follows:

**WHEREAS**, the former Redevelopment Agency of the City of Concord (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"), including the power to issue bonds for any of its corporate purposes; and

**WHEREAS**, in 1974, a redevelopment plan for the Central Concord Redevelopment Project in the City of Concord, California (the "Redevelopment Project"), was adopted in compliance with all requirements of the Law; and

**WHEREAS**, the City of Concord Joint Powers Financing Authority has previously issued its City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001 (the "2001 Bonds"), secured, pursuant to a reimbursement agreement, by tax increment revenues from the Redevelopment Project; and

**WHEREAS**, the Former Agency has previously issued its Redevelopment Agency of the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004 (the "2004 Bonds"), secured by tax increment revenues from the Redevelopment Project; and

**WHEREAS**, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

**WHEREAS**, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Agency being dissolved as of

1 February 1, 2012; and

2       **WHEREAS**, the powers, assets and obligations of the Former Agency were transferred on  
3 February 1, 2012 to the City of Concord (the "City") as the Successor Agency of the Redevelopment  
4 Agency of the City of Concord (the "Successor Agency"); and

5       **WHEREAS**, on or about June 27, 2012, the California Legislature adopted AB 1484 as a  
6 trailer bill in connection with the 2012-13 California Budget; and

7       **WHEREAS**, AB 1484 specifically authorizes the issuance of refunding bonds by the  
8 Successor Agency; and

9       **WHEREAS**, the Successor Agency has determined that, due to prevailing financial market  
10 conditions, it is in the best interests of the Successor Agency at this time to issue its bonds (the  
11 "Refunding Bonds") to refund the 2001 Bonds and the 2004 Bonds; and

12       **WHEREAS**, to provide moneys to refund the 2001 Bonds and the 2004 Bonds, the Successor  
13 Agency has determined to issue its Successor Agency of the Redevelopment Agency of the City of  
14 Concord, Tax Allocation Refunding Bonds, Series 2014, in the aggregate principal amount of not to  
15 exceed \$50,000,000 (the "Bonds"), under the provisions of section 34177.5(g) of the Dissolution Act  
16 and Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the  
17 California Government Code; and

18       **WHEREAS**, the Successor Agency has determined that the total net interest cost to maturity  
19 of the Bonds plus the principal amount of the Bonds will not exceed the total net interest cost to  
20 maturity of the 2001 Bonds and the 2004 Bonds to be refunded plus the principal amount of the 2001  
21 Bonds and the 2004 Bonds to be refunded; and

22       **WHEREAS**, on June 24, 2014, the Successor Agency adopted a resolution authorizing the  
23 issuance of the Bonds (the "Successor Agency Resolution"); and

24       **WHEREAS**, under section 34180(b) of the Dissolution Act, the Successor Agency's issuance  
25 of bonds is subject to the approval of the Oversight Board; and

26       **WHEREAS**, a copy of the Successor Agency Resolution has been submitted to the  
27 Administrative Officer and the Auditor-Controller of Contra Costa County and the California  
28 Department of Finance, as required by section 34180(j) of the Dissolution Act; and

1           **WHEREAS**, the Oversight Board now desires to approve the issuance of the Bonds by the  
2 Successor Agency and the other actions of the Successor Agency contemplated by the Successor  
3 Agency Resolution.

4           **NOW, THEREFORE**, it is hereby **ORDERED** and **DETERMINED**, as follows:

5           **Section 1.** The Oversight Board finds and determines, based on information provided to the  
6 Oversight Board, that, as required by section 34177.5(a)(1) of the Dissolution Act: (a) the total net  
7 interest cost to maturity of the Bonds plus the principal amount of the Bonds will not exceed the total  
8 net interest cost to maturity of the 2001 Bonds and the 2004 Bonds to be refunded plus the principal  
9 amount of the 2001 Bonds and the 2004 Bonds to be refunded; and (b) the principal amount of the  
10 Bonds will not exceed the amount required to deacease the 2001 Bonds and the 2004 Bonds to be  
11 refunded, to establish customary debt service reserves, and to pay related costs of issuance.

12           **Section 2.** The Oversight Board finds and determines, based on information provided to the  
13 Oversight Board, that, as required by section 34177.5(h) of the Dissolution Act: (a) the Successor  
14 Agency has made, and will continue to make, diligent efforts to assure that the lowest long-term cost  
15 financing is obtained with the Bonds; (b) the Bonds will not provide for any bullets or spikes and shall  
16 not use variable rates of interest; and (c) that the Successor Agency has made, and will continue to  
17 make, use of an independent financial advisor in issuing the Bonds.

18           **Section 3.** The Oversight Board approves the issuance of the Bonds by the Successor Agency  
19 for the purposes of refunding the 2001 Bonds and the 2004 Bonds, so long as the requirements of  
20 sections 34177.5(a)(1) and 34177.5(h) of the Dissolution Act are satisfied upon the issuance of the  
21 Bonds.

22           **Section 4.** The Oversight Board approves the other actions of the Successor Agency  
23 contemplated by the Successor Agency Resolution attached hereto as Exhibit A.

24           **Section 5.** This resolution shall become effective immediately upon its passage and adoption.

25 //

26 //

27 //

28 //

1 **PASSED AND ADOPTED** by the Oversight Board for the Successor Agency of the City of  
2 Concord on June 30, 2014, by the following vote:

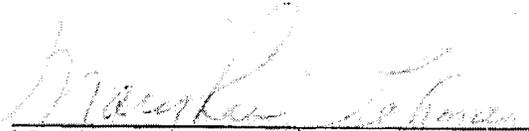
3 **AYES:** Board Members - H. Jenkins, D. Allen, K. Mitchoff, G. Bjerke, P. Garcia, G. Sawyer

4 **NOES:** Board Members - None

5 **ABSTAIN:** Board Members - None

6 **ABSENT:** Board Members - J. Ryan

7 **I HEREBY CERTIFY** that the foregoing Resolution No. 14-023 was duly and regularly  
8 adopted at a regular meeting of the City Council of the City of Concord on June 30, 2014.

9  
10  
11 

Mary Rae Lehman, CMC  
Clerk of the Board

12 **APPROVED AS TO FORM:**

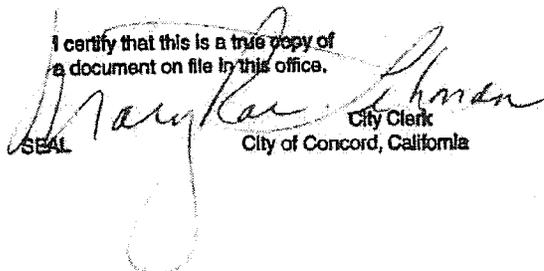
13  
14 

Mark S. Coon  
City Attorney

15  
16 Attachment: Successor Agency Resolution No. 14-775S

17 cc: Department of Finance (DOF)

18  
19  
20  
21  
22  
23  
24 I certify that this is a true copy of  
a document on file in this office.

25   
26 SEAL City Clerk  
City of Concord, California



## APPENDIX K

Example letters requesting rate quotes to Assured Guaranty and Build America Mutual

---



*There is no substitute for experience.*

August 4, 2014

Mr. Jason Kissane  
Mr. Andrew Porges  
Assured Guaranty  
One Market, 1550 Spear Tower  
San Francisco, CA 94105

Re: Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014

Dear Jason and Andrew:

On behalf of the Successor Agency of the Redevelopment Agency of the City of Concord (the "Agency"), I am writing to solicit bids for municipal bond insurance for (either all or certain maturities of) the Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014 (the "Bonds"), as well as for the provision of a reserve fund surety (either 100% or 50%) for the Bonds. The Bonds are issued to refund on a current basis (i) the outstanding City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001 ("2001 Bonds") and (ii) the outstanding Redevelopment Agency of the City of concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004 ("2004 Bonds") as a result of which there will be substantial savings to all taxing entities, including the City of Concord. The Bonds are structured to match the debt service profile of the Refunded Bonds, with final principal maturing in 2025 (consistent with the current final maturity of the Refunded Bonds). The Bonds have a fully funded debt service reserve fund sized at the lesser of the 3-part test (funded either in cash, a combination of cash and reserve fund surety or a 100% surety).

Attached to this letter you will find the following documents for your review:

1. Successor Agency Resolution
2. Indenture
3. Fiscal Consultant Report
4. Redemption Requests for the Refunded Bonds
5. Escrow Agreements for the Refunded Bonds
6. Draft Preliminary Official Statement
7. Continuing Disclosure Certificate
8. Financing Schedule
9. Interested Parties List
10. Preliminary Refunding Sizing
11. [Link to the City's Historical Comprehensive Annual Financial Reports](#)

The Bonds are being issued to refund on a current basis the outstanding 2001 Bonds and 2004 Bonds, fund a debt service reserve fund and pay costs relating to the issuance of the Bonds. The Bonds are tentatively scheduled to price around September 23, 2014 and close around October 21, 2014. Other details are included in the complete financing schedule attached for your review.

We are obtaining an underlying rating on the Bonds from S&P and expect to receive the rating by Tuesday, August 26, 2014. We would like to receive your proposal to provide bond insurance and/or reserve fund surety by Thursday, August 28, 2014. Please feel free to contact me if you should have questions or need additional information.

Sincerely,  
FIELDMAN, ROLAPP & ASSOCIATES

Anna V. Sarabian, CIPFA  
Senior Vice President  
(949) 660-7308 direct  
[asarabian@fieldman.com](mailto:asarabian@fieldman.com)



*There is no substitute for experience.*

August 4, 2014

Ms. Sheelagh Flanagan  
Ms. Bridget Katz  
Build America Mutual  
101 California Street, 29<sup>th</sup> Floor  
San Francisco, CA 94111

Re: Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014

Dear Sheelagh and Bridget:

On behalf of the Successor Agency of the Redevelopment Agency of the City of Concord (the "Agency"), I am writing to solicit bids for municipal bond insurance for (either all or certain maturities of) the Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014 (the "Bonds"), as well as for the provision of a reserve fund surety (either 100% or 50%) for the Bonds. The Bonds are issued to refund on a current basis (i) the outstanding City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001 ("2001 Bonds") and (ii) the outstanding Redevelopment Agency of the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004 ("2004 Bonds") as a result of which there will be substantial savings to all taxing entities, including the City of Concord. The Bonds are structured to match the debt service profile of the Refunded Bonds, with final principal maturing in 2025 (consistent with the current final maturity of the Refunded Bonds). The Bonds have a fully funded debt service reserve fund sized at the lesser of the 3-part test (funded either in cash, a combination of cash and reserve fund surety or a 100% surety).

Attached to this letter you will find the following documents for your review:

1. Successor Agency Resolution
2. Indenture
3. Fiscal Consultant Report
4. Redemption Requests for the Refunded Bonds
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9. Interested Parties List
10. Preliminary Refunding Sizing
11. [Link to the City's Historical Comprehensive Annual Financial Reports](#)

The Bonds are being issued to refund on a current basis the outstanding 2001 Bonds and 2004 Bonds, fund a debt service reserve fund and pay costs relating to the issuance of the Bonds. The Bonds are tentatively scheduled to price around September 23, 2014 and close around October 21, 2014. Other details are included in the complete financing schedule attached for your review.

We are obtaining an underlying rating on the Bonds from S&P and expect to receive the rating by Tuesday, August 26, 2014. We would like to receive your proposal to provide bond insurance and/or reserve fund surety by Thursday, August 28, 2014. Please feel free to contact me if you should have questions or need additional information.

Sincerely,  
FIELDMAN, ROLAPP & ASSOCIATES

Anna V. Sarabian, CIPFA  
Senior Vice President  
(949) 660-7308 direct  
[asarabian@fieldman.com](mailto:asarabian@fieldman.com)



## APPENDIX L

Market comparable worksheet for Concord Tax Allocation Refunding Bonds

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## APPENDIX M

All signed forms as required by Successor Agency to the former Redevelopment Agency  
Of the City of Milpitas, RFP No. 2070, for Financial Advisory Services:

- ◆ Fee Proposal and Certification of Proposer
  - ◆ Proposal Offer Form
  - ◆ Non-Collusion Affidavit
- ◆ Proposer's Statement Regarding Insurance Coverage
  - ◆ Worker's Compensation Insurance Certificate
    - ◆ References Form

## Fee Proposal

Please state your fees for performing the scope of work as financial advisor pursuant to this RFP. Please document any key assumptions made in developing the fee proposed and any contingencies that the Successor Agency should be aware of.

The fee proposal must include the following alternatives:

**1) Compensation on a fully contingent basis for specific financing issuances/issues.**

Specific Type of Financial Advisory Service	Fee	Assumption
Transaction Advisory Services per scope of services detailed in Section 6 of our narrative proposal.	\$63,000	Assumes standalone refunding completed by March 31, 2015

**2) Compensation on a time and expense basis with a list of hourly billing rates for the proposed personnel. List expenses not included in the billable hourly rate and indicate the basis for which expenses will be charged.**

Staff Member Name	Official Job Title	Role in Providing Proposed Services	Billable Hourly Rate
James Fabian	Principal	Engagement Manager	\$290
Anna Sarabian	Senior Vice President	Project Manager	\$275
Jason Chung	Associate	Technical Consultant	\$125
Cynthia Kugler	Administrative Assistant	Administrative Support	\$65

The direct cost of all labor, material, and equipment necessary for the completion of the work as well as overhead and profit shall be included in the billable hourly rates.

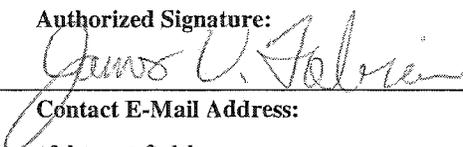
**Piggyback Option:** If agreeable to the successful respondent, the same prices, terms and conditions of this solicitation are extended to other public agencies that have delivery locations within 60 miles of the City of Milpitas. An agreement to this term will not be considered in any award of this solicitation. When the successful respondent extends the prices, terms and conditions of this solicitation to other public agencies, the contract shall be between the successful respondent and the other agencies, and the City of Milpitas shall bear no responsibility or liability for the contracts.

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### CERTIFICATION OF PROPOSER

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I/We (Insert Company Name) Fieldman, Rolapp & Associates agree to provide any/all financial advisory services as stipulated in this Request for Proposal (RFP) and fees as indicated on the Fee Proposal Forms. I/We further agree that the below; undersigned is authorized by the (Insert Company Name) Fieldman, Rolapp & Associates to bind the company in contract for the specified contract term. All exceptions (if applicable) are attached as an addendum to this fee proposal. I understand that the Successor Agency may not accept exceptions to the RFP. I further agree that if awarded the contract, to abide the terms and conditions of the contract and not to materially modify such terms without expressed written consent of the City of Milpitas Purchasing Agent.

<b>Company Name:</b> Fieldman, Rolapp & Associates	<b>Form of Legal Entity (i.e. Sole Proprietor, LLC #, Corporation #)</b> Corporation # C0726536
<b>Contact Printed Name:</b> James V. Fabian	<b>Authorized Signature:</b> 
<b>Title of Authorized Signer:</b> Principal	<b>Contact E-Mail Address:</b> jfabian@fieldman.com
<b>Telephone Number:</b> (949) 660-7300	<b>Fax Number:</b> (949) 474-8773
<b>Address:</b> 19900 MacArthur Blvd., Suite 1100	<b>City, State &amp; Zip Code:</b> Irvine, CA 92612
<b>Taxpayer I.D. #:</b> 95-2920834	<b>Business License #:</b> To be submitted upon selection as financial advisor

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND UPLOADED BACK INTO  
THE PUBLIC PURCHASE SYSTEM**

**RFP #2070 FINANCIAL ADVISORY SERVICES  
PROPOSAL OFFER FORM**

To: Successor Agency to the Former Redevelopment Agency of the City of Milpitas  
455 E. Calaveras Blvd.  
Milpitas, CA, 95035-5411

From: Fieldman, Rolapp & Associates

Name of Proposer  
19900 MacArthur Blvd., Suite 1100

Mailing Address  
Irvine, CA 92612

City, State & Zip

**PROPOSAL OFFER**

The undersigned Proposer agrees to contract with the City of Milpitas to provide all necessary labor, supervision, machinery, tools, apparatus and other means of construction to do all the work and furnish all the materials specified in the contract in the manner and time therein prescribed, and take in full payment the amount set forth hereon.

Proposal No. **2070** for **Financial Advisory Services**, in its entirety, all Addenda, and the following documents by this reference are hereby offered as a part of the contract to be awarded:

1. Narrative Proposal
2. Fee Proposal and Billable Hourly Rate Schedule for Key Personnel
3. List of Documents Returned with Proposal
4. Non-Collusion Affidavit
5. Sample Contract
6. Proposer's Statement Regarding Insurance Coverage
7. Worker's Compensation Insurance Certificate
8. References Form

**By filling in the Addenda Number and checking the blank at the end of the sentence, Proposer acknowledges receipt of Addenda Number(s) #1, #2, \_\_\_\_, and all questions, if any, listed on Public Purchase 2 questions**

**Submittal of a proposal shall be deemed acceptance of all the terms set forth in the sample contract unless the proposer includes with his/her proposal, in writing, any amendments to the proposed contract.**

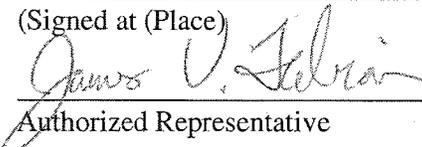
In accordance with Public Contract Code §7106, the following Affidavit must be executed by Proposer and submitted with proposal

**NON-COLLUSION AFFIDAVIT**  
**RFP #2070**  
**Financial Advisory Services**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND UPLOADED BACK INTO THE PUBLIC PURCHASE SYSTEM**

State of California  
County of Santa Clara ss.

James V. Fabian (Proposer's Name), being first duly sworn, deposes and says that he or she is Principal (Position/Title/Owner) of Fieldman, Rolapp & Associates (Contractor Name) the party making the foregoing proposal that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly induced or solicited any other proposer to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the proposer or any other proposer, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and further, that the proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal."

<u>October 7, 2014</u>	<u>Irvine, California</u>
Date	(Signed at (Place))
<u>Fieldman, Rolapp &amp; Associates</u>	
Proposer Name (Person, Firm, Corp.)	Authorized Representative
<u>19900 MacArthur Blvd., Suite 1100</u>	<u>James V. Fabian</u>
Address	Representative's Name
<u>Irvine, CA 92612</u>	<u>Principal</u>
City, State, Zip	Representative's Title

**PROPOSER'S STATEMENT  
REGARDING INSURANCE COVERAGE  
RFP #2070  
Financial Advisory Services**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND  
UPLOADED BACK INTO THE PUBLIC PURCHASE SYSTEM**

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PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the Request For Proposals No. 2070, for Financial Advisory Services. Should the Proposer be awarded the contract for the work, Proposer further certifies that the Proposer can meet the specified requirements for insurance, and agrees to name the Successor Agency as Additional Insured for the work specified.

Fieldman, Rolapp & Associates

Name of Proposer (Person, Firm, or Corporation)



Signature of Proposer's Authorized Representative

James V. Fabian, Principal

Name & Title of Authorized Representative

October 7, 2014

Date of Signing

# WORKER'S COMPENSATION INSURANCE CERTIFICATE

RFP #2070

Financial Advisory Services

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND UPLOADED BACK INTO  
THE PUBLIC PURCHASE SYSTEM**

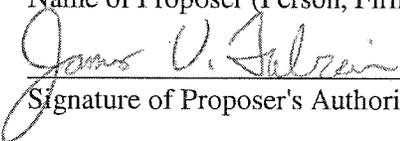
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The Contractor shall execute the following form as required by the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Fieldman, Rolapp & Associates

Name of Proposer (Person, Firm, or Corporation)



Signature of Proposer's Authorized Representative

James V. Fabian, Principal

Name & Title of Authorized Representative

October 7, 2014

Date of Signing

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND UPLOADED BACK INTO  
THE PUBLIC PURCHASE SYSTEM**

**Proposer:** Fieldman, Rolapp & Associates  
(Legal Name of Entity Submitting Proposal Offer)

**LIST OF REFERENCES** All reference below are contained in the  
narrative proposal

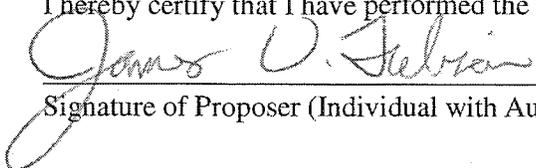
**Client References for Successor Agencies:**

	<b>CITY OF BREAA</b> 1 Civic Center Circle, Brea, CA 92621 Bill Gallardo, Administrative Services Director, (714) 990-7676, <a href="mailto:billga@cityofbrea.net">billga@cityofbrea.net</a> Contract Term: 36 months Last transaction fee: \$35,000 Transaction Advisory Services
	<b>CITY OF CATHEDRAL CITY</b> 68-799 Avenida Lalo Guerrero, Cathedral City, CA 92234 Tami Scott, Administrative Services Director, 760.770.0340, <a href="mailto:tscott@cathedralcity.gov">tscott@cathedralcity.gov</a> Contract Term: 12 months Last Transaction fee: \$37,500 Transaction Advisory Services
	<b>CITY OF CONCORD</b> 1950 Parkside Drive, Concord, CA 94519 Karan Reid, Finance Director, (925) 671-3192, <a href="mailto:kreid@ci.concord.ca.us">kreid@ci.concord.ca.us</a> Contract Term: 36 months Last transaction fee: \$37,500 Transaction Advisory Services
	<b>CITY OF EMERYVILLE</b> 1335 Park Ave., Emeryville, CA 94608 Sabrina Landreth, City Manager, (510) 596-4371, <a href="mailto:slandreth@emeryville.org">slandreth@emeryville.org</a> Contract Term: 36 months Last transaction fee: \$74,500 Transaction Advisory Services
	<b>CITY OF RIALTO</b> 150 S. Palm Ave., Rialto, CA 92376 George Harris, Director of Administrative and Community Services, (909) 421-7219 <a href="mailto:gharris@rialto.ca.gov">gharris@rialto.ca.gov</a> Contract Term: 36 months Last transaction fee: \$44,500 Transaction Advisory Services

**Client references for General Advisory Services**

	<b>CITY OF DUBLIN</b> 100 Civic Plaza, Dublin, CA 94568 Colleen M. Tribby, Administrative Services Director/Finance Director (925) 833-6654, <a href="mailto:colleen.tribby@dublin.ca.gov">colleen.tribby@dublin.ca.gov</a> Contract Term: 36 months Last transaction fee: \$15,000 (hourly services) General Advisory Services
	<b>CITY OF MONTEREY</b> 735 Pacific Street, Suite A, Monterey, CA 93940 Jimmy Forbis, Finance Director, (831) 646-3940, <a href="mailto:forbis@monterey.org">forbis@monterey.org</a> Contract Term: 36 months Last transaction fee: \$31,000 General Advisory Services
	<b>CITY OF ROHNERT PARK</b> 130 Acram Avenue, Rohnert Park, CA 94928 Darrin Jenkins, City Manager, (707) 588-2243, <a href="mailto:dajenkins@rcpcity.org">dajenkins@rcpcity.org</a> Contract Term: 36 months Last transaction fee: \$20,000 (hourly services) General Advisory Services
	<b>CITY OF SAN BRUNO</b> 567 El Camino Real, San Bruno, CA 94066 Connie Jackson, City Manager, (650) 616-7056, <a href="mailto:cjackson@sanbruno.ca.gov">cjackson@sanbruno.ca.gov</a> Contract Term: 36 months Last transaction fee: \$50,000 General Advisory Services
	<b>CITY OF TUSTIN</b> 300 Centennial Way, Tustin, CA 92780 Pamela Arends-King, Finance Director, (714) 573-3061, <a href="mailto:PArends-King@tustinca.org">PArends-King@tustinca.org</a> Contract Term: 36 months Last transaction fee: \$44,500 General Advisory Services

I hereby certify that I have performed the work listed above.



Signature of Proposer (Individual with Authorization to Bind the Firm in Contract)

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**OVERSIGHT BOARD MEMORANDUM**

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**TO:** OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS RDA  
**FROM:** EMMA KARLEN, CITY OF MILPITAS FINANCE DIRECTOR  
**SUBJECT:** APPROVE SUCCESSOR AGENCY TO ENTER INTO AN AGREEMENT FRASER & ASSOCIATES FOR FISCAL CONSULTANT SERVICES RELATED TO THE ISSUANCE OF THE 2015 TAX ALLOCATION REFUNDING BONDS  
**DATE:** 10/27/2014  
**CC:** JENNIFER GORE, OVERSIGHT BOARD GENERAL COUNSEL

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On September 18, 2014, the Oversight Board approved the Successor Agency to initiate the bond refunding process including hiring of a bond counsel. For the purposes of issuing the 2015 Tax Allocation Refunding Bonds, the services of an independent fiscal consultant is required. Staff recommends the engaging the services of Fraser & Associates. The scope of services is described in the proposal. Fraser & Associates has served as the fiscal consultant for the former Redevelopment Agency in the issuance of its 2003 Tax Allocation Bonds and has assisted the Agency on several tax increment revenue issues.

Successor Agency expects that it only needs the services identified as items one through eight in the proposal. The fees for the fiscal consultant service is \$27,500. The fee is not on a contingent basis although it can be paid out of the refunding bond proceeds as a cost of issuance.

**RECOMMENDATION:** That the Board adopts a resolution approving the Successor Agency to enter into an agreement with Fraser & Associates for fiscal consultant services related to issuance of the 2015 Tax Allocation Refunding Bonds.

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**OVERSIGHT BOARD MEMORANDUM**

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---

**TO:** OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS RDA  
**FROM:** EMMA KARLEN, CITY OF MILPITAS FINANCE DIRECTOR  
**SUBJECT:** APPROVE SUCCESSOR AGENCY TO ENTER INTO AN AGREEMENT WITH JONES HALL FOR LEGAL SERVICES RELATED TO THE ISSUANCE OF THE 2015 TAX ALLOCATION REFUNDING BONDS  
**DATE:** 10/27/2014  
**CC:** JENNIFER GORE, OVERSIGHT BOARD GENERAL COUNSEL

---

On September 18, 2014, the Oversight Board approved the Successor Agency to initiate the bond refunding process including hiring of a bond counsel. Successor Agency recommends engaging the services of Jones Hall as the Bond Counsel and Disclosure Counsel for the 2015 Tax Allocation Refunding Bonds ("2015 Refunding Bonds"). Jones Hall has served the City and the Redevelopment Agency as bond counsel on a number of successful bond financings in the past. Based on this relationship, staff has requested a proposal from the firm. Jones Hall is a firm comprised of 17 attorneys, all of whom practice exclusively in the area of municipal finance as bond counsel, underwriter's counsel, disclosure counsel, and special tax counsel. They are one of the most active municipal finance firms in the country and are nationally recognized for their expertise on tax exempt financing. For the 2015 Refunding Bonds, Steve Melikian will serve as lead Bond Counsel, with assistance from Andy Hall and Juan Galvin. Chris Lynch will serve as Disclosure Counsel and Dave Walton will serve as Tax Counsel. The firm has an additional 12 partners (that serve as Bond Counsel and/or Disclosure Counsel) and 6 paralegals (that serve as Closing Coordinators) that can be called upon to help in the financing, if needed. Staff has enclosed a copy of their engagement letter in the Successor Agency's packet for the Board's reference.

The legal fees for bond counsel service is \$75,000 and disclosure counsel is \$45,000. There is also an estimated out-of-pocket expenses not to exceed \$3,500. The fees and expenses are on a contingent basis. If the financing is not closed, no fees will be paid for the work provided on the financing. Fees are paid out of the refunding bond proceeds as a cost of issuance.

**RECOMMENDATION:** That the Board adopts a resolution approving the Successor Agency to enter into an agreement with Jones Hall for legal services related to issuance of the 2015 Tax Allocation Refunding Bonds.



October 2, 2014

475 Sansome Street  
17th Floor  
San Francisco, CA 94111  
t. 415.391.5780  
f. 415.276.2088

Mr. Thomas C. Williams  
City Manager  
City of Milpitas  
City Hall  
455 East Calaveras Boulevard  
Milpitas, California 95035

RE: Successor Agency to the Milpitas Redevelopment Agency  
2015 Tax Allocation Refunding Bonds  
Terms of Engagement of Bond Counsel and Disclosure Counsel

Dear Mr. Williams:

The Successor Agency to the Milpitas Redevelopment Agency (the "Successor Agency") is successor to the Milpitas Redevelopment Agency (the "Former Agency") and, in order to achieve debt service savings, proposes to issue the above-referenced bonds (the "2015 Refunding Bonds") to provide funds to refund the Former Agency's Redevelopment Project No. 1 2003 Tax Allocation Bonds (the "2003 Bonds") issued in the initial principal amount of \$200,000,000. Our firm acted as Bond Counsel and Disclosure Counsel with respect to the issuance of the 2003 Bonds, and in such capacity with respect several other issues of the City and its related entities. It is proposed that the firm act as Bond Counsel and Disclosure Counsel to the Successor Agency for purposes of the proceedings for the issuance, sale and delivery of the 2015 Refunding Bonds.

Our engagement as Bond Counsel will require us to provide to the Successor Agency all services customarily provided by bond counsel, including the following:

- a. Consultation and cooperation with the Successor Agency and City Agency staff to assist in the formulation of a coordinated financial and legal issuance of the 2015 Refunding Bonds.
- b. Preparation of all legal proceedings for the authorization, issuance and delivery of the 2015 Refunding Bonds by the Successor Agency; including (a) preparation of resolutions of the governing board of the Successor Agency authorizing the issuance and sale of the 2015 Refunding Bonds and approving related documents and actions, (b) preparation of approving resolutions of the Oversight Board, (c) preparation of all financing documents, including an indenture of trust authorizing the 2015 Refunding Bonds, (d) preparation of all documents required for the closing and delivery of the issue to the underwriter, (e) supervising the closing, and (f) preparation of all other proceedings



incidental to or in connection with the issuance, sale and delivery of the 2015 Refunding Bonds.

- c. Advise the Successor Agency prior to the issuance of the 2015 Refunding Bonds as to compliance with federal tax law as required to ensure that upon initial delivery to the underwriter interest on the 2015 Refunding Bonds is exempt from federal income taxation.
- d. Upon completion of proceedings to our satisfaction, provide a legal opinion (the "Bond Opinion") approving the validity and enforceability of the proceedings for the authorization, issuance and delivery of the 2015 Refunding Bonds, including a statement that interest on the 2015 Refunding Bonds is (a) excluded from gross income for purposes of federal income taxes and (b) exempt from California personal income taxation. The Bond Opinion will be addressed to the Successor Agency, and may also be relied upon the underwriter of the 2015 Refunding Bonds and other participants in the financing.
- e. Review as to completeness and accuracy those sections of the official statement to be disseminated in connection with the sale of the 2015 Refunding Bonds involving summary descriptions of the 2015 Refunding Bonds, the legal proceedings leading to the authorization and sale of the 2015 Refunding Bonds, the legal documents under which the 2015 Refunding Bonds will be issued, and federal tax law and securities law provisions applicable to the 2015 Refunding Bonds.
- f. Assist the Successor Agency in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the 2015 Refunding Bonds.
- g. Such other and further services as are normally performed by bond counsel in connection with similar financings.

In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Successor Agency with applicable laws relating to the 2015 Refunding Bonds.

Our engagement as Disclosure Counsel will require us to provide to the Successor Agency all services customarily provided by disclosure counsel, including the following:

- a. Prepare the Official Statement (both preliminary and final) in connection with the offering of the 2015 Refunding Bonds.
- b. Confer and consult with the officers and administrative staff of the Successor Agency as to matters relating to the Official Statement.



- c. Attend all meetings of the Successor Agency and any administrative meetings at which the Official Statement is to be discussed, deemed necessary by us for the proper exercise of their due diligence with respect to the Official Statement, or when specifically requested by the Successor Agency to attend.
- d. Subject to the completion of proceedings to our satisfaction, provide a letter addressed to the Successor Agency and the underwriter that, although we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements, no facts have come to our attention that cause us to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Bond Insurance Policy and the Insurer, and information concerning the Depository Trust Company and the book-entry system for the 2015 Refunding Bonds, contained or incorporated by reference in the Official Statement and the appendices to the Official Statement, which we will expressly exclude from the scope of this sentence) as of the date of the Official Statement or the date hereof contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Our duties in this engagement are limited to those expressly set forth above, except as expressly otherwise agreed in writing. Among other things, our duties do not include:

- a. Preparing requests for tax rulings from the Internal Revenue Service, or "no-action" letters from the Securities and Exchange Commission.
- b. Preparing blue sky or investment surveys with respect to the 2015 Refunding Bonds.
- c. Pursuing test cases or other litigation, such as contested validation proceedings.
- d. Making an investigation or expressing any view as to the creditworthiness of the Successor Agency or the 2015 Refunding Bonds.
- e. After Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking under Securities and Exchange Commission Rule 15c2-12.
- f. Representing the Successor Agency in Internal Revenue Service examinations, audits or inquiries, or Securities and Exchange Commission investigations.
- g. After Closing, unless specifically requested to do so by Successor Agency, and agreed to by us, providing continuing advice to the



Mr. Thomas C Williams  
 October 2, 2015  
 Page 4

Successor Agency or any other party concerning any actions that need to be taken regarding the 2015 Refunding Bonds; e.g., actions necessary to assure that interest paid on the 2015 Refunding Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the 2015 Refunding Bonds).

For the Bond Counsel services described above, the Successor Agency will pay to us a fee of \$75,000. For the Disclosure Counsel services described above, the Successor Agency will pay to us a fee of \$45,000.

In addition, the Successor Agency shall pay to us all direct out-of-pocket expenses for travel outside the State of California (if any), messenger and delivery service, photocopying, closing costs, legal publication expenses and other costs and expenses incurred by us in connection with their services hereunder not to exceed the amount of \$3500.

Payment of the foregoing fees and expenses is entirely contingent on the successful issuance of the 2015 Refunding Bonds, will be due and payable upon the delivery of the 2015 Refunding Bonds and will be payable solely from the proceeds of the 2015 Refunding Bonds and from no other funds of the Successor Agency.

Needless to say, if you have any questions or would like to discuss any of the foregoing, please give me, Steve Melikian or Chris Lynch a call (415) 391-5780. Upon approval by the Successor Agency, would you please, at your convenience, fax or mail a copy of this letter to us showing your approval. Our fax number is (415) 391-5784.

We certainly look enjoying working with you and the others at the City on this refinancing.

Very truly yours,

Andrew C. Hall, Jr.

Approved:

SUCCESSOR AGENCY TO THE MILPITAS  
 REDEVELOPMENT AGENCY

By \_\_\_\_\_

**RESOLUTION NO. \_\_**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY AUTHORIZING THE SUCCESSOR AGENCY TO CONTRACT FOR LEGAL SERVICES, FINANCIAL ADVISORY SERVICES, AND AN INDEPENDENT FISCAL CONSULTANT FOR REFUNDING ITS 2003 TAX ALLOCATION BONDS**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, the Dissolution Law allows a Successor Agency to issue refunding bonds, subject to the satisfaction of certain conditions and the authorization of its Oversight Board pursuant to Health and Safety Code section 34177.5; and

**WHEREAS**, the former Milpitas Redevelopment Agency issued tax allocation bonds in 2003, which have a final maturity on September 1, 2032, and an outstanding principal balance of \$145,990,000; and

**WHEREAS**, at its September 18, 2014, meeting, the Oversight Board authorized Successor Agency staff to issue requests for proposals, as needed, for a financial advisor and bond counsel, and to bring back the proposed bond counsel and financial advisor contracts for approval by the Oversight Board at its next meeting for consideration.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board has considered the full record before it, which includes but is not limited to the staff report, testimony by staff and the public, and other materials and evidence provided to it.

**BE IT FURTHER RESOLVED** that, based on the proposals presented, the Oversight Board authorizes Successor Agency staff to contract with Fieldman Rolapp and Associates for Financial Advisory Services, Fraser & Associates for Independent Fiscal Consultant services, and with Jones Hall for Bond Counsel and Disclosure Counsel services for the issuance of tax allocation refunding bonds.

**PASSED AND ADOPTED** this 3rd day of November, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Maribel S. Medina  
Oversight Board Chair

## **OVERSIGHT BOARD STAFF REPORT**

**MEETING DATE:** November 3, 2014

### **ITEM VI.D: CONSIDER REQUEST TO APPROVE FIXED FEE FOR CITY STAFF SERVICES RELATED TO 2003 TAX ALLOCATION BOND REFUNDING**

#### **RECOMMENDED ACTION(S):**

Consider Successor Agency staff's request that the Oversight Board approve a \$25,000 fixed fee for City staff services related to the proposed 2003 Tax Allocation Bond Refunding.

#### **DISCUSSION:**

Attached for your review is a memorandum from Board Member Karlen, in her capacity as City of Milpitas Finance Director, requesting that the Oversight Board approve a fixed fee of \$25,000 for City staff services related to the proposed 2003 Tax Allocation Bond Refunding. It is proposed that this fee be paid out of the refunding bond proceeds as a cost of issuance.

Oversight Board staff would have expected this cost to be included in the Successor Agency's administrative budget for the FY14-15B. However, the Successor Agency's administrative budget did not exceed the administrative cap of 3%, and was more than \$25,000 below the cap. And since the administrative budget and the costs of issuance will both be paid with RPTTF that would otherwise be distributed to the taxing entities, staff does not see any requirement that the administrative budget be revised rather than approving the fee as a cost of issuance, so long as Successor Agency staff has been advised that this is an appropriate cost of issuance. But including the fee as a cost of issuance result in the payment of interest on the fee over the bond repayment period.

#### **ATTACHMENT(S):**

City Memorandum  
Proposed Resolution

Prepared by: Jennifer Gore  
Oversight Board Legal Counsel

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**OVERSIGHT BOARD MEMORANDUM**

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**TO:** OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS RDA  
**FROM:** EMMA KARLEN, CITY OF MILPITAS FINANCE DIRECTOR  
**SUBJECT:** APPROVE REIMBURSEMENT OF CITY OF MILPITAS FEE RELATED TO THE ISSUANCE OF THE 2015 TAX ALLOCATION REFUNDING BONDS AS COST OF ISSUANCE  
**DATE:** 10/17/2014  
**CC:** JENNIFER GORE, OVERSIGHT BOARD GENERAL COUNSEL

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AB1484 specifically authorizes Successor Agency to recover costs related to issuance of Refunding Bonds. In the next 4 months, the City of Milpitas will utilize its staff resources especially in the Finance Department and City Attorney Department to work intensively with outside consultants to achieve the refunding of the 2003 Tax Allocation Bonds. It is anticipated that refunding will achieve a net present value savings of approximately \$15 to \$16 million on the debt service. The savings will be of benefits to all the taxing entities as there will be more tax increment revenue available for distribution. Since the City as one of the taxing entities that will utilize its staff resources to work on the refunding of the bonds, it is expected that the City will be compensated by all the taxing entities.

The fee for the City staff service related to the refunding is \$25,000 fixed fee and can be paid out of the refunding bond proceeds as a cost of issuance.

**RECOMMENDATION:** That the Board adopts a resolution approving reimbursement of City of Milpitas fee related to the issuance of the 2015 Tax Allocation Refunding Bonds as cost of issuance.

**RESOLUTION NO. \_\_**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING A FIXED FEE FOR CITY STAFF SERVICES RELATED TO THE PROPOSED 2003 TAX ALLOCATION BOND REFUNDING**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, the Dissolution Law allows a Successor Agency to issue refunding bonds, subject to the satisfaction of certain conditions and the authorization of its Oversight Board pursuant to Health and Safety Code section 34177.5; and

**WHEREAS**, the former Milpitas Redevelopment Agency issued tax allocation bonds in 2003, which have a final maturity on September 1, 2032, and an outstanding principal balance of \$145,990,000; and

**WHEREAS**, at its September 18, 2014, meeting, the Oversight Board authorized Successor Agency staff to issue requests for proposals, as needed, for a financial advisor and bond counsel, and to bring back the proposed bond counsel and financial advisor contracts for approval by the Oversight Board at its next meeting for consideration.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board has considered the full record before it, which includes but is not limited to the staff report, testimony by staff and the public, and other materials and evidence provided to it.

**BE IT FURTHER RESOLVED** that the Oversight Board approves the Successor Agency request to include a \$25,000 fixed fee to compensate City staff for its services related to the proposed 2003 Tax Allocation Bond refunding, to be paid from the refunding bond proceeds as a cost of issuance.

**PASSED AND ADOPTED** this 3rd day of November, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Barbara Crump  
Oversight Board Secretary

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Maribel S. Medina  
Oversight Board Chair



## **Redevelopment and Financial Consulting**

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225 Holmfirth Court  
Roseville CA 95661

Phone: (916) 791-8958  
FAX: (916) 791-9234

October 9, 2014

Ms. Emma Karlen  
City of Milpitas / Successor Agency  
Finance Director  
455 East Calaveras Blvd.  
Milpitas, California 95035

**Dear Ms. Karlin:**

As a follow up to our discussion, Fraser & Associates is pleased to provide this proposal for bond services to the Milpitas Successor Agency (Agency). The Agency is considering the issuance of tax allocation refunding bonds for the Milpitas Redevelopment Project Area (Project Area), and is requesting that Fraser & Associates provide fiscal consulting services.

### **Scope of Services**

Fraser & Associates is prepared to provide an in depth analysis of the tax increment revenues to be generated from the Project Area. In order to accomplish this, we recommend the following scope of services:

1. **Tax Increment Projection:** An estimate of the 2014-15 tax increment revenues expected to be received in the Project Area will be prepared, along with a projection showing the future tax increment revenues estimated to be annually allocated to the Agency. The tax increment projections will include an analysis of the impact of senior liens on revenue available for debt service, including pass through payments.
2. **Analysis of County Allocation Procedures:** A review of County procedures used for the calculation of tax increment, including tax increment from the application of tax rates to incremental value and unitary property taxes, will be prepared for the current year revenue estimate. This analysis ensures that the current year revenue estimate is accurate.

3. **Review of Historical Revenues:** Fraser & Associates will review the growth in taxable values over the past five fiscal years and provide a table showing such trends. In addition, an analysis will be prepared of the actual tax increment receipts to the initial County levy in order to determine collection trends.
4. **Appeals Analysis:** An analysis of recently resolved and open appeals will be prepared. The tax increment projections will be revised as needed for the potential impact of appeals.
5. **Housing Market Impact Analysis:** Recent volatility in the housing market has caused rating agencies to require additional information concerning housing prices and property transfers. As a result, the impact that housing price declines have had on the Project Area, if any, will be analyzed. We will also review recent sales data in order to determine whether housing price declines and Proposition 8 reductions may be leveling off or reversing.
6. **Plan Limits Review:** The Project Area's plan limits will be reviewed in order to determine any potential impact on the bond issue and on the tax increment revenue stream.
7. **Impacts of Redevelopment Dissolution Act:** We will review the impact of AB 26 and AB 1484 on the flow of revenues to the Agency.
8. **Fiscal Consultants Report:** A Fiscal Consultants Report (FCR) will be prepared summarizing the analysis of historical, current and projected tax increment revenues. The FCR will include our methodology in preparing the tax increment study. The FCR is typically included as an appendix to the Official Statement for the bond issue.
9. **Official Statement Tables:** Fraser & Associates will provide tables on the revenues in the Project Area for inclusion in the offering document based on the data utilized in the services described above.
10. **Document Review:** Other documents (Official Statement; Indenture of Trust; etc.) will be reviewed and commented on by Fraser & Associates.
11. **Bond Rating Agency and Other Meetings:** Fraser & Associates will be available to represent the Agency in meetings and presentations to the bond rating agencies (Moody's and Standard and Poor's) and bond insurance companies (AMBAC, MBIA, and FGIC or others). Other meetings will also be attended, as requested by the Agency.

### **Compensation**

Services shall be compensated on the basis of a fixed fee of Twenty Two Thousand Dollars (\$22,000) for items one through eight above, inclusive of one meeting. Service items nine through eleven shall be compensated on a time and material basis in accordance with my standard hourly rate of \$250 per hour.

It is estimated that hourly rate services will not exceed Three Thousand Dollars (\$3,000). Expenses are estimated at \$2,500. Expenses include, but are not

**FA FRASER & ASSOCIATES**

Ms. Emma Karlen

10/09/14

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limited to: authorized travel; mileage at the current IRS per mile rate or equivalent rental car fee; copy expenses; shipping and messenger services; long distance phone calls; the acquisition of property tax data (Top 10, etc.) and other similar expenses.

It is anticipated that a draft fiscal consultant report can be prepared within the next thirty days. This assumes contract authorization and the receipt of data as soon as possible.

Payment for services can be made from the cost of issuance fund created as part of the bond issue, but the fee is not contingent upon a successful closing of the bond issue. If the bond issue is not completed, payment shall still be owed to Fraser & Associates.

Fraser & Associates appreciates the opportunity to submit this proposal and looks forward to developing a relationship with the Agency. Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald J. Fraser".

Donald J. Fraser