

RESOLUTION NO. 2015-3

**RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE SOUTH TAHOE
REDEVELOPMENT AGENCY APPROVING THE
SUCCESSOR AGENCY'S ISSUANCE OF TAX ALLOCATION
NOTES AND TRANSIENT OCCUPANCY TAX NOTES TO
REFUND OUTSTANDING INDEBTEDNESS OF THE
SUCCESSOR AGENCY AND TAKING RELATED ACTIONS**

WHEREAS, the South Tahoe Redevelopment Agency (the "Former Agency") was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law (the "Redevelopment Law") set forth in Section 33000 et seq. of the Health and Safety Code ("HSC") of the State of California (the "State"); and

WHEREAS, the Former Agency undertook a program to redevelop a project area known as the South Tahoe Redevelopment Project No. 1 (the "Project Area"); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012; the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency"), as the successor to the Former Agency, was constituted; and an Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, the City of South Lake Tahoe (the "City") and the Former Agency executed and delivered a joint exercise of powers agreement, dated January 3, 1989 (the "Joint Powers Agreement"), by and between the City and the Former Agency, which Joint Powers Agreement created and established the South Tahoe Joint Powers Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Local Bond Pooling Act") and the Joint Powers Agreement, the Authority is authorized to issue bonds from time to time for the financing and refinancing costs of certain public capital improvements; and

WHEREAS, to assist with the financing and refinancing of redevelopment projects benefiting the Project Area, the Authority has previously issued bonds, including the following currently outstanding bonds (the "Authority Bonds"):

(i) Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2005 Series A (the "Authority 2005A Bonds"),

(ii) Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2007 Series A; and

(iii) Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2014 Series A (the "Authority 2014A Bonds"); and

WHEREAS, the Authority Bonds were issued pursuant to the Trust Agreement, dated as of November 1, 1995 (the "Master Trust Agreement"), as supplemented and amended by the six supplemental trust agreements, each by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee") (the Master Trust Agreement, as supplemented and amended, being referred to herein as the "Trust Agreement"); and

WHEREAS, the Authority 2014A Bonds were issued in connection with the refunding of prior bonds issued under the Trust Agreement and the corresponding refunding of prior loans incurred under the Loan Agreements (defined below); and

WHEREAS, in order to secure the repayment of the Authority Bonds, the Former Agency and, after the Former Agency's dissolution, the Successor Agency in connection with Authority 2014A Bonds, did the following:

(i) incurred loans (the "TA Loans") and pledged tax increment revenues derived from the Project Area pursuant to the Master Tax Allocation Loan Agreement, dated as of November 1, 1995 (the "Master TA Loan Agreement"), as supplemented and amended by six supplemental loan agreements (the Master TA Loan Agreement, as supplemented and amended, being referred to herein as the "TA Loan Agreement"), and

(ii) incurred loans (the "TOT Loans") and pledged certain transient occupancy tax revenues levied within the Project Area pursuant to the Master Transient Occupancy Tax Loan Agreement (the "Master TOT Loan Agreement"), dated as of November 1, 1995, as supplemented and amended by six supplemental loan agreements (the Master TOT Loan Agreement, as supplemented and amended, being referred to herein as the "TOT Loan Agreement"; and collectively, the TA Loan Agreement and the TOT Loan Agreement, being referred to herein as the "Loan Agreements"); and

WHEREAS, the TA Loans are evidenced by tax allocation notes (the "TA Notes") issued by the Former Agency (except for the TOT Note relating to the Authority 2014A Bonds, which was issued by the Successor Agency) pursuant to the TA Loan Agreement; and

WHEREAS, the TOT Loans are evidenced by transient occupancy tax notes (the "TOT Notes") issued by the Former Agency (except for the TOT Note relating to the Authority 2014A Bonds, which was issued by the Successor Agency) pursuant to the TOT Loan Agreement; and

WHEREAS, pursuant to HSC Section 34177.5(a), the Successor Agency is authorized to incur debt (the "Refunding Debt") to refund outstanding debt (the "Refunded Debt"), to provide savings to the Successor Agency, provided that:

(i) the total interest cost to maturity on the Refunding Debt plus the principal amount of the Refunding Debt shall not exceed the total remaining interest cost to maturity on the Refunded Debt, plus the remaining principal of the Refunded Debt to be refunded, and

(ii) the principal amount of the Refunding Debt shall not exceed the amount required to defease the Refunded Debt, to establish customary debt service reserves and pay related costs of issuance; and

WHEREAS, the Successor Agency desires to refund the outstanding TA Note and TOT Note relating to the Authority 2005 Bonds (such refunding transaction being referred to herein as the "Refunding"); and

WHEREAS, in conjunction with the Refunding, the Authority will issue refunding bonds (the "Authority Refunding Bonds") under the Trust Agreement, as supplemented and amended by a supplement to the Trust Agreement (the "Supplemental Trust Agreement"); and

WHEREAS, proceeds from the sale of the Authority Refunding Bonds will be used to: (i) provide funds for the defeasance of all or a portion of the remaining outstanding Authority 2005A Bonds and the concurrent defeasance of the corresponding TA Note and TOT Note, and (ii) pay related costs of issuance; and

WHEREAS, as part of the Refunding, the Successor Agency will issue: (i) one or more additional notes (the "Refunding TA Notes") under the TA Loan Agreement, as supplemented and amended by a supplement to the TA Loan Agreement (the "Supplemental TA Loan Agreement"), and (ii) one or more additional notes (the "Refunding TOT Notes") under the TOT Loan Agreement, as supplemented and amended by a supplement to the TOT Loan Agreement (the "Supplemental TOT Loan Agreement"); and

WHEREAS, the Refunding TA Notes will be issued pursuant to, and will be secured by a pledge of property tax revenues as provided in, the TA Loan Agreement, as supplemented and amended by the Supplemental TA Loan Agreement; and

WHEREAS, the Refunding TOT Notes will be issued pursuant to, and will be secured by a pledge of transient occupancy tax revenues as provided in, the TOT Loan Agreement, as supplemented and amended by the Supplemental TOT Loan Agreement; and

WHEREAS, the Refunding TA Notes and the Refunding TOT Notes will be issued under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law"); and

WHEREAS, the Board of Directors of the Successor Agency, has adopted its Resolution No. 2015-3 on May 5, 2015 (the "Successor Agency Resolution"), and thereby: (i) approved the Successor Agency's issuance of the Refunding TA Notes and Refunding TOT Notes, each in an aggregate principal amount not exceeding \$35,000,000; and (ii) authorized the Successor Agency's execution and delivery of the Supplemental TA Loan Agreement and the Supplemental TOT Loan Agreement, each substantially in the form attached to the Successor Agency Resolution; and

WHEREAS, the Oversight Board has received a copy of the Successor Agency Resolution; and

WHEREAS, there has been presented to the Oversight Board an analysis of the potential debt service savings that will accrue as a result of issuance of the Refunding; and

WHEREAS, pursuant to HSC Sections 34177.5(f) and 34180, the issuance of the Refunding TA Notes and the issuance of the Refunding TOT Notes are subject to the Oversight Board's prior approval; and

WHEREAS, the Oversight Board desires to adopt this Resolution to approve the issuance of the Refunding TA Notes and the Refunding TOT Notes;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Successor Agency Resolution, and the issuance of the Refunding TA Notes and the Refunding TOT Notes, each in the aggregate principal amount not exceeding \$35,000,000, pursuant to the provisions of HSC Section 34177.5. The Oversight Board hereby approves the pledge of the property tax revenues to secure the Refunding TA Notes pursuant to the terms of the TA Loan Agreement, as supplemented by the Supplemental TA

Resolution of the Oversight Board to the South Tahoe Redevelopment Successor Agency
Successor Agency Issuance of Refunding Debt
May 15, 2015

Loan Agreement. The Oversight Board hereby approves the pledge of the transient occupancy tax revenues to secure the Refunding TOT Notes pursuant to the terms of the TOT Loan Agreement, as supplemented by the Supplemental TOT Loan Agreement.

Section 3. The Oversight Board approves the Successor Agency's execution and delivery of the Supplemental TA Loan Agreement and the Supplemental TOT Loan Agreement, in connection with the Refunding.

Section 4. The members of this Oversight Board and the officers and other staff members of the Successor Agency are hereby authorized, jointly and severally, to do all things, including but not limited to the execution and delivery of any escrow agreement, or other ancillary agreements or instruments in furtherance of the Refunding, which they may deem necessary or proper to effectuate the purposes of this Resolution.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on May 15, 2015, by the following vote:

AYES: Board members COLE, KERRY, MURILLO & VOGELGESANG

NOES: Board members _____

ABSTAIN: Board members _____

ABSENT: Board members MEYERS & NOVASEL

ATTEST:

Ellen Palampo
Secretary

David Cole
Chair