

Successor Agency (SA) and Fullerton Public Financing Authority (FPFA)

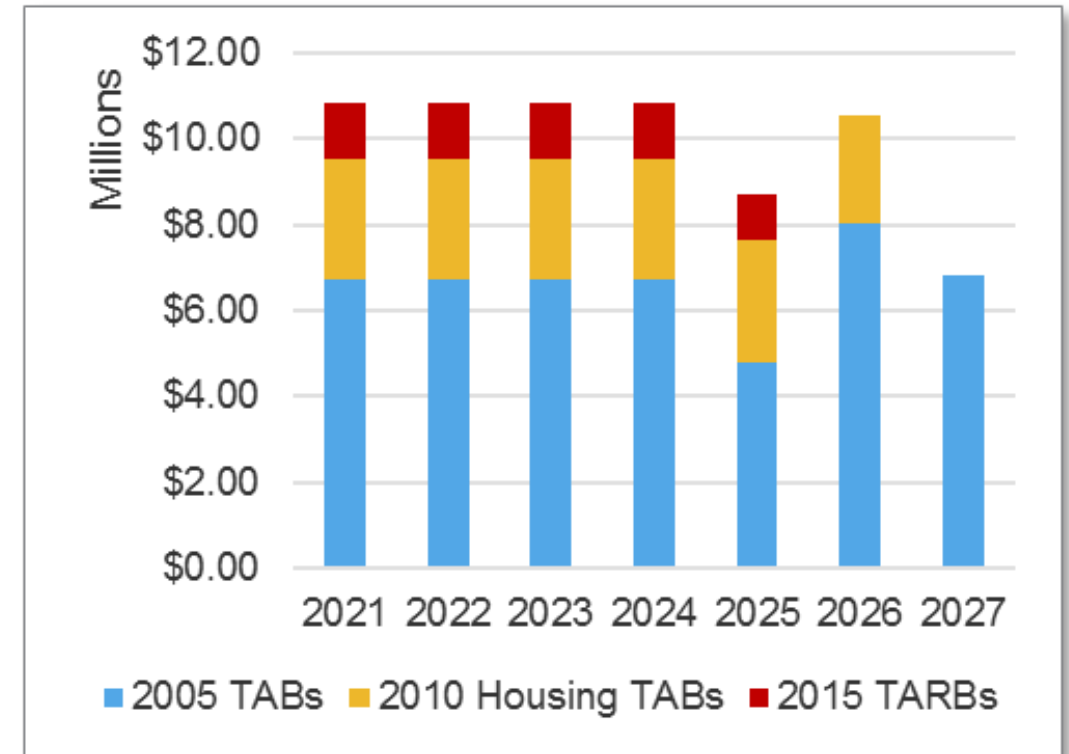
Proposed Merged Fullerton Redevelopment
Project Tax Allocation Refunding Bonds,
Series 2020 A (tax-exempt) & B (taxable)

City of Fullerton, CA | July 7, 2020



Successor Agency Existing Debt Obligations

- \$74,600,000 Fullerton Public Financing Authority, 2005 Tax Allocation Revenue Bonds (the “2005 TABs”)
- \$28,980,000 Fullerton Redevelopment Agency, 2010 Taxable Tax Allocation Housing Bonds (the “2010 Housing TABs”)
- \$11,975,000 Successor Agency, 2015 Tax Allocation Refunding Bonds (the “2015 TARBs”)





Legal Authority to Refund Successor Agency Debt

The Redevelopment Dissolution Act allows tax increment secured bonds to be refunded if the refunding bonds result in:

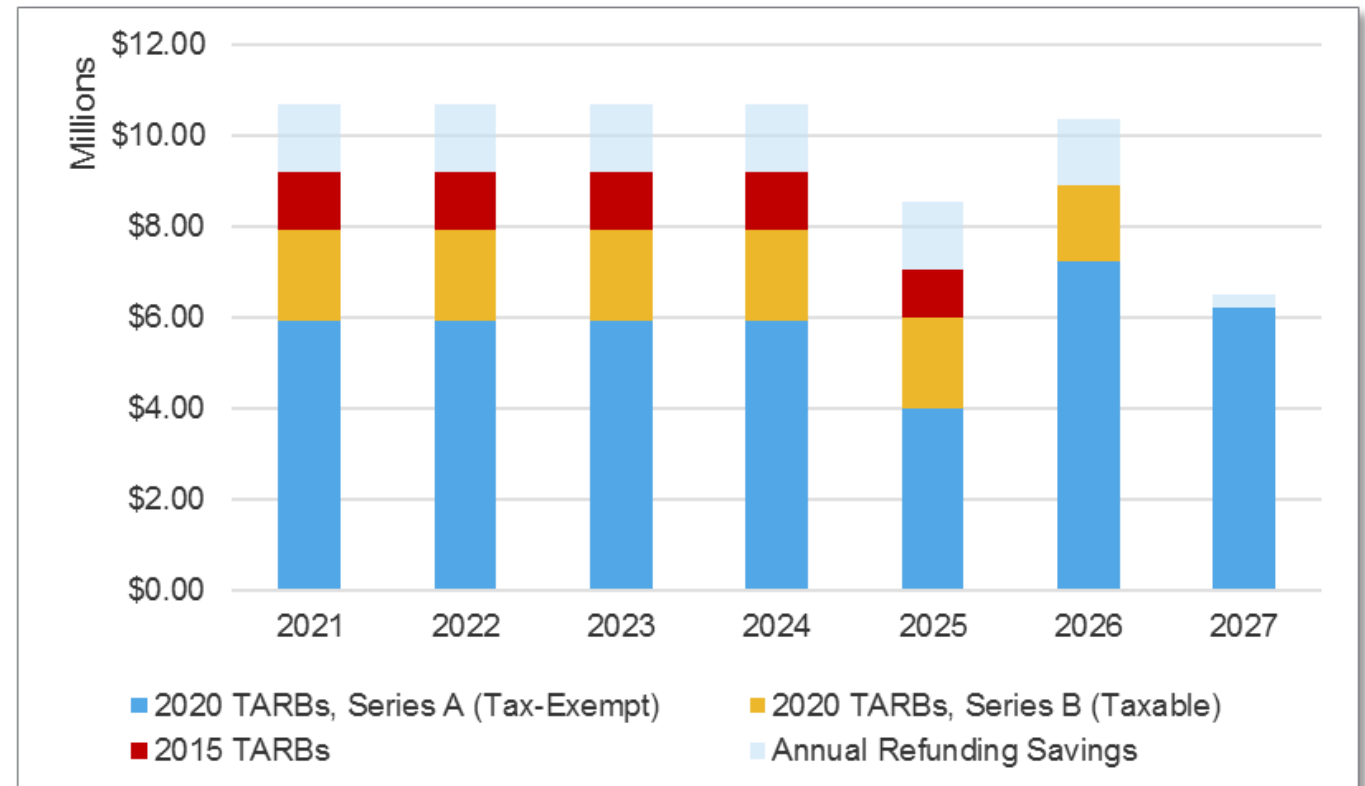
- Lower interest rates;
- Lower annual debt payments; and
- Savings that are passed on to the taxing entities, including the City.

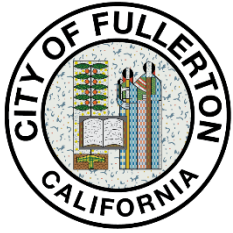


Recommended Refundings

Recommendation:

- Refund the 2005 TABs and 2010 Housing TABs on or after September 1, 2020 with SA tax allocation refunding bonds issued in two series (together, the “2020 TARBs”);
- 2020 TARBs Series A will refund the 2005 TABs Loans with tax-exempt bonds;
- 2020 TARBs Series B will refund the 2010 Housing TABs with taxable bonds; and
- 2020 TARBs secured by a pledge of the Merged Fullerton Redevelopment Project Area on parity with the 2015 TARBs.





Estimated Share of Savings Over Life of Indebtedness per Affected Taxing Entity

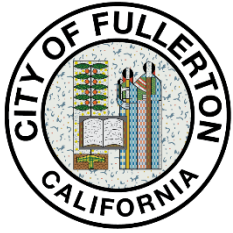
(Based on market conditions as of June 3, 2020 and subject to Department of Finance (DOF) approval before the week of August 10, 2020)

Affected Taxing Entity	% Share of Savings	Estimated Total Cash Flow Savings
CITY OF FULLERTON	15.78%	\$1,639,152
County of Orange	6.12%	\$635,905
O.C. Public Works (Flood Control Dist.)	1.96%	\$204,017
O.C. Parks	1.52%	\$157,700
O.C. Cemetery District	0.00%	\$351
O. C. Mosquito and Vector Control District	0.11%	\$11,543
O. C. Water District	0.79%	\$81,581
O.C. Transportation Authority	0.28%	\$28,952
O.C. Sanitation District	3.01%	\$312,726
Anaheim Elementary School District	0.01%	\$683
Buena Park School District	0.00%	\$0
Fullerton School District	23.53%	\$2,443,745
Anaheim Union High School District	0.00%	\$435
Fullerton Joint Union High School District	18.09%	\$1,879,076
Placentia-Yorba Linda Unified School District	4.89%	\$507,442
North Orange County Community College <u>Dist</u>	6.93%	\$720,023
O.C. Dept. of Education	1.45%	\$150,121
Metropolitan Water District of Southern Cal	0.00%	\$0
ERAF	15.52%	\$1,611,564
TOTAL	100.00%	\$10,385,016



Financing Team

ROLE	FIRM
Municipal Advisor	Urban Futures, Inc.
Bond Counsel	Stradling Yocca Carlson & Rauth
Disclosure Counsel	Jones Hall
Underwriter	Stifel, Nicolaus & Company, Inc.
Underwriter's Counsel	Kutak Rock
Fiscal Consultant	Urban Futures, Inc.
Trustee/Dissemination Agent	U.S. Bank
Trustee's Counsel	Dorsey & Whitney LLP
Verification Agent	Causey Demgen & Moore P.C.
Continuing Disclosure Consultant	HdL Coren & Cone



Successor Agency and Fullerton Public Financing Authority Actions

- Authorize issuance of TARBs, Series A & B;
- Approve Financing Team; and
- Approve Financing Documents

SA Financing Documents:

- First Supplemental Indenture of Trust
- Escrow Agreement
- Bond Purchase Agreement
- Preliminary Official Statement
- Continuing Disclosure Certificate

FPFA Financing Document:

- Escrow Agreement



Next Steps / Financing Schedule*

Steps Before Requesting Department of Finance Approval:

- July 7: Successor Agency approval
- July 21: County Oversight Board Meeting
- Department of Finance (DOF) (65-Day Review Period)

* Dependent on DOF timely approval:

- DOF has up to 65 days to review and approve the SA's proposed refunding request.
- If DOF approves the request on or before the week of August 10, 2020, financing can close before the next interest payment date, September 1, 2020.

Steps After Receiving Department of Finance Approval:

- Credit Rating and Bond Insurance
- Post Preliminary Official Statement
- Price Bonds (Bond Purchase Agreement Signed)
- Bond Issuance/Closing
- Redeem 2005 TABs and 2010 TABs



Recommendations

Adopt the following resolutions:

- SA RESOLUTION NO. 2020-XX – A Resolution of the Fullerton Successor Agency of the City of Fullerton, California, authorizing the issuance and sale of 2020 Tax Allocation Refunding Bonds and approving the form of a of a First Supplemental Indenture of Trust, an Escrow Agreement (2005 and 2010 Bonds), a Bond Purchase Agreement, a Continuing Disclosure Certificate and a Preliminary Official Statement and authorizing certain other actions in connection therewith
- FPFA RESOLUTION 2020-XX – A Resolution of the City of Fullerton Public Financing Authority approving the execution of an Escrow Agreement in connection with the issuance and sale of Tax Allocation Refunding Bonds and authorizing certain other actions in connection therewith



Successor Agency and Fullerton Public Financing Authority Questions?

