



Legislation Details (With Text)

File #: 21-002SA **Version:** 1 **Name:** 011921-SA-Bond Purchase Agreement
Type: SA-Resolution **Status:** Adopted
File created: 1/13/2021 **In control:** As the Successor Agency to the Redevelopment Agency of the City of Long Beach
On agenda: 1/19/2021 **Final action:** 1/19/2021
Title: Recommendation to adopt resolution approving the Preliminary Official Statement and the Bond Purchase Agreement in connection to the issuance of the Tax Allocation Refunding Bonds Series 2021 and approving related documents and actions. (Citywide)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 011921.sa.item2.pdf, 2. S.A. 01-2021.pdf

Date	Ver.	Action By	Action	Result
1/19/2021	1	As the Successor Agency to the Redevelopment Agency of the City of Long Beach	approve recommendation and adopt	Pass

Recommendation to adopt resolution approving the Preliminary Official Statement and the Bond Purchase Agreement in connection to the issuance of the Tax Allocation Refunding Bonds Series 2021 and approving related documents and actions. (Citywide)

On September 15, 2020, the Successor Agency to the Redevelopment Agency (Successor Agency) approved the issuance of the Tax Allocation Refunding Bonds Series 2021.

The City is requesting the Successor Agency’s approval of the Preliminary Official Statement and the Bond Purchase Agreement to market and sell the bonds. The Preliminary Official Statement is a marketing tool utilized to sell the bonds. It describes the organization, provides financial and statistical data, and summarizes the proposed financing. The Bond Purchase Agreement is a contract between the Successor Agency and the underwriters. The Bond Purchase Agreement will allow the underwriters to sell the bonds on behalf of the Successor Agency.

The Series 2021 Bonds were approved by the County of Los Angeles Oversight Board on October 20, 2020. The State Department of Finance approved the proposed refunding on December 17, 2020.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 15, 2020 and by Budget Analysis Officer Julissa José-Murray on December 16, 2020.

The Successor Agency’s approval is requested on January 19, 2021, as any delay may result

in a reduction or elimination of interest cost savings.

Under current market conditions, the City anticipates an annual debt service payment for the Series 2021 Bonds of approximately \$1.6 million, a reduction from the current annual payment for the Series 2010 Bonds of approximately \$2.0 million. (The \$2.0 million payment is an adjusted payment taking into account annual rebates provided by the federal government under its Recovery Zone Economic Development and Build America bond programs.) On average, the refunding will reduce the Successor Agency's debt service payment by approximately \$420,000 per year for the next 20 years, resulting in total debt service savings with a net present value of \$7.3 million. Additionally, refunding the Series 2010 Bonds will result in an increase of the "residual" property tax distribution to all affected taxing entities. The City's share of the additional residual property tax revenue is approximately 21 percent. As a result, notwithstanding declines in property valuations, the City would expect to receive additional property tax revenues of approximately \$77,000 annually, or \$1.53 million in total over the 20-year life of the Series 2021 Bonds.

Approve recommendation.

OSCAR W. ORCI
DIRECTOR OF DEVELOPMENT SERVICES

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER