



**SUMMARIZED MINUTES OF THE
PUBLIC FINANCING ADVISORY COMMITTEE
Thursday, January 9, 2014 at 1:30 P.M.
Hall of Administration
Planning Commission Room**

Committee Members: Chairman, Thomas Hammond; Committee Member Lisa Hughes; Committee Member Carl Groner; Committee Member Wallace Rodecker; Committee Member, John J. Moohr; Shari Freidenrich Treasurer-Tax Collector; Frank Kim, Chief Financial Officer; Jan Grimes, Auditor-Controller

County Representatives Present: Angie Daftary, County Counsel; CEO/Public Finance: Suzanne Luster, Public Finance Manager; Laurie Sachar, Louis McClure, Richard Mendoza, Anil Kukreja

1. **Call to Order:** The meeting was called to order at 1:30 P.M by Chairman, Thomas Hammond.

2. **Approval of the Minutes of December 12, 2013:** Chairman Hammond asked for a an update of the South Orange County Public Financing Authority Special Tax Revenue Bonds, Series A and B. Ms. Luster, Public Finance Manager, reported that the financing is scheduled to be priced on the week of January 20th and close on January 29, 2014. Committee member Moohr asked if the bonds have the new credit rating attached to them. Ms. Luster, reported that the new credit rating is not included. Ms. Luster, added that preliminary data indicates that there is considerable interest in the bonds by investors. Committee member Freidenrich asked for a clarification of the minutes to reflect that she left the December 12th meeting prior to the vote for approval of the refunding bonds. Committee member Friedenrich also commented on the recommendation by the County CFO, Mr. Frank Kim, regarding notification to tax payers about the forthcoming changes to their taxes as a result of the refunding. She mentioned that her staff will make the recommended notification on their web site. Committee member Hughes asked for a correction to the minutes to reflect "appearance" as opposed to "impression" on the last line of the minutes for item #4 (Approval of issuance of short-term Taxable Pension Obligation Bonds to prepay the County's Fiscal Year 2014-15 pension obligation) that reads "Committee member Hughes added that although she had very high regard for the Treasurer, she was concerned with the impression of impropriety".

Chairman Hammond asked for a motion to approve the minutes of the December 12, 2013 meeting. Committee member Friedenrich moved to approve, Committee member Moohr seconded. The minutes were approved with one abstention from Committee member Wallace Rodecker who was not present at the December 12, 2013 meeting.

3. Election of Public Financing Advisory Committee Chair and Vice Chair.

Chairman Hammond nominated Committee member Lisa Hughes as Chair and Committee member Carl Groner as Vice Chair. Chairman Hammond made the motion, Committee Member Rodecker seconded. The selection of the Chair and Vice Chair for the 2014 calendar year was approved unanimously. Chairman Hammond asked the new Chair Mrs. Hughes to preside over the remaining items on the PFAC agenda.

4. Approval of Issuance of Special Tax Refunding Bonds, CFD 2004-1, Ladera Ranch.

PFAC Chair Hughes asked for a presentation from staff regarding the proposed approval of the issuance of Special Tax Refunding Bonds, CFD 2004-1, Ladera Ranch. Ms. Luster, Public Finance Manager, provided a background of the proposed transaction (including the prior approval in concept by the PFAC and the Board), a summary of the refunding, the proposed amount (not to exceed \$73 million) and a status on the project. Several questions ensued regarding whether additional projects will be added to the refunding amount and if the maturity date will be extended. Ms. Luster explained that no new projects will be added; the purpose of the refunding is exclusively to reduce interest rates on the outstanding bonds and reduce the tax burden on homeowners of CFD 2004-1, Ladera Ranch. Additionally, the maturity date will remain the same.

PFAC Chair Hughes asked for a motion to approve the issuance of Special Tax Refunding Bonds, CFD 2004-1, Ladera Ranch. Committee member Hammond moved the motion, Committee member Moohr seconded, the motion was approved unanimously.

5. Approval in Concept of the Refunding of the Orange County Development Agency (OCDA) Tax Allocation Bonds (TABs), Neighborhood Development and Preservation Project (NDAPP), by the County, and selection of Financing Team.

Mr. McClure, Public Finance, provided a summary of the history of the original bonds, the principal outstanding amount (about \$15.3 million), the legal authority for and restrictions to refundings of prior redevelopment debt pursuant to AB 1484, and the estimated net present value savings from the proposed refunding. Mr. McClure explained that on December 19, 2013, the Orange County Development Agency (OCDA) Successor Agency Oversight Board (appointed by the Orange County Board of Supervisors) directed staff to proceed with the refunding of the OCDA Neighborhood Development and Preservation Project (NDAPP) Bonds. Mr. McClure identified the recommended financing team of KNN Public Finance (KNN) as Financial Advisor, Stradling Yocca Carlson & Rauth (Stradling) as Bond and Disclosure Counsel, and E.J. De La Rosa & Company (DLR) as Underwriters. Mr. McClure explained that KNN and Stradling were selected via Requests for Proposals. Mr. McClure added that DLR was recommended because of their considerable knowledge of Development Agency (TABs) refundings (DLR completed the first

substantial size TABs refunding in an amount of \$100 million for the city of Oakland), and their experience in serving as underwriter for the Orange County Santa Ana Heights Development Agency bonds which successfully closed in December 2013.

Committee member Hammond asked that upon return to PFAC for the final approval of the financing, staff provide the Committee with a list of the projects and costs (associated with those projects) that were funded by the original NDAPP bonds. Mr. Jeff Kirkpatrick, OC Community Resources Manager, stated that his staff would provide the requested list. Committee member Freidenrich thanked staff for negotiating reduced fees from the financing team and asked if the new Infrastructure Development Areas (the new Redevelopment Areas) would affect the proposed refunding in any way? Mr. Brian Forbath (of Stradling Yocca Carlson and Rauth) confirmed that the new Infrastructure Development Areas would not impact the proposed refunding. Mr. Hammond asked if any Orange County redevelopment surplus funds were swept by the State. Ms. Luster, confirmed that about \$75 million of combined Santa Heights (SAH) and Neighborhood Development and Preservation Project (NDAPP) funds were remitted to the State. PFAC Chair Hughes asked staff to provide the amounts of the \$75 million attributed to SAH and NDAPP projects at the next meeting.

PFAC Chair Hughes asked for a motion to approve in concept the refunding of the Orange County Development Agency (OCDA) Tax Allocation Bonds (TABs), Neighborhood Development and Preservation Project (NDAPP), by the County, and selection of the Financing Team. Committee member Freidenrich moved the action, Committee member Hammond seconded, the motion was approved unanimously.

6. Adjournment: The meeting was adjourned at 2:36 p.m.