

STAFF REPORT
Lancaster Successor Agency
Lancaster Financing Authority

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03/22/16
MVB

Date: March 22, 2016

To: Chairman Parris and Agency Directors/Authority Members

From: Barbara Boswell, Finance Director

Subject: **Combined Redevelopment Project Areas (Non-Housing Programs) Tax Allocation Refunding Bonds, Issue of 2016, and Lancaster Redevelopment Project Area No. 5 and Project Area No. 6 (School District Pass-Throughs) Tax Allocation Refunding Bonds, Series 2016, and Authorizing Certain Other Actions**

Lancaster Successor Agency Recommendation:

Adopt **Resolution No. SA 06-16**, approving the form of the Preliminary Official Statements, Bond Purchase Contracts, Escrow Agreements and Continuing Disclosure Agreements in connection with its Combined Redevelopment Project Areas (Non-Housing Programs) Tax Allocation Refunding Bonds, Issue of 2016, and Lancaster Redevelopment Project Area No. 5 and Project Area No. 6 (School District Pass-Throughs) Tax Allocation Refunding Bonds, Series 2016, and authorizing certain other actions in connection therewith.

Lancaster Financing Authority Recommendation:

Adopt **Resolution No. FA 01-16**, approving the execution of Escrow Agreements in connection with the issuance by the Lancaster Successor Agency of its Combined Redevelopment Project Areas (Non-Housing Programs) Tax Allocation Refunding Bonds, Issue of 2016, and Lancaster Redevelopment Project Area No. 5 and Project Area No. 6 (School District Pass-Throughs) Tax Allocation Refunding Bonds, Series 2016, and taking certain other actions in connection therewith.

Fiscal Impact:

Refunding of previously issued Non-Housing Programs bonds will result in an estimated overall gross savings of approximately \$10.4 million through their remaining maturity date of February 1, 2039. Refunding of previously issued School District Project bonds will result in an estimated overall gross savings of approximately \$4.4 million through their remaining maturity date of February 1, 2037.

Background:

At its meeting of February 9, 2016, the Lancaster Successor Agency approved the issuance of its Combined Redevelopment Project Areas (Non-Housing Programs) Tax Allocation Refunding Bonds, Issue of 2016 (the "2016A Bonds"), and Lancaster Redevelopment Project Area No. 5 and Project Area No. 6 (School District Pass-Throughs) Tax Allocation Refunding Bonds, Series 2016 (the "2016B Bonds").

At its February 16, 2016 meeting, the Lancaster Successor Agency Oversight Board approved and directed the issuance and sale of Tax Allocation Refunding Bonds by the Lancaster Successor Agency.

The Oversight Board action was submitted to the Department of Finance (DOF) for review and approval. On March 2, 2016, DOF issued a letter approving the February 16th action of the Oversight Board.

As one of the next steps in completing the refundings, the Lancaster Successor Agency is requested to approve the forms of the 2016A Bonds and 2016B Bonds Preliminary Official Statements, Bond Purchase Contracts, Escrow Agreements, and Continuing Disclosure Agreements. They are also requested to authorize certain other actions in connection therewith. The Lancaster Financing Authority board is requested to approve the execution of Escrow Agreements and certain other actions in connection with the refundings.

It is expected the refunding will be completed by the end of April.

BB:ps

Attachments:

Resolution No. SA 06-16

Resolution No. FA 01-16

2016A Bonds Preliminary Official Statement

2016B Bonds Preliminary Official Statement

2016A & 2016B Bond Purchase Contracts (on file with Agency/Authority Secretary)

2016A & 2016B Escrow Agreements (on file with Agency/Authority Secretary)

2016A & 2016B Continuing Disclosure Agreements (on file with Agency/Authority Secretary)