



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

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July 21, 2014

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Mark J. Saladino
Treasurer and Tax Collector 

SUBJECT: **REDEVELOPMENT BOND REFUNDING PROGRAM ACHIEVES SAVINGS IN EXCESS OF \$12 MILLION**

On July 17, 2014, my office successfully priced the second issuance of tax allocation refunding bonds as part of the County's multi-year Redevelopment Bond Refunding Program (the "County Program"). This installment of the County's Program was approved by your Board on July 1, 2014. \$37.1 million of tax allocation revenue refunding bonds were sold at a net interest cost of 2.41% for the tax-exempt Series A and 3.48% for the taxable Series B, generating more than \$12.9 million in gross savings. The Series 2014A Bonds consist of approximately \$3.4 million of tax-exempt refunding bonds issued for the Claremont Successor Agency and \$29.8 million for the South Gate Successor Agency. The Series 2014B Bonds consist of approximately \$3.9 million of taxable refunding bonds issued for the South Gate Successor Agency.

In this pooled structure, the County Program successfully combined tax-exempt and taxable bonds, two successor agencies and two project areas into one refunding. The ratings received from Standard & Poor's ranged from 'A' to 'AA'. The yields on the bonds vary by maturity date and tax status, but compare very favorably to other redevelopment bond issues priced over the last several months. The cities of Claremont and South Gate can expect to receive between 6% and 12% of the refunding savings over the remaining life of the bonds, while the County should receive approximately 25% or as much as \$3.2 million. To date, the County Program has produced more than \$46.5 million in gross debt service savings benefitting the County, cities and other local taxing agencies.

In the next few months, we expect to bring our third tax allocation bond refunding transaction to your Board for approval. It will include at least two successor agencies and a bond par amount in excess of \$200 million that will generate gross debt service savings estimated at more than \$35 million in today's market.

Each Supervisor
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Should you have any questions regarding this refunding program, please contact me directly or your staff may contact Glenn Byers at 974-7175 or Gbyers@ttc.lacounty.gov.

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pb/brdmemordarefundingprogram

c: Chief Executive Officer
Auditor-Controller
County Counsel
Executive Officer, Board of Supervisors