



**AGENDA  
SPECIAL MEETING  
JOINT CHOWCHILLA CITY COUNCIL /  
★ REDEVELOPMENT SUCCESSOR AGENCY /  
PLANNING COMMISSION**

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**August 9, 2016**

Items denoted with a ★ are Redevelopment Successor Agency items and will be acted upon by the Redevelopment Successor Agency Board. Agendas for all City Council/Redevelopment Successor Agency meetings are posted at least 72 hours prior to the meeting at the Civic Center, 130 S. Second St., Written communications from the public for the agenda must be received by Administrative Services no less than 7 days prior to the meeting date.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter. In addition, most documents will be posted on the city website at [www.ci.Chowchilla.CA.US](http://www.ci.Chowchilla.CA.US).

The City of Chowchilla complies with the Americans with Disabilities Act (ADA of 1990). The Council Chambers is accessible to the physically disabled. If you need special assistance, please call (559) 665-8615, ext. 112 at least 4 days prior to the meeting.

**CALL TO ORDER**

**ROLL CALL:**

Mayor: Waseem Ahmed

Mayor Pro Tem: Mary Gaumnitz

Council: John Chavez, Dennis Haworth, Richard Walker

City staff and contract employees present at the meeting will be noted in the minutes

**OPEN SESSION – 6:00 PM**

**PLEDGE OF ALLEGIANCE:**

**INVOCATION:**

**CEREMONIAL / PRESENTATIONS – Section 1**

- 1.1 Presentation: Donation of a K9
- 1.2 Recognition: A) Robert Acree  
B) John Scurfield

**PUBLIC ADDRESS**

This time is reserved for members of the audience to address the City Council/Agency Board on items of interest that are **not** on the Agenda and that are within the subject matter jurisdiction of the Council/Agency Board.

It is recommended that speakers limit their comments to **no more than 3 minutes** each and it is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Council/Agency Board on items on the Agenda should notify the Mayor/Chairman when that Agenda item is called.

The Council/Agency Board is prohibited by law from taking any action on matters discussed that are not on the Agenda. No adverse conclusions should be drawn if the Council/Agency Board does not respond to public comment at this time.

Speakers are asked to please **use the microphone and provide their name for the record**. Prior to addressing the Council/Agency Board, any handouts are to be provided to City Clerk/Board Clerk who will distribute them to the Council/Agency Board and the appropriate staff.

## **Convene to the Joint Session Workshop with the Planning Commission**

### **WORKSHOPS**

- Joint Session with the Planning Commission: Downtown Guideline Review

## **Reconvene to the City Council Meeting**

### **COUNCIL AND STAFF REPORTS – Section 2**

#### **2.1 COUNCIL REPORTS**

Legislative Items  
Oral / Written Reports

#### **2.2 STAFF REPORTS**

Written/Oral Reports

### **CONSENT CALENDAR – Section 3**

All items listed under Consent Calendar are considered to be routine and will be enacted by one motion. For discussion of any Consent Item, it will be made a part of the Regular Agenda at the request of any member of the City Council or any person in the audience.

- 3.1 Approval of July 26, 2016 City Council Meeting Minutes (McClendon)**
- 3.2 Approval of August 3, 2016 Special City Council Meeting Minutes (McClendon)**
- 3.3 Approval of General Payments for the Month of July 2016 (Pruett)**

### **PUBLIC HEARINGS – Section 4**

### **DEFERRED BUSINESS – Section 5**

### **NEW BUSINESS – Section 6**

- 6.1 Council Resolution # -16, Consideration of a Request from the Cub and Girl Scouts to Paint Street Curb Property Addresses and Color Stripes Showing Support for Emergency Services Personnel (Piepenbrok)**



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# The Importance of Design Guidelines

A Presentation to the City of Chowchilla  
City Council and Planning Commission  
Joint Study Session

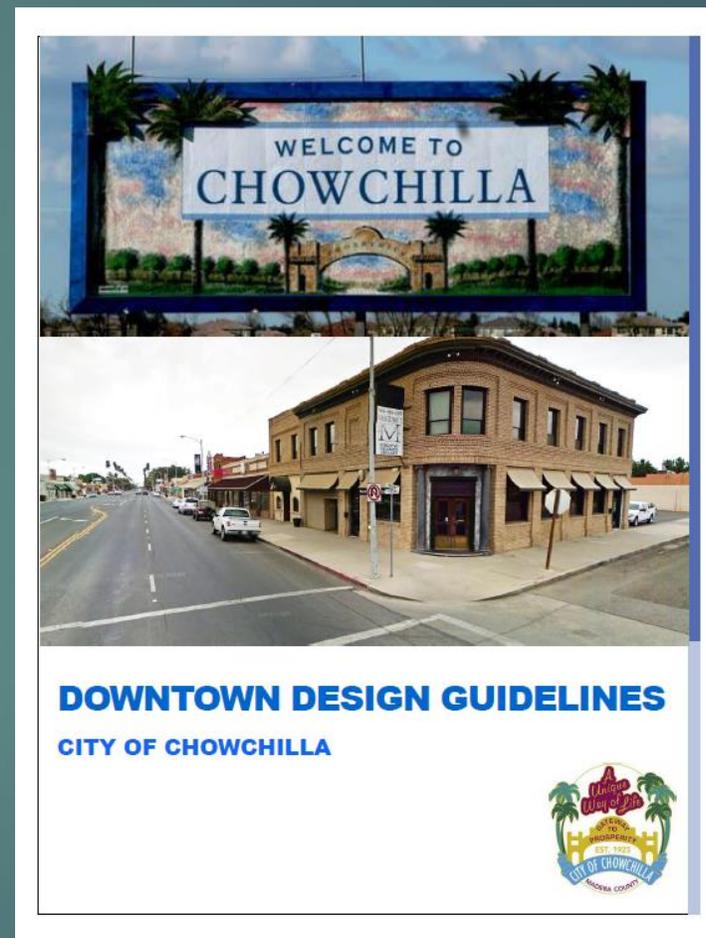
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August 9, 2016

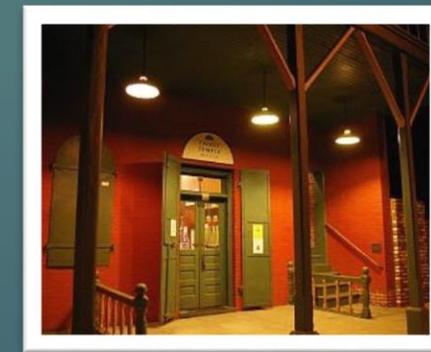
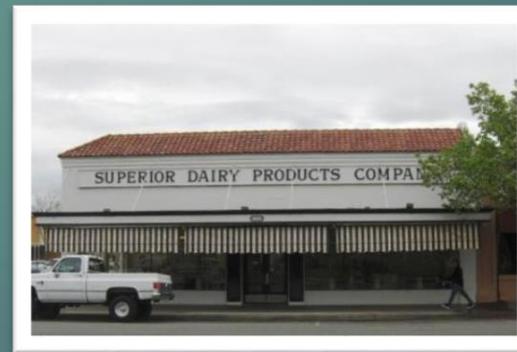
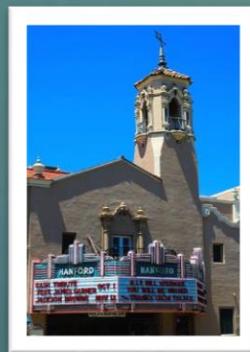
## Why are the downtown guidelines important?

- ▶ They are a product of the **citizens** of Chowchilla and have a “broad base support”
- ▶ They provide a common “**framework** for all new development and redevelopment projects”
- ▶ They “serve the **best interests** of the community”
- ▶ They “create **positive impacts** on the downtown core”
  - ▶ Refreshing and inviting atmosphere
  - ▶ Sense of history
  - ▶ Enhances community pride
  - ▶ Sense of beauty and comfort
  - ▶ **Sense of place**



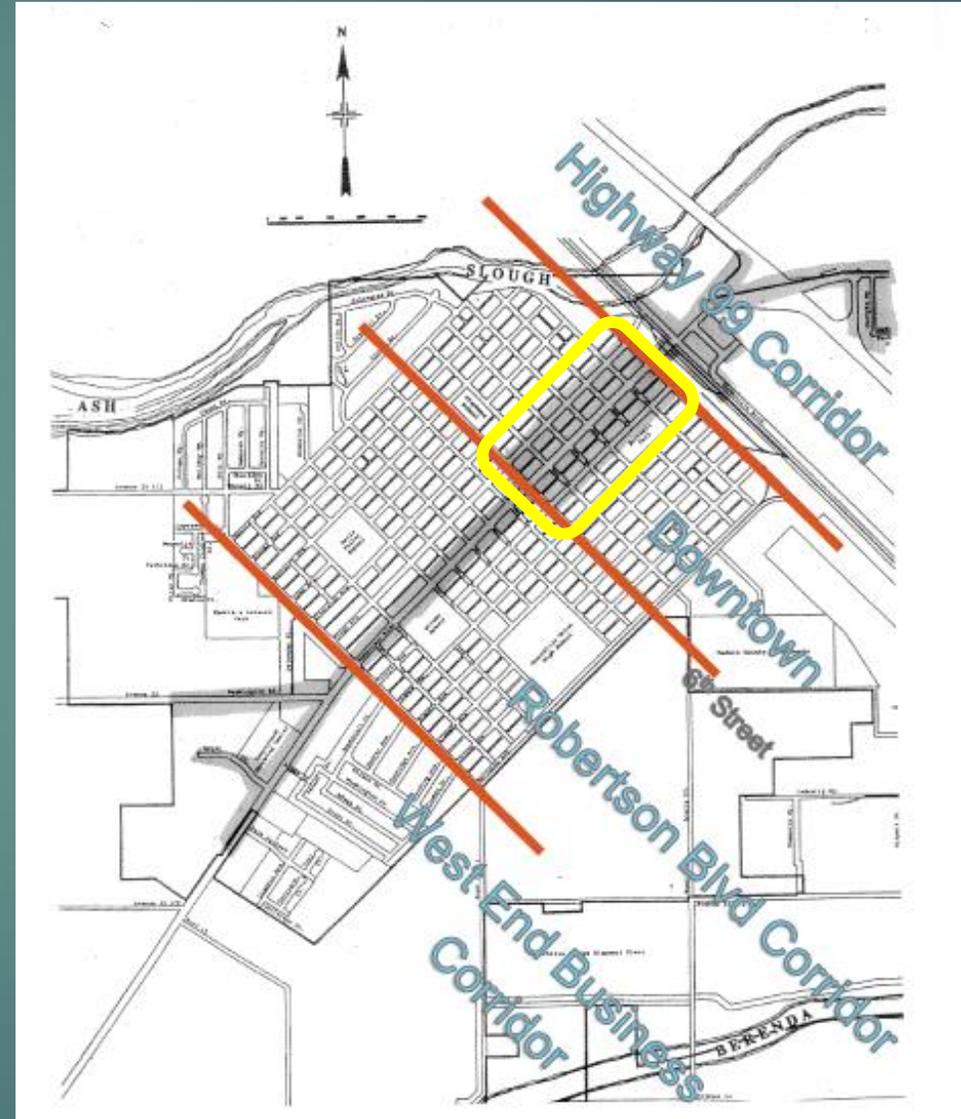
# Sense of Place

***A 'sense of place' is the relationship of people to the characteristics of a place that make it special or unique and the sense of human attachment and belonging to that place.***



# Where is the downtown core?

- ▶ North-South: Front Street to 6<sup>th</sup> Street
- ▶ West-East: Kings Ave to Trinity Ave



# Some of the key components of the Chowchilla Downtown Design Guidelines

- ▶ **Setbacks.** The distance from the street or front property line to the front of the building shall be **compatible with existing buildings along the street**. The intent is not that all buildings must have the same setback rather that **no single building should protrude or recede** so far beyond its neighbors as to appear out of place.
- ▶ **Architecture.** Reasonable effort shall be made to enhance the distinguishing original qualities or character of a building, structure or site.
- ▶ **Outdoor spaces.** Commercial areas shall provide public spaces.

# Some of the key components of the Chowchilla Downtown Design Guidelines

- ▶ **Pedestrian walkways.** Avoid conflict with vehicular routes and driveways shall be kept to a minimum.
- ▶ **Parking.** Parking areas shall be screened.
- ▶ **Landscaping.** Landscaping shall be used to soften structures and parking and shall be used to cool pedestrian environments.

# What are the benefits of Downtown Design Guidelines?

- ▶ Robertson Boulevard should be a **walkable Main Street** and not a strip mall throughway
- ▶ Downtown Chowchilla should be a **destination** and not a pass-through
- ▶ New business owners seeking a location are more likely to open a business where everyone **“plays by the same rules”**
- ▶ Shoppers and restaurant-goers, as well as downtown office workers, tend to linger downtown when the street façade offers a **“window shopping experience”** and not a “parking lot experience”
- ▶ **Investing in downtown** is critical to Chowchilla’s economy
- ▶ More businesses mean **more jobs**
- ▶ **“Branding”** is important to the City’s image. Follow the **successful examples** of similar communities such as Lodi, Auburn, Turlock, and Clovis

# Downtown Examples

## A Caltrans Street - Auburn Main Street



# Downtown Examples

## Lodi



# Downtown Examples

## Lodi



# Downtown Examples

## Visalia



# Downtown Examples Hanford



# Downtown Examples Turlock



# Downtown Examples

## Clovis



# Downtown Examples

## Clovis



# Downtown Examples Livermore



What makes **Chowchilla's downtown** unique?

Chowchilla



# What makes **Chowchilla's downtown** a special place?

## Chowchilla

- Storefronts face the sidewalk
- Parking lots behind the shops
- Awnings and canopies for shade
- Architectural character
- Street walls form places for events and public spaces



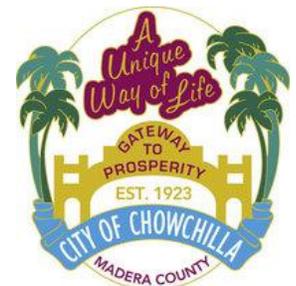


Thanks for your interest. Any questions or comments?



# **DOWNTOWN DESIGN GUIDELINES**

## **CITY OF CHOWCHILLA**



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# DOWNTOWN DESIGN GUIDELINES

## CITY OF CHOWCHILLA



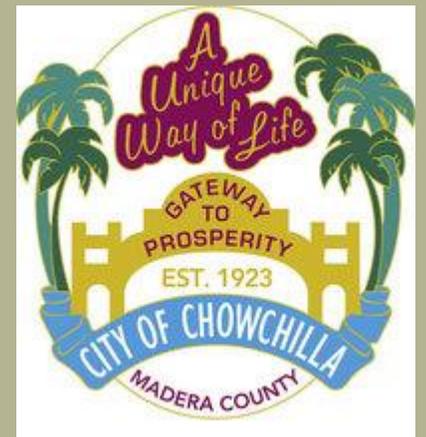
ADOPTED BY MINUTE ORDER ON SEPTEMBER 25, 2000

BY THE CHOWCHILLA CITY COUNCIL

AND CHOWCHILLA REDEVELOPMENT AGENCY

## ACKNOWLEDGEMENTS

The City of Chowchilla and the Chowchilla Redevelopment Agency are privileged to have a broad base support in this action plan effort to revitalize the commercial corridor of Chowchilla. Citizen participation from community members who served on the Redevelopment Committee and other who supported the efforts are greatly appreciated! The City of Chowchilla, through the efforts of community members, have enabled elected officials and City staff to prepare a plan that will serve and reflect the best interests of the community. The development standards contained in this manual will insure that the best interests of the City will be served through quality design.



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Architecture  
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Street Furniture  
Signs

## **CHAPTER 3: DESIGN AREAS**

Highway 99 Corridor  
Downtown  
Robertson Boulevard Corridor  
West End Business Corridor

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# **CHAPTER 1:**

# **INTRODUCTION**

# PURPOSE

The City of Chowchilla Redevelopment Design Manual has been prepared for the purpose of implementing design standards and guideline within the redevelopment of Downtown Core project area as shown on Figure 1. These standards and guidelines are applicable to all new development and redevelopment projects requiring a building permit, sign permit, and encroachment permit, or discretionary land use/zoning approvals. It is encouraged that this manual be utilized as guidelines when making improvements not requiring a permit.

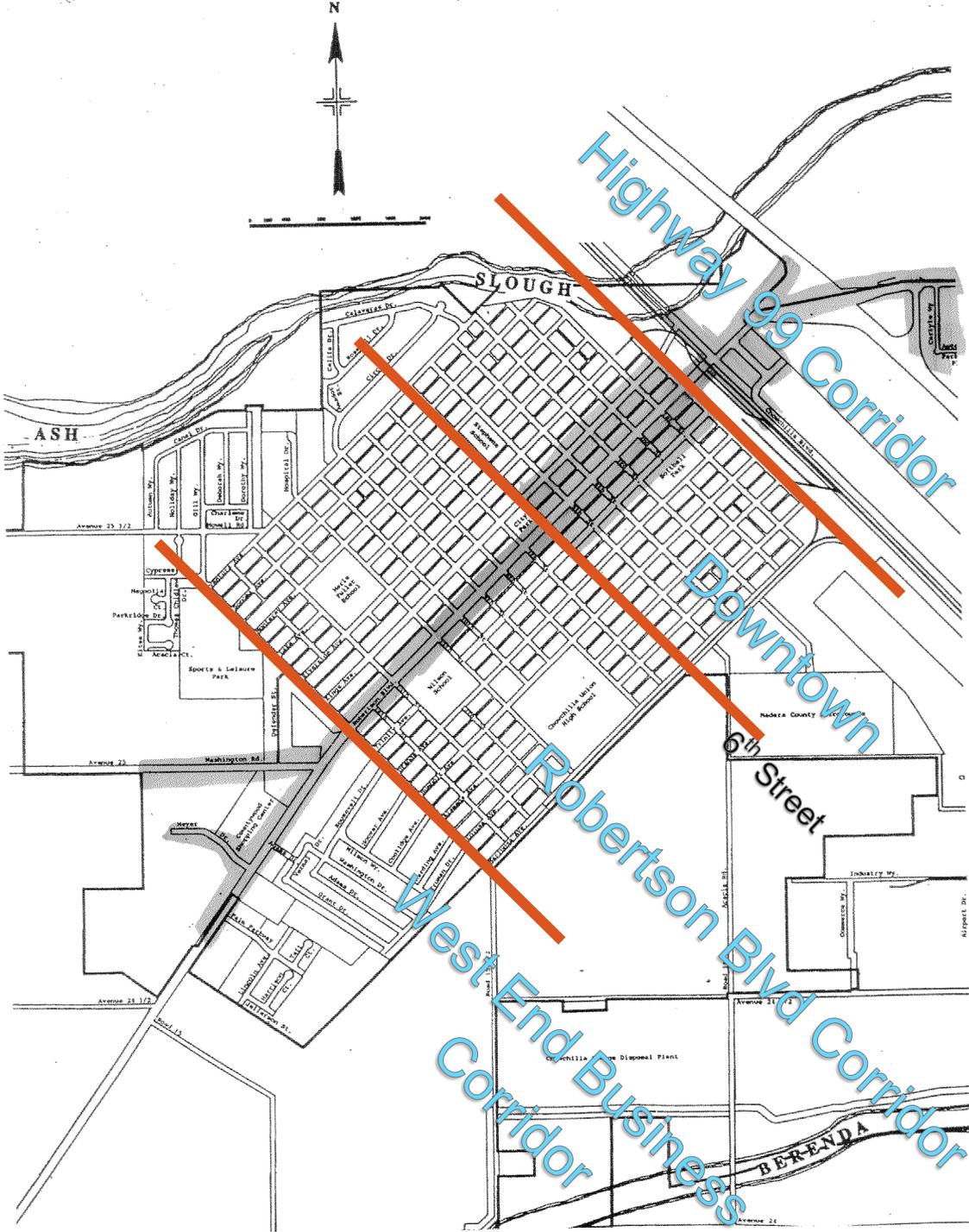
The design standards and guidelines contained in the manual provide a framework within which to design and assess the compatibility of public and private projects with their physical setting.

It is the intent of the design standards and guidelines to create positive impacts on the physical appearance and function within the Chowchilla Redevelopment Area of Downtown Core. These impacts are briefly summarized as follows:

- A refreshing and inviting atmosphere in which people conduct business, shopping, strolling, and entertainment;
- A sense of identifiable place;
- A sense of history;
- Enhancement of community pride; &
- A sense of beauty and comfort.



# PROJECT MAP



## DESIGN THEME

The architecture in the Redevelopment Area cannot be classified as originating from one period of time, but is characteristic of construction in California Valley towns during the turn of the century to the 1960's. The architecture is a blend of styles brought in the minds of Chowchilla's new residents, a reflection of buildings they had once known.

## DESIGN AREAS

Recognizing the need to enhance the historic and cultural value of Chowchilla's existing buildings and acknowledging the unique architectural styles clustered within the Redevelopment Area, the following Design Areas were established:

- **Highway 99 Corridor**
- **Downtown**
- **Robertson Boulevard Corridor**
- **West End Business Corridor**

Each design area has a unique and individual style and sense of place, which is to be enhanced and maintained. Chapter 3 of this manual establishes specific design criteria for each design area.

# REVIEW AND APPROVAL PROCESS

Before starting any project within the redevelopment area it is encouraged that you first review this design manual and meet with the City Planning Department to discuss your intended project proposal and conceptual ideas. A preliminary project and design conference is encouraged prior to the formal submittal of applications and plans. A table outlining the review process for projects within the redevelopment area follows this page. The pre-application conference will usually cover the following topics:

**The Parcel:** Its size, location and accessibility; land use and existing development within the vicinity of the project.

**The Project:** The type of development proposed and the placement of buildings and other improvements on the subject parcel. Historic/Cultural significance of buildings.

**Public Improvements:** Type and amount of public facilities likely to be required by the development and method of providing these facilities.

**Maintenance:** The location, type, and method of maintenance of open space, public improvements, common areas and facilities.

**Landscaping:** Proposed contouring, landscaping and maintenance.

**Sign Plans:** Proposed design, placement and content.

**Circulation:** Proposed pedestrian, automobile and delivery circulation system and parking.

**City Policy:** The Chowchilla General Plan and the other planning documents listed in Appendix B of this manual shall be discussed with regard to your project.

The City staff will coordinate with other City Departments as required and provide guidance in the design and implementation of your project.

## REDEVELOPMENT PROJECT PROCESSING

1. Initial City-Applicant Project Conference
2. Applicant Prepared Sketch Designs
3. City-Applicant Preliminary Design Conference
4. Application-Project Plans Submittal
5. City Determination of Completeness
6. City Project Review and Recommendation
7. Redevelopment Committee Recommendation
8. Project Approvals Per City Codes
  - a. Director of Planning and Development
  - b. Planning Commission
  - c. City Council

Once you have completed the pre-conference meeting you will need to prepare conceptual designs of your project which comply with the design standards presented in this manual. Three sets of schematic drawings describing the proposed redevelopment or development of the site shall include:

- Location of the building(s) on the site
- Area and arrangement of plan elements
- Exterior elevations or perspective drawings indicating style, materials, signs, and colors for exposed elevations.
- Utilities and their service points.

Again meet with the City Planning Department to review your schematic designs.

The final plans shall be submitted to the City for the appropriate use and building permits. For information on the required permits and approvals please refer to Appendix B, Processing Checklist.

It is encouraged that you call the City Hall at (559) 665-8615 for an appointment so that the appropriate staff will be available for your consultation.

## USING THIS MANUAL

All projects within the redevelopment area shall comply with the standards established in Chapter 2 of this manual. Projects located within a design area shall comply with the standards established for the design area as described in Chapter 3.

This manual is intended to provide guidance, set standards and encourage creativity in the ongoing development of the Chowchilla Redevelopment Area. In addition to this manual, “good design” requires the indispensable qualities of creativity and sensitivity on the part of the designer. It is not the intent of this manual to unreasonably restrict creativity, but it is directed at achieving visual harmony and a blending of existing, rehabilitated, and new development.

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# **CHAPTER 2:**

# **DESIGN CRITERIA**

# SITE PLANNING

## Site Characteristics

The building shall be located and designed to incorporate, accommodate or resolve any man-influenced or natural features or limitations. The design of the site shall consider such factors as utility access, drainage, and parking.

## Setbacks

The distance from the street or front property line to the front of the building shall be compatible with existing buildings along the street. The intent is not that all buildings must have the same setback rather that no single building should protrude or recede so far beyond its neighbors as to appear out of place. Specific setback distances are listed by zoning district in the Site Development Standards Manual.

## Spacing

Within code requirements, the placement of a building on its site shall be in harmony with the spacing between other buildings along the street. A building should fit the site in such a manner that the spacing between it and the neighboring buildings, as well as the rhythm created by those spaces, is in keeping with the rest of the neighborhood. This does not require equal spacing between buildings but should avoid unusually wide or narrow spacing which is inappropriate to the existing buildings on the street. Structures shall not be placed or constructed in such a way so as to induce the risk of fire spreading from one structure to another. Structures shall not be placed in such a way so as to impair lines-of-sight for pedestrian or vehicular traffic.

## Drainage

Provisions shall be made for the proper and controlled treatment of surface water discharge. Discharge from the site shall be directed into the municipally defined drainage system and shall be directed away from buildings, driveways, paths, play areas or other high use areas, and care shall be taken to avoid entrapping surface discharge unless it is a desired landscape element. A grading and drainage plan will be required for review and approval of all projects. Surface flow may drain to the street and across sidewalks or driveways if approved by the City Engineer.

## **Underground Utilities**

There are functional and aesthetic advantages to underground utility systems and it is highly probable that the existing systems will be converted to underground systems. In anticipation of this, and in order to avoid overhead visual pollution, all modifications to utility systems such as phone, cable TV, and electrical lines shall be connected to underground systems or in instances where undergrounding does not yet exist, installed in a manner to be connected to the underground system when it becomes available

## **Utility Meters**

Utility entrance points and fixtures such as gas meters, electric meters and telephone entry boxes shall be located away from human use areas and vision. Such fixtures shall be reasonably accessible to the utility companies for metering and servicing.

## **General Storage**

All outdoor storage for goods, materials, commercial vehicles, or equipment shall be secure from theft, located away from high use areas and shall be enclosed or adequately screened by fencing or landscaping.

## **Trash Storage**

Trash shall be located away from high use areas but have convenient access for users and disposal trucks. In addition, the area shall be well drained and be inaccessible to animals either by fencing or through the use of suitable containers. (Trash areas shall be screened from public view through the use of solid fencing or dense landscaping). According to city standard and screened per city standard.

## **Outdoor Gathering Areas**

Commercial areas shall provide outdoor public space. These spaces should include seating areas, newspaper vending machines, public telephones, trash receptacles and drinking fountains. These areas are intended to provide the public with a place to rest and for people watching.

# CIRCULATION AND PARKING

## **Pedestrian Walkways**

Pedestrian walkways shall be located away from and out of conflict with vehicular routes but with convenient access to the building. Where practical, the separation shall include landscaping and other barriers. Walkways should pass through the interior of blocks, and where they cross streets, sight distance shall be adequate for safety purposes.

Driveways across sidewalks, shall be kept to a minimum. Barriers shall be installed along parking lots to avoid vehicle encroachment on sidewalks.

Internal sidewalks of high usage shall be a minimum of six feet wide. All street sidewalks shall be 10 feet wide. Private sidewalks of low usage may be made intentionally narrow depending upon design needs.

## **Transit Stops**

Public transportation services are encouraged by providing bus stops, bus cutouts and bus shelters. While transit service may not be readily available today, it should be designed into the project for construction now or in the future.

## **Emergency Vehicles and Delivery Trucks**

Adequate access for emergency vehicles such as fire trucks and ambulances as well as delivery trucks and refuse trucks for commercial and industrial buildings shall be provided.

## **Parking**

Parking lots should, when possible, be located so as to have direct access from two streets or from a street and an alley. Lots should not have access from predominantly residential streets except when the lot is serving a residential use. Lots shall be designed to prohibit the backing of vehicles into public streets.

Parking areas shall be screened by any or combination of the following:

- earth
- landscaping
- low, decorative wall
- below the street grade parking area.

If pedestrian walkways are provided in parking lots, they shall:

- have a minimum width of four feet
- be approximately four inches above the parking lot surface
- be properly identified by directional signs.

In those cases where raised walkways are not feasible, walkways shall be appropriately marked by different textures (brick, concrete, etc) or by painted lines so as to assist in the separation of pedestrian and vehicular traffic.

All parking facilities shall conform to the parking requirements provided in Appendix E.

# ARCHITECTURE

## **Historic Enhancement**

Reasonable effort shall be made to enhance the distinguishing original qualities or character of a building, structure or site. Distinctive stylistic features or examples of skilled craftsmanship, which characterize a building, structure or site, shall be treated with sensitivity. Deteriorated architectural features shall be repaired rather than replace whenever possible.

## **Additions to Historic Buildings**

New additions or alterations to structures shall be in character with the architectural details of older buildings in the area and compatible with the designated theme.

## **Adjacent Buildings**

The height, width, length, and general feeling-of-mass of the building shall not be appreciably greater or smaller than those buildings adjacent to it. The structure shall be in proportion with surrounding structures. Buildings shall not be of such height to deny light and air to adjacent buildings.

## **Height and Width**

The ration of width to height of the various elevations of the building and especially the front façade, windows and doors shall be compatible with neighboring buildings and with the proportions of the structure as a whole. Buildings shall not be of such heights as to destroy or degrade the scenic values of the surrounding areas. Buildings shall not be so high as to preclude direct access of solar energy to surrounding properties.

## **Solid/Void Ratio**

The amount of the façade devoted to wall surface, as compared to that devoted to openings, shall be in keeping with other architecture in the area and especially with the intended use of the building.

## **Directional Emphasis**

The building shall present a directional emphasis (vertical vs horizontal) which is distinctly compatible with that of surrounding buildings within the area.

## **Roof Shape**

Roofs retaining their original shapes shall be maintained or restored to their original appearance. The style, scale and proportions of a roof shall reflect the theme for its design area. Where roofs are visible, roofing materials shall be dark. Flashing shall be unobtrusive.

## **Color**

Color choice for building exteriors shall contribute to the character of the design area and shall be based on historical precedent. Exterior colors shall complement the colors of neighboring buildings. Muted colors and earth tones are preferred including gray, brown, green, blue-gray, beige, brick red, terra cotta and gray-white. Colors such as white, black, blues, and reds may be used as accents.

## **Texture and Architectural Details**

Building surfaces shall have color schemes and textures to reduce their apparent size. This can be accomplished with canopies, balconies, terraces, cornices, small windows, and other architectural details. On wood frame structures using stucco, a suitable portion of the building façade shall be of a complementary material and color.

## **Awnings and Canopies**

Building entrances and windows should be enhanced by canopies, balconies, awnings, trellises or other details that compliment building design, color and materials. These features provide shade and shelter for pedestrians. They shall not extend beyond a vertical alignment with a point one foot from the edge of a public sidewalk.

# LANDSCAPING

## General Landscape Guidelines

Landscaping will be utilized as an integral part of development in order to soften the appearance of structures and parking areas. Large plant materials can be utilized for quick effects. Shading will ensure cool, habitable pedestrian environments during hot summer days. Exceptions will be granted to assure safety and business identification.

## Landscaping Standards

The City of Chowchilla Site Development Standards Manual contains the minimum level of landscaping to be utilized for residential, commercial, and industrial projects in the redevelopment area. Additional landscaping is encouraged.

## Automatic Watering

Permanent and automatic watering systems are required for all public and private landscaping within the Redevelopment Area, when sidewalks are replaced or when water outlets are augulable at landscape area.

## Street Trees

Street trees are required for all developments. Boxed trees in 24" to 36" boxes shall be planted adjacent to all streets in the redevelopment area.

Street trees shall be located to shade the pedestrian travel area, but not interfere with pedestrian movement. The following guidelines will assure this:

Tree wells may be cut in the sidewalk and covered with an approved tree grate to avoid reducing the walkway area.

Trees adjacent to sidewalks should have high crowns and be trimmed periodically to leave a minimum walking area at least eight feet in height.

## Existing Trees

Existing significant trees shall be retained where feasible. When removal of trees is proposed, replacement trees shall be planted at a two-for-one ratio. Consideration should also be given to moving existing trees on-site to new locations.

## **Tree Species**

The list of City approved street trees and landscaping design criteria are located in the Appendices at the conclusion of this manual.

## **Water Conservation**

Water conservation should be a consideration in landscaping. Native species will utilize less irrigation initially and will become acclimatized more readily as the plants mature.

## **Annual Flowers**

The planting of annual flowers within designated sections of the public planting areas, within private planting areas, and in flowerpots is encouraged.

# STREET FURNITURE

The City has designated the historically used electrolier street light, painted black, for use within the Redevelopment Area. All street furniture shall build upon the cast iron detail of the lighting standard. The siting and layout of street furniture shall contribute positively to the image and the overall design theme of the project.

The consolidation or repositioning of equipment into multi-purpose units and the elimination of unnecessary items shall be considered for reducing visual clutter.

## Lighting

The historic Chowchilla Electrolier is to be used for free standing pedestrian lighting. The design of parking lot lighting fixtures shall be compatible with the overall design theme used in the development.

Walkway light fixtures shall exceed a height of twelve feet, and their placement shall be consistent with the overall design concept.

All lighting shall be shielded so as not to shine directly upon neighboring properties or interfere with traffic safety.

Security lighting fixtures shall not project above the fascia or roofline of the building and are to be shielded. The shield shall be painted to match the surface to which it is attached. The security lighting fixtures are not to substitute for parking lot or lighting fixtures.

## Drinking Fountains

Drinking fountains should provide for the drainage of spills. These units shall also provide for children and wheelchair-dependent people.

## Kiosks

Kiosks should be utilized where appropriate to provide a centralized location for handbills and posters. Kiosks should be placed near public seating areas, parking lots and on sidewalks where a minimum of 6 feet between the kiosk and a building is provided.

## Vending Machines

Vending machines, such as newspaper boxes, should be clustered in groups on a cast iron structure reflective of the historic electrolier details.

## **Directional Signs**

Directional signs shall be clear, concise, and not overly pretentious. Directional signs may be used to inform the public of uses such as governmental offices, parking lots, historic displays, parks and churches.

## **Trash Receptacles**

Fixed trash receptacles, of the approved design, shall be provided near each intersection within the downtown area and within public parking lots near pedestrian walkways.

## **Seating**

Seating, of the approved design, shall be provided where appropriate to accommodate pedestrians.

## **Fences, Walls and Gates**

Fences, walls and gates shall be related to the principal structure and shall be appropriate to the neighborhood. They shall be of a surface material that is compatible with the architecture of the project.

## **Outdoor Telephones**

All installations of outdoor telephones shall include at least one unit that is designed for people not able to use standard telephones. Where only one telephone is provided, it shall be accessible to the handicapped.

## **Bicycle Racks**

Bicycle racks, of the approved design, shall be installed in public parking lots, parks and commercial centers to encourage the use of bicycles as an alternative form of travel.

## **Artwork**

Artwork should be provided as a cultural amenity. Specific sign regulations are contained in the City of Chowchilla Site Development Standards Manual. Signage within the design areas may be more restrictive. Please refer to design area as described in Chapter 3.

## **Sign Theme**

Projects or buildings containing more than one store shall have a uniform sign theme. A master sign plan shall be submitted for the project.

## **Sign Placement – Pedestrian**

Sign placement shall be directly related to the exterior design of a building. Signing shall be located within the features of the façade and shall not cover important features or cross transitions between features. Signs shall be at the first floor level, shall not project above the cornice line and shall be primarily oriented to the pedestrian scale. Painted lettering on second floor is appropriate.

Signs shall be flush with the façade. However, projecting or hanging signs may be considered where the sign does not conflict with the exterior design and is under the building awning or canopy and be at a sufficient height as not to interfere with Pedestrians.

## **Sign Placement**

To comply with Architecture/Area Design.

## **Information on Sign**

Signs shall include minimum information only, (i.e., the use of subordinate information such as telephone numbers, list of products, services, pictures of products, etc. is discouraged). The name of the business shall be the dominant message of the sign. Symbolic three-dimensional signs, such as barber poles, are encouraged.

## **Sign Color**

As a general rule, there shall be no more than three colors used on a sign, and all signs advertising one business or use shall utilize the same colors. The background color, black, and white are all considered colors. Consistent color and design is encouraged in shopping centers and office buildings.

## **Trademarks**

Registered trademarks, portrayal of specific commodities or signs advertising individual brands shall not exceed 10% of the total sign area. If the trademark represents the principal activity conducted, an increase in area may be allowed.

# **CHAPTER 3:** **DESIGN AREAS**

HIGHWAY 99 CORRIDOR  
DOWNTOWN  
ROBERTSON BOULEVARD CORRIDOR  
WEST END BUSINESS CORRIDOR

# HIGHWAY 99 CORRIDOR

The Highway 99 Corridor is the most visible segment of the City of Chowchilla. It establishes an impression of Chowchilla and what Chowchilla has to offer to thousands of motorists daily

## Signage

The signs oriented to the Freeway user should be placed near the Freeway and should be easily readable by the motorist. The design of the signs should identify nationally recognized brand names.

## Business Orientation

Businesses that have footage along the Highway corridor should be encouraged to orientation to motorists on local streets. For those businesses which have storage or other activities facing the Highway 99 corridor, it is recommended that large landscaping be planted as a screen to these uses.

## Landscaping

The City of Chowchilla will cooperate with Caltrans in the design, construction and maintenance of landscaping with the Highway 99 right-of-way.



Freeway-oriented sign



Large landscaping screening along freeway

# DOWNTOWN

## Architecture

Many of the structures within the Downtown design area typify buildings constructed from the 1920's through 1960's Art Deco through modernism. Some buildings with contemporary architecture have been constructed recently. Within this Design Area all new construction, additions, and rehabilitation shall reflect the architectural character of the original downtown buildings. New buildings should not necessarily copy the historic style but should reflect the scale, materials and details of the adjacent buildings.

## Side & Rear Walls

New and existing businesses are encouraged to develop the side and rear of buildings, which face onto parking lots or alleys with pedestrian access, as building frontage. These facades should include display windows and business entrances.

## Sidewalk Paving

Within the Downtown Design Area all sidewalks shall be constructed of stamped colored concrete. The installation of the sidewalk patten shall occur when the existing sidewalk is required to be replaced.

## Crosswalks

Crosswalks shall be constructed of City approved pattern and coloration.

## Historic/Local Interest Identification

Businesses, service clubs and the City are encouraged to identify buildings, sites, or local features having historic or cultural significance with City-approved brass identification signs.

## Signage

Signs perpendicular to the façade are prohibited above the first floor level of a building. They shall be spaced no closer than ten (10') feet apart and shall not extend beyond 36" from façade of the building.

Hanging signs shall be no more than 36" wide and not exceed six (6) square feet of sign area per side.

## Street Trees

At least 75% of the trees located within the sidewalk areas of the Downtown Design area are to be Bradford Pears.



Stamped colored crosswalk



Bradford Pear Trees



Stamped colored sidewalk

# **ROBERTSON BOULEVARD CORRIDOR**

**The Robertson Blvd Design Area is the transition area of Downtown and West End Business District. The emphasis within this corridor is placed on providing a residential appearance. The focus along this corridor shall be the upgrading of architectural design and landscaping along Robertson Boulevard.**

## **Architecture**

The use of contemporary architecture which reflects the architecture in the Downtown and West End Business District.

## **Sidewalk Paving**

Within the Robertson Blvd Design Area sidewalks may be constructed of stamped colored concrete.

## **Crosswalks**

Crosswalks shall be constructed stamped colored concrete.

## **Signs**

Monument signs which are oriented to the automobile at the street level and identify a commercial or business center are encouraged along Robertson and 99 Corridor. The address or name of the “building” should be emphasized.

Signs identifying businesses and their location should be placed flush with the building facade.

# WEST END BUSINESS CORRIDOR

## Architecture

The use of contemporary architecture within this Design Area is encouraged. Within the portion of the Highway 99 Corridor, near the Downtown Design Area, new buildings, rehabilitation and additions should reflect the architectural character of the historic buildings located adjacent to the railroad, reflecting the shed roofs and wooden false fronts.

## Sidewalk Paving

Within the Highway 99 Design Area sidewalk may be constructed of colored stamped concrete.

## Cross Walks

Crosswalks shall be constructed of stamped colored concrete.

## Historic/Local Interest Identification

Businesses, service clubs, and the City are encouraged to identify buildings, sites, or local features having historic or cultural significance with City-approved brass identification signs.

## Signs

Monument signs which are oriented to the automobile and identify a commercial or business center are encouraged along Robertson Blvd. The address or name of the “building” should be emphasized.

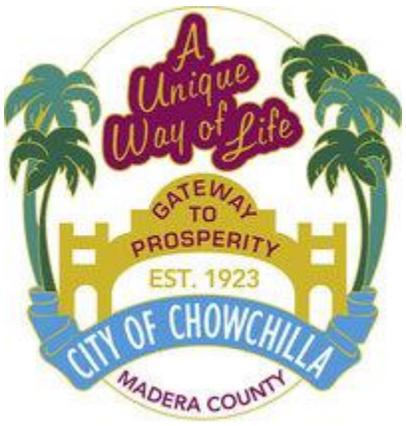
Signs identifying businesses and their location shall be placed flush with the building façade.



Monument sign identifying a commercial center

# **APPEAL PROCEDURE FOR REDEVELOPMENT DESIGN MANUAL REVIEW**

Appeals to the Redevelopment Agency: The applicant or any aggrieved person may appeal, in writing, setting forth the reason for such appeal to the Redevelopment Agency. Such appeal shall be filed with the Executive Redevelopment Director within ten (10) days after the Redevelopment Staff's decision. The appeal shall be placed on the agenda of the Agency's next regular meeting after the appeal is filed; provided, however, that if the appeal is filed within ten (10) days of the next regular meeting of the Agency, the appeal shall be placed on the agenda of the Agency's second regular meeting following the decision of the Redevelopment Staff. The Agency shall review the site plan and shall by resolution approve, approve with conditions, or disapprove, based on the findings set forth in subsection (B) of this Section. The decision of the Agency shall be final.





**MINUTES  
REGULAR MEETING  
CHOWCHILLA CITY COUNCIL**

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**July 26, 2016**

**Item 3.1**

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**CALL TO ORDER: 6:13 p.m.**

**ROLL CALL:**

Mayor: Waseem Ahmed

Mayor Pro Tem: Mary Gaumnitz (absent)

Council: John Chavez (absent), Dennis Haworth, Richard Walker

City staff and contract employees present: City Administrator Brian Haddix, City Attorney David Ritchie, Police Chief Dave Riviere, Fire Chief Harry Turner, Engineer/Public Works Director Craig Locke, Community Relations Manager Marty Piepenbrok, City Clerk Joann McClendon

**PUBLIC ADDRESS – CLOSED SESSION**

None.

**CLOSED SESSION – 6:15 PM**

1. **Public Employee Performance Evaluation California Government Code Section 54957:**  
Title: City Administrator
2. **Conference with Legal Counsel – Anticipated Litigation  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of  
Section 54956.9**  
Number of potential cases: 1

**OPEN SESSION – 7:00 PM**

**PLEDGE OF ALLEGIANCE:** Council Member Haworth

**INVOCATION:** Council Member Walker

**CLOSED SESSION REPORT:** Nothing to report.

**CEREMONIAL / PRESENTATIONS – Section 1**

- 1.1 Townsend Public Affairs Quarterly Presentation by Director Richard Harmon
- 1.2 Mid Valley Presentation by Joe Kalpakoff

**PUBLIC ADDRESS**

None.

## **COUNCIL AND STAFF REPORTS – Section 2**

### **2.1 COUNCIL REPORTS**

Legislative Items  
Oral / Written Reports

No reports.

### **2.2 STAFF REPORTS**

Written/Oral Reports

City Engineer/Public Works Director Locke updated council on the 'Welcome Sign' located on highway 99, the Congestion Mitigation and Air Quality (CMAQ) Transportation projects and the City Water Well Study.

City Administrator Haddix gave an update of different projects; attended a meeting regarding the High Speed Rail with local stakeholders at City Hall to identify alternative routes that included State Route 59; attended the Chowchilla Chamber of Commerce's State of the City meeting; met with a potential downtown retailer; attended last week's 'Let's Talk Chowchilla'.

City Clerk McClendon requested dates from the council to schedule the next Town Hall meeting.

Community Relations Manager Piepenbrok reported on the Little League fence replacement project.

At 7:58 p.m., the Council took a ten-minute break to view the new Water Tender truck.

## **CONSENT CALENDAR – Section 3**

### **3.1 Approval of July 18, 2016 Special City Council Meeting Minutes (McClendon)**

### **3.2 Council Resolution # 77-16, Approving Applications for Transportation Development Act (TDA) Funds for FY 2016/17 and Authorizing the City Administrator to Execute and Submit Applications to the Madera County Transportation Commission (Roman/McClendon)**

### **3.3 Council Resolution # 78-16, Approving an Agreement for Special Services With Liebert Cassidy Whitmore for Central Valley Employment Relations Consortium Services at the Recommended Level in the Amount of \$2,345.50 (McClendon)**

### **3.4 Council Resolution # 79-16, Approving the Modified Lease Agreement with Madera County for the Premises Located at 145 Robertson Boulevard in Chowchilla, and Authorizing the City Administrator to Sign the First Amendment to the Lease Agreement (Ritchie)**

*Motion by Council Member Walker, Seconded by Council Member Haworth to Approve the Consent Calendar as Presented. Motion passed unanimously by roll call vote with Council Member Chavez and Mayor Pro Tem Gaumnitz absent.*

## **PUBLIC HEARINGS – Section 4**

## DEFERRED BUSINESS – Section 5

None.

## NEW BUSINESS – Section 6

### 6.1 Council Resolution # 80-16, Approving Amendments #2 and #3 to the Merced Transportation Company Agreement (Moy/McClendon)

*Motion by Council Member Haworth, Seconded by Council Member Walker to Approve Council Resolution # 80-16, Approving Amendments #2 and #3 to the Merced Transportation Company Agreement. Motion passed unanimously by roll call vote with Council Member Chavez and Mayor Pro Tem Gaumnitz absent.*

### 6.2 Council Resolution # 81-16, Consideration of Reallocation of Funded Positions Within the Police Department, Adding a Full Time Community Service Officer/Records Clerk/Dispatcher Position (Riviere)

*Motion by Council Member Walker, Seconded by Council Member Haworth to Approve Council Resolution #81-16, Consideration of Reallocation of Funded Positions Within the Police Department, Adding a Full Time Community Service Officer/Records Clerk/Dispatcher Position. Motion passed unanimously by roll call vote with Council Member Chavez and Mayor Pro Tem Gaumnitz absent.*

### 6.3 Consideration of Appointment of a Primary and Alternate Voting Delegate to the 2016 League of California Cities (LOCC) Annual Conference (McClendon)

*Motion by Council Member Haworth, Seconded by Council Member Walker to Appoint Council Member Walker as Primary and Mayor Ahmed as Alternate Voting Delegates. Motion passed unanimously by roll call vote with Council Member Chavez and Mayor Pro Tem Gaumnitz absent.*

### 6.4 Consideration to Form a Community Sports Groups Ad Hoc Committee (Piepenbrok)

*Motion by Council Member Haworth, Seconded by Council Member Walker to Form the Community Sports Groups Ad Hoc Committee, Appointing Council Members Chavez and Walker as Members, to Address Immediate Issues and Come Back to the City Council With an Update by January 2017. Motion passed unanimously by roll call vote with Council Member Chavez and Mayor Pro Tem Gaumnitz absent.*

## WORKSHOPS

None.

## ANNOUNCEMENTS – Section 7

July 28	Sizzlin' Summer Nights, Danny Milsap Band, Veterans Memorial Park, 7:30PM
July 29	Movies in the Park, The Princess Bride, Veterans Memorial Park, dusk City Offices Closed
Aug 2	Community Task Force Meeting, City Hall, 5PM

Aug 5            City Offices Closed  
Aug 9            City Council Meeting

<b>ADJOURNMENT</b>
--------------------

Motion by Council Member Haworth, Seconded by Council Member Walker to adjourn the July 26, 2016 Regular City Council Meeting at 8:45 p.m. Motion passed unanimously by voice vote with Council Member Chavez and Mayor Pro Tem Gaumnitz absent.

ATTEST:

APPROVED:

\_\_\_\_\_  
Joann McClendon, CMC  
City Clerk

\_\_\_\_\_  
Mayor Waseem Ahmed



**MINUTES  
SPECIAL MEETING  
CHOWCHILLA CITY COUNCIL**  
Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**Item 3.2**  
  
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**August 3, 2016**

**CALL TO ORDER – 6:02 PM**

**ROLL CALL:**

Mayor: Waseem Ahmed  
Mayor Pro Tem: Mary Gaumnitz  
Council: John Chavez, Dennis Haworth, Richard Walker

**City staff and contract employees present:** City Administrator Brian Haddix, City Attorney David Ritchie, City Clerk Joann McClendon

**PLEDGE OF ALLEGIANCE:** Mayor Waseem Ahmed

**INVOCATION:** Council Member Richard Walker

**PUBLIC ADDRESS – CLOSED SESSION**

None.

**CLOSED SESSION – 6:04 PM**

1. **Public Employee Performance Evaluation California Government Code Section 54957:**  
Title: City Administrator

**OPEN SESSION**

**CLOSED SESSION REPORT:** No reportable action.

**ADJOURNMENT**

Motion by Council Member Walker to adjourn the August 3, 2016 Special City Council Meeting at 6:50 p.m. Motion passed unanimously by voice vote.

ATTEST:

APPROVED:

\_\_\_\_\_  
Joann McClendon, CMC  
City Clerk

\_\_\_\_\_  
Mayor Waseem Ahmed



# CITY COUNCIL STAFF REPORT

Item 3.3

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August 9, 2016

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**AGENDA SECTION:** Consent

**SUBJECT:** Consideration of Monthly Invoice Payment Authorization Request

**PREPARED BY:** Rod Pruett, Finance Director

REVIEWED BY  
ADMINISTRATOR

REVIEWED BY  
ATTORNEY

REVIEWED BY  
FINANCE

---

## **RECOMMENDATION**

Approve by minute order, the release of the payments for the invoices shown in the attached listing of invoices.

## **HISTORY / BACKGROUND**

Presented this evening is a list of invoices awaiting payment. Included in the list are a number of items related to employee pay, benefits and deductions which have been estimated for future payments. The report issued next month will reflect the actual amounts paid. Certain payments like insurance premiums and the payroll related items cannot be held due to deadlines associated with the payment in order to ensure timely receipt.

## **FINANCIAL ANALYSIS**

Each item shown on the invoice list includes a description of that item and the amount of the invoice.

## **ATTACHMENTS**

Invoice listing

Report Criteria:  
 Report type: Invoice detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/21/2016	51099	12767	Waseem Ahmed	League of CA Cities Conference	100-1605-0000-307	155.00- V
	Total 51099:						155.00-
07/16	07/01/2016	52387	12903	Curtis Arnbristor	Summer Concert Performance	100-6625-0000-336	400.00
	Total 52387:						400.00
07/16	07/01/2016	52388	12897	Danny Millsap	Summer Concert Performer	100-6625-0000-336	700.00
	Total 52388:						700.00
07/16	07/01/2016	52389	3636	ETCH THIS! and That	Plaque for J. Hebert Planning Commissioner	100-1605-0000-326	64.80
	Total 52389:						64.80
07/16	07/01/2016	52390	12904	Jeffrey and Melanie Horn	Refund Overpayment of Bond	540-4830-0000-404	6,340.44
	Total 52390:						6,340.44
07/16	07/01/2016	52391	12892	Keysha Burns	Summer Concert Performance	100-6625-0000-336	1,000.00
	Total 52391:						1,000.00
07/16	07/01/2016	52392	12501	Margo V. Montoya	Summer Concert Performer	100-6625-0000-336	800.00
	Total 52392:						800.00
07/16	07/01/2016	52393	1211	Michael Breashears Jr.	Water Treatment Plant Operator Reimbursement	205-7605-0000-305	50.00
	Total 52393:						50.00
07/16	07/03/2016	52394	421	AmeriPride	mats for shelter	100-2805-0000-315	66.25
07/16	07/03/2016	52394	421	AmeriPride	Supplies for Public Works	305-3620-0000-315	108.98
07/16	07/03/2016	52394	421	AmeriPride	mats for shelter	100-2805-0000-315	66.25
07/16	07/03/2016	52394	421	AmeriPride	Supplies for Public Works	305-3620-0000-315	76.48

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/03/2016	52394	421	AmeriPride	Supplies for Public Works	305-3620-0000-315	123.24
07/16	07/03/2016	52394	421	AmeriPride	Supplies for the WWTP	215-5705-0000-315	15.89
07/16	07/03/2016	52394	421	AmeriPride	Supplies for the Senior center	100-6615-0000-315	34.04
Total 52394:							491.13
07/16	07/03/2016	52395	12900	Aragon, Valery	deposit refund for 912 Kings	205-0200-0000-043	20.45
Total 52395:							20.45
07/16	07/03/2016	52396	12901	AS Dezign Inc DBA Asphalt Design by	deposit refund for hydrant meter #64904100	205-0200-0000-043	800.00
Total 52396:							800.00
07/16	07/03/2016	52397	986	Best Uniforms	Uniforms and Vest for G. Twitty	100-2610-0000-301	860.39
07/16	07/03/2016	52397	986	Best Uniforms	Uniforms and Vest for G. Twitty	100-2610-0000-301	134.18
07/16	07/03/2016	52397	986	Best Uniforms	name plate for G. Twitty	100-2610-0000-301	9.73
07/16	07/03/2016	52397	986	Best Uniforms	Best uniform cost for J. Cobb	100-2610-0000-301	484.96
Total 52397:							1,489.26
07/16	07/03/2016	52398	1076	Blacks Irrigation Systems	Supplies for irrigation repairs	100-6620-0000-317	27.77
Total 52398:							27.77
07/16	07/03/2016	52399	12447	Blue Line Rental	Asphalt Rake/ Streets Dept	305-3620-0000-320	70.20
Total 52399:							70.20
07/16	07/03/2016	52400	1281	BSK Associates	Open PO for Weekly Water test for the Water Dept	205-7605-0000-350	256.00
07/16	07/03/2016	52400	1281	BSK Associates	Open PO for Weekly Water test for the WWTP	215-5705-0000-350	65.00
07/16	07/03/2016	52400	1281	BSK Associates	Open PO for Weekly Water test for the Water Dept	205-7605-0000-350	168.00
07/16	07/03/2016	52400	1281	BSK Associates	Open PO for Weekly Water test for the Water Dept	205-7605-0000-350	168.00
07/16	07/03/2016	52400	1281	BSK Associates	Open PO for Weekly Water test for the WWTP	215-5705-0000-350	65.00
07/16	07/03/2016	52400	1281	BSK Associates	Open PO for Weekly Water test for the WWTP	215-5705-0000-350	65.00
Total 52400:							787.00
07/16	07/03/2016	52401	1776	Cascade Fire Equipment Co	Freight	100-2705-0000-302	589.72

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/03/2016	52401	1776	Cascade Fire Equipment Co	Misc fire nozzles, adapters, valves, safety equipment	100-2705-0000-302	3,703.16
Total 52401:							4,292.88
07/16	07/03/2016	52402	1856	CDW Government, Inc.	MS exch on srv	602-1715-0000-302	395.00
Total 52402:							395.00
07/16	07/03/2016	52403	2046	Chem Quip	Open PO/ Water Dept/Chemicals (Chlorine)	205-7605-0000-346	678.24
07/16	07/03/2016	52403	2046	Chem Quip	Open PO/ Water Dept/Chemicals (Chlorine)	205-7605-0000-346	1,536.43
07/16	07/03/2016	52403	2046	Chem Quip	Open PO/ Water Dept/Chemicals (Chlorine)	205-7605-0000-346	216.00
Total 52403:							1,998.67
07/16	07/03/2016	52404	2116	Chowchilla Chevron	Car washes for PD cars	100-2610-0000-320	37.00
Total 52404:							37.00
07/16	07/03/2016	52405	2131	Chowchilla Dolt Best	Supplies for Parks	100-6620-0000-315	2.26
Total 52405:							2.26
07/16	07/03/2016	52406	12428	Chowchilla-Madera County Fair	ACTRA Fair Event Donation	100-4905-0000-326	5,000.00
Total 52406:							5,000.00
07/16	07/03/2016	52407	12074	Comcast	Internet Service Jun 7 - Jul 6 2016	602-1715-0000-310	241.05
Total 52407:							241.05
07/16	07/03/2016	52408	2511	Cook's Communication	radio repair for Fire Dept	100-2705-0000-312	151.73
07/16	07/03/2016	52408	2511	Cook's Communication	credit for labor	100-2705-0000-312	50.00
Total 52408:							101.73
07/16	07/03/2016	52409	2556	Corner Clean Sweeping	Sweep taxi way	220-3650-0000-336	650.00
Total 52409:							650.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/03/2016	52410	12899	Dellamora, Steve	credit refund for 8040 Lakeshore	205-7605-0000-876	28.38
Total 52410:							28.38
07/16	07/03/2016	52411	3031	Department of Justice/Acc	Blood Alcohol Analysis	100-2610-0000-350	210.00
07/16	07/03/2016	52411	3031	Department of Justice/Acc	Blood Alcohol Analysis	100-2610-0000-350	105.00
Total 52411:							315.00
07/16	07/03/2016	52412	3291	Don's Mobile Glass	Mobile glass repair for crown vic	100-2610-0000-320	215.00
Total 52412:							215.00
07/16	07/03/2016	52413	3711	Farmers Hardware	Supplies for the WWTP	215-5705-0000-317	56.68
Total 52413:							56.68
07/16	07/03/2016	52414	12212	Fastenal Company	Supplies for the Streets Dept	305-3620-0000-317	1.35
07/16	07/03/2016	52414	12212	Fastenal Company	Supplies for the Streets Dept	305-3620-0000-317	9.41
07/16	07/03/2016	52414	12212	Fastenal Company	Supplies for the Parks Dept	100-6620-0000-317	.76
07/16	07/03/2016	52414	12212	Fastenal Company	Supplies for the Parks Dept	100-6620-0000-301	33.90
07/16	07/03/2016	52414	12212	Fastenal Company	Supplies for the Streets Dept	305-3620-0000-317	37.10
07/16	07/03/2016	52414	12212	Fastenal Company	supplies for City garage	601-3615-0000-321	11.15
Total 52414:							93.67
07/16	07/03/2016	52415	12902	Flores, Ramona	deposit refund for 1021 Monterey	205-0200-0000-043	139.20
Total 52415:							139.20
07/16	07/03/2016	52416	12460	Fresno-Madera Area Agency on Aging	site supplies	100-6615-0000-314	34.79
07/16	07/03/2016	52416	12460	Fresno-Madera Area Agency on Aging	Non USDA Qualified Meals	100-6615-0000-328	8.80
Total 52416:							43.59
07/16	07/03/2016	52417	4561	Grainger	Repair parts for the WWTP	215-5705-0000-317	121.69
07/16	07/03/2016	52417	4561	Grainger	Repair parts for the WWTP	215-5705-0000-317	114.40

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52417:							236.09
07/16	07/03/2016	52418	12446	Healthwise Services	sharps kiosk service	210-5605-0000-335	125.00
Total 52418:							125.00
07/16	07/03/2016	52419	5036	Holiday Pools, Inc.	Bond Refund for 15-0309 9600 Heatherhears	100-0200-0000-042	500.00
Total 52419:							500.00
07/16	07/03/2016	52420	12225	Home Depot Credit Services	Plumbing supplies for the PD	100-2610-0000-315	269.19
Total 52420:							269.19
07/16	07/03/2016	52421	11469	Intellipay, Inc.	Credit Card Transactions Fees	205-1720-0000-302	61.30
Total 52421:							61.30
07/16	07/03/2016	52422	6881	MidLand Tractor	Parts for Unit #115	215-5705-0000-301	124.76
Total 52422:							124.76
07/16	07/03/2016	52423	7281	NBS Government Finance	Quarterly Admin Fees Apr-Jun 2016	542-4832-0000-336	3,858.23
07/16	07/03/2016	52423	7281	NBS Government Finance	Contracted Services -Disclosures, Admin & Bond Reporting Qtr 4 15/	800-8850-0000-336	1,221.44
07/16	07/03/2016	52423	7281	NBS Government Finance	Contracted Services for Contintuing Disclosures, Admin and Bond R	542-4832-0000-336	324.87
Total 52423:							5,404.54
07/16	07/03/2016	52424	12471	Nichols Consulting	state mandated cost consulting services	100-1705-0000-336	900.00
Total 52424:							900.00
07/16	07/03/2016	52425	12214	NR Cleaning Services	Open PO for 2015/16 budget year/ Janitorial Services	100-6620-0000-315	910.00
Total 52425:							910.00
07/16	07/03/2016	52426	12429	O'Dell Engineering	Robertson & 11th Street Project	305-3620-0000-660	5,086.25

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52426:							5,086.25
07/16	07/03/2016	52427	7516	Office Depot	office supplies	100-2610-0000-300	9.48
07/16	07/03/2016	52427	7516	Office Depot	office supply	100-2610-0000-300	69.90
07/16	07/03/2016	52427	7516	Office Depot	dispatch stamp	100-2610-0000-301	23.32
07/16	07/03/2016	52427	7516	Office Depot	Chair for dispatch and stamp	100-2610-0000-301	385.58
07/16	07/03/2016	52427	7516	Office Depot	Chair for dispatch and stamp	100-2610-0000-301	64.99
07/16	07/03/2016	52427	7516	Office Depot	supplies for Admin	100-1710-0000-300	90.72
07/16	07/03/2016	52427	7516	Office Depot	office supplies for Admin	100-1710-0000-300	155.50
07/16	07/03/2016	52427	7516	Office Depot	Copy paper for Public Works	305-3620-0000-300	80.98
Total 52427:							880.47
07/16	07/03/2016	52428	7996	Praxair Dist. Inc.	Supplies for the WWTP	215-5705-0000-317	76.95
07/16	07/03/2016	52428	7996	Praxair Dist. Inc.	Supplies for the WWTP	215-5705-0000-317	48.56
Total 52428:							125.51
07/16	07/03/2016	52429	8161	Quad Knopf, Inc.	Planning Services 4/24/16-5/21/16	100-4605-0000-336	7,813.28
07/16	07/03/2016	52429	8161	Quad Knopf, Inc.	LRPMP lot line adjustment	956-9950-0000-336	125.00
Total 52429:							7,938.28
07/16	07/03/2016	52430	8796	S & W Auto Parts Inc.	auto battery	100-2610-0000-320	231.10
07/16	07/03/2016	52430	8796	S & W Auto Parts Inc.	drivebelt tensioner and belt	100-2610-0000-320	77.74
07/16	07/03/2016	52430	8796	S & W Auto Parts Inc.	Battery Charger	205-7605-0000-301	258.12
07/16	07/03/2016	52430	8796	S & W Auto Parts Inc.	supplies for Fire Dept	100-2705-0000-301	22.81
07/16	07/03/2016	52430	8796	S & W Auto Parts Inc.	supplies for Fire Dept	100-2705-0000-320	17.27
Total 52430:							607.04
07/16	07/03/2016	52431	9206	Self Help Enterprises	Loan Portfolio Mgmt Services - RDA	956-9950-0000-336	1,744.00
Total 52431:							1,744.00
07/16	07/03/2016	52432	1136	Silva Ford Madera	relay	100-2610-0000-320	184.73
07/16	07/03/2016	52432	1136	Silva Ford Madera	malfunction indicator light	100-2610-0000-320	856.56

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52432:							1,041.29
07/16	07/03/2016	52433	9376	Sparkletts	Supplies for the WWTP	215-5705-0000-315	30.91
Total 52433:							30.91
07/16	07/03/2016	52434	12594	Super Circuits	Upgraded NVT, additional cameras, cabling, monitor for Security Ca	100-2705-0000-301	1,418.21
Total 52434:							1,418.21
07/16	07/03/2016	52435	10116	Tesei Petroleum Inc.	Fuel for City 6/11/2016-6/20/16	325-3705-0000-320	2,066.96
07/16	07/03/2016	52435	10116	Tesei Petroleum Inc.	Propane for Unit #152	305-3620-0000-320	16.20
Total 52435:							2,083.16
07/16	07/03/2016	52436	11537	Toshiba Financial Services	Copier Lease 7/15/16-8/14/16	602-1715-0000-408	599.75
Total 52436:							599.75
07/16	07/03/2016	52437	10536	United Rentals Inc.	Supplies for the Streets Dept	305-3620-0000-320	48.11
Total 52437:							48.11
07/16	07/03/2016	52438	10756	Verizon Wireless	Cellular Phones for 5/10-6/09/2016	601-3615-0000-310	99.21
07/16	07/03/2016	52438	10756	Verizon Wireless	Cellular Phones for PW 5/10-6/9/16	330-3805-0000-310	289.27
07/16	07/03/2016	52438	10756	Verizon Wireless	Cellular Phones for PD 5/10-6/9/16	100-2615-0000-310	997.71
07/16	07/03/2016	52438	10756	Verizon Wireless	Cellular Phones for 5/10-6/9/166	100-4805-0000-310	44.37
Total 52438:							1,430.56
07/16	07/03/2016	52439	11381	Zoom Imaging Solutions, Inc.	Monthly Copier Usage PD	602-1715-0000-301	100.52
Total 52439:							100.52
07/16	07/03/2016	52440	166	Administrative Solutions, Inc	COBRA Administration For May 2016	702-0100-0000-023	46.85
Total 52440:							46.85

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/03/2016	52441	12181	American Fidelity	Section 125 for June 2016	702-0100-0000-023	1,245.82
07/16	07/03/2016	52441	12181	American Fidelity	Section 125 for July 2016	702-0100-0000-023	1,245.82
Total 52441:							2,491.64
07/16	07/03/2016	52442	2261	City of Chowchilla-PD	Petty Cash - MADD Awards Dinner	100-2610-0000-307	113.96
Total 52442:							113.96
07/16	07/03/2016	52443	11475	Goldfarb & Lipman LLP	Greenhills Holdings Litigation May 2016	956-9950-0000-335	232.00
Total 52443:							232.00
07/16	07/03/2016	52444	5861	Law and Associates	Background Investigation	100-2610-0000-306	600.00
Total 52444:							600.00
07/16	07/03/2016	52445	11541	Meyers Nave	Credit for February 2016	100-1615-0000-335	97.50-
07/16	07/03/2016	52445	11541	Meyers Nave	Legal Services - Chowchilla VS Madera County	100-1615-0000-335	2,482.73
07/16	07/03/2016	52445	11541	Meyers Nave	Credit for February Invoice	100-1615-0000-335	10,000.00-
07/16	07/03/2016	52445	11541	Meyers Nave	Legal Services Chowchilla VS Madera County	100-1615-0000-335	85,118.27
07/16	07/03/2016	52445	11541	Meyers Nave	Credit for March Invoice	100-1615-0000-335	25,000.00-
Total 52445:							52,503.50
07/16	07/03/2016	52446	12807	MidAmerica Administrative &	Administrative Fees 1/1-3/31/16	702-0100-0000-023	637.00
Total 52446:							637.00
07/16	07/03/2016	52447	7176	Myers Stevens & Toohey & Co In	PD Disability Insurance for July 2016	100-2618-0000-341	451.50
Total 52447:							451.50
07/16	07/03/2016	52448	12883	S & C Electric Company	Utility Deposit Refund Less Business License	205-0200-0000-043	214.06
Total 52448:							214.06
07/16	07/05/2016	52449	12905	Julie A. Billock	Refund Bond Overpayment	540-4830-0000-404	2,727.86

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52449:							2,727.86
07/16	07/05/2016	52450	12906	Richard Ray Blue	Summer Concert Performer	100-6625-0000-336	700.00
Total 52450:							700.00
07/16	07/05/2016	52451	10571	US BANK (I.M.P.A.C. CAL-CARD)	Credit for Cancelled Monterey Trip	100-0100-0000-022	389.94-
07/16	07/05/2016	52451	10571	US BANK (I.M.P.A.C. CAL-CARD)	Skype for Community Develop Director Interview	100-4605-0000-306	497.69
Total 52451:							107.75
07/16	07/05/2016	52453	12774	Archer & Hound Advertising	Brochures for Economic Development	100-4905-0000-327	998.85
Total 52453:							998.85
07/16	07/11/2016	52454	12226	West Mark Fire Equipment	Replacement Water Truck	100-2705-0000-640	197,685.36
07/16	07/11/2016	52454	12226	West Mark Fire Equipment	Furnish & Install Tool Box & Decals	100-2705-0000-640	3,333.60
Total 52454:							201,018.96
07/16	07/15/2016	52455	2996	Casadi Denny	Per Diem for Notary Training	100-2610-0000-305	16.00
Total 52455:							16.00
07/16	07/15/2016	52456	2521	Corbin & Associates. Inc.	Resource Officer Training for F. Lopez	100-2610-0000-305	385.00
Total 52456:							385.00
07/16	07/15/2016	52457	12908	Fausto Lopez	School Resource Officer Training	100-2610-0000-305	996.36
Total 52457:							996.36
07/16	07/18/2016	52458	16	A & R Refrigeration	Repairs to the Senior Center AC unit	100-6615-0000-315	148.75
07/16	07/18/2016	52458	16	A & R Refrigeration	A/C Repairs at Well #14	205-7605-0000-317	403.98
Total 52458:							552.73
07/16	07/18/2016	52459	421	AmeriPride	mats for Civic Center	100-1705-0000-315	53.37

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/18/2016	52459	421	AmeriPride	uniforms and supplies for garage	601-3615-0000-315	50.39
07/16	07/18/2016	52459	421	AmeriPride	uniform and supplies for City garage	601-3615-0000-315	40.89
07/16	07/18/2016	52459	421	AmeriPride	uniform and supplies for City garage	601-3615-0000-315	50.39
07/16	07/18/2016	52459	421	AmeriPride	mats for Civic Center	100-1705-0000-315	53.37
07/16	07/18/2016	52459	421	AmeriPride	mets for pd	100-2610-0000-315	33.37
07/16	07/18/2016	52459	421	AmeriPride	Supplies for Fleet	601-3615-0000-301	40.89
07/16	07/18/2016	52459	421	AmeriPride	Supplies for Fleet	601-3615-0000-301	50.39
07/16	07/18/2016	52459	421	AmeriPride	Supplies for the WWTP	215-5705-0000-315	15.89
07/16	07/18/2016	52459	421	AmeriPride	mats for animal shelter	100-2805-0000-315	66.25
07/16	07/18/2016	52459	421	AmeriPride	mats for Civic Center	100-1705-0000-315	53.37
07/16	07/18/2016	52459	421	AmeriPride	mats for police department	100-2610-0000-315	33.37
07/16	07/18/2016	52459	421	AmeriPride	Supplies for the Senior center	100-6615-0000-315	34.04
07/16	07/18/2016	52459	421	AmeriPride	Supplies for Fleet	601-3615-0000-315	40.89
Total 52459:							616.87
07/16	07/18/2016	52460	446	Anderson Pump Co	Crdit for Impeller Wear Ring	215-5705-0000-317	730.90-
07/16	07/18/2016	52460	446	Anderson Pump Co	Supplies for the water Dept	205-7605-0000-317	77.10
07/16	07/18/2016	52460	446	Anderson Pump Co	New impeller for the WWTP	215-5705-0000-317	3,375.98
07/16	07/18/2016	52460	446	Anderson Pump Co	Supplies for the Water Dept	205-7605-0000-317	98.24
Total 52460:							2,820.42
07/16	07/18/2016	52461	511	Animal Medical Center	Animal Shelter Emergency Medical Exam	100-2805-0000-324	108.75
Total 52461:							108.75
07/16	07/18/2016	52462	12493	Baker Supplies and Repairs	Supplies for the Parks dept	100-6620-0000-301	116.58
Total 52462:							116.58
07/16	07/18/2016	52463	1181	Bouncin Bins	Inflatables July 2 Fireworks event	100-6625-0000-336	300.00
Total 52463:							300.00
07/16	07/18/2016	52464	12915	Brewer, Chaz and Yolanda	deposit refund for 10320 Keystone	205-0200-0000-043	29.95
Total 52464:							29.95

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/18/2016	52465	12894	BullEx	Smoke geneerators and fluid for safety training	100-2705-0000-302	4,994.13
Total 52465:							4,994.13
07/16	07/18/2016	52466	1776	Cascade Fire Equipment Co	Misc fire nozzles, adapters, valves, safety equipment	100-2705-0000-302	996.84
Total 52466:							996.84
07/16	07/18/2016	52467	1856	CDW Government, Inc.	UPS batteries	602-1715-0000-310	350.06
Total 52467:							350.06
07/16	07/18/2016	52468	12182	Central Valley Capital	deposit refund for 701 Alameda	205-0200-0000-043	123.04
Total 52468:							123.04
07/16	07/18/2016	52469	1951	Central Valley Toxicology	Toxicology on 160110	100-2610-0000-350	78.00
07/16	07/18/2016	52469	1951	Central Valley Toxicology	Toxicology services for 161171	100-2610-0000-350	125.00
Total 52469:							203.00
07/16	07/20/2016	52470	12052	Central Valley Veterinary Clinic	Animal medical care	100-2805-0000-324	.00 V
07/16	07/20/2016	52470	12052	Central Valley Veterinary Clinic	vet services	100-2805-0000-324	.00 V
Total 52470:							.00
07/16	07/18/2016	52471	12912	Chavez, Eduardo	deposit refund for 12120 Pheasant Run	205-0200-0000-043	29.87
Total 52471:							29.87
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Irrigation supplies/ Parks Dept	100-6620-0000-317	8.08
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Parks Dept	100-6620-0000-317	3.87
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Gloves for the Parks Dept	100-6620-0000-317	24.83
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Streets dept	305-3620-0000-317	19.92
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Streets Dept	305-3620-0000-317	4.10
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Curb Painting supplies/ Streets Dept	305-3620-0000-317	18.62
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Senior Center	100-6615-0000-315	32.59
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Senior center	100-6615-0000-315	4.52
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Streets Dept	305-3620-0000-317	9.92

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Parks Dept	100-6620-0000-317	21.59
07/16	07/18/2016	52472	2131	Chowchilla Dolt Best	Supplies for the Parks Dept	100-6620-0000-317	6.79
Total 52472:							154.83
07/16	07/18/2016	52473	6641	Claude & Rose McCombs	Rent of 320 Trinity Ave 7/1/16-6/30/17	601-3615-0000-315	18,000.00
Total 52473:							18,000.00
07/16	07/18/2016	52474	2821	DATCO Services Coporation	Monthly service fee July-Sep	325-3705-0000-306	63.00
Total 52474:							63.00
07/16	07/18/2016	52475	12643	David Leonard Associates	Rancho Calera contract planning	701-0200-0000-042	75.00
Total 52475:							75.00
07/16	07/18/2016	52476	3031	Department of Justice/Acc	Blood Alcohol Analysis june 2016	100-2610-0000-350	35.00
Total 52476:							35.00
07/16	07/18/2016	52477	3291	Don's Mobile Glass	winsield replace with solar	100-2610-0000-320	215.00
Total 52477:							215.00
07/16	07/18/2016	52478	3451	Econo-Ag	Supplies for the Garage	601-3615-0000-321	7.51
Total 52478:							7.51
07/16	07/18/2016	52479	3676	Ewing Irrigation Products Inc.	Irrigation repair parts for the RC Wisener Park	100-6620-0000-317	225.51
07/16	07/18/2016	52479	3676	Ewing Irrigation Products Inc.	Replacement sprinkler heads for the parks dept	100-6620-0000-317	889.06
Total 52479:							1,114.57
07/16	07/18/2016	52480	3711	Farmers Hardware	Supplies for the Water Dept	205-7605-0000-317	4.85
07/16	07/18/2016	52480	3711	Farmers Hardware	Supplies for the Parks dept	100-6620-0000-317	2.98
07/16	07/18/2016	52480	3711	Farmers Hardware	Supplies for the parks Dept	100-6620-0000-301	1.29
07/16	07/18/2016	52480	3711	Farmers Hardware	Supplies for Veterans Park	100-6620-0000-315	3.12
07/16	07/18/2016	52480	3711	Farmers Hardware	Supplies for the Water Dept	205-7605-0000-317	4.31

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52480:							16.55
07/16	07/18/2016	52481	12212	Fastenal Company	Supplies for the WWTP	215-5705-0000-317	6.84
07/16	07/18/2016	52481	12212	Fastenal Company	Supplies for the Water Dept	205-7605-0000-317	17.70
07/16	07/18/2016	52481	12212	Fastenal Company	Brass fittings for the Water Dept	205-7605-0000-317	70.79
Total 52481:							95.33
07/16	07/18/2016	52482	3916	Forensic Nurse Specialist, Inc	Case 161264	100-2610-0000-350	900.00
Total 52482:							900.00
07/16	07/18/2016	52483	3966	Franklin Pet Cemetery	Animal Disposal	100-2805-0000-324	70.00
Total 52483:							70.00
07/16	07/18/2016	52484	4261	Gary V. Bufkin	Implementation of Misc Permits in Permit program	602-1715-0000-302	2,500.00
Total 52484:							2,500.00
07/16	07/18/2016	52485	4616	Grover Landscape Services Inc.	Open PO for 2015/16 budget year/ Landscape Services	100-6620-0000-336	2,535.00
Total 52485:							2,535.00
07/16	07/18/2016	52486	12446	Healthwise Services	Sharps Kiosk pickup at the PD	210-5605-0000-335	125.00
Total 52486:							125.00
07/16	07/18/2016	52487	12898	ICSC	marketing of city	100-4905-0000-327	50.00
Total 52487:							50.00
07/16	07/18/2016	52488	5246	Interstate Battery	batteries for veh	100-6620-0000-320	307.64
07/16	07/18/2016	52488	5246	Interstate Battery	battery for unit #46	100-2610-0000-320	127.39
Total 52488:							435.03
07/16	07/18/2016	52489	5431	Jim's A/C	refrigerant changed and tested	100-2610-0000-315	165.60

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52489:							165.60
07/16	07/18/2016	52490	12851	Kacey Auston	Consutant for High Speed Rail	100-1710-0000-336	6,000.00
Total 52490:							6,000.00
07/16	07/18/2016	52491	5756	Kuckenbecker Tractor Co.	Parts for unit # 116	215-5705-0000-301	75.83
Total 52491:							75.83
07/16	07/18/2016	52492	12913	Lopez, Carlos	credit refund for 255 N 15th	205-7605-0000-876	11.23
Total 52492:							11.23
07/16	07/18/2016	52493	12531	Madera County Fairmead Landfill	Disposal Services for May 2016	210-5605-0000-351	13,308.57
07/16	07/18/2016	52493	12531	Madera County Fairmead Landfill	Disposal Services for June 2016	210-5605-0000-351	13,973.97
Total 52493:							27,282.54
07/16	07/18/2016	52494	6551	Marty Buttram Electric	Electrical repairs at VMP	100-6620-0000-315	200.00
Total 52494:							200.00
07/16	07/18/2016	52495	6771	Merced Fence Company	Repairs to the Airport gate	330-3805-0000-315	815.00
Total 52495:							815.00
07/16	07/18/2016	52496	12166	Merced Transportation	May 2016 service CATX/CATLinX	325-3705-0000-336	17,020.66
07/16	07/18/2016	52496	12166	Merced Transportation	June 2016 service CATX/CATLinX	325-3705-0000-336	16,557.74
Total 52496:							33,578.40
07/16	07/18/2016	52497	12214	NR Cleaning Services	janitorial Civic Center	100-1705-0000-315	1,550.00
Total 52497:							1,550.00
07/16	07/18/2016	52498	7516	Office Depot	supplies for Finance	100-1720-0000-300	341.78
07/16	07/18/2016	52498	7516	Office Depot	Supplies for PD	100-2610-0000-300	176.81

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/18/2016	52498	7516	Office Depot	supplies for Finance	100-1720-0000-300	180.05
07/16	07/18/2016	52498	7516	Office Depot	liner biohazard	100-2610-0000-300	82.29
07/16	07/18/2016	52498	7516	Office Depot	Toner cartridges/ Public Works	205-7605-0000-300	95.23
07/16	07/18/2016	52498	7516	Office Depot	Office Supplies for Finance	100-1720-0000-300	167.76
07/16	07/18/2016	52498	7516	Office Depot	Office Supplies for Finance	100-1720-0000-300	6.47
07/16	07/18/2016	52498	7516	Office Depot	liner biohazrd	100-2610-0000-300	131.04
07/16	07/18/2016	52498	7516	Office Depot	paper and notes	100-2610-0000-300	167.73
Total 52498:							1,349.16
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 3130 Augusta #16-0142	100-4805-0000-337	1,277.99
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 4260 Brentwood #16-0145	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 4315 Blackhawk #16-0160	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 537 Elm #16-0161	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 168 Cottonwood Dr # 16-0162	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 140 Kites # 16-0163	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	Plan Check for 599 Rosehill	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 345 Circle #16-0177	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 7255 Edgewater #16-0179	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 599 Rosehill #16-0166	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 577 Juniper #16-0176	100-4805-0000-337	267.50
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	plan check for 365 Circle #16-0182	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	Plan Check For 157 Dorothy Way	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	Plan Check For 1225 E. Robertson Blvd	100-4805-0000-337	310.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	Plan Check For C1046-16	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	Plan Check For 2030 Sorrento	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	Plan Check For c1048-16	100-4805-0000-337	225.00
07/16	07/18/2016	52499	12330	Pacific Plan Review Inc	Plan Check For 11437 Mirage Dr.	100-4805-0000-337	225.00
Total 52499:							5,230.49
07/16	07/18/2016	52500	7981	Pools By Ricketts	Bond for work- 12035 Pheasant Run perm# 16-0100	100-0200-0000-042	500.00
Total 52500:							500.00
07/16	07/18/2016	52501	10176	Presort Center of Fresno, LLC	Delinquent Notices June 2016	215-1720-0000-336	286.33
07/16	07/18/2016	52501	10176	Presort Center of Fresno, LLC	utility bills & newsletter June 2016	215-1720-0000-336	2,937.14

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52501:							3,223.47
07/16	07/18/2016	52502	11612	ProClean Supply	Janitorial Supplies for City Facilities	100-1705-0000-315	719.72
Total 52502:							719.72
07/16	07/18/2016	52503	8161	Quad Knopf, Inc.	2016-2020 Chowchilla Housing Element 5/22-6/18	100-4605-0000-336	4,687.43
Total 52503:							4,687.43
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	Parts for Unit #22	325-3705-0000-320	72.45
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	100261000003202000	100-2610-0000-320	1.39
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	batt termnal cable	100-2610-0000-320	18.47
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	st cable	100-2610-0000-320	15.11
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	oil filter	100-2610-0000-320	14.60
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	synthetic motor oil	100-2610-0000-320	100.50
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	Parts for Unit #115	305-3620-0000-320	19.39
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	Parts for Unit #25	100-6620-0000-301	7.87
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	water pump	100-2610-0000-320	83.12
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	oil and filter	100-2610-0000-320	72.99
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	lift support	100-2610-0000-320	37.79
07/16	07/18/2016	52504	8796	S & W Auto Parts Inc.	Parts for Unit #349	305-3620-0000-320	26.99
Total 52504:							470.67
07/16	07/18/2016	52505	8836	Safety-Kleen	parts washer	601-3615-0000-321	262.44
Total 52505:							262.44
07/16	07/18/2016	52506	12916	Saucedo, Eduardo	deposit refund for 721 Riverside	205-0200-0000-043	60.09
Total 52506:							60.09
07/16	07/18/2016	52507	9206	Self Help Enterprises	Loan Portfolio Mgmt Services - RDA	956-9950-0000-336	1,744.00
07/16	07/18/2016	52507	9206	Self Help Enterprises	general Admin RE & HB	416-4814-0000-333	4,104.00
Total 52507:							5,848.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/18/2016	52508	1136	Silva Ford Madera	supplies for repairs	305-3620-0000-320	120.40
Total 52508:							120.40
07/16	07/18/2016	52509	10116	Tesei Petroleum Inc.	Fuel for City 6/20/2016-6/30/16	325-3705-0000-320	2,567.11
07/16	07/18/2016	52509	10116	Tesei Petroleum Inc.	Fuel for City 7/1/16-7/10/16	325-3705-0000-320	2,094.04
Total 52509:							4,661.15
07/16	07/18/2016	52510	10131	TF Tire & Service	tires for spray truck	305-3620-0000-320	283.32
07/16	07/18/2016	52510	10131	TF Tire & Service	tires for Fire Dept	100-2705-0000-320	113.28
Total 52510:							396.60
07/16	07/18/2016	52511	12911	Thiel Air Care, Inc	fire retardant on fire 6/23/16	100-2705-0000-301	415.00
Total 52511:							415.00
07/16	07/18/2016	52512	11537	Toshiba Financial Services	copier lease 7/1/16-7/30/16	602-1715-0000-408	841.32
07/16	07/18/2016	52512	11537	Toshiba Financial Services	Copier Leave for 8/1/2016-8/31/2016	602-1715-0000-408	885.60
Total 52512:							1,726.92
07/16	07/18/2016	52513	11391	Townsend Public Affairs, Inc.	Grant Consulting Services	215-5705-0000-336	3,500.00
Total 52513:							3,500.00
07/16	07/18/2016	52514	10461	Turner's Auto Wrecking Inc.	Vehicle towing for evidence case 160824	100-2610-0000-350	200.00
Total 52514:							200.00
07/16	07/18/2016	52515	10581	USA Bluebook	Tubing for the Water Dept	205-7605-0000-317	456.32
Total 52515:							456.32
07/16	07/18/2016	52516	10756	Verizon Wireless	Cellular Phones for 5/10-6/9/16	602-1715-0000-310	68.35
Total 52516:							68.35

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/18/2016	52517	10911	Vulcan Materials	Asphalt for the Streets dept	305-3620-0000-317	431.51
Total 52517:							431.51
07/16	07/18/2016	52518	12914	Zeller, Dawn	deposit refund for 2165 Orta Corte	205-0200-0000-043	102.26
Total 52518:							102.26
07/16	07/18/2016	52519	196	AFLAC	Employee Contribution	702-0100-0000-023	186.55
Total 52519:							186.55
07/16	07/18/2016	52520	2996	Casadi Denny	UCR Training Per Diem	100-2610-0000-305	160.00
Total 52520:							160.00
07/16	07/18/2016	52521	1921	Central SJV RMA	2016/2017 1st Quarter Billing	100-1730-0000-341	188,161.00
Total 52521:							188,161.00
07/16	07/18/2016	52522	2136	Chowchilla Employees Assn.	Employee Contribution	702-0200-0000-040	40.00
Total 52522:							40.00
07/16	07/18/2016	52523	12408	Chowchilla Mid-Management	Employee Contributions	702-0200-0000-040	213.50
Total 52523:							213.50
07/16	07/18/2016	52524	2166	Chowchilla Office	Employee Contributions	702-0200-0000-040	130.00
Total 52524:							130.00
07/16	07/18/2016	52525	2171	Chowchilla Peace Officers	Employee Contribution	702-0200-0000-040	903.00
Total 52525:							903.00
07/16	07/18/2016	52526	4266	Devynne Hunter	UCR Training Per Diem	100-2610-0000-305	160.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52526:							160.00
07/16	07/18/2016	52527	3241	Division of State Architect	SB1186 for 4/1-6/30/2016	100-4605-0000-871	13.20
Total 52527:							13.20
07/16	07/18/2016	52528	3836	Fitness Peak	Employee Contribution	702-0200-0000-040	157.50
Total 52528:							157.50
07/16	07/18/2016	52529	4031	Fresno City College	3550-80102-16-001 832 Arrest for Hunter, Ryan	100-2610-0000-305	36.00
Total 52529:							36.00
07/16	07/18/2016	52530	11772	PARS	PARS Administration for May 2016	215-5705-0000-206	424.48
Total 52530:							424.48
07/16	07/18/2016	52531	11479	Ryan Hunter	832 Arrest Class	100-2610-0000-305	80.00
Total 52531:							80.00
07/16	07/18/2016	52532	12044	U.S. Bank (PARS)	Employee Contributions	702-0200-0000-040	269.32
Total 52532:							269.32
07/16	07/18/2016	52533	10571	US BANK (I.M.P.A.C. CAL-CARD)	Animal Food for Warco	100-2618-1202-324	44.27
07/16	07/18/2016	52533	10571	US BANK (I.M.P.A.C. CAL-CARD)	Parts for PD Unit #53	100-2610-0000-320	801.31
07/16	07/18/2016	52533	10571	US BANK (I.M.P.A.C. CAL-CARD)	Supplies for Shooting Range	100-2610-0000-301	9.70
Total 52533:							855.28
07/16	07/18/2016	52534	9186	Secretary of State	Notary Public Exam Fees - Denny 6210	100-2610-0000-305	40.00
Total 52534:							40.00
07/16	07/21/2016	52535	12181	American Fidelity	Insurance Premiums for August 2016	702-0100-0000-023	3,019.76

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52535:							3,019.76
07/16	07/21/2016	52536	12493	Baker Supplies and Repairs	Trimmer for Public Works	100-6620-0000-301	245.60
Total 52536:							245.60
07/16	07/21/2016	52537	12052	Central Valley Veterinary Clinic	Vet Care for Stray Animal	100-2805-0000-324	40.00
07/16	07/21/2016	52537	12052	Central Valley Veterinary Clinic	vet services	100-2805-0000-324	96.00
Total 52537:							136.00
07/16	07/21/2016	52538	2136	Chowchilla Employees Assn.	Employee Contribution	702-0200-0000-040	55.00
Total 52538:							55.00
07/16	07/21/2016	52539	12408	Chowchilla Mid-Management	Employee Contributions	702-0200-0000-040	213.50
Total 52539:							213.50
07/16	07/21/2016	52540	2166	Chowchilla Office	Employee Contributions	702-0200-0000-040	156.00
Total 52540:							156.00
07/16	07/21/2016	52541	2171	Chowchilla Peace Officers	Employee Contribution	702-0200-0000-040	903.00
Total 52541:							903.00
07/16	07/21/2016	52542	2211	Chowchilla Water District	APN 002-046-006 for 16/17	100-1725-0000-346	70.50
Total 52542:							70.50
07/16	07/21/2016	52543	11622	Cota Cole LLP	Retainer for June 2016	100-1615-0000-335	8,333.33
07/16	07/21/2016	52543	11622	Cota Cole LLP	Legal Fees for Sullivan Property	100-1615-0000-335	574.75
07/16	07/21/2016	52543	11622	Cota Cole LLP	Legal Fees for Heffington Abatement Action	100-1615-0000-335	153.92
07/16	07/21/2016	52543	11622	Cota Cole LLP	Legal Fees for Collective Bargaining	100-1615-0000-335	13,433.00
Total 52543:							22,495.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
07/16	07/21/2016	52544	12917	Department of the Treasury	Taxes for HSA	100-1710-0000-336	85.72
Total 52544:							85.72
07/16	07/21/2016	52545	12496	Douglas & Sons Landscaping	Weed Abatement Contractor for Abating Non-Compliant Properties	100-4805-0000-329	10,025.00
Total 52545:							10,025.00
07/16	07/21/2016	52546	3836	Fitness Peak	Employee Contribution	702-0200-0000-040	157.50
Total 52546:							157.50
07/16	07/21/2016	52547	4031	Fresno City College	832 PC Class for CSO	100-2610-0000-305	87.00
Total 52547:							87.00
07/16	07/21/2016	52548	12267	Madera Pump Inc.	Additional Emergency Repairs to the Storm Drain Pump	220-3650-0000-317	3,934.77
Total 52548:							3,934.77
07/16	07/21/2016	52549	12860	Neopost USA Inc	Postage Meter for 8/16/16-11/15/16	100-1705-0000-300	145.80
Total 52549:							145.80
07/16	07/21/2016	52550	12044	U.S. Bank (PARS)	Employee Contributions	702-0200-0000-040	230.82
Total 52550:							230.82
07/16	07/21/2016	52551	10571	US BANK (I.M.P.A.C. CAL-CARD)	Assertive Supervisor Training to Be Refunded	100-0100-0000-022	1,578.89
07/16	07/21/2016	52551	10571	US BANK (I.M.P.A.C. CAL-CARD)	Postage for PLans	100-4805-0000-300	6.80
07/16	07/21/2016	52551	10571	US BANK (I.M.P.A.C. CAL-CARD)	Postage for Fire Department	100-2705-0000-300	153.92
07/16	07/21/2016	52551	10571	US BANK (I.M.P.A.C. CAL-CARD)	Car Wash for PD	100-2610-0000-320	213.14
07/16	07/21/2016	52551	10571	US BANK (I.M.P.A.C. CAL-CARD)	Supplies for Fire Dept	100-2705-0000-302	981.10
Total 52551:							2,933.85
07/16	07/21/2016	52552	12767	Waseem Ahmed	League of CA Cities Conference	100-1605-0000-307	155.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 52552:							155.00
07/16	07/21/2016	52553	2066	Chicago Title	Greenhills Property APN#002-250-053	956-9950-0000-336	195.27
Total 52553:							195.27
07/16	07/21/2016	52554	2066	Chicago Title	Greenhills Property Escrow #cfre-4500-fwfm-5001600226	956-9950-0000-336	1,600.00
Total 52554:							1,600.00
Grand Totals:							702,819.95

Report Criteria:  
 Report type: Invoice detail



# CITY COUNCIL STAFF REPORT

Item 6.1

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THE AGENDA](#)

August 9, 2016

**AGENDA SECTION:** New Business

**SUBJECT:** Consideration of a Request from the Cub and Girl Scouts to Paint Street Curb Property Addresses and Color Stripes Showing Support for Emergency Services Personnel

**PREPARED BY:** D. Martin Piepenbrok, Community Relations Manager

REVIEWED BY  
ADMINISTRATOR

REVIEWED BY  
ATTORNEY

REVIEWED BY  
FINANCE

**RECOMMENDATION:**

Approve the request from the Chowchilla Cub Scout Pack #148 and the Girl Scout Pack #960 for their service project to allow them to paint property address numbers on street curbs as a benefit to the City of Chowchilla, and to approve their request to paint a dark blue stripe and a red stripe, in support of our emergency services personnel, on the curb block adjacent to the property address numbers following the voluntary approval of the property resident(s) to add the stripes.

**HISTORY / BACKGROUND:**

The leadership of the Chowchilla Cub Scout Pack #148 and the Girl Scout Pack #960 has requested permission for the scouts to perform a service project in the community. They want to paint address numbers on street curbs and at the same time ask the permission of the property resident(s) if they would like to have a 1/2-inch to 1-inch wide dark blue stripe and a red stripe painted on the white address block along with the address number. Each color stripe is a show of support and signifies that the property resident(s) appreciate the service and dedication by members of the police and fire services.

The addition of the color stripes is a voluntary choice of the property resident(s). The City, however, does want the address numbers painted on the curbs to provide additional property identification particularly in emergency response situations. The painting of property address numbers is referenced in the Chowchilla Municipal Code Chapter 10.16.090: Painting of Curbs – Restrictions, that reads, “No person, unless authorized by this city, shall paint any street or curb surface; provided, however, that this section shall not apply to the painting of numbers on a curb surface by any person who has complied with the provisions of any resolution or ordinance of this city pertaining thereto.”

It is acknowledged that there are paint stripes found on sidewalks, curbs and streets, often in yellow, light blue or red that designate that certain infrastructure lies beneath the ground such as electrical, water, etc., or to mark areas for construction purposes. That is why it was determined to use the painted address curb block as the specific site for painting the color stripes. A white base color block will be painted wide enough to accommodate the address numbers that will be painted in black using a stencil. If the property resident(s) voluntarily approves adding the painted blue and red stripes, the white curb block will be extended enough to accommodate them. The stripes will be painted in a manner so as to not be confused with the address numbers.

City staff met with the scout packs leadership to discuss the project and worked through ideas to define the details of this service project undertaking. All paint and materials will be donated to the scouts from private sources. The products used and the project results will comply with existing City standards.

**FINANCIAL IMPACT:**

None

**ATTACHMENTS:**

Resolution

**COUNCIL RESOLUTION # -16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA  
TO APPROVE THE REQUEST FOR THE CHOWCHILLA CUB AND GIRL SCOUTS TO  
PAINT STREET CURB PROPERTY ADDRESSES AND COLOR STRIPES SHOWING  
SUPPORT FOR EMERGENCY SERVICES PERSONNEL**

**WHEREAS**, the City of Chowchilla encourages community service by individuals, groups and organizations as a way to improve the aesthetics and the quality of life in Chowchilla; and

**WHEREAS**, the Chowchilla Cub Scout Pack #148 and the Girl Scout Pack #960 are two growing organizations for young people in our community that support and build upon the mission, vision and core values promoted through the national scouting organizations; and

**WHEREAS**, the two Scout Packs have requested to perform a service project in the community to paint property address on street curbs that will benefit the City of Chowchilla and the property residents; and

**WHEREAS**, as a voluntary option for property residents, the two Scout Packs will offer to paint a dark blue stripe and a red stripe on the curb block adjacent to the painted property address; and

**WHEREAS**, each color stripe signifies that the property residents appreciate the service and dedication by members of the police and fire services; and

**WHEREAS**, the two Scout Packs will acquire all project supplies from private sources and volunteer their time as will those who will provide adult supervision for the project; and

**WHEREAS**, the City Municipal Code requires approval by the City Council to allow the painting of curb surfaces;

**NOW THEREFORE**, the City Council of the City of Chowchilla hereby resolves to approve the request for the Chowchilla Cub Scout Pack #148 and the Girl Scout Pack #960 to paint street curb property addresses and, as an option to property residents, to paint color stripes showing support for emergency services personnel.

**PASSED AND ADOPTED** by the City Council of the City of Chowchilla this 9th day of August, 2016 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

\_\_\_\_\_  
Waseem Ahmed, Mayor

**ATTEST:**

\_\_\_\_\_  
Joann McClendon, cmc  
City Clerk



# CITY COUNCIL/SUCCESSOR AGENCY STAFF REPORT

Item 6.2

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August 9, 2016

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**AGENDA SECTION:** New Business

**SUBJECT:** **Successor Agency Resolution Approving the Form and Authorizing the Distribution of a Preliminary Official Statement and Approving the Form and Authorizing the Execution of a Bond Purchase Agreement in Connection with the Offering and Sale of Tax Allocation Refunding Bonds**

**PREPARED BY:** Rod Pruett, Finance Director

REVIEWED BY  
ADMINISTRATOR

REVIEWED BY  
ATTORNEY

REVIEWED BY  
FINANCE

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**RECOMMENDATION:**

That the Successor Agency of the City of Chowchilla (the "Successor Agency") approve the form and authorize the distribution of a preliminary official statement and approve the form and authorize the execution of a bond purchase agreement in connection with the offering and sale of tax allocation refunding bonds

**BACKGROUND:**

In 2005 the Chowchilla Redevelopment Agency (the "Former Agency") issued its Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project) (the "2005 Bonds"), to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which \$6,810,000 principal amount remains outstanding.

Due to the dissolution of redevelopment agencies, the Successor Agency now has responsibility for repayment of the 2005 Bonds. Per AB 1484, the Successor Agency may refund existing bonds, with approval of the Oversight Board and the State Department of Finance, for the purpose of generating a debt service savings.

Based on current market interest rates that are near all-time lows, the Successor Agency can generate an estimated total debt service savings of approximately \$1,650,000 by issuing the tax allocation refunding bonds (the "2016 Bonds"), which will refund (repay) all outstanding 2005 Bonds. The 2005 Bonds have an average interest rate of 4.96%. It is anticipated that the 2016 Bonds will have an average interest rate of 2.78% on the longest term bonds. The term of the 2016 Bonds would not be extended and would match the current final maturity date (8/1/2037) of the 2005 Bonds. The savings will be split among taxing entities, including the county, school districts, and the City's general fund.

On May 10, 2016 the City Council, acting in its capacity as the governing board of the Successor Agency, adopted a Resolution authorizing the issuance of refunding bonds, approving the form of Indenture in connection therewith and authorizing actions related thereto. On May 26, 2016, the Oversight Board approved the Successor Agency action and authorized the issuance of refunding bonds in accordance with the terms of the Indenture. On July 5, 2016, the State Department of Finance approved the issuance of the 2016 Bonds.

The final rate structure will be determined when the 2016 Bonds are priced and sold, which is expected to occur by the third week of August 2016.

#### **DISCUSSION:**

Tonight's action is the last approval step in the process to refund the 2005 Bonds. It is anticipated that the refunding will be completed in September, 2016. The key milestones to complete the refunding are identified below:

- Successor Agency approving resolution to refund outstanding Former Agency Obligations and approving legal documents (May 10, 2016 – Completed)
- Oversight Board's approval of Successor Agency action to issue the 2016 Bonds and make determination of savings (May 26, 2016 – Completed)
- Submission of resolutions of both the Successor Agency and Oversight Board and all the related documents to the Department of Finance (May 27, 2016 – Completed)
- Receive Department of Finance Approval (July 5, 2016 – Completed)
- **Successor Agency Approval of the Preliminary Official Statement and the Bond Purchase Agreement (Tonight's Action)**
- Secure underlying credit ratings and bond insurance and reserve fund surety (August, 2016 – In Progress)
- Negotiated sale of the 2016 Bonds (Late August, 2016)
- Bond Closing and refunding of 2005 Bonds (September, 2016)

#### **DOCUMENTS**

Per the attached Resolution, the Successor Agency is being asked to approve the form of the Preliminary Official Statement and the Bond Purchase Agreement.

The Bond Purchase Agreement is the agreement between the Successor Agency and the Underwriter (Brandis Tallman LLC) under which the Underwriter agrees to purchase 100% of the 2016 Bonds at the agreed upon par values and interest rates and to transfer the 2016 Bond proceeds to the Trustee to provide for the refunding of the 2005 Bonds and to pay the costs of issuance of the 2016 Bonds.

The Preliminary Official Statement and ultimately the official statement are the documents used by the Underwriter to sell the 2016 Bonds to potential buyers. The Preliminary Official Statement describes the authority, purpose, security, terms and redemption of the 2016 Bonds, describes the Successor Agency including general, economic, demographic and financial information, describes risk factors and tax matters of the 2016 Bonds and includes the opinion of bond counsel.

The forms of the Preliminary Official Statement and the Bond Purchase Agreement are on file with the City Clerk. Bud Levine of Wulff Hansen & Co. and Rick Brandis and Nicki Tallman of Brandis Tallman LLC will be at the meeting to answer any questions.

**FISCAL IMPACT:**

By refunding the 2005 Bonds, the Successor Agency can generate an estimated total debt service savings of \$1,650,000, net of all costs of issuance, or about \$85,000 annually. The repayment of principal and interest on the 2016 Bonds will be payable solely from Tax Revenues, which is tax increment revenues from the Project Area deposited into the Successor Agency's Redevelopment Property Tax Trust Fund ("RPTTF"), and available after satisfying certain administrative costs of the County and pass through obligations to affected taxing entities. The 2016 Bonds will not be a debt of the City's general fund or the State, or any of its political subdivisions (except the Successor Agency). Since the City receives approximately 18.5% of the total property tax levy, the general fund will receive an approximately \$15,500 additional annual revenues to the general fund. The other taxing entities will share in the rest.

**ATTACHMENTS:**

Resolution  
Preliminary Official Statement  
Bond Purchase Agreement

## **SUCCESSOR AGENCY TO THE CHOWCHILLA REDEVELOPMENT AGENCY**

### **RESOLUTION # -16**

#### **A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA, CALIFORNIA, APPROVING THE FORM AND AUTHORIZING DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE OFFERING AND SALE OF TAX ALLOCATION BONDS TO REFINANCE REDEVELOPMENT ACTIVITIES WITHIN AND FOR THE BENEFIT OF THE CHOWCHILLA REDEVELOPMENT PROJECT OF THE FORMER CHOWCHILLA REDEVELOPMENT AGENCY AND APPROVING RELATED DOCUMENTS AND ACTIONS**

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the Chowchilla Redevelopment Agency (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to section 34173, and the Successor Agency to the Former Chowchilla Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, a redevelopment plan for the Former Agency's Chowchilla Redevelopment Project in the City of Chowchilla (the "City") has been adopted in compliance with all requirements of the Code (the "Redevelopment Project");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project) (the "2005 Bonds"), to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which \$6,810,000 principal amount remains outstanding;

WHEREAS, section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to 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 Law") for the purpose of achieving debt service savings within the parameters set forth in section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Wulff Hansen & Co. (the "Financial Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the 2005 Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2005 Bonds will satisfy the Savings Parameters;

WHEREAS, the Successor Agency has determined to issue its Successor Agency of the City of Chowchilla (Madera County, California) Tax Allocation Refunding Bonds, Series 2016, to refund the 2005 Bonds (the "Bonds"), pursuant to an indenture of trust, by and between the Successor Agency and U.S. Bank National Association, as trustee;

WHEREAS, the Successor Agency adopted its Resolution No. 03-16 on May 10, 2016, authorizing issuance of the Bonds and approving the form and authorizing execution of the various documents prepared in connection therewith;

WHEREAS, the Oversight Board to the Successor Agency adopted its Resolution No. 03-16 on May 26, 2016, approving the issuance of the Bonds by the Successor Agency; and

WHEREAS, a bond purchase agreement and a preliminary official statement to be used in connection with the offering and sale of the Bonds has been prepared and it is appropriate at this time for the Successor Agency to approve the forms thereof and the distribution of such preliminary official statement to prospective purchasers of the Bonds.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA DOES RESOLVE AS FOLLOWS:

SECTION 1. Approval of Bond Purchase Agreement. The Successor Agency hereby authorizes the sale of the Bonds to Brandis Tallman LLC (the "Underwriter"), so long as the Underwriter's discount, excluding original issue discount which does not constitute compensation to the Underwriter, does not exceed 1.5%. The Successor Agency hereby approves the bond purchase agreement, by and between the Underwriter and the Successor Agency, in the form on file with the Successor Agency Secretary (the "Bond Purchase Agreement"), together with such additions thereto and changes therein as the Chair, the Vice Chair, the Secretary or the Executive Director (the "Authorized Officers") shall deem necessary, desirable or appropriate, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such additions and changes. The Authorized Officers are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the Bond Purchase Agreement for and in the name and on behalf of the Successor Agency.

SECTION 2. Approval of Preliminary Official Statement. The Successor Agency hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, a preliminary official statement describing the Bonds in the form on file with the Secretary (the "Preliminary Official Statement"). Distribution of the Preliminary Official Statement by the Underwriter to prospective purchasers of the Bonds is hereby approved. The Authorized Officers are hereby authorized to execute the final form of an official statement, including as it may be modified by such additions thereto and changes therein as an Authorized Officer shall deem necessary, desirable or appropriate (the "Final Official Statement"), and the execution of the Final Official Statement by an Authorized Officer shall be conclusive evidence of the approval of any such additions and changes. The Successor Agency hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the Successor Agency by an Authorized Officer.

SECTION 3. Official Actions. The Chair, the Vice Chair, the Executive Director, the Secretary, and any and all other officers of the Successor Agency, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds. Whenever in this resolution any officer of the Successor Agency is authorized to execute or countersign any document or take any

action, such execution, countersigning or action may be taken on behalf of such officer by any person Authorized by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

SECTION 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

SECTION 5. Certification. The Secretary shall certify to the passage and adoption hereof.

\* \* \* \* \*

**PASSED AND ADOPTED** by the Successor Agency to the Chowchilla Redevelopment Agency of the City of Chowchilla this 9th day of August 2016 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

APPROVED:

\_\_\_\_\_  
Board Chair Waseem Ahmed

ATTEST:

\_\_\_\_\_  
Joann McClendon, CMC  
Board Clerk

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 11, 2016**

**NEW ISSUE—BOOK-ENTRY ONLY**

**RATINGS:**

S&P: “ ” ( -Insured)

S&P: “ ” (Underlying)

See “RATINGS” herein

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the Successor Agency with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See “TAX MATTERS” herein.



\$ \_\_\_\_\_ \*

**SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA  
(Madera County, California)  
Tax Allocation Refunding Bonds, Series 2016**

**Dated: Date of Delivery**

**Due: August 1, as shown on the inside cover**

The \$ \_\_\_\_\_ \* Successor Agency of the City of Chowchilla Tax Allocation Refunding Bonds, Series 2016 (the “Bonds”), are being issued by the Successor Agency of the City of Chowchilla (the “Successor Agency”) pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code (collectively, the “Refunding Bond Law”), a resolution adopted by the Successor Agency and an indenture of trust, dated as of September 1, 2016 (the “Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”), to (a) refund certain outstanding obligations incurred by the former Chowchilla Redevelopment Agency (the “Former Agency”), the proceeds of which were used to finance redevelopment activities within and for the benefit of the redevelopment project area of the Former Agency, (b) purchase a reserve fund municipal bond insurance policy in lieu of cash funding a debt service reserve fund for the Bonds, and (c) provide for the costs of issuing the Bonds.

The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), and will be available to ultimate purchasers (“Beneficial Owners”) in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. Principal of, premium if any, and semiannual interest on the Bonds due on February 1 and August 1 of each year, commencing February 1, 2017, will be payable by the Trustee to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds. See “THE BONDS.”

**The Bonds are subject to optional redemption and mandatory sinking account redemption prior to maturity.** See “THE BONDS—Redemption” herein.

The Bonds are payable from and secured by a first lien on the Tax Revenues, as defined in this Official Statement, and moneys in certain funds and accounts established under the Indenture, as further described in this Official Statement. See “SECURITY FOR THE BONDS” herein.

In addition to the Bonds, the Successor Agency may issue or incur Parity Debt that is payable from Tax Revenues on a parity with the Bonds, but only for the purpose of refunding the Bonds and any future parity debt. See “THE BONDS—Parity Debt” herein.

**The Bonds and interest thereon are not a debt of the City of Chowchilla (the “City”), Madera County (the “County”), the State of California (the “State”) or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions except the Successor Agency is liable thereon. The Bonds and interest thereon are not payable out of any funds or properties other than those set forth in the Indenture. Neither the members of the Successor Agency, the Oversight Board (defined herein), the County Board of Supervisors nor any persons executing the Bonds are liable personally on the Bonds. The Successor Agency has no taxing power.**

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by \_\_\_\_\_.

[MUNICIPAL BOND INSURER LOGO]

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS**

**SEE THE INSIDE COVER**

This cover page and the inside cover page hereof contain information for quick reference only. They are not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review the entire Official Statement before making any investment decision with respect to the Bonds.

The Bonds are offered, when, as and if issued, subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and for the Successor Agency by Cota Cole LLP, Roseville, California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about September 8, 2016.



Dated: August \_\_, 2016

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$ \_\_\_\_\_ \*

**SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA**  
**(Madera County, California)**  
**Tax Allocation Refunding Bonds, Series 2016**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS**

\$ \_\_\_\_\_ **Serial Bonds**

CUSIP<sup>†</sup> Prefix: \_\_\_\_\_

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>†</sup> Suffix</b>
--------------------------------	-----------------------------	--------------------------	--------------	-------------------------------------

\$ \_\_\_\_\_ % **Term Bonds maturing August 1, \_\_\_\_\_, Price: \_\_\_\_\_, to yield \_\_\_\_\_%—CUSIP<sup>†</sup> \_\_\_\_\_**

<sup>†</sup> Copyright 2016, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services Bureau, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency or the Underwriter and are included solely for the convenience of the holders of the Bonds. Neither the Successor Agency nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

*For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (“Rule 15c2-12”), this Preliminary Official Statement constitutes an “official statement” of the Successor Agency with respect to the Bonds that has been deemed “final” by the Successor Agency as of its date except for the omission of no more than the information permitted by Rule 15c2-12.*

*No Offering May Be Made Except by this Official Statement.* No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Successor Agency.

*No Unlawful Offers or Solicitations.* This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

*Effective Date.* This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Redevelopment Project since the date of this Official Statement.

*Use of this Official Statement.* This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

*Preparation of this Official Statement.* The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

*Document References and Summaries.* All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

*Stabilization of and Changes to Offering Prices.* The Underwriter may over-allot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

*Bonds are Exempt from Securities Laws Registration.* The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under section 3(a)(2) of the Securities Act of 1933 and section 3(a)(12) of the Securities Exchange Act of 1934.

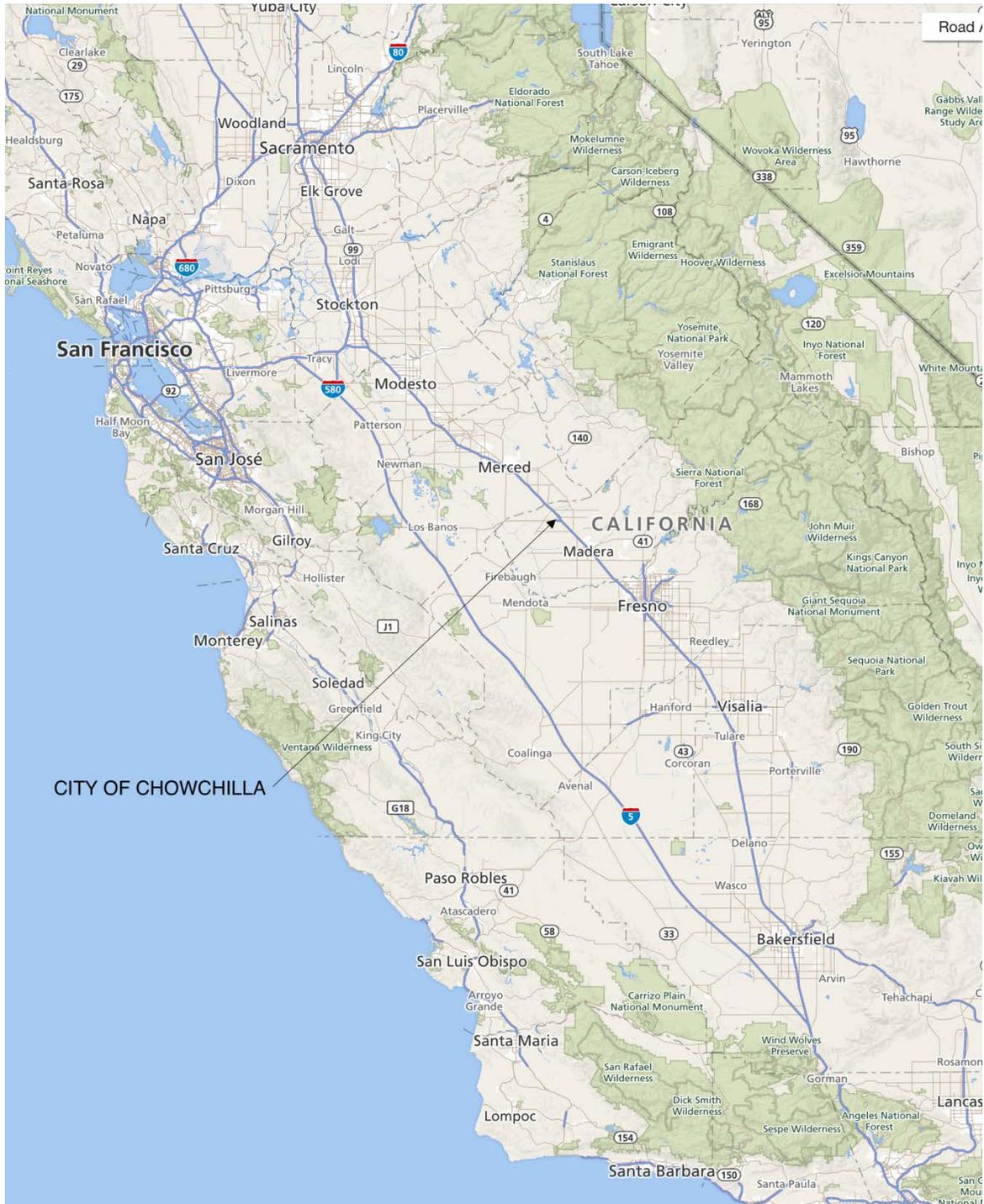
*Estimates and Projections.* Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, section 21E of the United States Securities Exchange Act of 1934, as amended, and section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

*Municipal Bond Insurance.* \_\_\_\_\_ (the “Municipal Bond Insurer”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Municipal Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Municipal Bond Insurer supplied by the Municipal Bond Insurer and presented under the heading “MUNICIPAL BOND INSURANCE” and “APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

*Website.* The City of Chowchilla maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

# LOCATION MAP - CITY OF CHOWCHILLA



**SUCCESSOR AGENCY OF THE  
CITY OF CHOWCHILLA**

130 South Second Street  
Chowchilla, CA 93610  
(559) 665-8615  
<http://ci.chowchilla.ca.us>

**SUCCESSOR AGENCY/CITY BOARD/COUNCIL MEMBERS**

Waseem Ahmed, *Chair/Mayor*  
Mary Gaumnitz, *Vice Chair/Mayor Pro Tem*  
John Chavez, *Boardmember/Councilmember*  
Dennis Haworth, *Boardmember/Councilmember*  
Richard Walker, *Boardmember/Councilmember*

**SUCCESSOR AGENCY/CITY OFFICIALS**

Brian Haddix, *City Administrator*  
Rod C. Pruett, *Finance Director*  
Sherri Dueker, *Accounting Manager*  
Joann McClendon, *City Clerk*

**SPECIAL SERVICES**

**Municipal Advisor**

Wulff Hansen & Co.  
San Francisco, California

**Bond and Disclosure Counsel**

Quint & Thimmig LLP  
Larkspur, California

**Fiscal Consultant**

Fraser & Associates  
Roseville, California

**Trustee and Escrow Bank**

U.S. Bank National Association  
Los Angeles, California

## OFFICIAL STATEMENT

\$ \_\_\_\_\_ \*

### SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA (Madera County, California) Tax Allocation Refunding Bonds, Series 2016

#### INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency of the City of Chowchilla (the “Successor Agency”) of its \$ \_\_\_\_\_ \* Successor Agency of the City of Chowchilla (Madera County, California) Tax Allocation Refunding Bonds, Series 2016 (the “Bonds”).

#### **Authority and Purpose**

The Successor Agency is issuing the Bonds pursuant to authority granted by the Constitution of the State of California, section 34177.5(a)(1) of the Health & Safety Code of the State of California, 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 (the “Refunding Law”) and an Indenture of Trust, dated as of September 1, 2016 (the “Indenture”) by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”). See “THE BONDS— Authority for Issuance.”

The Successor Agency is issuing the Bonds to (a) refund the Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (Chowchilla Redevelopment Project) (the “2005 Bonds”), issued by the former Chowchilla Redevelopment Agency (the “Former Agency”) to finance redevelopment activities within and for the benefit of the Chowchilla Redevelopment Project (the “Redevelopment Project”), of which \$6,625,000 principal amount remains outstanding, (b) purchase a reserve fund municipal bond insurance policy in lieu of cash funding a reserve fund for the Bonds, and (c) provide for the costs of issuing the Bonds.

#### **The City and the Successor Agency**

*City.* The City of Chowchilla (the “City”) is located in Madera County (the “County”), approximately 31 miles north of Fresno, 140 miles south of Sacramento and 153 miles southeast of San Francisco. Incorporated in 1923, the City operates as a general law city with a Council-Manager form of government. The Mayor is selected by the City Council from among its members. For certain information with respect to the City, see APPENDIX F—CITY OF CHOWCHILLA AND MADERA COUNTY SUPPLEMENTAL INFORMATION.

*Former Agency.* The Former Agency was a redevelopment agency that was established in 1991 by the City Council of the City under the California Community Redevelopment Law, constituting Part 1, Division 24 (commencing with section 33000) of the California Health and Safety Code (the “Redevelopment Law”), with the adoption of Ordinance No. 377-91, with all of the powers vested in such organiza-

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\* Preliminary, subject to change.

tions under the Community Redevelopment Law (which is referred to in this Official Statement as the “Redevelopment Law”). The City Council of the City was the governing board of the Former Agency.

*Dissolution Act.* On June 29, 2011, Assembly Bill No. 26 (“AB 1X 26”) was enacted together with a companion bill, Assembly Bill No. 27 (“AB 1X 27”). The provisions of AB 1X 26 provided for the dissolution of all redevelopment agencies statewide. The provisions of AB 1X 27 permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (2011), challenging the constitutionality of AB 1X 26 and AB 1X 27. On December 19, 2011, in its decision in that lawsuit, the California Supreme Court largely upheld AB 1X 26, invalidated AB 1X 27, and held that AB 1X 26 may be severed from AB 1X 27 and enforced independently. As a result of AB 1X 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

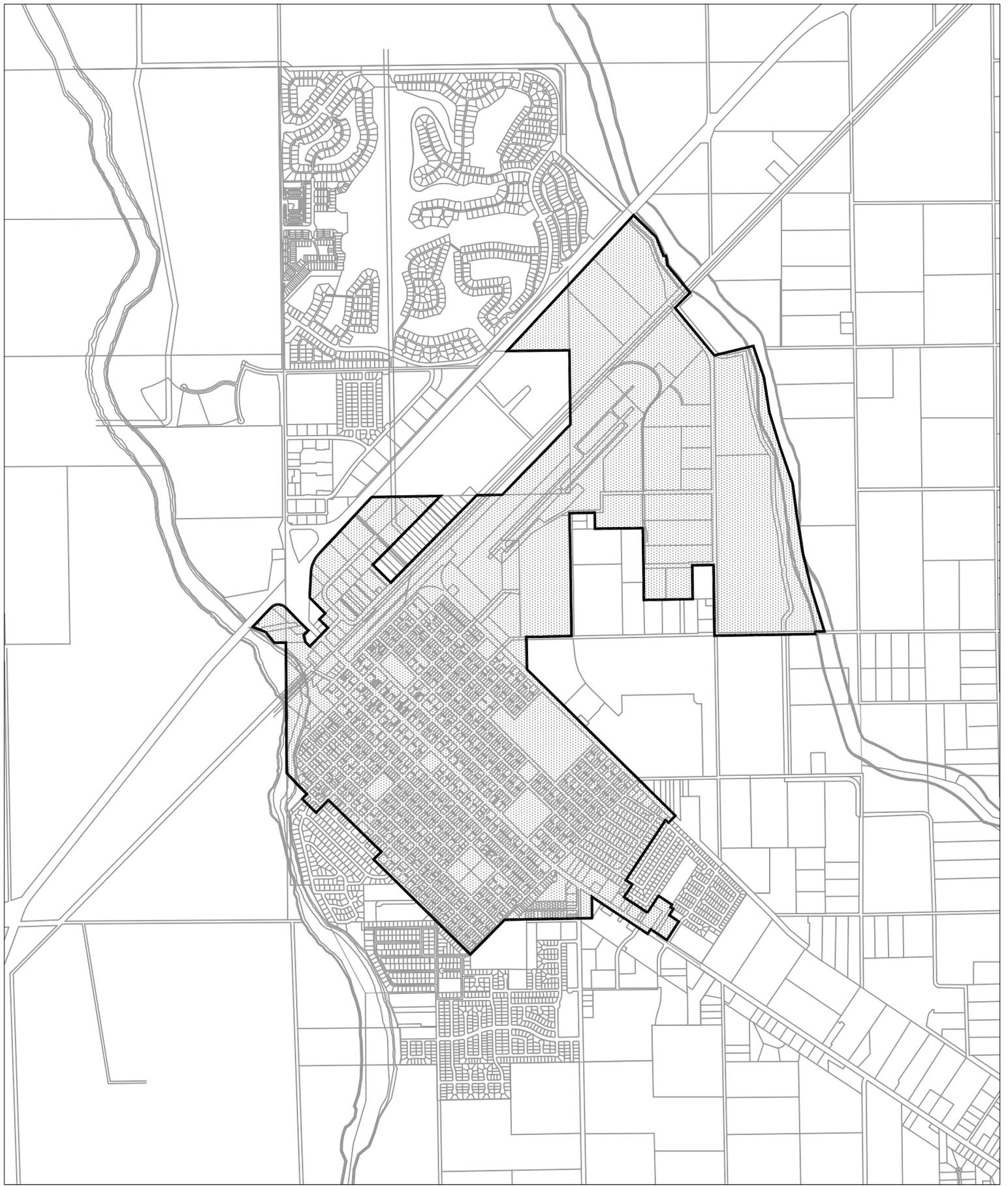
The primary provisions enacted by AB 1X 26 relating to the dissolution and wind down of former redevelopment agency affairs are found in Parts 1.8 (commencing with section 34161) and 1.85 (commencing with section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“AB 1484”), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the “Dissolution Act”).

*Successor Agency.* Pursuant to section 34173 of the Dissolution Act, the City Council of the City made an election to serve as the Successor Agency of the Former Agency. However, subdivision (g) of section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate legal entity from the City, that the two entities shall not merge and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

### **The Redevelopment Project**

The Agency adopted a redevelopment plan (the “Redevelopment Plan”) for the Redevelopment Project on July 9, 2001, by the adoption of Ordinance No. 30-01. The Redevelopment Project encompasses approximately 1,428 acres or about 37% of the total land within the City limits. The total assessed valuation of taxable property in the Redevelopment Project in fiscal year 2016-17 is \$260,445,177, with \$143,651,677 of such amount representing incremental assessed value. See “THE REDEVELOPMENT PROJECT” herein and APPENDIX G—FISCAL CONSULTANT’S REPORT.

A map of the Redevelopment Project is shown on the following page.



**CITY OF CHOWCHILLA  
REDEVELOPMENT AREA**

## **Tax Increment Financing**

Prior to the enactment of AB 1X 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopted the redevelopment plan became the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies receiving property taxes thereafter received only that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion of property taxes produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of redevelopment agency obligations.

## **Authority to Issue Refunding Bonds**

The Dissolution Act authorizes each successor agency to issue refunding bonds secured by a pledge of, and lien on, and repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller for the Successor Agency by the Dissolution Act (the “Redevelopment Property Tax Trust Fund”). Section 34177.5(a)(1) of the Dissolution Act authorizes the issuance of refunding bonds, to be secured by a pledge of moneys deposited from time to time in the applicable Redevelopment Property Tax Trust Fund to provide savings to the successor agency, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance.

## **Security for the Bonds**

The Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and are payable solely from and secured by Tax Revenues, moneys on deposit in the Debt Service Fund (including in the accounts and subaccounts therein), including but not limited to the Reserve Account. See “SECURITY FOR THE BONDS—Pledge Under the Indenture.”

The Dissolution Act requires the Madera County Auditor-Controller (the “County Auditor-Controller”) to determine the amount of property taxes that would have been allocated to the Former Agency from the Redevelopment Project had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same lien priority and legal effect as if the bonds or other indebtedness had been issued prior to effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency’s Recognized Obligation Payment Schedules. See “THE DISSOLUTION ACT—Recognized Obligation Payment Schedules.”

The Dissolution Act further provides that bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the Bonds, are taxes allocated to the successor agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Property tax revenues will be allocated to the Successor Agency on a semi-annual basis based on a Recognized Obligation Payment Schedule submitted by the Successor Agency to an oversight board established for the Successor Agency (the "Oversight Board") and the California Department of Finance (the "DOF"). The County Auditor-Controller will distribute funds from the Redevelopment Property Tax Trust Fund for each six-month period in the order specified in the Dissolution Act. See "THE DISSOLUTION ACT—Recognized Obligation Payment Schedules."

In accordance with the Dissolution Act, the term "Tax Revenues" is defined under the Indenture to mean the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, after payment of (a) County administrative fees pursuant to section 34183(a) of the Dissolution Act, and (b) all amounts due under the Statutory Pass-Through Payments and the Pass-Through Agreements that have, by their terms, a senior lien on Tax Revenues.

If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

Successor agencies have no power to levy property taxes and must rely on the allocation of taxes as described above. See "RISK FACTORS."

### **Municipal Bond Insurance Policy; Reserve Account Insurance Policy**

The scheduled payment of the principal and interest with respect to the Bonds when due will be guaranteed under a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by \_\_\_\_\_ (the "Municipal Bond Insurer") simultaneously with the delivery of the Bonds. See "MUNICIPAL BOND INSURANCE." In addition, the Municipal Bond Insurer has made a commitment to issue a municipal bond insurance policy for the Reserve Account (the "Reserve Account Insurance Policy") in an amount equal to the Reserve Requirement for the Bonds. See "SECURITY FOR THE BONDS—Flow of Funds Under the Indenture."

### **Limited Obligation**

The Bonds are special obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal, interest and premium, if any, from Tax Revenues and other funds. The Bonds, interest and premium, if any, are not a debt of the City, the County, the State or any of

their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions except the Successor Agency are liable thereon. The Bonds, interest thereon and premium, if any, are not payable out of any funds or properties other than those set forth in the Indenture. No member, officer, agent, or employee of the Successor Agency, the Oversight Board, the County Board of Supervisors or any person executing the Bonds is liable personally on the Bonds by reason of their issuance.

### **Parity Debt**

The Indenture permits the issuance of Parity Debt under certain circumstances for refunding purposes only. Other than the Bonds, there will be no other outstanding obligations secured by the Tax Revenues. See “SECURITY FOR THE BONDS—Parity Debt.”

### **Professionals Involved in the Offering**

Wulff Hansen & Co., San Francisco, California (the “Municipal Advisor”), has served as municipal advisor to the Successor Agency and has advised the Successor Agency with respect to the financial structure of the refinancing and as to other financial aspects of the transaction. *Payment of the fees and expenses of the Financial Advisor is contingent upon the sale and delivery of the Bonds.*

Fraser & Associates, Roseville, California, has acted as fiscal consultant to the Successor Agency (the “Fiscal Consultant”) and advised the Successor Agency as to the taxable values and Tax Revenues projected to be available to pay debt service on the Bonds as referenced in this Official Statement. The report prepared by the Fiscal Consultant is referred to as the “Fiscal Consultant Report.” See APPENDIX G—FISCAL CONSULTANT’S REPORT.

U.S. Bank National Association, Los Angeles, California, will act as Trustee with respect to the Bonds.

All proceedings in connection with the issuance of the Bonds are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Quint & Thimmig LLP is also acting as Disclosure Counsel to the Successor Agency. Cota Cole LLP, Roseville, California, will render certain opinions on behalf of the Successor Agency as general counsel to the Successor Agency. *Payment of the fees and expenses of Bond Counsel and Disclosure Counsel is contingent upon the sale and delivery of the Bonds.*

### **Further Information**

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Successor Agency, the Former Agency, the Redevelopment Project, the County and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency, the County and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture.

During the period of the offering of the Bonds, copies of the forms of all documents are available from the City of Chowchilla, 130 South Second Street, Chowchilla, CA 93610, Attention: Finance Director, telephone (559) 665-8615. The City may impose a charge for copying, mailing and handling.

## REFUNDING PLAN

### Refunding of the 2005 Bonds

A portion of the proceeds of the Bonds, together with amounts on deposit in the funds and accounts related to the 2005 Bonds, will be deposited in an escrow fund (the “Escrow Fund”) under an escrow agreement, by and between the Successor Agency and U.S. Bank National Association, as escrow bank (the “Escrow Bank”). All amounts deposited in the Escrow Fund will be held in cash, uninvested. Amounts deposited in the Escrow Fund will be applied to redeem the outstanding 2005 Bonds in full on September 26, 2016, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to such date.

The 2005 Bonds to be refunded are shown in the following table:

Maturity Date	Amount Refunded	Interest Rate	Call Date	Call Price	CUSIP Number
8/1/2017	\$ 125,000	4.250%	9/26/2016	100.000	170475 AM9
8/1/2018	135,000	4.250	9/26/2016	100.000	170475 AN7
8/1/2019	140,000	4.375	9/26/2016	100.000	170475 AP2
8/1/2020	145,000	4.500	9/26/2016	100.000	170475 AQ0
8/1/2025	825,000	4.500	9/26/2016	100.000	170475 AV9
8/1/2037	2,890,000	5.000	9/26/2016	100.000	170475 BH9
8/1/2037	2,365,000	5.000	9/26/2016	100.000	170475 BK2

*The amounts held by the Escrow Bank in the Escrow Fund are pledged solely to the payment of amounts due and payable by the Successor Agency with respect to the 2005 Bonds. The moneys and Treasuries deposited in the Escrow Fund will not be available for the payment of debt service with respect to the Bonds or any other obligations of the Successor Agency.*

**Estimated Sources and Uses of Funds**

The estimated sources and uses of funds are summarized below.

<b>Sources:</b>	
Principal Amount of Bonds	
Plus: Original Issue Premium	
Released 2005 Bonds Moneys	_____
Total Sources	=====
 <b>Uses:</b>	
Deposit to Escrow Fund	
Costs of Issuance (1)	_____
Total Uses	=====

(1) Costs of Issuance include the Underwriter’s discount, fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Fiscal Consultant, the Trustee, the City, the Successor Agency administrative staff, Successor Agency counsel, printing expenses, rating fees, the premiums for the Municipal Bond Insurance Policy (\$ \_\_\_\_\_) and the Reserve Account Insurance Policy (\$ \_\_\_\_\_) and other costs related to the issuance of the Bonds.

**Debt Service Schedule**

The following table shows the annual debt service schedule for the Bonds, assuming no optional redemption of the Bonds.

Bond Year Ending Aug. 1	Principal (1)	Interest	Total
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Total	=====	=====	=====

(1) Includes mandatory sinking fund payments. See “THE BONDS—Redemption—Mandatory Sinking Fund Redemption.”

## THE BONDS

### Authority for Issuance

The issuance of the Bonds and the Indenture were authorized by the Successor Agency pursuant to Resolution No. 03-16, adopted on May 10, 2016 (the “Successor Agency Resolution”), and approved by the Oversight Board for the Successor Agency pursuant to Resolution No. 03-16, adopted on May 26, 2016 (the “Oversight Board Resolution”).

Section 34177.5 of the Dissolution Act provides that when, as here, a successor agency issues re-funding bonds with the approval of the oversight board and the DOF, the oversight board may not unilaterally approve any amendments to or early termination of the bonds, and the scheduled payments on the bonds shall be listed in the Recognized Obligation Payment Schedule and are not subject to further review and approval by the DOF or the California State Controller.

Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF on May 27, 2016. On July 5, 2016, the DOF provided a letter to the Successor Agency stating that based on the DOF’s review and application of the law, the Oversight Board Resolution approving the Bonds is approved by the DOF.

### Description of the Bonds

The Bonds will be issued and delivered in fully-registered form without coupons in the denomination of \$5,000 or any integral multiple thereof for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), as registered owner of all Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the “Closing Date”) and mature on August 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on February 1 and August 1 in each year, commencing on February 1, 2017, by check mailed to the registered owners thereof or upon the request of the Owners of \$1,000,000 or more in principal amount of Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the close of business on the fifteenth (15<sup>th</sup>) calendar day of the month preceding each Interest Payments Date, whether or not such fifteenth (15<sup>th</sup>) calendar day of the month is a Business Day (the “Record Date”) preceding the Interest Payment Date.

One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX C—BOOK-ENTRY ONLY SYSTEM.

### Redemption

*Optional Redemption.* The Bonds maturing on or before August 1, \_\_\_\_\_, are not subject to optional redemption prior to maturity. The Bonds maturing on and after August 1, \_\_\_\_\_, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, \_\_\_\_\_, in whole or in part, by such maturities as are determined by the Successor Agency and by lot within a maturity, from any availa-

ble source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

*Mandatory Sinking Fund Redemption.* The Bonds maturing on August 1, \_\_\_\_\_ (the “Term Bonds”), are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on August 1, \_\_\_\_\_, and on each August 1 thereafter to and including August 1, \_\_\_\_\_, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee.

Redemption Date (August 1)	Principal Amount
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† Maturity.

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the Successor Agency, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Term Bonds, as set forth in a Written Request of the Successor Agency.

*Notice of Redemption.* The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services designated in a Written Request of the Successor Agency filed with the Trustee at the time the Successor Agency notifies the Trustee of its intention to redeem Bonds; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not

occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of the Indenture.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

*Effect of Redemption.* From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

*Manner of Redemption.* Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof. All Bonds redeemed shall be canceled.

*Selection of Bonds for Redemption.* Whenever provision is made in the Indenture for the redemption of Bonds and less than all Bonds then currently outstanding are called for redemption, the Trustee will select Bonds for redemption from Bonds then currently Outstanding and not previously called for redemption, at the written direction of the Successor Agency in such order of maturity as shall be designated by the Successor Agency, and in the absence of such direction, *pro rata* among maturities and by lot within a maturity. The Trustee will promptly notify the Successor Agency in writing of the Bonds so selected for redemption.

## THE DISSOLUTION ACT

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule. See "THE DISSOLUTION ACT—Recognized Obligation Payment Schedules."

The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposit-

ed from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of section 33670 of the Redevelopment Law and section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of section 33670 of the Redevelopment Law and section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Redevelopment Project each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called “taxing agencies”) after the effective date of the ordinance approving the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Redevelopment Project as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Redevelopment Project, as applicable (each, a “base year valuation”), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the applicable Redevelopment Plan, following the date of issuance of the Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

In addition, pursuant to section 34187 of the Dissolution Act, funds associated with retired enforceable obligations are required to be reallocated to taxing agencies as regular property taxes and not

deposited into the Redevelopment Property Tax Trust Fund for the Successor Agency at all (however, section 34187(a)(2) of the Dissolution Act provides for retention of funds by the Successor Agency of the extent needed for payment of enforceable obligations upon authorization by the DOF).

### **Recognized Obligation Payment Schedules**

*Submission of Recognized Obligation Payment Schedule.* Not less than 90 days prior to each January 2 and June 1, the Dissolution Act requires successor agencies to prepare, and submit to the successor agency's oversight board and the DOF for approval, a recognized obligation payment schedule (the "Recognized Obligation Payment Schedule") pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation.

Commencing on February 1, 2016, successor agencies were transitioned to an annual Recognized Obligation Payment Schedule process pursuant to which successor agencies are required to file Recognized Obligation Payment Schedules with the DOF and the County Auditor-Controller for approval on or before each February 1 for the July 1 through June 30 period immediately following such February 1. For example, on February 1, 2016, the Successor Agency was required to file a Recognized Obligation Payment Schedule for the period commencing July 1, 2016 through June 30, 2017.

In addition, commencing on September 22, 2015, successor agencies that have received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, may at their option, file a "Last and Final" Recognized Obligation Payment Schedule. If approved by the DOF, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties, and the Successor Agency will no longer submit a Recognized Obligation Payment Schedule to the DOF or the Oversight Board. The county auditor-controller will remit the authorized funds to the Successor Agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid. A Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with approval of the DOF and the County Auditor-Controller. The Successor Agency currently has no plans to file a Last and Final Recognized Obligation Payment Schedule.

*Payment of Amounts Listed on the Recognized Obligation Payment Schedule.* As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency or the successor agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency or the successor agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

*Sources of Payments for Enforceable Obligations.* Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance (successor agencies are entitled to receive not less than \$250,000, unless that amount is reduced by the oversight board), (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that only those payments listed in the Recognized Obligation Payment Schedule may be made by a successor agency and only from the funds specified in the Recognized Obligation Payment Schedule.

*Order of Priority of Distributions from Redevelopment Property Tax Trust Fund.* Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period in the following order specified in section 34183 of the Dissolution Act:

(i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act, if any (as described above under “SECURITY FOR THE BONDS—Statutory Pass-Through Payments” and “—Pass-Through Agreements with Taxing Agencies”) and no later than each January 2 and June 1, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule;

(iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity’s share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

*Failure to Submit a Recognized Obligation Payment Schedule.* There are strong incentives for the Successor Agency to submit Recognized Obligation Payment Schedules on time. If the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board, the County Auditor-Controller and the DOF on or before each February 1 commencing February 1, 2016 (unless the Successor Agency submits and obtains approval from the DOF of a Last and Final Recognized Obligation Payment Schedule), then the Successor Agency will be subject to a \$10,000 per day civil penalty for every day the schedule is not submitted to the DOF. See “THE DISSOLUTION ACT—Recognized Obligation Pay-

ment Schedules” for discussion regarding submission of Last and Final Recognized Obligation Payment Schedule. Additionally, if the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board and the DOF within 10 days of the deadline, then the Successor Agency’s maximum administrative cost allowance may be reduced by up to 25%. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications for the Bonds, see “RISK FACTORS – Recognized Obligation Payment Schedule.”

*History of Submission of the Recognized Obligation Payment Schedules.* The Successor Agency has policies and procedures in place to ensure full and timely compliance with the above-described covenant. See “Table 5—REDEVELOPMENT PROPERTY TAX TRUST FUND DEPOSITS” for a description of ROPS deposits for Fiscal Years 2011-12 through 2015-16.

## **SECURITY FOR THE BONDS**

The County Auditor-Controller will deposit property tax revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Health and Safety Code, including *inter alia* Health and Safety Code section 34183 and 34170.5(b). The Bonds are payable from and secured by the Tax Revenues to be derived from the Redevelopment Project consisting of a portion of the property tax revenues deposited in the Redevelopment Property Tax Trust Fund.

### **Pledge Under the Indenture**

Except as described in “—Redevelopment Obligation Retirement Fund” below and as required to compensate or indemnify the Trustee, the Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund or in the Special Fund (if applicable), and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account and the Redemption Account) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds are additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Account established by the Indenture. The Bonds are also equally secured by the pledge and lien created with respect to the Bonds by section 34177.5(g) of the Dissolution Act on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the Bonds by purchasers of the Bonds, the Indenture will be deemed to be and will constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

## **Tax Revenues**

“Tax Revenues” means the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, after payment of (a) County administrative fees pursuant to section 34183(a) of the Dissolution Act, and (b) all amounts due under the Statutory Pass-Through Payments and the Pass-Through Agreements that have, by their terms, a senior lien on Tax Revenues. If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

Before it was amended by the Dissolution Act, the Redevelopment Law required the Former Agency to set aside not less than 20% of all tax increment generated in the Redevelopment Project into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing. These tax increment revenues were commonly referred to as “Housing Set-Aside.”

The Dissolution Act eliminated the Housing Set-Aside requirement. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been identified through a mandated due diligence review. The amounts found to be unencumbered through this due diligence review have been paid to the County and these funds have been allocated to the taxing entities within the Redevelopment Project.

Since a deduction for the Housing Set-Aside is no longer required, amounts that were previously required to be deposited in the housing fund are now included in Tax Revenues.

See “—Statutory Pass-Through Payments” and “—Pass-Through Agreements with Taxing Agencies.”

## **Flow of Funds Under the Indenture**

*General.* The Successor Agency previously established the Redevelopment Obligation Retirement Fund pursuant to section 34170.5(a) of the Dissolution Act and agrees to hold and maintain the Redevelopment Obligation Retirement Fund as long as any of the Bonds are Outstanding.

*Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund.* The Indenture provides that the Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts received therein to the Debt Service Fund established and held by the Trustee under the Indenture until such time during such Bond Year as the amounts so transferred to the Debt Service Fund equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund in such Bond Year pursuant to the Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture. All Tax Revenues received by the Successor Agency in excess of the amount required to pay debt service on the Bonds and any Parity

Debt, and except as may be provided to the contrary in any Parity Debt Instrument, shall be released from the pledge and lien under the Indenture and shall be applied in accordance with the Redevelopment Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

*Deposit of Amounts by Trustee.* There is established a trust fund to be known as the Debt Service Fund, which will be held by the Trustee under the Indenture in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency of the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are established in the Debt Service Fund, and in the following order of priority:

**Interest Account.** On or before the fifth Business Day preceding each Interest Payment Date, commencing with the February 1, 2017, Interest Payment Date, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and Parity Debt. Subject to this Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity pursuant to this Indenture).

**Principal Account.** On or before the fifth (5th) Business Day preceding February 1, 2017 and August 1, 2017, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds on August 1, 2017. On or before the fifth (5th) Business Day preceding February 1 and August 1 in each year beginning February 1, 2018, the Successor Agency shall transfer to the Trustee on or before February 1 of such year fifty percent (50%) of the principal amount due on the following August 1, and shall transfer on or before August 1 of such year the remaining fifty percent (50%) of the principal amount due on August 1 of such year. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds (including principal being paid pursuant to mandatory sinking fund redemption) as it shall become due and payable.

**Sinking Account.** On or before the fifth (5th) Business Day preceding February 1, \_\_\_\_\_ and August 1, \_\_\_\_\_, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the sinking fund payment becoming due and payable on the Outstanding Bonds on August 1, \_\_\_\_\_. On or before the fifth

(5th) Business Day preceding February 1 and August 1 in each year beginning February 1, \_\_\_\_\_, the Successor Agency shall transfer to the Trustee on or before February 1 of such year fifty percent (50%) of the sinking fund amount due on the following August 1, and shall transfer on or before August 1 of such year the remaining fifty percent (50%) of the sinking fund amount due on August 1 of such year. No such transfer and deposit need be made to the Sinking Account if the amount contained therein is at least equal to the sinking fund payment to become due on the next August 1. Subject to this Indenture, all moneys in the Sinking Account will be used and withdrawn by the Trustee solely for the purpose of paying the aggregate principal amount of the Bonds and term bonds relating to Parity Debt required to be redeemed on such August 1 pursuant to Section 2.03(b).

#### **Reserve Account.**

(i) In lieu of a cash deposit to the Reserve Account, the Reserve Policy, in an amount equal to the Reserve Requirement, shall be delivered to the Trustee on the Closing Date. The prior written consent of the Municipal Bond Insurer shall be a condition precedent to the deposit of any credit instrument in lieu of a cash deposit into the Reserve Account. "Reserve Requirement" means, as of any date of calculation, to be equal to the least of (a) Maximum Annual Debt Service for then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for then current or every subsequent Bond Year, and (c) 10% of the original principal amount of the Bonds and any Parity Debt. On the Closing Date, such amount is being \$\_\_\_\_\_.

If, on any Interest Payment Date, the moneys available in the Interest Account and/or the Principal Account do not equal the amount of the principal or interest with respect to the Bonds then coming due and payable, the Trustee shall apply the moneys available in the Reserve Account to makeup delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account or shall draw on the Reserve Policy and apply amounts received from such draw to makeup delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account. To the extent there is cash or investments on deposit in the Reserve Account, such cash or investments shall be applied first before there is any draw on the Reserve Policy or any other credit facility credited to the Reserve Account in lieu of cash (a "Credit Facility"). Payment of any Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a *pro rata* basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the Reserve Account or there has been a draw on the Reserve Policy, such amount shall be deposited in the Reserve Account to the extent of

such advance and first applied to reimburse a draw on the Reserve Policy and then to replenish any cash drawn therefrom.

The Reserve Account may be maintained at the specific direction of the Successor Agency in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and Parity Debt in conformity with applicable provisions of the Tax Code.

*The Successor Agency has no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time the Bonds are outstanding, amounts are unavailable under the Reserve Policy.*

(ii) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Municipal Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Municipal Bond Insurer at the Late Payment Rate.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Municipal Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Municipal Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(iii) Draws under the Reserve Policy may only be used to make payments on Bonds (but not Parity Debt).

(iv) If the Successor Agency shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Municipal Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.

(v) This Indenture shall not be discharged until all Policy Costs owing to the Municipal Bond Insurer shall have been paid in full. The Successor Agency's obligation to pay such amount shall expressly survive payment in full of the Bonds.

(vi) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Municipal Bond Insurer at least three business days prior to each date upon which interest or principal is due on the Bonds.

(vii) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

With respect to the Reserve Policy, notwithstanding anything to the contrary set forth in this Indenture, the Successor Agency and the Trustee agree to comply with the terms of the Reserve Agreement.

**Redemption Account.** On or before the fifth Business Day preceding any date on which Bonds are to be redeemed, other than through mandatory Sinking Account redemption, the Trustee shall withdraw from the Debt Service Fund and transfer to the Redemption Account (which the Trustee shall thereupon establish and hold in trust hereunder) an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date, taking into account any funds then on deposit in the Redemption Account. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds.

### **Limited Obligation**

The Bonds are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency are liable therefor. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Successor Agency, the Oversight Board or the Board of Supervisors of the County shall be individually or personally liable for the payment of the principal of or interest or redemption premium (if any) on the Bonds; but nothing contained in the Indenture relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

*Dissolution Act Covenant by the Successor Agency.* The Successor Agency covenants in the Indenture that it will comply with all of the requirements of the Redevelopment Law and the Dissolution Act.

Pursuant to section 34177 of the Dissolution Act, not less than 90 days prior to each January 2 and June 1, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Dissolution Act to include in a Recognized Obligation Payment Schedule for each Semiannual Period (hereinafter defined) debt service on the Bonds and any Parity Debt, so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required to enable the Successor Agency to pay timely payments of principal of, and interest on, the Bonds and any Parity Debt coming due with respect the applicable Semiannual Period, including inclusion on the applicable Recognized Obligation Payment Schedule of (a) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedule and (b) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedule attached to any Supplemental Indenture, and the inclusion of any amount required to be deposited in the Reserve Account, in order to maintain in the Reserve Account the amount of the Reserve Requirement. Notwithstanding the foregoing, the Successor Agency shall use its best efforts, subject to there being available funds for that purpose, to include on each Recognized Obligation Payment Schedule that is payable by the County Auditor-Controller on January 2 one-half of the principal payment and any Sinking Fund payment on the Bonds that is payable on the following August 1 as a reserve for the principal payment and any Sinking Fund payment payable on such August 1. The Recognized Obligation Debt Service Schedule shall not be amended except by Supplemental Indenture entered into pursuant to the Indenture. "Semiannual Period" means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

In addition, the Successor Agency shall place on the applicable Recognized Obligation Payment Schedule for approval by the Oversight Board and DOF, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the following half of the calendar year, as contemplated by paragraph (1)(A) of subdivision (d) of section 34171 of the Dissolution Act and any amount required to be deposited in the Reserve Account in order to maintain in the Reserve Account the amount of the Reserve Requirement.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the Bonds (see "RISK FACTORS").

### **County Administrative Fees**

Chapter 466, Statutes of 1990 (referred to as SB 2557), permits the County to withhold a portion of annual tax revenues for the recovery of County charges related to property tax administration services to cities in an amount equal to their property tax administration costs proportionately attributable to cities. SB 2557, and subsequent legislation under SB 1559 (Statutes of 1992), permitted counties to charge all jurisdictions, including redevelopment agencies, on a year-to-year basis. Section 34182(a)(3) of the California Health and Safety Code also provides for recovery of county costs in connection with performing duties related to the dissolution of redevelopment agencies. The actual fiscal year 2015-16 charges for the Successor Agency equate to 2.6% of gross RPTTF revenues. The Fiscal Consultant's projections included assume that the County administrative costs will continue to be charged at approximately 2.6% of gross revenue in subsequent fiscal years. For purposes of showing debt service coverage, the Fiscal Consultant has assumed that the County administrative fees are senior to the Successor Agency's pledge of Tax Revenues to its obligation to make debt service payments on the Bonds.

## **Statutory Pass-Through Payments**

The Redevelopment Project was adopted after January 1, 1994 and is therefore, subject to the Law as it was amended by passage of AB 1290. As amended, the Law requires that for project areas adopted after January 1, 1994, a prescribed portion of the agency's tax increment revenue must be shared with all taxing entities within the project area, computed after the deduction of of the housing set-aside amount, even though the set-aside is no longer required. This defined tax-sharing amount has three tiers. The first tier began with the first year that the project area received tax increment revenue and continues for the life of the project area. This first tier tax-sharing amount is 25 percent of the Successor Agency's Tax Revenues.

The second tier began in the eleventh year after the Former Agency first received tax increment revenue. The second tier payments began in fiscal year 2014-15. This second tier is 21 percent of the tax increment revenue that is derived from the growth in assessed value that is in excess of the assessed value of the project area in year ten (Fiscal Year 2013-14).

The third tier begins in the 31st year after the Former Agency first received tax increment revenue. These third tier payments will begin in fiscal year 2034-35. This third tier is 14 percent of the tax increment revenue that is derived from the growth in assessed value that is in excess of the assessed value of the project area in the 30th year. These three tiers of tax sharing are calculated independent of one another and continue from their inception through the life of the Redevelopment Project.

Section 33607.5(e) of the Law specifies a procedure whereby the Successor Agency may request subordination of the statutory tax sharing payments to payment of debt service on bonded indebtedness by all of the taxing entities. As part of this request, the Successor Agency must provide substantial evidence to the taxing entities that it will have sufficient funds to make the debt service payments on the bonds as well as making the required statutory tax sharing payments.

The taxing entities may respond and agree to the subordination request, they may do nothing and after 45 days be deemed to have agreed to the subordination or they may disapprove the subordination request. A taxing entity may disapprove a subordination request only if it believes based on substantial evidence that the Successor Agency's financial estimates are incorrect and that the Agency will not be able to make debt service and the tax sharing payments. **The Successor Agency is not currently considering a request for taxing entities to subordinate their payments to the payment of debt service on the Bonds.**

## **Pass-Through Agreements with Taxing Agencies**

The Redevelopment Project was adopted after January 1, 1994 and is therefore, exempt from the requirement to enter into negotiated tax sharing agreement to alleviate any financial burden or detriment caused by a redevelopment project.

## **No Developer Agreements**

The Successor Agency has entered into no disposition and development agreements with third parties that constitute a pledge of Tax Revenue nor have they entered into any such agreements that would have a superior lien on Tax Revenues to payment of debt service on the Bonds.

## **Parity Debt**

“Parity Debt” means any loan, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the Bonds as authorized by the Indenture. The Indenture permits the issuance of Parity Debt to refund the Bonds. With respect to any such refunding, (i) annual debt service on such Parity Debt must be lower than annual debt service on the obligations being refunded during every year the obligations would otherwise be outstanding and (ii) the final maturity of any such Parity Debt must not exceed the final maturity of the obligations being refunded.

## **MUNICIPAL BOND INSURANCE**

[TO COME]

## **PROPERTY TAXATION IN CALIFORNIA**

### **Property Tax Collection Procedures**

*Classification.* In the State, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, ad valorem taxes are collected by a county (the “Taxing Authority”) for the benefit of the various entities (e.g., cities, schools and special districts) that share in the ad valorem tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Funds.

*Collections.* Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

*Penalty.* A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year.

Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

*Delinquencies.* The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

*Supplemental Assessments.* California Revenue and Taxation Code section 75.70 provides for the reassessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against real property. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as the general property tax. The receipt of Supplemental Assessment revenues by taxing entities typically follows the change of ownership by a year or more. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. If a change in ownership results in a decrease in assessed value, a negative supplemental assessment may occur, requiring a refund of taxes paid to the property owner. To the extent such supplemental assessments occur within the Redevelopment Project, tax increment may increase or decrease. Revenues resulting from Supplemental Assessments have not been included in the Fiscal Consultant's projections of tax increment available to pay debt service on the Bonds.

*County Property Tax Collection and Administrative Costs.* In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the costs of administering the provisions of the Dissolution Act.

*Levy and Collection of Taxes.* The Successor Agency has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the ability of the Agency to repay the Agency Bonds. Likewise, delinquencies in the payment of property taxes and the impact of bankruptcy proceedings on the legal ability of taxing agencies to collect property taxes could have an adverse effect on the Agency's ability to make timely Agency Bond payments. The County has not elected to follow the procedures of sections 4701 et seq. of the California Revenue and Taxation Code, known as the "Teeter Plan," as to general taxes entered and collected on the secured tax

roll. Consequently, property tax revenues in the Redevelopment Project reflects actual collections. A table illustrating the historical tax collection rates in the Redevelopment Project is included in the Fiscal Consultant's Report. See APPENDIX G—FISCAL CONSULTANT'S REPORT—Table H—Historical Collection Rates. Substantial delinquencies in the payment of property taxes could impair the timely receipt by the Successor Agency of Tax Revenues, although the Tax Revenues provide substantial debt service coverage on the Bonds. See "THE REDEVELOPMENT PROJECT—Projected Available Net Tax Increment and Estimated Debt Service Coverage."

### **Unitary Property**

Assembly Bill ("AB") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the SBE are accumulated in a single Tax Rate Area for the County. The tax revenues are then to be allocated to each taxing entity county-wide as follows: (i) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of a redevelopment project. Consequently, the base year values of redevelopment projects are reduced by the amount of utility value that existed originally in the base years. The Auditor Controller allocated a total of \$276,152 of unitary tax revenue to the Redevelopment Project for fiscal year 2015-16. The Fiscal Consultant estimates \$37,000 of unitary revenues were allocated to the Successor Agency from the Redevelopment Project in fiscal year 2015-16. For purposes of the Fiscal Consultant's projection of tax revenues available to pay debt service on the Bonds, the Fiscal Consultant assumed that the amount of unitary revenue allocated for fiscal year 2015-16 will continue to be allocated to the Redevelopment Project in the same amount for the life of the projection.

### **Article XIII A of the State Constitution**

Article XIII A limits the amount of ad valorem taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIII A defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms “purchase” and “change of ownership,” for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature’s action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Each year the Board of Equalization announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. Through fiscal year 2010-11 there were six occasions when the inflation factor was less than 2%. Until fiscal year 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels; however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was -0.237% and this resulted in reductions to the adjusted base year value of parcels. The table below reflects the inflation adjustment factors for the current fiscal year and 10 prior fiscal years .

Historical Inflation Adjustment Factors	
Fiscal Year	Inflation Adj. Factor
2007-08	2.000%
2008-09	2.000
2009-10	2.000
2010-11	-0.237
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454
2015-16	1.998
2016-17	1.525

### **Appropriations Limitation—Article XIII B**

Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including section 33678 of the Redevelopment Law. The constitutionality of section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

### **Proposition 87**

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Former Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

### **Appeals of Assessed Values**

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner’s property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner’s property in any one year must submit an application to the County Assessment Appeals Board (the “Appeals Board”). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor’s Office, the staff makes a recommendation

to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

See "THE REDEVELOPMENT PROJECT—Assessment Appeals" for information regarding historical and pending appeals of assessed valuations by property owners in the Redevelopment Project. Also, see APPENDIX G—FISCAL CONSULTANT'S REPORT—Table I—Historical Assessment Appeal Summary.

### **Proposition 8**

Proposition 8, approved in 1978 (California Revenue and Taxation Code section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After such reductions in value are implemented, the Assessor is required to review the property's market value as of each subsequent lien date and adjust the value of real property to the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIII A of the California Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under Proposition 8 to residential properties are normally initiated by the Assessor but may also be requested by the property owner. Reductions of value for commercial, industrial and other land use types under Proposition 8 are normally initiated by the property owner as an assessment appeal.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

For a summary of the recent history of Proposition 8 reductions in the Redevelopment Project, see “THE REDEVELOPMENT PROJECT—Residential Real Estate Values.”

### **Propositions 218 and 26**

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution.

Tax Revenues securing the Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency’s ability to expend revenues.

## **THE SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA**

As described in “INTRODUCTION,” the Dissolution Act dissolved the Former Agency as of February 1, 2012. Thereafter, pursuant to section 34173 of the Dissolution Act, the City became the Successor Agency of the Former Agency. Subdivision (g) of section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

### **Successor Agency Powers**

All powers of the Successor Agency are vested in its five members who are elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, substantially all Successor Agency actions are subject to approval by the Oversight Board, as well as review by the DOF.

## **Status of Compliance with Dissolution Act**

The Dissolution Act requires a due diligence review to determine the unobligated balances of each successor agency that are available for transfer to taxing entities. The due diligence review involves separate reviews of each successor agency's low and moderate income housing fund and of all other funds and accounts. Once a successor agency completes the due diligence review and any transfers to taxing entities, the DOF will issue a finding of completion that expands the authority of each successor agency in carrying out the wind down process. A finding of completion allows a successor agency to, among other things, retain real property assets of the dissolved redevelopment agency and utilize proceeds derived from bonds issued prior to January 1, 2011.

The Successor Agency has completed the due diligence process and received its Finding of Completion on \_\_\_\_\_, 20\_\_.

After receiving a finding of completion, each successor agency is required to submit a Long Range Property Management Plan detailing what it intends to do with its inventory of properties. Successor agencies are not required to immediately dispose of their properties but are limited in terms of what they can do with the retained properties. Permissible uses include: sale of the property, use of the property to fill an enforceable obligation, retention of the property for future redevelopment, and retention of the property for governmental use. These plans must be filed by successor agencies within six months of receiving a finding of completion, and the DOF will review these plans as submitted on a rolling basis.

The DOF Approved the Successor Agency's Long Range Property Management Plan on \_\_\_\_\_, 20\_\_.

## **Plan Limits**

In accordance with the Redevelopment Law, redevelopment plans like the Redevelopment Plans were required to include certain limits on the financing of the redevelopment projects. These limits could include a time limit on the life of the redevelopment plan, a time limit on the incurrence of indebtedness, a time limit on the receipt of property tax increment and the repayment of indebtedness and a limit on the amount of bonded indebtedness outstanding at any time. SB 107 clarifies that former tax increment limits set forth in redevelopment plans such as the Redevelopment Plans no longer apply for purposes of paying approved enforceable obligations such as the Bonds.

## **THE REDEVELOPMENT PROJECT**

All real property in the Redevelopment Project is subject to the controls and restrictions of the Redevelopment Plan. The Redevelopment Plan requires that new construction shall comply with all applicable State statutes and local laws in effect, including, but not limited to, fire, building, electrical, heating, and zoning codes of the City. The Redevelopment Plan allows for commercial, residential and public uses within the Redevelopment Project. The Agency may permit an existing but nonconforming use to remain so long as the existing building is in good condition and is generally compatible with the development and uses in the Redevelopment Project. The owner of any property with a nonconforming use must be willing to enter into an owner participation agreement with the Agency and agree to the imposition of such reasonable restrictions as are necessary to protect the development and use of the Redevelopment Project.

## Land Use

The aggregate designated land use in the Redevelopment Project for fiscal year 2016-17 is set forth in the following table.

**TABLE 1  
LAND USE  
Fiscal Year 2016-17**

Category	Parcel Count	2016-17 Assessed Value	% of Total
Residential	1,467	\$122,216,314	46.93%
Commercial	152	47,942,198	18.41
Industrial	54	25,960,199	9.97
Vacant Land	87	7,376,843	2.83
Other	114	3,897,089	1.50
Unsecured	—	53,052,534	20.37
<b>Total</b>	<b>1,874</b>	<b>\$260,445,177</b>	<b>100.00%</b>

Source: Fiscal Consultant.

## Historical Assessed Values

The following table sets forth the eight year assessed value history of the Redevelopment Project.

**TABLE 2  
ASSESSED VALUES  
Fiscal Years 2009-10 through 2016-17**

Fiscal Year	Assessed Value	% Annual Change
2009-10	\$256,668,431	—
2010-11	\$231,243,618	-9.91%
2011-12	\$231,010,767	-0.10%
2012-13	\$229,575,517	-0.62
2013-14	\$237,566,285	3.48%
2014-15	\$239,782,267	0.93%
2015-16	\$248,282,564	3.55%
2016-17	\$260,445,177	4.90%

Source: Fiscal Consultant

Taxable values in the Redevelopment Project have decreased from \$256.7 million in 2009-10 to \$260.4 million in 2016-17. The total percentage change was -1.47 percent over the period. The average annual percentage change in values was 0.21 percent. Taxable values have increased each year since 2012-13. Secured values dropped between 2009-10 and 2012-13 by a total of \$25.5 million. The largest reason for the drop was due to residential reductions that were granted to property owners under Proposition 8. A total of 313 residential properties were reduced by a total of \$13.1 million. The sale of residential property also reduced value by approximately \$9.6 million, and non-residential property went down by \$5 million. Increases based on the normal inflation adjustment of up to 2 percent offset some of the decreases. Beginning in 2013-14, and continuing through 2016-17, secured values increased by \$32.3 million. Resi-

dential Proposition 8 reversals added \$11.2 million. The sale of residential property added \$4.3million. Non-residential values went up by \$13.7 million, with most of this attributed to new development activity, which added \$9.5 million.

### Historical Taxable Values and Tax Increment Revenues

The following table sets forth historical taxable values and tax increment revenues for the Redevelopment Project.

**TABLE 3**  
**HISTORICAL TAXABLE VALUES AND TAX REVENUES**  
**Fiscal Years 2011-12 through 2015-16**

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Total Assessed Value	231,010,767	229,575,517	237,566,285	239,782,267	248,282,564
Incremental Value	114,217,267	112,782,017	120,772,785	122,988,767	131,489,064
Total Annual Increment (1)	1,142,173	1,127,820	1,201,092	1,229,888	1,314,891
Gross RPTTF Collections (2)	1,223,402	1,251,600	1,240,221	1,290,133	1,365,079
Less: SB 2557 Admin. Fees	35,254	68,699	27,081	1,485	39,048
Less: Pass-Through Payments (3)	245,765	250,138	261,766	269,204	316,432
Tax Revenues	<u>942,383</u>	<u>932,763</u>	<u>951,374</u>	<u>1,019,444</u>	<u>1,009,599</u>

Source: Fiscal Consultant.

- (1) Total Annual Increment includes regular secured and unsecured taxes computed based on the Incremental Value multiplied by the 1% general levy tax rate.
- (2) Includes regular secured, unsecured, Unitary, supplemental and other taxes collected for the given fiscal year. Due to the allocation process dictated by the Dissolution Statutes, allocation of taxes through the RPTTF in a given fiscal year will not equal collections for that fiscal year. Collections shown for 2015-16 are through May, 2016.
- (3) The County's practice is to deduct all pass-through obligations from the RPTTF, regardless of their lien priority, before remitting the balance to the Successor Agency to pay debt service.

## Largest Taxpayers

The ten largest taxpayers for the Redevelopment Project according to the 2016-17 assessed valuations are shown below.

**TABLE 4**  
**TEN LARGEST PROPERTY TAXPAYERS**  
**Fiscal Year 2016-17**

Property Owner	Assessed Value	% of Total Value	% of Incremental Value	Primary Land Use
Patel, Mahesh D. & Surekha (1)	\$ 7,003,393	3.38%	7.27%	Hotel
McCombs, Calude & Rose Marie, Trustees	6,776,999	3.41	7.34	Industrial/Commercial
Thrifty Payless Inc.	5,679,747	2.74	5.89	Retail
Chowchilla Asphalt	4,415,170	2.13	4.58	Commercial
Brown, DC	3,663,575	1.77	3.80	Residential/Hotel
All Wire	3,499,786	1.69	3.63	Industrial
Brake Parts Inc.	2,881,455	1.48	3.20	Industrial
Creekside Land Co. LLC	2,658,310	1.38	2.96	Agricultural
Locatelli, Sal & Dawn Y., Trustees	2,487,361	1.23	2.65	Restaurant
Child, Ronald H. & Diabe L., Trustees	2,267,168	1.09	2.35	Industrial
Top Property Owner Total Value	\$41,332,964	16.92%	36.92%	
Redevelopment Project Assessed Value	\$260,445,177			
Redevelopment Project Incremental Value	\$143,651,677			

Source: Fiscal Consultant.

(1) This taxpayer has a pending assessment appeal on parcels owned.

## Assessment Appeals

There are four appeals currently pending on properties within the Redevelopment Project. Based on the historical averages for appeals allowed and value reduction per successful appeal, the Fiscal Consultant expects that the currently pending appeals will be allowed and that these successful appeals will result in an assessed value reduction of \$2 million. Only one of the top ten taxpayers within the Redevelopment Project has filed assessment appeal that are currently pending.

See APPENDIX G—FISCAL CONSULTANT’S REPORT for a more detailed analysis of the assessment appeals for the Redevelopment Project. The estimated reduction in assessed values from pending appeals have been factored into the Fiscal Consultant’s projections.

## Residential Real Estate Values

Residential properties make up 46.93% of the value of all properties within the Redevelopment Project. As of the fiscal year 2012-13 tax roll, 316 residential parcels had been reduced in value by \$13.2 million. Beginning in 2012-13 and continuing through 2016-17, the County has reversed many of the prior reductions and increased value by \$11.2 million. Recent sales data indicates that property is selling for more than the value recorded on the current tax roll. See APPENDIX G—FISCAL CONSULTANT’S REPORT for a more detailed analysis of the current home sales in the City.

### **New Development and Transfers of Ownership**

New value to the Redevelopment Project as the result of transfers of ownership that have occurred after the lien date for the 2016-17 tax roll and increases in value for new development have not been incorporated into the Fiscal Consultant's projections.

## Historical RPTTF Deposits

The following table sets forth debt service by RPTTF deposits for the Redevelopment Project.

**TABLE 5**  
**BOND DEBT SERVICE BY REDEVELOPMENT**  
**PROPERTY TAX TRUST FUND PERIODS**  
**Fiscal Years 2014-15 and 2016-17**

Category	2014-15			2015-16			2016-17		
	Actual January- June 2015	Actual July- December- 2015	Total	Actual January- June- 2016	Estimated July- December 2016	Total	Estimated January- June- 2017	Estimated July- December 2017	Total
Tax Increment	\$879,711	\$433,415	\$1,313,126	\$930,641	\$421,250	\$1,351,891	\$1,031,462	\$442,055	\$1,473,517
Supplemental / Other Taxes	(27,245)	4,252	(22,993)	1,527	0	1,527	0	0	0
Total Tax Increment / Trust Fund (1)	852,466	437,667	1,290,133	932,168	421,250	1,353,418	1,031,462	442,055	1,473,517
<b>Obligations</b>									
Property Tax Administration Fees (2)	1,485	0	1,485	38,710	17,522	56,232	30,191	12,939	43,130
Tax Sharing Payments (3)	177,397	91,807	269,204	178,840	103,256	282,096	228,798	98,056	326,855
Tax Revenues for Debt Service	\$673,584	\$345,860	\$1,019,444	\$714,618	\$300,471	\$1,015,089	\$772,472	\$331,060	\$1,103,532
2005 Bond Debt Service	169,713	349,714	519,427	165,512	350,813	516,325	0	0	0
2016 Bond Debt Service	0	0	0	0	0	0	437,945	0	437,945
Total Debt Service (4)	169,713	349,714	519,427	165,512	350,813	516,325	437,945	0	437,945
Remaining Revenue	503,871	(3,854)	500,017	549,106	(50,342)	498,764	334,527	331,060	665,587
Coverage	397%	99%	196%	432%	86%	197%	176%		252%

Source: Fiscal Consultant.

- (1) Reflects actual receipts based on the records of the Agency for 2014-15 and 2015-16. 2016-17 numbers are estimates.
- (2) Actual for 2014-15 and 2015-16 and estimate for 2016-17 at 2.93 percent of tax increment.
- (3) AB 1290 payments withheld by the County.
- (4) Bond year debt service for the 2005 Bonds and estimated debt service for the 2016-17 Bonds. The Successor Agency will pay 100 percent of debt service from the January RPTTF installment. .

## Projected Available Tax Revenues and Estimated Debt Service Coverage

Table 6 below shows available net tax increment from the Redevelopment Project, assumes 1.525% growth (from 2015-16) in fiscal year 2016-17, 2% growth in each year thereafter and includes projected debt service on the Bonds. Table 7 below shows available net tax increment from the Redevelopment Project, assumes 1.525% growth (from 2015-16) in fiscal year 2016-17, 0% growth in each year thereafter and includes projected debt service on the Bonds.

Tax Revenues represent the amount available for debt service computed as gross Redevelopment Property Tax Trust Fund Revenue less (1) the County administration fees; and (2) statutory pass-through payments. The County's practice is to deduct all pass-through obligations from the RPTTF, regardless of their lien priority, before remitting the balance to the Successor Agency to pay debt service. The projection commences with the 2017- fiscal year and 2015-16 assessed valuations and incorporates the valuation assumptions made in the Fiscal Consultant's Report. No increase in assessed value has been reflected in the projections based on new development. Personal Property values are assumed to remain constant. The projections include an adjustment for pending appeals.

**TABLE 6**  
**PROJECTION OF TAX REVENUES FOR DEBT SERVICE AND DEBT SERVICE COVERAGE**  
**(2% Growth)**  
**(dollars in thousands)**

(1) Year Ending 6/30	Total RPTTF Revenues	Less: County Admin.	Less: Statutory Pass- Through Obligations	Net Tax Revenues	Debt Service	Debt Service Coverage
2017	\$1,474	\$43	\$327	\$1,104	\$438	2.52x
2018	1,502	44	337	1,121	430	2.61x
2019	1,550	45	355	1,150	425	2.71x
2020	1,600	47	373	1,180	429	2.75x
2021	1,651	48	392	1,210	427	2.83x
2022	1,703	50	411	1,242	424	2.93x
2023	1,755	51	431	1,273	432	2.95x
2024	1,809	53	450	1,306	429	3.04x
2025	1,864	55	471	1,339	434	3.09x
2026	1,920	56	491	1,373	428	3.21x
2027	1,977	58	512	1,407	426	3.30x
2028	2,035	60	534	1,442	429	3.36x
2029	2,095	61	556	1,478	427	3.46x
2030	2,155	63	578	1,515	429	3.53x
2031	2,217	65	601	1,552	421	3.69x
2032	2,280	67	624	1,590	412	3.86x
2033	2,345	69	647	1,629	418	3.90x
2034	2,410	71	672	1,668	414	4.03x
2035	2,477	73	704	1,701	414	4.11x
2036	2,545	75	736	1,735	412	4.21x

Source: Fiscal Consultant. Debt service data from the Underwriter.

(1) Tax Revenues are presented for the fiscal year ending in the year; Bond debt service is presented for the calendar year as payable from that fiscal year Tax Revenues.

**TABLE 7**  
**PROJECTION OF TAX REVENUES FOR DEBT SERVICE AND DEBT SERVICE COVERAGE**  
**(0% Growth)**  
**(dollars in thousands)**

(1) Year Ending 6/30	Total RPTTF Revenues	Less: County Admin.	Less: Statutory Pass- Through Obligations	Net Tax Revenues	Debt Service	Debt Service Coverage
2017	\$1,474	\$43	\$327	\$1,104	\$438	2.52x
2018	1,454	43	320	1,092	430	2.54x
2019	1,454	43	320	1,092	425	2.57x
2020	1,454	43	320	1,092	429	2.55x
2021	1,454	43	320	1,092	427	2.56x
2022	1,454	43	320	1,092	424	2.58x
2023	1,454	43	320	1,092	432	2.53x
2024	1,454	43	320	1,092	429	2.55x
2025	1,454	43	320	1,092	434	2.52x
2026	1,454	43	320	1,092	428	2.55x
2027	1,454	43	320	1,092	426	2.56x
2028	1,454	43	320	1,092	429	2.55x
2029	1,454	43	320	1,092	427	2.56x
2030	1,454	43	320	1,092	429	2.55x
2031	1,454	43	320	1,092	421	2.59x
2032	1,454	43	320	1,092	412	2.65x
2033	1,454	43	320	1,092	418	2.61x
2034	1,454	43	320	1,092	414	2.64x
2035	1,454	43	320	1,092	414	2.64x
2036	1,454	43	320	1,092	412	2.65x

Source: Fiscal Consultant. Debt service data from the Underwriter.

(1) Tax Revenues are presented for the fiscal year ending in the year; Bond debt service is presented for the calendar year as payable from that fiscal year Tax Revenues.

## RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

### Recognized Obligation Payment Schedule

The Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by a successor agency from the funds specified in the Recognized Obligation Pay-

ment Schedule. Pursuant to Section 34177 of the Dissolution Act, on or before each February 1 commencing February 1, 2016, the Successor Agency shall submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule unless, at the option of the Successor Agency and subject to DOF approval and satisfaction of certain other conditions, a Last and Final Recognized Obligation Payment Schedule is filed by the Successor Agency and is approved by the DOF in which event no such periodic filing requirements apply. In instances where a Last and Final Recognized Obligation Payment Schedule is not filed, for each semiannual or annual period, as applicable, the Dissolution Act requires each successor agency to prepare and approve, and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Consequently, in instances where a Last and Final Recognized Obligation Payment Schedule is not filed, Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Successor Agency without a duly approved and effective Recognized Obligation Payment Schedule to pay debt service on the Bonds and to pay other enforceable obligations for each applicable annual period. In the event the Successor Agency were to fail to file a Recognized Obligation Payment Schedule as required, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

In instances where a Last and Final Recognized Obligation Payment Schedule is not filed, if a successor agency does not submit a Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the DOF may determine if any amount should be withheld by the county auditor-controller for payments for enforceable obligations from distribution to taxing entities, pending approval of a Recognized Obligation Payment Schedule. The county auditor-controller is then required to distribute the portion of any of the sums withheld as described above to the affected taxing entities in accordance with applicable provisions of the Dissolution Act upon notice by the DOF that a portion of the withheld balances are in excess of the amount of enforceable obligations. The Dissolution Act in accordance with a Recognized Obligation Payment Schedule approved by the DOF. Although the Successor Agency currently has no plans to file a Last and Final Recognized Obligation Payment Schedule nothing in the Indenture prevents it from doing so in the future.

For a description of the covenant made by the Successor Agency in the Indenture relating to the obligation to submit Recognized Obligation Payment Schedules on a timely basis, and the Successor Agency's history of submissions of Recognized Obligation Payment Schedules, see "DISSOLUTION ACT—Recognized Obligation Payment Schedules."

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a Recognized Obligation Payment Schedule as required. Specifically, an oversight board approved Recognized Obligation Payment Schedule must be submitted by the Successor Agency of the county auditor-controller and the DOF, no later than each February 1 for the subsequent annual period. If a successor agency does not submit a Recognized Obligation Payment Schedule by such deadlines, the city or county that established the redevelopment agency will be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the DOF. Additionally, a successor agency's administrative cost allowance is reduced by 25% if the successor agency does not submit an oversight board-approved Recognized Obligation Payment Schedule within 10 days of the February 1 deadline, with respect to the Recognized Obligation Payment Schedule for the subsequent annual period.

## **Challenges to Dissolution Act**

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are mono-line financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency’s ability to timely pay debt service on the Bonds.

## **Reduction in Taxable Value**

Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and thereby available to pay principal of and interest on the Bonds are determined by the amount of incremental taxable value in the Redevelopment Project and the current rate or rates at which property in the Redevelopment Project is taxed. The reduction of taxable values of property in the Redevelopment Project caused by economic factors beyond the Successor Agency’s control, such as relocation out of the Redevelopment Project by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities or other natural disaster, could cause a reduction in the tax increment available to pay debt service on the Bonds. Such reduction of tax increment available to pay debt service on the Bonds could have an adverse effect on the Successor Agency’s ability to make timely payments of principal of and interest on the Bonds; this risk could be increased by the significant concentration of property ownership in the Redevelopment Project. see “THE REDEVELOPMENT PROJECT — Largest Taxpayers.”

As described in greater detail under the heading “PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution,” Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Bonds could reduce tax increment available to pay debt service on the Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature’s impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the Bonds and adversely affect the source of repayment and security of the Bonds.

### **Limitations on Remedies**

The enforceability of the rights and remedies of the owners of the Bonds and the obligations of the Successor Agency may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under state law of certain remedies: the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditors’ rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Bond Owners.

### **Risks to Real Estate Market**

The Successor Agency’s ability to make payments on the Bonds will be dependent upon the economic strength of the Redevelopment Project. The general economy of the Redevelopment Project will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Redevelopment Project could be adversely affected by limita-

tions of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of the Redevelopment Project, the owners of property within the Redevelopment Project may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Successor Agency from the Redevelopment Project. See “THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage” for a description of the projected debt service coverage on the Bonds.

### **Concentration of Property Ownership**

Based on fiscal year 2015-16 locally assessed taxable valuations, the top ten taxable property owners in the Redevelopment Project represent approximately 20.42% of the total fiscal year 2015-16 taxable value and 46.28% of the fiscal year 2015-16 incremental value. One property owner has a pending assessed value appeal with respect to its property in the Redevelopment Project. Although the bankruptcy, termination of operations or departure from the Redevelopment Project by one of the largest property owners from the Redevelopment Project could adversely impact the availability of Tax Revenues to pay debt service on the Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2015-16 available tax increment. See “THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage” for a description of the projected debt service coverage on the Bonds.

### **Reduction in Inflationary Rate**

As described in greater detail below, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The Successor Agency is unable to predict if any further adjustments to the full cash value base of real property within the Project Area, whether an increase or a reduction, will be realized in the future.

### **Development Risks**

The general economy of a redevelopment project will be subject to all the risks generally associated with real estate development. Projected development within a redevelopment project may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within a redevelopment project could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in a redevelopment project is delayed or halted, the economy of the redevelopment project could be affected. If such events lead to a decline in assessed values they could cause a reduction in incremental property tax revenues.

The Successor Agency believes that a decline in development activity in the Redevelopment Project is unlikely to adversely impact its ability to pay debt service on the Bonds in light of the debt service

coverage provided by fiscal year 2015-16 Tax Revenues. See “THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage.”

### **Future Land Use Regulations and Growth Control Initiatives**

In the past, citizens of a number of local communities in Southern California have placed measures on the ballot designed to limit the issuance of building permits or impose other restrictions to control the rate of future growth in those areas. It is possible that future initiatives could be enacted that could be applicable to the City and have a negative impact on the ability of developers in the Redevelopment Project to complete any existing or proposed development. Bond Owners should assume that any event that significantly affects the ability to develop land in the City could cause the land values within the Redevelopment Project to decrease substantially and could affect the willingness and ability of the owners of land within the Redevelopment Project to pay property taxes when due.

There can be no assurance that land development within the City will not be adversely affected by future governmental policies, including, but not limited to, government policies to restrict or control development. Under current State law, it is generally accepted that proposed development is not exempt from future land use regulations until building permits have been issued and substantial work has been performed and substantial liabilities have been incurred in good faith reliance on the permits prior to the adoption of such regulations.

### **Assessment Appeals**

Property taxable values may be reduced as a result of Proposition 8, which reduces the assessed value of property, or of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the County Assessor’s original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the respective redevelopment project and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Pledged Tax Revenues and, potentially, Revenues under the Indenture. The Successor Agency has in the past experienced reductions in its Tax Increment Revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. For a discussion of historical assessment appeals in the Redevelopment Project and summary information regarding pending and resolved assessment appeals for the Successor Agency, see APPENDIX G—FISCAL CONSULTANT’S REPORT.

One of the top ten largest property taxpayers in the Redevelopment Project has a pending property tax appeal. See “THE REDEVELOPMENT PROJECT—Assessment Appeals” and “THE REDEVELOPMENT PROJECT—Largest Taxpayers” for a description of pending appeals and the potential impact on Tax Revenues if the appeals are granted.

### **Levy and Collection of Taxes**

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the tax increment available to pay debt service on the Bonds.

Although delinquencies in the payment of property taxes by the owners of land in the Redevelopment Project, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2015-16 net tax increment. See "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage" for a description of the projected debt service coverage on the Bonds.

### **Bankruptcy and Foreclosure**

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Although such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2015-16 net tax increment. See "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage" for a description of the debt service coverage on the Bonds.

### **Estimated Revenues**

In estimating that net tax increment will be sufficient to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Redevelopment Project, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the net tax increment available to pay debt service on the Bonds will be less than those projected and such reduced net tax increment may be insufficient to provide for the payment of principal of, premium (if any) and interest on the Bonds. See "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage."

### **Earthquake, Fire and Other Risks**

Natural and man-made disasters and hazards, including, without limitation, earthquakes, fires, floods, mudslides and other calamities, may have the effect of reducing tax increment revenues through reduction of aggregate assessed valuations within the boundaries of the Redevelopment Project.

The City's Emergency Operations Plan includes a hazard analysis for earthquake, flood, and fire risk required to comply with FEMA requirements for disaster relief funding.

## **Hazardous Substances**

An environmental condition that may result in the reduction in the assessed value of parcels in the Redevelopment Project would be the discovery of a hazardous substance that would limit the beneficial use of the property. In general, the owners and operators of an assessed parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as CERCLA or the Superfund Act, is the most well known and widely applicable of these laws but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition on the property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the assessed parcels be affected by a hazardous substance would be to reduce the marketability and value of the parcel by the costs of remedying the condition, since the purchaser, upon becoming owner, will become obligated, along with the seller, to remedy the condition.

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Redevelopment Project. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Redevelopment Project be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

## **Changes in the Law**

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the Bonds.

## **Loss of Tax-Exemption**

As discussed under the caption "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Indenture.

In addition, current and future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals.

Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

## **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

## **TAX MATTERS**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Successor Agency has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Successor Agency's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Successor Agency with respect to certain material facts within the Successor Agency's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “Issue Price”) for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public. The Issue Price of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity, the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax exempt bond. The amortized bond premium is treated as a reduction in the tax exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bonds. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bonds.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Successor Agency as a taxpayer and the Bond owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to

be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in APPENDIX B—FORM OF OPINION OF BOND COUNSEL—Bonds.

### **UNDERWRITING**

*Bonds.* The Bonds are being purchased by Brandis Tallman LLC (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (the “Purchase Price”) (being the principal amount of the Bonds of \$\_\_\_\_\_, less an Underwriter’s discount of \$\_\_\_\_\_, and plus a net original issue premium of \$\_\_\_\_\_). The Underwriter will purchase all of the Bonds if any are purchased.

The Underwriter may offer and sell Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

### **MUNICIPAL ADVISOR**

Wulff Hansen & Co., San Francisco, California, has served as municipal advisor (the “Municipal Advisor”) to the Successor Agency in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. The fees of the Municipal Advisor are contingent upon the sale and delivery of the Bonds.

### **LEGAL OPINIONS**

The final approving opinions of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, will be furnished to the purchaser at the time of delivery of the Bonds. The proposed form of Bond Counsel’s final approving opinion with respect to the Bonds is attached hereto in APPENDIX B—FORM OF OPINION OF BOND COUNSEL. In addition, certain legal matters will be passed on by Quint & Thimmig LLP, as Disclosure Counsel. Certain legal matters will be passed on for the Successor Agency by Cota Cole LLP, Roseville, California, general counsel to the Successor Agency.

*Compensation paid to Bond Counsel and Disclosure Counsel is contingent upon the sale and delivery of the Bonds.*

## **LITIGATION**

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing. See, however, “RISK FACTORS—Challenges to Dissolution Act.”

## **RATING**

S&P is expected to assign the rating of “\_\_\_” (stable outlook) to the Bonds based on the issuance of the Municipal Bond Insurance Policy by the Municipal Bond Insurer at the time of delivery of the Bonds. See “MUNICIPAL BOND INSURANCE.” In addition, S&P has assigned the underlying rating of “\_\_\_” (stable outlook) to the Bonds without regard to the issuance of the Municipal Bond Insurance Policy. These ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of the S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

## **CONTINUING DISCLOSURE**

The Successor Agency has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the Successor Agency (the “Annual Report”) by not later than March 31 after the end of the Successor Agency’s fiscal year (the current end of the Successor Agency’s fiscal year is on June 30), commencing with the report for the 2015-16 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Successor Agency with the Municipal Securities Rulemaking Board (the “MSRB”). The notices of enumerated events will be filed by the Successor Agency with the MSRB. The specific nature of the information to be made available and to be contained in the notices of material events is summarized below under the caption APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the “Rule”).

The Former Agency previously entered into disclosure undertakings under the Rule in connection with the issuance of the 2005 Bonds. [CONTINUING DISCLOSURE HISTORY]

## **AUDITED FINANCIAL STATEMENTS**

The City’s audited financial statements are attached as APPENDIX E—AUDITED FINANCIAL STATEMENT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2015. The City’s auditor has not been asked to consent to the inclusion of its report contained therein in this Official Statement and has not reviewed this Official Statement.

As described in “SECURITY FOR THE BONDS—Limited Obligation,” the Bonds are payable from and secured by a pledge of Tax Revenues and the Bonds are not a debt of the City. APPENDIX E—AUDITED FINANCIAL STATEMENT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2015, is included in this Official Statement only because it includes the Successor Agency’s audited financial statements.

**MISCELLANEOUS**

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plans, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY OF THE CITY OF  
CHOWCHILLA

By \_\_\_\_\_  
Executive Director

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**APPENDIX A**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

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## APPENDIX B

### FORM OF OPINION OF BOND COUNSEL

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Successor Agency of the City of Chowchilla  
130 South Second Street  
Chowchilla, California 93610

**OPINION:**       \$ \_\_\_\_\_ \* Successor Agency of the City of Chowchilla (Madera County, California)  
Tax Allocation Refunding Bonds, Series 2016

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Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency of the City of Chowchilla (the "Successor Agency"), of its \$ \_\_\_\_\_ \* Successor Agency of the City of Chowchilla (Madera County, California) Tax Allocation Refunding Bonds, Series 2016 (the "Bonds"), pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code (collectively, the "Refunding Bond Law"), resolutions adopted by the Successor Agency on May 10, 2016, and August 9, 2016, and an indenture of trust, dated as of September 1, 2016, by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Indenture").

In connection with this opinion, we have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Successor Agency is duly created and validly existing as a public body, corporate and politic, with the power to enter into the Indenture, perform the agreements on its part contained therein and issue the Bonds.
2. The Indenture has been duly approved by the Successor Agency and constitutes a valid and binding obligation of the Successor Agency enforceable in accordance with its terms.
3. Pursuant to the Refunding Bond Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds on a parity with any Parity Debt that may be issued under and as such term is defined in the Indenture.
4. The Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.

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\* Preliminary, subject to change.

5. Subject to the Successor Agency's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The information set forth on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA (the “Successor Agency”) in connection with the issuance of \$ \_\_\_\_\_\* aggregate principal amount of Successor Agency of the City of Chowchilla Tax Allocation Refunding Bonds, Series 2016 (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of September 1, 2016 (the “Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds shall be secured by a pledge, charge and lien upon Tax Revenues (as such term is defined in the Indenture). The Successor Agency covenants and agrees as follows:

**Section 1. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

“*Annual Report*” shall mean any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Dissemination Agent*” shall mean the \_\_\_\_\_ or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation. In the absence of such a designation, the Successor Agency shall act as the Dissemination Agent.

“*EMMA*” or “*Electronic Municipal Market Access*” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Participating Underwriter*” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 2. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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\* Preliminary, subject to change.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The Successor Agency shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Successor Agency's fiscal year (which currently ends on June 30), commencing with the report for the 2015-16 Fiscal Year, which is due not later than March 31, 2017, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Successor Agency. If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file event shall have occurred and the Successor Agency irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report.

(d) *Report of Non-Compliance.* If the Successor Agency is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Successor Agency shall send, in a timely manner, a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Successor Agency is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send, in a timely manner, a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the Successor Agency for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the Successor Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited financial statements of the Successor Agency, the Annual Report shall also include financial and operating data with respect to the Successor Agency for the current fiscal year, as follows:

[TO COME]

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on EMMA. The Successor Agency shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

#### Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, give notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.
- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the Successor Agency, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Successor Agency pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Successor Agency. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Successor Agency shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Successor Agency.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Successor Agency from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination

Agent shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the Successor Agency or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Successor Agency. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the Successor Agency that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the Successor Agency shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Successor Agency to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with their obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate was (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Indenture. The obligations of the Successor Agency under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

SUCCESSOR AGENCY OF THE CITY OF  
CHOWCHILLA

By \_\_\_\_\_  
Executive Director

ACKNOWLEDGED:

\_\_\_\_\_, as Dissemination Agent

By \_\_\_\_\_  
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Successor Agency of the City of Chowchilla  
Names of Issue: Successor Agency of the City of Chowchilla Tax Allocation Refunding Bonds, Series 2016  
Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issues as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by \_\_\_\_\_.

Date: \_\_\_\_\_

\_\_\_\_\_, as Dissemination Agent

By \_\_\_\_\_  
Authorized Officer

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## **APPENDIX E**

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF CHOWCHILLA FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The City's auditor was not requested to consent to the inclusion of its report in this Appendix E and it has not undertaken to update financial statements included in this Appendix E. No opinion is expressed by the auditor with respect to any event subsequent to its report.

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## APPENDIX F

### CITY OF CHOWCHILLA AND MADERA COUNTY SUPPLEMENTAL INFORMATION

*The following information concerning the City of Chowchilla and Madera County is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

#### Introduction

The City of Chowchilla (the “City”) is located in Madera County (the “County”), in the state of California. The City is located 15 miles (24 km) northwest of the City of Madera, at an elevation of 240 feet (73 m). It is a principal city of the Madera–Chowchilla Metropolitan Statistical Area. According to the United States Census Bureau, the city has a total area of 14,815 acres, all of it land. The City is approximately 250 miles (400 km) north of Downtown Los Angeles.

The City was incorporated on February 7, 1923, as a municipal corporation under the General Laws of the State of California. The City operates as a self-governing local government unit within the State of California. A five-member City Council appoints a City Administrator who administers the daily affairs under the policy guidance of the City Council. Services provided by the City include public safety, streets and roads, water, sanitation, public improvements, culture and recreation, parks, building inspections, planning and zoning, redevelopment, and general administration.

The County, officially the County of Madera, is a county at the geographic center of the U.S. state of California. The county seat is the City of Madera. The County is located in the eastern San Joaquin Valley and the central Sierra Nevada. The southeastern-most part of Yosemite National Park is located in the County's northeast. According to the U.S. Census Bureau, the County has a total area of 2,153 square miles (5,580 km<sup>2</sup>), of which 2,137 square miles (5,530 km<sup>2</sup>) is land and 16 square miles (41 km<sup>2</sup>) (0.8%) is water.

#### Population

The table below summarizes population of the City, the County and the State of California for the last five years.

#### Chowchilla, Madera County and California POPULATION

Year	Chowchilla	Madera County	State of California
2012	17,820	151,423	37,881,357
2013	17,486	151,408	38,239,207
2014	19,065	153,243	38,657,459
2015	18,784	154,850	38,907,642
2016	18,547	155,349	39,255,883

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-2016, with 2010 Census Benchmark.

## Employment

The following table summarizes the historical numbers of workers by industry in the Madera MSA (Madera County) for the last five years:

<b>Madera MSA (Madera County) LABOR FORCE AND INDUSTRY EMPLOYMENT Annual Averages by Industry</b>					
	2011	2012	2013	2014	2015 <sup>(1)</sup>
Total, All Industries	44,400	46,100	47,400	47,800	46,500
Total Farm	10,800	11,500	12,100	11,800	10,900
Mining, Logging, and Construction	1,100	1,100	1,200	1,300	1,500
Manufacturing	3,300	3,600	3,600	3,800	3,600
Wholesale Trade	700	700	800	800	800
Retail Trade	3,300	3,400	3,500	3,600	3,700
Transportation, Warehousing & Utilities	700	800	900	900	900
Information	400	400	400	400	400
Financial Activities	700	800	800	800	800
Professional & Business Services	2,600	2,900	3,000	2,900	2,800
Educational & Health Services	7,100	7,300	7,600	7,600	7,800
Leisure & Hospitality	2,500	2,700	2,900	3,000	3,100
Other Services	800	800	900	1,000	1,100
Government	10,400	10,100	9,700	9,800	9,100

Source: California Employment Development Department, based on March 2015 benchmark.

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding.

(1) Last available full year data.

The following tables summarize historical employment and unemployment for the County, the State of California and the United States for the last five years:

**Madera County, California and United States  
CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT  
(Annual Averages)**

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate <sup>(1)</sup>
2011	Madera County	62,000	52,000	10,000	16.2%
	California	18,419,500	16,260,100	2,159,400	11.7
	United States	153,617,000	139,869,000	13,747,000	8.9
2012	Madera County	62,600	53,600	9,100	14.5
	California	18,554,800	16,630,100	1,924,700	10.4
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	Madera County	62,400	54,600	7,900	12.6
	California	18,671,600	17,002,900	1,668,700	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4
2014	Madera County	62,200	55,200	7,000	11.2
	California	18,811,400	17,397,100	1,414,300	7.5
	United States	155,922,000	146,305,000	9,617,000	6.2
2015 <sup>(2)</sup>	Madera County	60,600	54,200	6,400	10.5
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	146,411,000	5.3

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-2015, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data, therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

## Major Employers

The table below sets forth the principal employers of the County in 2015.

### Madera County MAJOR EMPLOYERS

Employer Name	Location	Industry
Ardagh Group	Madera	Glass Containers (mfrs)
B A C	Madera	Assembly & Fabricating Service (mfrs)
Baltimore Aircoil Co	Madera	Refrigeration Equipment-Truck (mfrs)
Brake Parts Inc	Chowchilla	Automobile Parts & Supplies-Mfrs
Certain Teed Corp	Chowchilla	Building Materials-Manufacturers
Children's Hospital Central Ca	Madera	Hospitals
Chukchansi Gold Resort	Coarsegold	Casinos
Country Villa Healthcare Ctr	Madera	Senior Citizens Service
Georgia-Pacific Madera	Madera	Paper-Manufacturers
Home Depot	Madera	Home Centers
JBT Food Tech	Madera	Food Processing Equipment & Supls (whls)
Lamanuzzi & Pantaleo Cold Stge	Madera	Fruits & Vegetables-Growers & Shippers
Lion Brothers Farm-Newstone	Madera	Farming Service
Madera Community Hospital	Madera	Hospitals
Madera County RMA-ADMIN	Madera	Government Offices-County
Madera High School	Madera	Schools
Madera South High School	Madera	Schools
Mission Bell Winery	Madera	Wineries (mfrs)
Pines Resort	Bass Lake	Resorts
Primerica Financial Svc	Madera	Financial Advisory Services
San Joaquin Wine Co Inc	Madera	Wineries (mfrs)
Sierra Tel	Oakhurst	Telephone Companies
Span Construction Inc	Madera	Contractors-Equip/Supls-Dlrs/Svc (whls)
Valley State Prison For Women	Chowchilla	Government Offices-State
Walmart	Madera	Department Stores

Source: America's Labor Market Information System (ALMIS) Employer Database, 2016 2nd Edition.

## Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

### Chowchilla BUILDING PERMITS AND VALUATION (Dollars in Thousands)

	2011	2012	2013	2014	2015
<b>Permit Valuation:</b>					
New Single-family	3,700	-	247	333	1,638
New Multi-family	3,200	-	-	-	-
Res. Alterations/Additions	794	607	246	314	297
<b>Total Residential</b>	<b>7,696</b>	<b>607</b>	<b>494</b>	<b>648</b>	<b>1,936</b>
<b>Total Nonresidential</b>	<b>804</b>	<b>865</b>	<b>1,621</b>	<b>573</b>	<b>1,654</b>
<b>Total All Building</b>	<b>8,500</b>	<b>1,472</b>	<b>2,116</b>	<b>1,222</b>	<b>3,591</b>
<b>New Dwelling Units:</b>					
Single Family	33	-	1	3	7
Multiple Family	60	-	-	-	-
<b>Total</b>	<b>93</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>7</b>

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Totals may not add due to independent rounding.

### Madera County BUILDING PERMITS AND VALUATION (Dollars in Thousands)

	2011	2012	2013	2014	2015
<b>Permit Valuation:</b>					
New Single-family	17,891	20,015	32,759	35,023	37,821
New Multi-family	13,559	2,140	368	431	-
Res. Alterations/Additions	11,679	12,301	2,236	2,050	4,308
<b>Total Residential</b>	<b>43,130</b>	<b>34,458</b>	<b>35,364</b>	<b>37,505</b>	<b>42,130</b>
<b>Total Nonresidential</b>	<b>36,599</b>	<b>14,714</b>	<b>61,752</b>	<b>33,880</b>	<b>64,151</b>
<b>Total All Building</b>	<b>79,729</b>	<b>49,172</b>	<b>97,117</b>	<b>71,385</b>	<b>106,281</b>
<b>New Dwelling Units:</b>					
Single Family	112	104	210	210	203
Multiple Family	179	44	4	4	-
<b>Total</b>	<b>291</b>	<b>148</b>	<b>214</b>	<b>214</b>	<b>203</b>

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Totals may not add due to independent rounding.

## Commercial Activity

Taxable sales in the County for the last five available years are shown below. Beginning in 2009, reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years.

### Madera County TAXABLE SALES (Dollars in Thousands)

	2009	2010	2011	2012	2013 <sup>(1)</sup>
Retail and Food Services					
Motor Vehicles and Parts Dealers	116,655	121,031	132,947	142,790	160,142
Home Furnishings and Appliance Stores	17,878	17,866	18,287	18,801	21,940
Bldg. Matrl. And Garden Equip. and Supplies	83,874	58,507	93,741	97,700	113,584
Food and Beverage Stores	98,868	91,725	93,870	96,519	94,789
Gasoline Stations	176,337	213,974	277,820	282,845	267,442
Clothing and Clothing Accessories Stores	13,762	14,299	15,271	21,923	30,790
General Merchandise Stores	#	#	#	#	71,791
Food Services and Drinking Places	87,950	90,601	93,161	99,349	104,887
Other Retail Group	138,994#	137,130#	136,548#	145,751#	89,945
Total Retail and Food Services	<u>734,318</u>	<u>772,133</u>	<u>861,646</u>	<u>905,678</u>	<u>955,309</u>
All Other Outlets	366,983	429,775	420,223	450,059	484,898
Totals All Outlets <sup>(2)</sup>	<u>1,101,301</u>	<u>1,201,908</u>	<u>1,281,869</u>	<u>1,355,737</u>	<u>1,440,207</u>

Source: California Board of Equalization, Taxable Sales in California (Sales & Use Tax).

# Sales omitted because their publication would result in the disclosure of confidential information.

(1) Last available full year data.

(2) Totals may not add up due to independent rounding.

**Median Household Income**

The following table summarizes the median household effective buying income for the City, the County, the State of California and the nation for the last five years.

**Chowchilla, Madera County, California and United States  
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Effective Buying Income
2011	Chowchilla	165,550	32,152
	Madera County	2,071,675	36,711
	California	814,578,457	47,062
	United States	6,438,704,663	41,253
2012	Chowchilla	177,670	35,252
	Madera County	2,307,973	39,843
	California	864,088,827	47,307
	United States	6,737,867,730	41,358
2013	Chowchilla	164,795	33,539
	Madera County	2,061,845	38,449
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	Chowchilla	155,240	31,887
	Madera County	2,098,153	38,196
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	Chowchilla	172,190	32,791
	Madera County	2,185,353	35,332
	California	981,231,666	53,589
	United States	7,757,960,399	46,738

Source: Nielsen, Inc.

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**APPENDIX G**  
**FISCAL CONSULTANT'S REPORT**

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**APPENDIX H**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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**SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA**  
**Tax Allocation Refunding Bonds, Series 2016**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2016

Successor Agency of the City of Chowchilla  
 130 South Second Street  
 Chowchilla, CA 93610

Ladies and Gentlemen:

Brandis Tallman LLC (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Successor Agency of the City of Chowchilla (the "Successor Agency"), which will be binding upon the Successor Agency and the Underwriter upon the acceptance hereof by the Successor Agency. This offer is made subject to its acceptance by the Successor Agency by execution of this Bond Purchase Agreement and its delivery to the Underwriter on or before 11:59 P.M., California time, on the date hereof.

Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture, described below.

*1. Purchase and Sale.*

Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Successor Agency hereby agrees to sell to the Underwriter and the Underwriter hereby agrees to purchase from the Successor Agency for offering to the public, all (but not less than all) of the \$\_\_\_\_\_ Successor Agency of the City of Chowchilla Tax Allocation Refunding Bonds, Series 2016 (the "Bonds"), at the purchase price of \$\_\_\_\_\_ (being the principal amount of the Bonds of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_, and plus a net original issue premium of \$\_\_\_\_\_). As an accommodation to the Successor Agency, the Underwriter will pay, from the purchase price of the Bonds, the sum of \$\_\_\_\_\_ to \_\_\_\_\_ (the "Municipal Bond Insurer") as the premium for its municipal bond insurance policy issued for the Bonds (the "Municipal Bond Insurance Policy") and the sum of \$\_\_\_\_\_ to the Municipal Bond Insurer as the premium for its reserve fund municipal bond insurance policy issued for the Bonds (the "Reserve Fund Municipal Bond Insurance Policy"). The net purchase proceeds of the Bonds in the amount of \$\_\_\_\_\_ will be delivered to the Trustee, on behalf of the Successor Agency.

The Successor Agency acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Successor Agency and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Successor Agency; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Successor Agency on other matters) nor has it assumed any other obligation to the Successor Agency except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Successor Agency; and (v) the Successor Agency has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The Successor Agency hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

The Bonds shall be dated the Closing Date and shall bear interest at the rates and shall mature on the dates and in the principal amounts, all as set forth in the attached Exhibit A. The Bonds are subject to redemption prior to maturity as set forth in the attached Exhibit A.

The Bonds are being issued for the purpose of (a) providing funds to the Successor Agency to refund, on a current basis, the outstanding Chowchilla Redevelopment Agency Tax Allocation Bonds, Series 2005 (the "2005 Bonds"), (b) purchase the Reserve Fund Municipal Bond Insurance Policy in lieu of cash funding a reserve fund for the Bonds, and (c) paying the costs of issuing the Bonds.

The Bonds are being issued under and pursuant to that certain Indenture of Trust, dated as of August 1, 2016 (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"), and are special, limited obligations of the Successor Agency, payable from, and secured by a lien on Tax Revenues.

The payment of principal of and interest on the Bonds, when due, will be insured by the Municipal Bond Insurance Policy issued by the Municipal Bond Insurer concurrently with the delivery of the Bonds.

Pursuant to an escrow agreement (the "Escrow Agreement"), by and between the Successor Agency and U.S. Bank National Association, as escrow bank (the "Escrow Bank"), provision will be made for the redemption of the 2005 Bonds in full on \_\_\_\_\_, 2016, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to such date.

Issuance of the Bonds is authorized by a resolution of the Successor Agency, adopted on May 10, 2016 (the "Successor Agency Resolution"), and a resolution of the Oversight Board of the Successor Agency of the City of Chowchilla, adopted on May 26, 2016 (the "Oversight Board Resolution").

*2. Bona Fide Public Offering.* The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the cover page of

the Official Statement. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority and who agree to resell the Bonds to the public on terms consistent with this Bond Purchase Agreement, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriter to the Successor Agency for the Bonds.

3. *Official Statement.* The Successor Agency shall deliver or cause to be delivered to the Underwriter promptly after acceptance of this Bond Purchase Agreement copies of the Official Statement relating to the Bonds, dated the date hereof (the “Official Statement”). The Successor Agency authorizes the Official Statement, including the cover page and Appendices thereto and the information contained therein, to be used in connection with the sale of the Bonds and ratifies, confirms and approves the use and distribution by the Underwriter for such purpose, prior to the date hereof, of the Preliminary Official Statement dated \_\_\_\_\_, 2016 (the “Preliminary Official Statement”). The Successor Agency deems such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for information allowed to be omitted by Rule 15c2-12. The Successor Agency also agrees to deliver to the Underwriter, at the Successor Agency’s sole cost and at such address as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The Successor Agency agrees to deliver such copies of the Official Statement within seven (7) business days after the date hereof.

The Underwriter agrees to promptly file a copy of the final Official Statement, including any supplements prepared by the Successor Agency, with a nationally recognized municipal securities information repository, and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers thereof.

4. *Representations, Warranties and Agreements of the Successor Agency.* The Successor Agency represents and warrants to the Underwriter that, as of the Closing Date:

(a) The Successor Agency is a public body, corporate and politic, organized and existing under the laws of the State of California (the “State”), and is authorized, among other things, (i) to issue the Bonds, and (ii) to secure the Bonds in the manner contemplated by the Indenture.

(b) The Successor Agency has the full right, power and authority (i) to enter into the Indenture, the Escrow Agreement, the Disclosure Certificate (as hereinafter defined) and this Bond Purchase Agreement, (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate all other transactions on its part contemplated by

each of the aforesaid documents, and the Successor Agency has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The Successor Agency has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance by the Successor Agency of the Indenture, the Escrow Agreement, the Disclosure Certificate and this Bond Purchase Agreement, (ii) the distribution and use of the “deemed final” Preliminary Official Statement and the execution, delivery and distribution of the final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Successor Agency to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the Successor Agency in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The information contained in the Preliminary Official Statement (excluding therefrom for any information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Municipal Bond Insurance Policy, DTC and its book-entry system included therein and the information therein under the caption “UNDERWRITING”) is true and correct in all material respects, and the Preliminary Official Statement did not on the date thereof contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The information contained in the Official Statement (excluding therefrom for any information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Municipal Bond Insurance Policy, DTC and its book-entry system included therein and the information therein under the caption “UNDERWRITING”) is true and correct in all material respects, and the Official Statement will not contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Neither the execution and delivery by the Successor Agency of the Indenture, the Escrow Agreement, the Disclosure Certificate, this Bond Purchase Agreement and of the Bonds nor the consummation of the transactions on the part of the Successor Agency contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the Successor Agency a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the Successor Agency is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Successor Agency (or the members of the Successor Agency or any of its officers in their respective capacities as such) is subject.

(g) The Successor Agency has never been in default at any time, as to principal of or interest on any obligation which it has issued except as otherwise specifically disclosed in the Preliminary Official Statement; and the Successor Agency has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Tax Revenues (as defined in the Indenture) pledged to the payment of the Bonds except as is specifically disclosed in the Preliminary Official Statement.

(h) Except as will be specifically disclosed in the Preliminary Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Successor Agency or, to the best knowledge of the Successor Agency, threatened, which in any way questions the powers of the Successor Agency referred to in paragraph (b) above, or the validity of any proceeding taken by the Successor Agency in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Disclosure Certificate, the Escrow Agreement, this Bond Purchase Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the Bonds, the Escrow Agreement, the Disclosure Certificate or this Bond Purchase Agreement or, to the knowledge of the Successor Agency, which in any way questions the exclusion from gross income of the recipients thereof the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations or which in any way could materially adversely affect the availability of Tax Revenues.

(i) Any certificate signed by any official of the Successor Agency and delivered to the Underwriter in connection with the offer or sale of the Bonds shall be deemed a representation and warranty by the Successor Agency to the Underwriter as to the truth of the statements therein contained.

(j) The Successor Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(k) The Successor Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Successor Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(l) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Successor Agency of, its obligations in connection with the Indenture, the Escrow Agreement have been duly obtained or made and are in full force and effect.

(m) Between the date of this Bond Purchase Agreement and the Closing Date, other than the Bonds, the Successor Agency will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

(n) The Successor Agency will apply the proceeds of the Bonds in accordance with the Indenture.

(o) Except as otherwise described in the Official Statement, as of the Closing Date, the Successor Agency will not have outstanding any indebtedness which indebtedness is secured by a lien on the Tax Revenues on a parity with or senior to the lien provided for in the Indenture on the Tax Revenues.

(p) Except as described in the Preliminary Official Statement and the Official Statement, and based on a review of their previous undertakings, neither the Former Agency nor the Successor Agency has failed, within the last five years, to comply in all material respects with any undertaking of the Successor Agency or the Former Agency, respectively, pursuant to Rule 15c2-12.

(q) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Successor Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Successor Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Successor Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Successor Agency will furnish such information with respect to itself as the Underwriters may from time to time reasonably request. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Successor Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be the Closing Date.

(r) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading.

(s) The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(t) The Department of Finance of the State (the “Department of Finance”) has issued a letter, dated July 5, 2016, approving the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. The Successor Agency has received its Finding of Completion from the Department of Finance.

(u) As of the time of acceptance hereof and as of the Closing Date, the Successor Agency has complied with the filing requirements of the Law, including, without limitation, the filing of all Recognized Obligation Payment Schedules as required by law, as well as sections 33080 to 33080.6 of the Law.

5. *Covenants of the Successor Agency.* The Successor Agency covenants with the Underwriter as of the Closing Date as follows:

(a) The Successor Agency covenants and agrees that it will execute a continuing disclosure certificate, constituting an undertaking to provide ongoing disclosure about the Successor Agency, for the benefit of the owners of the Bonds as required by section (b)(5)(i) of Rule 15c2-12, substantially in the form attached to the Preliminary Official Statement (the “Disclosure Certificate”).

(b) The Successor Agency agrees to cooperate with the Underwriter in the preparation of any supplement or amendment to the Official Statement deemed necessary by the Underwriter to comply with the Rule and any applicable rule of the Municipal Securities Rulemaking Board.

(c) The Successor Agency will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

6. *Closing.* On \_\_\_\_\_, 2016, or at such other date and times as shall have been mutually agreed upon by the Successor Agency and the Underwriter (the “Closing Date”), the Successor Agency will deliver or cause to be delivered the Bonds to the Underwriter, and the Successor Agency shall deliver or cause to be delivered to the Underwriter the certificates, opinions and documents hereinafter mentioned, each of which shall be dated as of the Closing Date. The activities relating to the execution and delivery of the Bonds, opinions and other instruments as described in Section 7 of this Bond Purchase Agreement shall occur on the Closing Date. The delivery of the certificates, opinions and documents as described herein shall be made at the offices Quint & Thimmig LLP, in Larkspur, California (“Bond Counsel”), or at such other place as shall have been mutually agreed upon by the Successor Agency and the Underwriter. Such delivery is herein called the “Closing.”

The Bonds will be prepared and physically delivered to the Trustee on the Closing Date in the form of a separate single fully registered bond for each of the maturities of the Bonds. The Bonds shall be registered in the name of the Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. The Bonds will be authenticated by the Trustee in accordance with the terms and provisions of the Indenture and shall be delivered to DTC prior to the Closing Date as required by DTC to assure delivery of the Bonds on the Closing Date. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by

the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Bond Purchase Agreement.

At or before 8:00 a.m., Pacific Daylight time, on the Closing Date, the Successor Agency will deliver, or cause to be delivered, the Bonds to DTC, in definitive form duly executed and authenticated by the Trustee, and the Underwriter will pay the Purchase Price of the Bonds by delivering to the Trustee, for the account of the Successor Agency a wire transfer in federal funds of the Purchase Price payable to the order of the Trustee.

7. *Closing Conditions.* The obligations of the Underwriter hereunder shall be subject to the performance by the Successor Agency of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

(a) the representations, warranties and covenants of the Successor Agency contained herein shall be true and correct in all material respects as of the Closing Date;

(b) as of the Closing Date, there shall have been no material adverse change in the financial condition of the Successor Agency;

(c) as of the Closing Date, all official action of the Successor Agency relating to this Bond Purchase Agreement, the Escrow Agreement, the Disclosure Certificate and the Indenture shall be in full force and effect;

(d) as of the Closing Date, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter:

(i) a copy of the Indenture, as duly executed and delivered by the Successor Agency and the Trustee;

(ii) a copy of the Disclosure Certificate, as duly executed and delivered by the Successor Agency;

(iii) a copy of the Escrow Agreement, duly executed and delivered by the Successor Agency and the Escrow Bank;

(iv) an opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in the form attached to the Official Statement as APPENDIX E—FORM OF OPINION OF BOND COUNSEL, accompanied by a letter of Bond Counsel to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it;

(v) a certificate, dated the Closing Date, of the Successor Agency executed by the Executive Director (or other duly appointed officer of the Successor Agency authorized by the Successor Agency by resolution of the Successor Agency) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Successor Agency or, to the knowledge of the Successor Agency, threatened against or affecting the Successor Agency to restrain or enjoin the Successor Agency's participation in, or in any way contesting the

existence of the Successor Agency or the powers of the Successor Agency with respect to, the transactions contemplated by this Bond Purchase Agreement, the Escrow Agreement or the Indenture, and consummation of such transactions; and (B) the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement are true and correct in all material respects, and the Successor Agency has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Indenture and this Bond Purchase Agreement, provided that all references to the Preliminary Official Statement shall be to the Official Statement;

(vi) an opinion of the Cota Cole LLP, as counsel to the Successor Agency, dated the Closing Date and addressed to the Successor Agency and the Underwriter to the effect that:

(A) the Successor Agency is a public body, organized and existing under the laws of the State;

(B) the Successor Agency has full legal power and lawful authority to enter into the Indenture, the Escrow Agreement, the Disclosure Certificate and this Bond Purchase Agreement;

(C) the Successor Agency Resolution approving and authorizing the execution and delivery of the Bonds, the Indenture, the Disclosure Certificate, this Bond Purchase Agreement and the Official Statement has been duly adopted at a meeting of the governing body of the Successor Agency, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout and the Successor Agency Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) the Indenture, the Escrow Agreement, the Disclosure Certificate and this Bond Purchase Agreement have been duly authorized, executed and delivered by the Successor Agency and, assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the Successor Agency enforceable in accordance with their terms;

(E) The information in the Official Statement under the captions "SECURITY FOR THE BONDS," "THE REDEVELOPMENT PROJECT," FINANCIAL INFORMATION, and "THE SUCCESSOR AGENCY," insofar as such statements purport to summarize information with respect to the Successor Agency and its Tax Sharing Agreements, fairly and accurately summarizes the information presented therein; and

(F) Except as otherwise disclosed in the Official Statement, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the Successor Agency or, to our knowledge, threatened against the Successor Agency, challenging the creation, organization or existence of the Successor Agency, or the validity of the Indenture, the Escrow

Agreement, the Disclosure Certificate or this Bond Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the Successor Agency to enter into or perform its obligations under the Indenture, the Escrow Agreement, the Disclosure Certificate or this Bond Purchase Agreement, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the availability of Tax Revenues, or which, in any manner, questions the right of the Successor Agency to enter into, and perform under, the Indenture, the Escrow Agreement, the Disclosure Certificate or this Bond Purchase Agreement;

(vii) an opinion of counsel to the Trustee, dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) The Trustee is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture;

(B) The Indenture has been duly authorized, executed and delivered by the Trustee and the Indenture constitutes a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the consummation of the transactions contemplated by the Indenture;

(viii) an opinion of counsel to the Escrow Bank, dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) The Escrow Bank is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the obligations under the Escrow Agreement;

(B) The Escrow Agreement has been duly authorized, executed and delivered by the Escrow Bank and the Escrow Agreement constitutes the legal, valid and binding obligation of the Escrow Bank enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Escrow Bank

that has not been obtained is or will be required for the execution and delivery by the Escrow Bank of the Escrow Agreement or the consummation of the transactions on the part of the Escrow Bank contemplated by the Escrow Agreement;

(ix) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trust of the Indenture; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee which would restrain or enjoin the execution or delivery of the Indenture, or which would affect the validity or enforceability of the Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Indenture, or any other agreement, document or certificate related to such transactions;

(x) a certificate, dated the Closing Date, of the Escrow Bank, signed by a duly authorized officer of the Escrow Bank, to the effect that (A) the Escrow Bank is duly organized and validly existing as a national banking association, with full corporate power to undertake of its obligations under the Escrow Agreement; (B) the Escrow Bank has duly authorized, executed and delivered the Escrow Agreement and by all proper corporate action has authorized the acceptance of the obligations of the Escrow Bank under the Escrow Agreement; and (C) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Escrow Bank (either in state or federal courts), or to the knowledge of the Escrow Bank threatened against the Escrow Bank which would restrain or enjoin the execution or delivery of the Escrow Agreement, or which would affect the validity or enforceability of the Escrow Agreement or the Escrow Bank's participation in, or in any way contesting the powers or the authority of the Escrow Bank with respect to, the transactions contemplated by the Escrow Agreement or any other agreement, document or certificate related to such transactions;

(xi) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) this Bond Purchase Agreement, the Escrow Agreement, the Debt Service Reserve Agreement, dated the Closing Date, by and between the Municipal Bond Insurer and the Successor Agency, and the Disclosure Certificate have been duly authorized, executed and delivered by the Successor Agency, and assuming the valid execution and delivery by the other parties thereto, are valid and binding upon the Successor Agency, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles;

(B) the Bonds are exempt from registration pursuant to section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(C) the statements contained in the Official Statement under the captions “THE BONDS,” “SECURITY FOR THE BONDS,” and “LEAGAL MATTERS—Tax Matters” and in “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE and in APPENDIX E—FORM OF OPINION OF BOND COUNSEL are accurate insofar as such statements purport to expressly summarize certain provisions of the Bonds, the Indenture and Bond Counsel’s opinion concerning federal tax matters relating to the Bonds;

(xii) a letter of Quint & Thimmig LLP, as disclosure counsel to the Successor Agency, dated the Closing Date and addressed to the Successor Agency and the Underwriter stating that based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom for any information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Municipal Bond Insurance Policy, DTC and its book-entry system included therein, the information therein under the caption “UNDERWRITING” and the reports, financial and statistical data and forecasts therein, the information included in the Appendices thereto, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xiii) an Arbitrage Certificate in the form satisfactory to Bond Counsel;

(xiv) the final Official Statement executed by an authorized officer of the Successor Agency;

(xv) certified copies of the Successor Agency Resolution and the Oversight Board Resolution;

(xvi) specimen Bonds;

(xvii) evidence that the federal tax information form 8038-G for the Bonds has been prepared by Bond Counsel for filing;

(xviii) a copy of the Municipal Bond Insurance Policy;

(xix) a copy of the Reserve Fund Municipal Bond Insurance Policy;

(xx) an opinion of counsel to the Municipal Bond Insurer, addressed to the Successor Agency and the Underwriter to the effect that:

(A) the descriptions of the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Fund Municipal Bond Insurance Policy included in the Official Statement are accurate;

(B) the Municipal Bond Insurance Policy and the Reserve Fund Municipal Bond Insurance Policy constitute legal, valid and binding obligations of the Municipal Bond Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the Successor Agency or the Underwriter may reasonably request;

(xxi) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Municipal Bond Insurer, to the effect that:

(A) the information contained in the Official Statement relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Fund Municipal Bond Insurance Policy is true and accurate and

(B) as to such other matters as the Successor Agency or the Underwriter may reasonably request;

(xxii) satisfactory evidence that the Bonds have been rated assigned the underlying rating of “\_\_” from Standard & Poor's Ratings Services and that the Bonds have been assigned the insured rating of “AA” by Standard & Poor's Ratings Services;

(xxiii) evidence of required filings with the California Debt and Investment Advisory Commission;

(xxiv) a defeasance opinions of Bond Counsel with respect to the 2005 Bonds, dated the Closing Date and addressed to the Successor Agency, the Trustee, the Escrow Bank and the Underwriter, in form and substance satisfactory to the Underwriter;

(xxv) A certificate of Fraser & Associates, as Fiscal Consultant, dated the date of the Closing, in form and substance acceptable to the Underwriter, consenting to the inclusion of such firm's Fiscal Consultant's Report in the Preliminary Official Statement and the Official Statement, and certifying as to the accuracy of APPENDIX C—FISCAL CONSULTANT'S REPORT and the information in the Official Statement under the caption “THE REDEVELOPMENT PROJECT” attributed to the Fiscal Consultant, and stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report and information attributed to the Fiscal Consultant contained in the Official Statement;

(xxvi) A certificate of Wulff Hansen & Co., as Municipal Advisor, dated the date of the Closing, confirming satisfaction of the savings requirements set forth in section 34177.5(a) of the Dissolution Act and that the Savings Parameters have been achieved, as required by Oversight Board Resolution; and

(xxvii) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement and the due performance or satisfaction by the Successor Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Successor Agency pursuant to this Bond Purchase Agreement.

8. *Termination.* The Underwriter shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date:

(a) a decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or offering circular by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues other income of the general character to be derived by the Successor Agency or by any similar body under the Indenture or similar documents or upon interest received on obligations of the general character of the Bonds, or the Bonds which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(b) legislation shall have been enacted, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that of the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby or by the Official Statement, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect,

the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(e) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(f) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(g) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(h) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Successor Agency; or

(i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(j) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(k) any downgrade or placement on credit watch of any rating on the Bonds; or

(l) any change, which in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds or, the financial condition of the Successor Agency.

9. *Contingency of Obligations.* The obligations of the Successor Agency hereunder are subject to the performance by the Underwriter of its obligations hereunder.

10. *Duration of Representations, Warranties, Agreements and Covenants.* All representations, warranties, agreements and covenants of the Successor Agency shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Successor Agency and shall survive the Closing Date.

11. *Expenses.* The Successor Agency will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto, the fees and disbursements of Bond Counsel, Disclosure Counsel, and counsel to the Successor Agency, the fees and expenses of the Successor Agency's accountants and fiscal consultants, fees of the Financial Advisor, any fees charged by investment rating agencies for the rating of the Bonds, the premiums to be paid to the Municipal Bond Insurer and fees of the Trustee and the Escrow Bank. In the event this Bond Purchase Agreement shall terminate because of the default of the Underwriter, the Successor Agency will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Underwriter shall pay the fees and expenses of any counsel retained by it, all advertising expenses incurred in connection with the public offering of the Bonds, CDIAAC fees, CUSIP fees and all other expenses incurred by it in connection with the public offering and distribution of the Bonds, fees (including out-of-pocket expenses and related regulatory expenses).

12. *Notices.* Any notice or other communication to be given to the Successor Agency under this Bond Purchase Agreement may be given by delivering the same in writing to the City Manager, City of Chowchilla, 130 South Second Street, Chowchilla, CA 93610, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Brandis Tallman LLC, 22 Battery Street, Suite 500, San Francisco, CA 94111, Attention: Mr. Richard Brandis.

13. *Parties in Interest.* This Bond Purchase Agreement is made solely for the benefit of the Successor Agency and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

14. *Governing Law.* This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

15. *Headings.* The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

16. *Severability.* In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

17. *Effectiveness.* This Bond Purchase Agreement shall become effective upon acceptance hereof by the Successor Agency.

18. *Counterparts.* This Bond Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

BRANDIS TALLMAN LLC , as Underwriter

By \_\_\_\_\_  
Richard Brandis  
President

Accepted and agreed to as of  
the date first above written:

SUCCESSOR AGENCY OF THE CITY OF  
CHOWCHILLA

By \_\_\_\_\_  
Brian Haddix  
Executive Director

Time of Execution: \_\_\_\_\_

**EXHIBIT A TO THE  
BOND PURCHASE AGREEMENT**

\$ \_\_\_\_\_  
**SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA**  
**(Maders County, California)**  
**Tax Allocation Refunding Bonds, Series 2016**

MATURITY SCHEDULE

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Reoffering Price	CUSIP Number
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REDEMPTION PROVISIONS

*Optional Redemption.* The Bonds maturing on or before August 1, \_\_\_\_\_, are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, \_\_\_\_\_, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, \_\_\_\_\_, as a whole or in part, by such maturities as shall be determined by the Successor Agency (and, in lieu of such determination, *pro rata* among maturities), and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

*Mandatory Sinking Fund Redemption.* The Bonds maturing on August 1, \_\_\_\_\_, are also subject to mandatory redemption from sinking fund payments made by the Successor Agency, in part by lot, on August 1, \_\_\_\_\_, and on each August 1 thereafter, to and including August 1, \_\_\_\_\_, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, as set forth in the following table:

Redemption Date (August 1)	Principal Amount
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† Maturity.



# CITY COUNCIL STAFF REPORT

Item 6.3

[CLICK HERE  
TO RETURN TO  
THE AGENDA](#)

August 9, 2016

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**AGENDA SECTION:** New Business

**SUBJECT:** Consideration of Retirement / Surplus of K9 Warco to Officer Ken Alberton

**PREPARED BY:** David Riviere, Chief of Police

REVIEWED BY  
ADMINISTRATOR

REVIEWED BY  
ATTORNEY

REVIEWED BY  
FINANCE

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**RECOMMENDATION:**

Staff recommends that Council approve the resolution and designate as retired/surplus property K9 Warco and approve the transaction of ownership of K9 Warco for the consideration of \$1 to Officer Ken Alberton. This retirement/transfer of ownership would be effective August 1, 2016.

**HISTORY / BACKGROUND:**

The staff of the Chowchilla Police Department has long recognized the important role that K9 dogs and their handling officers play in assisting the Police Department and other City Departments in accomplishing the goals of the City Council.

K9 Warco has been assigned to Officer Ken Alberton throughout the majority of his working career which began in 2007 and has reached the appropriate point in his service where he should be retired. Previous practice of the City and other agencies that employ K9 dogs is to transfer ownership of the service K9 to the handling officer for the consideration of \$1. As part of this transfer of ownership, the handling officer becomes responsible for all care, maintenance and liability for the retired K9.

**FINANCIAL IMPACT:**

There is no financial impact to the City. Retirement of the service K9 to the previous handler is a standard practice nationwide for service K9 dogs.

**ATTACHMENTS:**

Resolution

**SPECIAL INSTRUCTIONS:**

Upon approval by Council, clerk to provide Police Department and Officer Alberton with a copy of the signed resolution.

**COUNCIL RESOLUTION # -16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA  
DECLARING K9 WARCO RETIRED AND AS SURPLUS PROPERTY WITH TRANSFER OF  
OWNERSHIP TO KEN ALBERTON FOR THE CONSIDERATION OF \$1**

**WHEREAS**, the City of Chowchilla owns a German Shepherd police K9 service dog, namely K9 Warco who has been in service with the City of Chowchilla since 2007,

**WHEREAS**, K9 Warco has served for 9 years and has reached a time where it is appropriate both for the K9 and for the City to retire K9 Warco from service,

**WHEREAS**, K9 Warco has been assigned for the majority of the entire 9 years of his career to Officer Ken Alberton as his partner/handler,

**WHEREAS**, the standard for retirement of police K9 service animals is transfer of ownership to the partner/handler for the consideration of \$1,

**NOW, THEREFORE, LET IT BE RESOLVED** that the City Council of the City of Chowchilla hereby resolves, finds and orders as follows:

1. The above recitals are true and correct.
2. The listed property is surplus property of the City of Chowchilla and will be conveyed to Officer Ken Alberton for the consideration of \$1 US Currency.
3. That upon transfer of ownership, all costs of care, maintenance, medical and liability is to be borne by the new owner.
4. This resolution is effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council of the City of Chowchilla this 9th day of August 2016 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

\_\_\_\_\_  
Mayor Waseem Ahmed

**ATTEST:**

\_\_\_\_\_  
Joann McClendon, CMC  
City Clerk



# CITY COUNCIL STAFF REPORT

Item 6.4

[CLICK HERE  
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THE AGENDA](#)

August 9, 2016

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**AGENDA SECTION:** New Business

**SUBJECT:** Presentation of the Council Strategic Objectives Report 2015-2016 4<sup>th</sup> Quarter – Information Only

**PREPARED BY:** D. Martin Piepenbrok, Community Relations Manager

REVIEWED BY  
ADMINISTRATOR

REVIEWED BY  
ATTORNEY

REVIEWED BY  
FINANCE

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**RECOMMENDATION:**

Accept and comment on the Strategic Objectives 4<sup>th</sup> Quarter Status Report.

**HISTORY / BACKGROUND:**

In the spring of 2015 City Council and staff defined the five City Council Goals and soon after identified and categorized the projects and tasks to fulfill the appropriate goals. In June 2015 a Strategic Objectives Quarterly Status Report document was approved. This “report card” is to be presented to City Council on a quarterly basis to provide task/project updates, including opportunities to submit adjustments and comments.

Staff has compiled and is prepared to discuss with City Council the 4<sup>th</sup> Quarter Strategic Objectives Quarterly Status Report. The completed report is included as an attachment.

No action is required.

**FINANCIAL IMPACT:**

None

**ATTACHMENTS:**

Council Strategic Objectives Report 2015-2016 4<sup>th</sup> QTR

**SPECIAL INSTRUCTIONS:**

None

CITY OF CHOWCHILLA STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 4<sup>th</sup> QUARTER

August 2016

**GOAL 1**

**BUILD ON THE COMMUNITY VALUES TO DEVELOP A SENSE OF PLACE AS A COHESIVE COMMUNITY**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
1.1	Develop 2-3 new community events that can attract regional attendees	M Piepenbrok	September 2016	X			Continuing summer park movies and concerts programs; the yard sale event has been reconfigured to include handmade arts and crafts in addition to maintaining the opportunity for household goods sales; continue to evaluate opportunities to add other feasible events.
1.2	Develop community events to be conducted on the east side of Highway 99, e.g. elementary school, shopping center, golf course, etc.	M Piepenbrok	June 2017		X		Community CONVERSATION meets every few months at Fig Tree Shopping Center; working on some other ideas that may be attainable with current staff levels; events at golf course are on hold due to unaddressed regulatory conditions at the site.
1.3	Enhance the quality of existing community events	M Piepenbrok	Continuous	X			Though complete; staff continues to implement further improvements.
1.4	Develop new recreation activities for youth and adults; work with established parent-run organizations, service clubs and the school districts	M Piepenbrok	<del>October</del> September 2017			X	Worked with adult recreation group that started a grass volleyball program in fall 2015. Staff shared a program idea to offer an adult kickball league or tournament. Other event ideas will be shared as they are found.
1.5	Work with local parent-run organizations and the high school to possibly develop aquatics activities	M Piepenbrok	June 2017		X		The CUHS Superintendent is willing to work with the City to make the pool available for public use under the operational and management oversight of the City. The City received a private offer to donate funds to conduct some type of aquatics activities for the 2016 summer season. Staff researched the legal obligations under State laws including the requirements to provide lifeguarding since a municipality would be conducting the aquatics activities. A substantial commitment is required from the City including finding and hiring qualified personnel including an on-site supervisor, provide liability coverage, purchasing equipment supplementary to that available from the high school at the pool, and other legal obligations. The result was no activities could be put together for the 2016 summer season. The City will attempt to satisfy the legal statute requirements leading to the 2017 summer season, and devise a way to hire qualified lifeguards to try to offer aquatics activities next year.
1.6	Develop relationships with downtown businesses through workshops and events	M Piepenbrok B Haddix	<del>September</del> November 2016			X	Date adjusted back two months. The concept of a downtown discussion group has been presented to potential participants from the business owners and we will be seeking additional participation; some hardscape concepts have been developed by Scott Thomson for discussion purposes and we are working on other ideas to present for discussion with the business group; we are also researching funding options to implement potential recommendations.

CITY OF CHOWCHILLA STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 4<sup>th</sup> QUARTER

August 2016

**GOAL 2  
ACHIEVE AND MAINTAIN A SAFE AND SECURE COMMUNITY**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
2.1	Research funding sources, including general fund, community facilities district, grants, etc. for new Fire Engine	H Turner	October 2015	X			City Council approved the purchase of a Fire Engine; delivery will take +/- 12 months.
2.2	Maintain staff level of 20-25 volunteer fire fighters	H Turner	December 2016		X		Current staffing of 18 volunteers; continuing to recruitment new volunteers.
2.3	Develop a fleet services equipment asset management system, evaluate resource funding opportunities and develop an equipment replacement schedule	H Turner R Pruett	<del>September</del> November 2016			X	Fleet management program in place; Input of data limited by a lack of available staff time. Will be working with CUHS for student with computer skills that needs to complete community service hours.
2.4	Continue to monitor interpretations from State Prop 47 and recreational marijuana use decisions and the potential effects on the community	D Riviere	Ongoing		X		Information continues to develop from the legislative side in Sacramento and staff provides updates as the updates as they become known; the Governor is proposing Proposition 57 that is worse than Proposition 47.
2.5	Utilize CDBG funding for additional code enforcement resources to increase property owners compliance; utilize Police and Community Resource Officer	H Turner R Pruett D Riviere	June 2017		X		Developing processes to aggressively deal with code enforcement and adding assistance to current service abilities. Currently waiting for next CDBG cycle to include new salaries for code enforcement.
2.6	Evaluate incentive methods to engage property owners to comply with municipal code, facilitate repairs, property infill and vacant lots cleanup	H Turner B Haddix	<del>June</del> November 2016			X	Council has approved an infill program that waives developer impact fees in the older part of Chowchilla; the program has been well received in the building community. Fire Chief working with Code Enforcement Officer for required processes.
2.7	Evaluate and install needed stop signs in the area around schools and install needed signage	C Locke	<del>June</del> December 2016			X	A sign inventory will be a part of the Pavement Management Plan; Cartegraph firm was selected that provides unique technology to yield superior data at a lower price.
2.8	Conduct the community traffic flow, speed survey, stop sign evaluation and pedestrian safety needs	D Riviere C Locke	<del>June</del> December 2016			X	To be included in the Cartegraph scope of work
2.9	Complete safe routes to schools and sidewalks infill projects and seek additional project grant funds	C Locke	December 2016		X		The Fuller neighborhoods and Robertson and 11 <sup>th</sup> projects will be going out to bid shortly – construction to be concluded this fall.
2.10	Initiate scope analysis of the truck routes and define opportunities for truck parking areas	C Locke	June 2017		X		City Administrator has identified another potential parcel for truck parking; awaiting planner to ensure proper zoning.

CITY OF CHOWCHILLA STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 4<sup>th</sup> QUARTER

August 2016

**GOAL 3**

**ENHANCE THE ENGAGEMENT WITH THE CITIZENRY TO CONVEY CONFIDENCE**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
3.1	Place City web site on new host server; redesign look and accessibility of the City web site; identify resources to improve searchable options, e.g. agendas, minutes, staff reports; evaluate contracting	H Turner J Telford M Piepenbrok	November 2016 June 2017			X	The project is included on the VLF settlement funding list to contract to develop a new City web site. The staff time commitment and skillsets required for today's web design precluded that a modern and useful web site that meets today's demands for information, interactivity, and government transparency would best be produced by out-sourcing the overall web site design structure to a contractor that specializes in municipal government web sites design. Staff is researching such companies that have a proven history of designing quality municipal government web sites.
3.2	Evaluate methods to place recorded City Council meetings on the City web site	H Turner M Piepenbrok	December 2015	X			Current technology prohibits posting meeting recordings; future equipment funding would need to be part of CIP.
3.3	Enhance staff training to enhance customer service utilizing contracted trainers, online videos, etc,	J McClendon M Piepenbrok	Ongoing		X		Work continues as time allows; considering an online training site for software, communications, business methods, etc.; searching for free online training resources and taking full advantage of the workshops/training provided by Liebert Cassidy Whitmore and the CSJVRMA.
3.4	Evaluate ways to improve customer engagements, e.g. flex scheduling to expand service hours, open City Hall on Fridays, etc.	B Haddix J McClendon M Piepenbrok	May 2016	X			Through a combination of town hall meetings and "Let's Talk Chowchilla" listening session, we have striven to enhance customer engagement. Staff continue to evaluate other ideas for future implementation..
3.5	Foster engagement opportunities for Council members and staff at community events, with service clubs, school events, topical town hall meetings, business visits, etc.	B Haddix J McClendon M Piepenbrok	March 2016	X			The task is completed but staff, and council, will continue to participate in community meetings and discussions with local organizations and groups; the Chowchilla Community Task Force has been initiated and is quickly developing; providing input to the Elementary School District strategic plan; continue to develop solutions for industrial park businesses.
3.6	Evaluate opportunities to conduct occasional Council meetings at off-site locations such as schools, senior center, etc.; take the meetings to the residents	B Haddix J McClendon M Piepenbrok	May 2016	X			The task is completed but programs will continue and staff will evaluate other opportunities to engage the community with City Council and staff; continuing the monthly Community CONVERSATION – Let's Talk Chowchilla program; held a City Council Town Hall on the 2016-2017 budget.
3.7	Research and develop vacant properties inventory and place on the City web site	C Locke Planner M Piepenbrok	December 2016		X		GIS system not quite underway; preliminary layers have been developed, additional information such as vacancy can be added once this phase is complete; web site placement will be dependent upon the new web platform being developed.
3.8	Develop and implement water conservation education materials for print and on the City web site	C Locke M Piepenbrok	July 2016 Ongoing			X	Irrigation regulations are enacted on a seasonal basis; staff continues to monitor State directives; self-certification for SWRCB has been delayed with the intent to address in August; public outreach and information sharing continues.
3.9	Evaluate developing a "Citizens Academy" conducted as workshops and/or as information web resource	M Piepenbrok B Haddix	March 2017		X		This is a substantial and time-invested project that will have to be extended out to a future completion date.

Items in GREEN are DONE; Items in BLUE are REVISED from last report

CITY OF CHOWCHILLA STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 4<sup>th</sup> QUARTER

August 2016

**GOAL 4  
DELIVER EXEMPLARY GOVERNMENT SERVICES**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
4.1	Redesign employee recognition and exemplary service programs	J McClendon M Piepenbrok	August December 2016			X	This project is underway.
4.2	Assess staff retention opportunities, and enhance staff training utilizing contracted trainers, workshops, conferences and online video sessions	M Piepenbrok J McClendon	Ongoing		X		This project is underway.
4.3	Implement succession planning through cross-training and strengthen skill sets capabilities	All Managers	Ongoing		X		Efforts continue; searching to compile free online training sessions for staff; new hires have been placed into service; working to fill staff remaining vacancies.
4.4	Complete analysis for updating the municipal code, at least three title updates; special contract project	City Attorney	June <del>2016</del> 2017			X	There is an agreement to update sections of the municipal code once the tasks are "green-lighted" by the council/administration using VLF settlement agreement funds
4.5	Complete policy updates to achieve compliance and establish best practices	J McClendon	June 2017		X		This project is underway.
4.6	Develop enhanced budget management tools, user friendly budget documents and formulate a service vs. loss analysis	R Pruett	Ongoing	X		X	Some tasks remain to be completed; a new design for the 2016-2017 Fiscal Year budget document was completed
4.7	Establish processes to achieve financial stability and compliance with GASB 34	R Pruett	December 2015	X			Completed.
4.8	Develop policies for fiscal compliance, fixed assets, investment, and reserve funding	R Pruett	June 2016	X			Completed.
4.9	Enhance engagement with Madera County Economic Development Corporation including regular updates and accountable activities	C Locke B Haddix	May 2016	X			Completed, but strengthening EDC relationships; holding ongoing meetings as projects materialize; utilized EDC to help retain Brake Parts positions; worked with EDC to bring Madera Industrial Partnership to Chowchilla; working to establish contacts with foreign capital investment entities in the Bay Area; providing budget assistance.

Items in GREEN are DONE; Items in BLUE are REVISED from last report

CITY OF CHOWCHILLA STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 4<sup>th</sup> QUARTER

August 2016

**GOAL 5**

**DEVELOP INFRASTRUCTURE TO MEET THE CURRENT NEEDS AND SUPPORT FUTURE GROWTH**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
5.1	Evaluate and update planning and zoning maps to ensure accuracy and consistency; designate zoning in annexed areas	City Attorney Planner	June 2017		X		In process; principally dependent upon the hiring of the Community and Economic Development Director; needs to be expedited to move the pace of future development.
5.2	Define and develop an economic development road map for the future	B Haddix	<del>June</del> December 2016	X		X	Incentives have been approved by City Council and implemented and additional incentives for development are being considered for viability; it is important to continue to market the projects in place and evaluate their success.
5.3	Evaluate outstanding needs to update the general plan and tasks to be accomplished	C Locke Planner	September 2016			X	Bid received for creating a digital version of the plan and identifying inconsistencies.
5.4	Continue the efforts of the downtown committee to support the development of a downtown beautification and revitalization streetscape plan	B Haddix Planner	<del>September</del> December 2016			X	A downtown discussion group is solidifying that has representation from the downtown business community; a part time contract Planner is in place; lack of financing is biggest constraint to make projects happen.
5.5	Research community assessment tools to evaluate and promote the assets to potential businesses and developments; business developer conferences	B Haddix Planner	<del>September</del> December 2016	X		X	Implemented incentive programs and working on other ideas; attended ICSC conference; new programs to be introduced following confirmation of the new Community and Economic Development Director.
5.6	Obtain remote centralized “command and control” technology (SCADA) for all well sites	C Locke	December 2016		X		SCADA as installed through JCI was too costly; investigating cellular based system on main wells to facilitate remote communication control ability.
5.7	Acquire property and subsequently construct well #15 and the water storage tank project	C Locke	June 2017		X		Staff believe a replacement corporation yard well and above ground storage is preferable to well #15 as proposed by the former administration
5.8	Evaluate options for future upgrades to the wastewater treatment plant including the possible creation of a “gray water” distribution system; evaluate financing opportunities including future developments impact fees	C Locke	June 2017		X		Working on treatment plant operation; no progress on grey water distribution but the new paradigm is treatment to reuse standards and groundwater replenishment rather than parallel distribution; concepts will be integrated into planning study discussions.
5.9	Continue to keep apprised and seek updates on the high speed rail project and community impacts; continue to be the “voice of the city/community”	B Haddix	Ongoing		X		The process now has become one of uniting the various groups supporting the Avenue 21 route and traveling to meetings; we will continue to secure support from members of the Legislature and press our case with the HSR Authority.
5.10	Strengthen relationships and funding opportunities with CalTrans, with an emphasis on Robertson Blvd and Hwy 99 improvements, particularly the overpass options	C Locke B Haddix	<del>December</del> March 2016 2017			X	CalTrans has concluded the intersection control evaluation for Hwy 99 & Robertson Blvd but has not yet shared the document with the City; there has been no response from Caltrans since requesting a permit for the Robertson Boulevard Christmas Tree.

CITY OF CHOWCHILLA STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 4<sup>th</sup> QUARTER

August 2016

**GOAL 5 (continued)**

**DEVELOP INFRASTRUCTURE TO MEET THE CURRENT NEEDS AND SUPPORT FUTURE GROWTH**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
5.11	Continue engagement with the current development projects (Rancho Calera & Legacy Ranch); finalize the development agreements and planning tasks	B Haddix City Attorney	<del>June</del> December 2016			X	Awaiting decisions by Rancho Calera as they decide whether to build out and reimburse the City by phases or hold back funds for the entire project. We are also evaluating whether it would be better to revert Legacy back to industrial property. Further, we are meeting with the Fagundes' on their housing development project.
5.12	Analyze the current permitting and plan review processes and propose improvements to simplify the process and potentially reduce the timeline	C Locke Planner	<del>June</del> December 2016			X	No further progress to report.
5.13	Assess and prioritize locations for storm drainage improvements and identify potential funding sources for projects	C Locke	<del>December</del> January <del>2016</del> 2017			X	Partnering with Chowchilla Water District resulted in mitigating problem spot at Chowchilla Blvd and 24; planning how best to address Washington and Santa Cruz chronic drainage problem; awaiting a Master Project Agreement with Chowchilla Water District from the City Attorney.
5.14	Evaluate current staffing capabilities to fully utilize GIS system; create an editable and layered GIS map of all city infrastructure assets; zoning and land uses, etc.	C Locke	<del>December</del> January <del>2016</del> 2017			X	Staff is investigating the option of an online GIS system.
5.15	Update the streets improvement plan, the pavement management plan and the sidewalk plan	C Locke	<del>September</del> December 2016			X	Cartegraph to provide the service if approved by Council in August.
5.16	Complete State mandated storm drain retention plan; develop and implement elements of public education and noticing programs	C Locke M Piepenbrok	<del>June</del> March <del>2016</del> 2017			X	Progress made on entry into the Nation Flood Insurance Program but de-prioritized; storm water resources grant was rejected; a new source of funds must be identified.
5.17	Create public works capital improvements plan and prioritize projects and funding opportunities	C Locke	<del>June</del> December 2016			X	Previous CIP's and recently identified project lists provided to consultant; this task remains a work in progress.
5.18	Conduct a public works impact fees study	C Locke	<del>September</del> December 2016			X	No further progress thus far.
5.19	Complete a structural assessment of the old library structure to develop a plan of usefulness and potential funding needs for improvements	C Locke	<del>June</del> December 2017			X	No further progress. Funding source must be identified.

Items in GREEN are DONE; Items in BLUE are REVISED from last report



# CITY COUNCIL STAFF REPORT

Item 6.5

[CLICK HERE  
TO RETURN TO  
THE AGENDA](#)

August 9, 2016

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**AGENDA SECTION:** New Business

**SUBJECT:** Approving a Resolution Adopting the City Administrator Evaluation Policy and Official Annual Performance Evaluation Form

**PREPARED BY:** Brian Haddix, City Administrator

REVIEWED BY  
ADMINISTRATOR

REVIEWED BY  
ATTORNEY

REVIEWED BY  
FINANCE

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## **RECOMMENDATION**

That the City Council adopt the attached policy, Resolution, and evaluation format to provide guidelines, timelines, roles, responsibilities and a process for the completion of an annual evaluation of the City of Chowchilla City Administrator.

## **HISTORY / BACKGROUND**

The purpose of this policy is to provide guidelines, timelines, roles, responsibilities and a process for the completion of an annual evaluation of the City of Chowchilla City Administrator. The City Administrator is a key and unique position within the City of Chowchilla. The City Administrator is hired and therefore evaluated by all five members of the City Council. It is important that the City Administrator is provided feedback and evaluation by all five members of the City Council; however, it is cumbersome and potentially confusing for an individual to receive five separate evaluations. Therefore, one single aggregate performance evaluation that reflects the overall ratings given by members of the city Council shall be prepared using the steps outlined in the attached policy. This single aggregate evaluation will be reviewed and approved by the City Council by majority consensus and will, when approved as the Official Annual Performance Evaluation, serve as the official evaluation of the City Administrator.

## **FINANCIAL ANALYSIS**

There is no financial impact of this policy.

## **ATTACHMENTS**

Resolution  
City Administrator Annual Evaluation Policy  
Official City Administrator Performance Evaluation Form

**COUNCIL RESOLUTION # -16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA,  
CALIFORNIA ADOPTING THE CITY ADMINISTRATOR ANNUAL EVALUATION  
POLICY AND OFFICIAL ANNUAL PERFORMANCE EVALUATION FORM**

**WHEREAS**, Section 2.08.010 of the Chowchilla Municipal Code establishes the position of Administrative Officer as appointed by the City Council based on his or her executive and administrative qualifications and abilities; and

**WHEREAS**, Section 2.08.040 of the Chowchilla Municipal Code provides that the City Council appoint the City's Administrative Officer to an indefinite term, that ends upon majority vote of the entire Council; and

**WHEREAS**, the City Administrator, is tasked pursuant to Section 2.08.080 of the Chowchilla Municipal Code with performance of his or her duties under the direction and control of the City Council; and

**WHEREAS**, the City Council desires to adopt a fair and equitable method of evaluating the performance of the City Administrative Officer at regular annual intervals in furtherance of their obligation to direct and control the Administrative Officer as relate his powers and duties under Section 2.08.080 of the Municipal Code,

**NOW THEREFORE, BE IT RESOLVED** by the Council of the City of Chowchilla that the City hereby approves and adopts the Policy and Procedure for Annual Evaluations of the City Administrative Officer and furthermore approves and adopts the City Administrator Performance Evaluation Forms.

**PASSED AND ADOPTED** by the City Council of the City of Chowchilla this 9th day of August, 2016 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

APPROVED:

\_\_\_\_\_  
Waseem Ahmed, Mayor

ATTEST:

\_\_\_\_\_  
Joann McClendon, CMC  
City Clerk

## CITY ADMINISTRATOR ANNUAL EVALUATION POLICY

### PURPOSE

The purpose of this policy is to provide guidelines, timelines, roles, responsibilities and a process for the completion of an annual evaluation of the City of Chowchilla City Administrator. The City Administrator is a key and unique position within the City of Chowchilla. The City Administrator is hired and therefore evaluated by all five members of the City Council. It is important that the City Administrator is provided feedback and evaluation by all five members of the City Council; however, it is cumbersome and potentially confusing for an individual to receive five separate evaluations. Therefore, one single aggregate performance evaluation that reflects the overall ratings given by members of the City Council shall be prepared using the steps outlined in this policy. This single aggregate evaluation will be reviewed and approved by the City Council by majority consensus and will, when approved as the Official Annual Performance Evaluation, serve as the official evaluation of the City Administrator.

### TIMELINE FOR COMPLETION

An annual performance evaluation shall be conducted once per year. It is best practice to complete the annual performance evaluation, each year, within thirty (30) days of the date of appointment of the City Administrator. It is the responsibility of the City Administrator to place the item on the closed session agenda at a City Council meeting no less than sixty (60) days prior to the anniversary date of appointment to the position.

### ROLES AND RESPONSIBILITIES OF PARTICIPANTS

**City Council:** It is the duty of the Chowchilla City Council to conduct an annual performance evaluation for the City Administrator of the City of Chowchilla.

**City Administrator:** The City Administrator is responsible for providing whatever information they feel will assist the City Council in completing the Annual Performance Evaluation at the first meeting. At the second meeting, the City Administrator should be prepared to provide whatever additional information requested by any of the City Councilmembers. This is required so that all Councilmembers are provided with the same information. The Mayor may request that the City Administrator remain, or alternatively not remain present during subsequent meetings set aside for Councilmember discussions. The City Administrator will provide each City Councilmember with an approved Annual Evaluation Form (see attached) and a copy of this policy, and is responsible for placing closed session items on the agenda that relate to the City Administrator Performance Evaluation.

**City Councilmembers:** City Councilmembers participate in the evaluation process by receiving information from the City Administrator, asking questions regarding performance items and complete individual evaluation forms during the evaluation process. City Councilmembers select a second Councilmember to assist the Mayor in compiling evaluation forms into a single aggregate evaluation, discuss any comments and sign the finalized Official Annual Performance Evaluation.

**Mayor:** The Mayor is primarily responsible for leading the compilation of Councilmember evaluation forms and incorporating changes and comments after discussion of the evaluation by the full Council.

**City Attorney:** The City Attorney shall be present during all closed session meetings concerning the City Administrator Annual Performance Evaluation. The City Attorney's role is limited to providing legal and procedural advice to the City Council. The City Attorney does not provide substantive information or personal opinions during this process that relate to the performance of the City Administrator. In

addition, the City Attorney shall be responsible for evaluation document control, including marking all draft and unofficial copies of materials used in the evaluation process.

## EVALUATION PROCESS

The process for completing the annual performance evaluation will be completed over three or more separate City Council meetings.

The first meeting is to provide the forms and policy to City Councilmembers and to receive input from the City Administrator. The City Administrator will provide each City Councilmember with an approved Annual Evaluation Form (see attached) and a copy of this policy. Each member of the City Council, including the Mayor, shall complete the approved evaluation form provided by the City. The City Administrator is expected to provide information and answer questions to assist the City Council in completing the evaluation.

The second meeting is for the City Councilmembers to provide the Mayor, and a second council member selected by the Council, with completed and signed evaluation forms. Subsequent to this second meeting, the Mayor and the second appointed Councilmember shall together compile the evaluation forms into a single aggregate performance evaluation document. To perform this task, they shall utilize the scores provided by all five City Councilmembers. Comments are not to be added to the aggregate evaluation form at this time.

At the third meeting, the Mayor shall present the aggregate annual performance evaluation to the entire Council for discussion, modification and approval. The Mayor is to allow for discussion of the evaluation and the addition of comments by simple majority consensus of the Council at this meeting. Additional meetings may be scheduled as needed to complete the process. The Mayor is responsible for integrating any City Council approved final changes or additions to the aggregate evaluation form and for preparing the Official Annual Evaluation form for presentation to the City Administrator.

At the City Council meeting that follows the approval of the Official Annual Performance Evaluation, the City Council shall present the City Administrator with the Official Annual Performance Evaluation. The City Administrator will be provided with copies of all five City Councilmember completed evaluation forms. The purpose of this is to provide the City Administrator with feedback from each City Councilmember. Only the approved aggregate annual performance evaluation, signed by all five members of the City Council, will function as the Official Performance Evaluation of the City Administrator.

During that meeting, the Mayor will review the Official Annual Performance Evaluation with the City Administrator and answer any questions that the City Administrator may have. Once the Official Annual Performance Evaluation has been reviewed with the City Administrator and City Council, the City Administrator and Councilmembers shall sign the evaluation indicating the date and that the evaluation has been reviewed and discussed as between them. The City Administrator's signature is not an indication of agreement with the information contained in the Official Annual Performance Evaluation but is an acknowledgement of acceptance of the document. The City Administrator may submit a response to the Official Annual Performance Evaluation and have this document attached to the Official Annual Performance Evaluation. A copy of any response shall be provided to the City Council during closed session for review. The Official Annual Performance Evaluation and attached response reviewed by the City Council shall be the only documents placed in the City Administrator's official personnel file.

**City Administrator Performance Evaluation  
City Of Chowchilla**

Evaluation Period: \_\_\_\_\_ to \_\_\_\_\_

**RATING SCALE DEFINITIONS (1-5)**

- **Unsatisfactory (1)** = The employee's work performance is inadequate and definitely inferior to the Standards of performance required for the job. Performance at this level cannot be allowed to continue.
- **Improvement (2)** = The employee's work performance does not consistently meet the needed standards of the position. Serious effort is needed to improve performance.
- **Meets Job (3)** = the employee's work performance consistently meets the standards of standards the position.
- **Exceeds Job (4)** = The employee's work performance is frequently or consistently above standards the level of a satisfactory employee, but has not achieved an overall level of outstanding performance.
- **Outstanding (5)** = The employee's work performance is consistently excellent when compared to the standards of the job.
- **N/O** = No Opinion.

**City Council Relationships**

- A. Effectively implements policies and programs approved by the City Council. \_\_\_\_\_
- B. Reporting to the City Council is timely, clear, concise and thorough. \_\_\_\_\_
- C. Accepts direction/instructions in a positive manner. \_\_\_\_\_
- D. Effectively aids the City Council in establishing long range goals. \_\_\_\_\_
- E. Keeps the City Council informed of current plans and activities of administration and new developments in technology, legislation, governmental practices and regulations, etc. \_\_\_\_\_
- F. Provides the City Council with clear reports of anticipated issues that could come before the City Council. \_\_\_\_\_

Comments:

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**2. Public Relations**

- A. Projects a positive public image. \_\_\_\_\_

{DGR/00045648. }Initials \_\_\_\_\_

- B. Is courteous to the public at all times. \_\_\_\_\_
- C. Maintains effective relations with media representatives. \_\_\_\_\_

Comments:

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**3. Effective Leadership of Staff**

- A. Delegates appropriate responsibilities. \_\_\_\_\_
- C. Inspire others to succeed. \_\_\_\_\_
- D. Actively promote efficiency in operations. \_\_\_\_\_
- E. Demonstrate a high regard for personal ethics. \_\_\_\_\_

Comments:

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**4. Fiscal Management**

- A. Prepares realistic annual budget. \_\_\_\_\_
- B. Controls expenditures in accordance with approved budget. \_\_\_\_\_
- C. Keeps City Council informed about revenues and expenditures, actual and projected. \_\_\_\_\_
- D. Ensures that the budget addresses the City Council's goals and objectives, including readability. \_\_\_\_\_

Comments:

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**5. Communication**

- A. Oral communication is clear, concise and articulate. \_\_\_\_\_
- B. Written communications are clear, concise and accurate. \_\_\_\_\_

Comments:

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**6. Personal Traits**

- A. Initiative. \_\_\_\_\_
- B. Judgment. \_\_\_\_\_
- C. Fairness and Impartiality. \_\_\_\_\_

D. Creativity. \_\_\_\_\_

Comments:

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**7. Intergovernmental Affairs**

A. Maintains effective communication with local, regional, state and federal government agencies. \_\_\_\_\_

B. Pursues financial resources (grants) from other agencies. \_\_\_\_\_

C. Contributes to good government through regular participation in local, regional and state committees and organizations. \_\_\_\_\_

D. Lobbies effectively with legislators and state agencies regarding City programs and projects. \_\_\_\_\_

Comments:

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**8. Economic Development**

A. Work well with developers while protecting the city's interest. \_\_\_\_\_

B. Work to increase the city's tax base through economic development. \_\_\_\_\_

C. Involves himself in the planning process to the correct degree. \_\_\_\_\_

D. Review the process and look for better ways to handle development activities. \_\_\_\_\_

Comments:

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**II. ACHIEVEMENTS RELATIVE TO OBJECTIVES FOR THIS EVALUATION PERIOD:**

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**III. SUMMARY RATING**

Overall Performance Rating - Considering the results obtained against established performance standards as well as overall job performance, the following rating is provided:

Unsatisfactory \_\_\_ Improvement Needed \_\_\_ Meets Job Standard \_\_\_ Exceeds Job Standard \_\_\_  
Outstanding \_\_\_

Comments:

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**IV. FUTURE GOALS AND OBJECTIVES**

Specific goals and objectives to be achieved in the next evaluation period:

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This evaluation was reviewed and discussed between the City Council and the City Administrator on:

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**City Council**

Mayor

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Mayor Pro Tem

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Council Member

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Council Member

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Council Member

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**City Administrator**

Name \_\_\_\_\_

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Signature \_\_\_\_\_

Next Evaluation Date