

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO

DATE: June 28, 2018

TO: Mayor and City Council/Chairperson and Board of Directors

PREPARED BY: David Dale, City Manager/Executive Director

SUBJECT: Adopt a Resolution Approving the Resolution and Corresponding Actions of the Successor Agency to the Community Redevelopment Agency of the City of Calexico (the "Successor Agency") Regarding the Issuance of One or More Series of its Subordinate Tax Allocation Refunding Bonds (the "Bonds") on a Tax-Exempt and/or Taxable Basis to Provide for the Refinancing of Certain Tax Allocation Bonds (collectively, the "Refunded Bonds")

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Recommendation:

It is recommended that the Oversight Board adopt the attached Resolution: A Resolution Of The Oversight Board For The Successor Agency To The Community Redevelopment Agency Of The City Of Calexico Approving The Resolution Adopted By The Successor Agency Authorizing The Issuance Of Subordinate Tax Allocation Refunding Bonds And Approving An Indenture And Authorizing Certain Actions Relating Thereto.

Background:

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

The Redevelopment Plan for the Central Business District Redevelopment Project in the City of Calexico, California (the "City") was adopted and approved by Ordinance No. 826 of the City on July 20, 1982. The Redevelopment Plan for the Residential Redevelopment Project was adopted on June 5, 1979 by Ordinance No. 760 and was amended by Ordinance No. 857 adopted by the City Council on August 6, 1983. The Central Business District Redevelopment Project and the Residential Redevelopment Project were merged and redesignated the Merged Central Business District and Residential Redevelopment Project Area (the "Merged Project Area") by Ordinance No. 864 adopted on November 20, 1984. The Redevelopment Plan for the Merged Project Area was subsequently amended by Amendment No. 1 adopted by Ordinance No. 905 on July 18, 1989, by Amendment No. 2 approved by Ordinance No. 920 adopted by the City Council on June 30, 1992, by Amendment No. 3 approved and adopted by Ordinance No. 930 on December 28, 1993, and by Amendment No. 4 adopted by Ordinance No. 1022 adopted by the City Council on June 8, 2005.

On June 28, 2011, the California Legislature adopted ABx1 26 to, among other things, dissolve existing redevelopment agencies, including the Predecessor Agency. In accordance with the legislation, the Predecessor Agency was dissolved on February 1, 2012.

The Successor Agency now desires to achieve debt service savings and to assist local taxing entities by refunding all of the outstanding Refunded Bonds with the proceeds of one or more series of refunding bonds (the "Bonds"). Approval of the Oversight Board is being requested.

Discussion & Analysis:

The interest rate market continues to be favorable and would allow the Successor Agency to issue its Bonds in one or more series to refund the Refunded Bonds. Based on an analysis by Kosmont Transactions Services (KTS), as Municipal Advisor, staff believes it is appropriate and beneficial to take advantage of the favorable market rates at this time.

The Successor Agency adopted a Resolution on June 20, 2018 approving issuance of the Bonds and the form of an Indenture. The Indenture is the document that provides the covenants and conditions for the Bonds and the duties of the trustee to the owners of the Bonds. It supplies the federal tax covenants to assure tax exemption of interest, as applicable, and, after the Bonds are priced, will contain the final maturities and interest rates for the Bonds.

Fiscal Impact:

The local taxing entities will realize increased property tax revenue by sharing in the savings to the Successor Agency's debt service in an amount that corresponds to their respective shares of the 1% general tax levy. Current estimates indicate potential savings are approximately \$500,000 per year initially, growing to approximately \$700,000 per year and over \$2 million per year after 2031 through the final maturity of the bonds in 2033. Overall gross savings are projected to be approximately \$12.98 million over the remaining life of the Bonds.

Coordinated With:

Finance Department.

Attachment(s):

1. Resolution of the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Calexico authorizing the issuance of Subordinate Tax Allocation Refunding Bonds and Approving an Indenture and Authorizing Certain Actions Relating Thereto.
2. Refunding analysis of KTS

RESOLUTION NO. 2018-04-OB

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO APPROVING A RESOLUTION OF THE SUCCESSOR AGENCY AND CERTAIN ACTIONS RELATING THERETO REGARDING THE ISSUANCE OF ONE OR MORE SERIES OF ITS SUBORDINATE TAX ALLOCATION REFUNDING BONDS (THE “BONDS”) ON A TAX-EXEMPT AND/OR TAXABLE BASIS TO PROVIDE FOR THE REFINANCING OF CERTAIN TAX ALLOCATION BONDS (COLLECTIVELY, THE “REFUNDED BONDS”)

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

WHEREAS, the Redevelopment Plan for the Central Business District Redevelopment Project in the City of Calexico, California (the “City”) was adopted and approved by Ordinance No. 826 of the City on July 20, 1982. The Redevelopment Plan for the Residential Redevelopment Project was adopted on June 5, 1979 by Ordinance No. 760 and was amended by Ordinance No. 857 adopted by the City Council on August 6, 1983. The Central Business District Redevelopment Project and the Residential Redevelopment Project were merged and redesignated the Merged Central Business District and Residential Redevelopment Project Area (the “Merged Project Area”) by Ordinance No. 864 adopted on November 20, 1984. The Redevelopment Plan for the Merged Project Area was subsequently amended by Amendment No. 1 adopted by Ordinance No. 905 on July 18, 1989, by Amendment No. 2 approved by Ordinance No. 920 adopted by the City Council on June 30, 1992, by Amendment No. 3 approved and adopted by Ordinance No. 930 on December 28, 1993, and by Amendment No. 4 adopted by Ordinance No. 1022 adopted by the City Council on June 8, 2005; and

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2000 (the “2000 Bonds”); and

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2006 (the “2006 Bonds”); and

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2011 (the “2011 Bonds” and, collectively with the 2000 Bonds and the 2006 Bonds, the “Prior Bonds”); and

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

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

WHEREAS, under the provisions of ABx1 26, the City became the successor agency to the Predecessor Agency (the “Successor Agency”) for the purpose of paying certain enforceable obligations, including the Refunded Bonds, and winding up the affairs of the Predecessor Agency pursuant to ABx1 26; and

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

WHEREAS, the Successor Agency desires to achieve debt service savings in accordance with ABx1 26 and AB 1484 and therefor assist local taxing entities by refunding the Refunded Bonds with the proceeds of its Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018A (the “2018A Bonds”) and its Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable) (the “2018B Bonds” and, together with the 2018A Bonds, the “Bonds”); and

WHEREAS, the Oversight Board of the Successor Agency (the “Board”) hereby finds that issuance and delivery of the Bonds is desirable and is in the best interests of the Successor Agency and the taxing entities;

NOW THEREFORE, the Board resolves as follows:

Section 1. Findings. Based upon the staff report as presented in connection with this matter, the Board hereby finds and determines that the recitals hereto are true and correct.

Section 2. Approval and Direction. The Board hereby approves the Resolution of the Successor Agency attached hereto in Exhibit A (the “Successor Agency Resolution”) and directs the Successor Agency to implement the purposes of the Successor Agency Resolution to achieve debt service savings with respect to the Refunded Bonds in accordance with the provisions of Section 34177.5(a)(1) of the Health and Safety Code.

Section 3. Determinations by the Board. As requested by the Successor Agency in the Successor Agency Resolution, the Board hereby makes the determinations contained in Section 4 of the Successor Agency Resolution with respect to the Refunded Bonds as though they were each fully set forth herein, and the Successor Agency shall rely upon such determinations in undertaking the refunding proceedings and the issuance, sale and delivery of the Bonds.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Calxico held on June 26, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
APPROVED:

Chairperson

ATTEST:

Secretary

Successor Agency to the Community Redevelopment Agency of the City of Calexico
2018 Tax Allocation Refunding Bonds
Preliminary Refunding Analysis

Refunding of 2000, 2006 and 2011 Tax Allocation Bonds

Bond Year Ending	Current Total Debt Service	Estimated Debt Service 2018 TABs	Estimated Savings	Share of Estimated RPTTF Savings ¹					
				30.620%	29.130%	27.660%	7.210%	3.640%	1.740%
				Calexico USD @	Imp. Cty. Gen. Fund @	City of Calexico @	Imperial CCD @	Heffernan Hosp. Dist. @	County Office of Ed. @
8/1/2019	\$1,246,078	\$537,256	\$708,822	\$217,041	\$206,480	\$196,060	\$51,106	\$25,801	\$12,333
8/1/2020	1,029,441	536,546	492,895	\$150,925	\$143,580	\$136,335	\$35,538	\$17,941	\$8,576
8/1/2021	1,025,898	535,774	490,124	\$150,076	\$142,773	\$135,568	\$35,338	\$17,841	\$8,528
8/1/2022	1,027,354	534,969	492,385	\$150,768	\$143,432	\$136,194	\$35,501	\$17,923	\$8,568
8/1/2023	1,023,610	534,129	489,482	\$149,879	\$142,586	\$135,391	\$35,292	\$17,817	\$8,517
8/1/2024	1,024,791	538,251	486,540	\$148,979	\$141,729	\$134,577	\$35,080	\$17,710	\$8,466
8/1/2025	2,360,766	1,832,168	528,598	\$161,857	\$153,981	\$146,210	\$38,112	\$19,241	\$9,198
8/1/2026	2,361,904	1,836,305	525,599	\$160,938	\$153,107	\$145,381	\$37,896	\$19,132	\$9,145
8/1/2027	2,365,235	1,836,912	528,323	\$161,773	\$153,900	\$146,134	\$38,092	\$19,231	\$9,193
8/1/2028	2,359,715	1,828,989	530,726	\$162,508	\$154,600	\$146,799	\$38,265	\$19,318	\$9,235
8/1/2029	2,561,675	1,832,836	728,840	\$223,171	\$212,311	\$201,597	\$52,549	\$26,530	\$12,682
8/1/2030	2,566,125	1,833,003	733,122	\$224,482	\$213,558	\$202,782	\$52,858	\$26,686	\$12,756
8/1/2031	2,565,750	494,096	2,071,655	\$634,341	\$603,473	\$573,020	\$149,366	\$75,408	\$36,047
8/1/2032	2,564,950	490,347	2,074,603	\$635,243	\$604,332	\$573,835	\$149,579	\$75,516	\$36,098
8/1/2033	2,563,275	490,727	2,072,548	\$634,614	\$603,733	\$573,267	\$149,431	\$75,441	\$36,062
	\$28,646,566	\$15,692,306	\$12,954,261	\$3,966,595	\$3,773,576	\$3,583,149	\$934,002	\$471,535	\$225,404

¹Share of RPTTF savings is equal to share of the 1% General Levy

Source: City of Calexico Adopted Budget FY2016

EXHIBIT A
SUCCESSOR AGENCY RESOLUTION

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO AUTHORIZING THE ISSUANCE OF SUBORDINATE TAX ALLOCATION REFUNDING BONDS AND APPROVING AN INDENTURE AND AUTHORIZING CERTAIN ACTIONS RELATING THERETO

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

WHEREAS, the Redevelopment Plan for the Central Business District Redevelopment Project in the City of Calexico, California (the "City") was adopted and approved by Ordinance No. 826 of the City on July 20, 1982. The Redevelopment Plan for the Residential Redevelopment Project was adopted on June 5, 1979 by Ordinance No. 760 and was amended by Ordinance No. 857 adopted by the City Council on August 6, 1983. The Central Business District Redevelopment Project and the Residential Redevelopment Project were merged and redesignated the Merged Central Business District and Residential Redevelopment Project Area (the "Merged Project Area") by Ordinance No. 864 adopted on November 20, 1984. The Redevelopment Plan for the Merged Project Area was subsequently amended by Amendment No. 1 adopted by Ordinance No. 905 on July 18, 1989, by Amendment No. 2 approved by Ordinance No. 920 adopted by the City Council on June 30, 1992, by Amendment No. 3 approved and adopted by Ordinance No. 930 on December 28, 1993, and by Amendment No. 4 adopted by Ordinance No. 1022 adopted by the City Council on June 8, 2005;

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2000 (the "2000 Bonds");

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2006 (the "2006 Bonds");

WHEREAS, the Predecessor Agency has previously issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2011 (the "2011 Bonds" and, collectively with the 2000 Bonds and the 2006 Bonds, the "Prior Bonds");

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

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

WHEREAS, under the provisions of ABx1 26, the City became the successor agency to the Predecessor Agency (the "Successor Agency") for the purpose of paying certain enforceable obligations, including the Prior Bonds, and winding up the affairs of the Predecessor Agency pursuant to ABx1 26;

WHEREAS, on June 27, 2012, AB 1484 was adopted and specifically authorizes the issuance of refunding bonds by the Successor Agency under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and provides in Section 34177.5(a)(1) of the Health and Safety Code that "[t]he successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds or other indebtedness, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding and enforceable in accordance with its terms";

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

WHEREAS, the Successor Agency desires to achieve debt service savings and therefor assist the local taxing entities by refunding all or a portion of the Prior Bonds with the proceeds of its Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018A (the "2018A Bonds") and its Merged Central Business District and Residential Redevelopment Project Area Subordinate Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable) (the "2018B Bonds" and, together with the 2018A Bonds, the "Bonds") through a public sale;

WHEREAS, the issuance of the Bonds will comply with the provisions of Section 34177.5(a)(1) of the Health and Safety Code;

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") requires that the governing body of a public body obtain from an underwriter, financial advisor or private lender and disclose, prior to authorizing the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

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

Section 1. Findings. The Board of Directors of the Successor Agency (the "Board") hereby finds and determines that the recitals hereto are true and correct.

Section 2. Indenture. To prescribe the terms and conditions upon which the Bonds are to be issued, secured, executed, authenticated and held, an Indenture is proposed to be executed and delivered by the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), in substantially the form on file with the Secretary, a copy of which has been made available to the Board, is hereby approved, and any of the Executive Director of the Successor Agency, the Chair of the Successor Agency or their respective designees (each an "Authorized Representative") is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute, and the Secretary is authorized to attest and deliver the Indenture to the Trustee in substantially such forms, with such changes (including, without limitation, changes relating to the issuance of a municipal bond insurance policy and/or a surety bond for a debt service reserve fund, or such changes as may be requested by a rating agency providing a rating on the Bonds) as may be approved by any Authorized Representative, acting on behalf of the Successor Agency, such execution thereof to constitute conclusive evidence of the approval of the Successor Agency of all changes from the form of the Indenture presented to this meeting; provided that the total interest cost to maturity on the 2018A Bonds shall not exceed 4.50% and the total interest cost to maturity on the 2018B Bonds shall not exceed 5.75%.

Section 3. Refunding and Payment Approved. The Board hereby approves the issuance and delivery of the 2018A Bonds in an aggregate principal amount not to exceed \$11,000,000 and the 2018B Bonds in an aggregate principal amount not to exceed \$2,250,000. The refunding of all or a portion of the Prior Bonds is hereby authorized and approved. Any Authorized Representative is hereby authorized on behalf of the Successor Agency to purchase federal securities acceptable to Bond Counsel and authorized for the Prior Bonds, including non-callable State and Local Government Series obligations of the United States of America issued by the Bureau of Public Debt and/or certain direct obligations of the United States of America purchased on the open market, in such amounts, maturing at such times and bearing such rates of interest as shall be necessary to pay when due all or a portion of the Prior Bonds as provided in an escrow agreement or escrow instruction delivered in connection with the refunding, and to take such other action he or she may deem necessary or appropriate to effectuate the purchase of such obligations.

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

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Bonds from the proceeds of the Bonds, including the cost of reimbursing the City of Calexico for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Bonds;

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

(c) The Successor Agency shall be entitled to receive its full "Administrative Cost Allowance" as defined and described under Section 34171(b) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

Section 5. Good Faith Estimates. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 6. Approval of Certain Financing Team Members. The Successor Agency hereby approves the appointment of (a) Norton Rose Fulbright US LLP, to provide Bond Counsel services in connection with the Bonds, (b) Nixon Peabody, LLP to provide Disclosure Counsel services in connection with the Bonds, (c) Kosmont Realty Corp., doing business as Kosmont Transactions Services, to provide services as Municipal Advisor and Redevelopment Fiscal Consultant in connection with the Bonds and (d) The Bank of New York Mellon Trust Company, N.A., as Trustee in connection with the Bonds.

Section 7. General Authorization. Each Authorized Representative and any other officer of the Successor Agency is hereby authorized to execute and deliver any and all agreements (including, but not limited to, investment agreements, bond insurance, reserve fund surety policies, escrow agreements, escrow instructions, or guaranteed investment agreements), documents, certificates and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution. Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED this 20th day of June 2018, by the following vote:

AYES:

NOES:

ABSENT:

Chair

Attest:

Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

2018A Bonds

The following information was obtained from Kosmont Transactions Services, as municipal advisor (the "Municipal Advisor") with respect to the Successor Agency to the Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area, Subordinate Tax Allocation Refunding Bonds, Issue of 2018A (the "2018A Bonds") approved in the attached Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the 2018A Bonds:

1. *True Interest Cost of the 2018A Bonds.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the 2018A Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2018A Bonds, is 3.3207%

2. *Finance Charge of the 2018A Bonds.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the 2018A Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2018A Bonds), is, as follows:

Payee Name	Purpose of Cost Item	Estimated Amount
Norton Rose Fulbright	Bond Counsel	\$41,520.19
Nixon Peabody	Disclosure Counsel	33,216.15
Best Best & Kreiger	Successor Agency Counsel	8,304.04
Kosmont Transactions Services	Municipal Advisor & Fiscal Consultant's Report	41,520.19
City of Calexico	SA Administrative Expense Reimbursement	24,912.11
Standard & Poor's Ratings Services	Credit Rating Fees	21,275.02
BNY Mellon	Trustee/Escrow Agent	4,152.02
TBD	Verification Agent	4,152.02
TBD	Printing	4,152.02
n/a	Misc./Contingency	\$29,137.35
TBD	Bond Insurance Premiums	\$178,767.47
Underwriter's Discount	Stifel, Nicolaus & Company, Inc.	87,400.00
Total		\$ 477,993.66

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the 2018A Bonds less the finance charge of the 2018A Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the 2018A Bonds, is \$9,723,176.84

4. *Total Payment Amount.* Assuming an aggregate principal amount of \$8,740,000 of the 2018A Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the 2018A Bonds plus the finance charge of the 2018A Bonds described in paragraph 2 above not paid with the proceeds of the 2018A Bonds, calculated to the final maturity of the 2018A Bonds, is \$12,945,750.00

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of 2018A Bonds sales, the amount of 2018A Bonds sold, the amortization of the 2018A Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of 2018A Bonds sold will be determined by the Successor Agency based on need for escrow funds and other factors. The actual interest rates at which the 2018A Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the 2018A Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Successor Agency's control. The Successor Agency has approved the issuance of the 2018A Bonds with a maximum true interest cost of 4.50%.

2018B Bonds

The following information was obtained from the Municipal Advisor with respect to the Successor Agency to the Community Redevelopment Agency of the City of Calexico Merged Central Business District and Residential Redevelopment Project Area, Subordinate Tax Allocation Refunding Bonds, Issue of 2018B (Federally Taxable) (the "2018B Bonds") approved in the attached Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the 2018B Bonds:

1. *True Interest Cost of the 2018B Bonds.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the 2018B Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2018B Bonds, is 4.6202%.

2. *Finance Charge of the 2018B Bonds.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the 2018B Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2018B Bonds), is as follows:

Payee Name	Purpose of Cost Item	Estimated Amount
Norton Rose Fulbright	Bond Counsel	\$8,479.81
Nixon Peabody	Disclosure Counsel	6,783.85
Best Best & Kreiger	Successor Agency Counsel Municipal Advisor & Fiscal Consultant's	1,695.96
Kosmont Transactions Services	Report	8,479.81
City of Calexico	SA Administrative Expense Reimbursement	5,087.89
Standard & Poor's Ratings Services	Credit Rating Fees	21,275.02
BNY Mellon	Trustee/Escrow Agent	847.98
TBD	Verification Agent	847.98
TBD	Printing	847.98
n/a	Misc./Contingency	2,356.61
TBD	Bond Insurance Premiums	36,510.27
Underwriter's Discount		17,850.00
Total		\$ 94,028.04

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the 2018B Bonds less the finance charge of the 2018B Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the 2018B Bonds, is \$1,690,971.96.

4. *Total Payment Amount.* Assuming an aggregate principal amount of \$1,785,000 of the 2018B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the 2018B Bonds plus the finance charge of the 2018B Bonds described in paragraph 2 above not paid

with the proceeds of the 2018B Bonds, calculated to the final maturity of the 2018B Bonds, is \$2,746,555.50

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of 2018B Bonds sales, the amount of 2018B Bonds sold, the amortization of the 2018B Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of 2018B Bonds sold will be determined by the Successor Agency based on need for escrow funds and other factors. The actual interest rates at which the 2018B Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the 2018B Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Successor Agency's control. The Successor Agency has approved the issuance of the 2018B Bonds with a maximum true interest cost of 5.75%.

Successor Agency to the Community Redevelopment Agency of the City of Calexico
2018 Tax Allocation Refunding Bonds
Preliminary Refunding Analysis

Refunding of 2000, 2006 and 2011 Tax Allocation Bonds

Bond Year Ending	Current Debt Service				Estimated Debt Service	Estimated Savings	Calexico General Fund Share @ 27.66%
	2000 TABs	2006 TABs	2011 TABs	Total	2018 TAB		
8/1/2019	68,537.50	661,340.00	516,200.00	1,246,077.50	537,256.00	708,821.50	196,060.03
8/1/2020	52,681.26	460,560.00	516,200.00	1,029,441.26	536,546.00	492,895.26	136,334.83
8/1/2021	51,337.50	458,360.00	516,200.00	1,025,897.50	535,773.50	490,124.00	135,568.30
8/1/2022	49,993.76	461,160.00	516,200.00	1,027,353.76	534,968.50	492,385.26	136,193.76
8/1/2023	48,650.00	458,760.00	516,200.00	1,023,610.00	534,128.50	489,481.50	135,390.58
8/1/2024	47,306.26	461,285.00	516,200.00	1,024,791.26	538,251.00	486,540.26	134,577.04
8/1/2025	410,962.50	1,433,603.76	516,200.00	2,360,766.26	1,832,168.00	528,598.26	146,210.28
8/1/2026		1,845,703.76	516,200.00	2,361,903.76	1,836,305.00	525,598.76	145,380.62
8/1/2027		1,849,035.00	516,200.00	2,365,235.00	1,836,912.00	528,323.00	146,134.14
8/1/2028		1,843,515.00	516,200.00	2,359,715.00	1,828,989.00	530,726.00	146,798.81
8/1/2029		1,845,475.00	716,200.00	2,561,675.00	1,832,835.50	728,839.50	201,597.01
8/1/2030		1,844,425.00	721,700.00	2,566,125.00	1,833,003.00	733,122.00	202,781.55
8/1/2031			2,565,750.00	2,565,750.00	494,095.50	2,071,654.50	573,019.63
8/1/2032			2,564,950.00	2,564,950.00	490,347.00	2,074,603.00	573,835.19
8/1/2033			2,563,275.00	2,563,275.00	490,727.00	2,072,548.00	573,266.78
	729,468.78	13,623,222.52	14,293,875.00	28,646,566.30	15,692,305.50	12,954,260.80	3,583,148.54