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|---|---|---|---|--|
| <b>AGENDA ITEM TRANSMITTAL</b>  |   | Agenda Time Estimates:<br>Minutes or <input checked="" type="checkbox"/> Consent  | Leave Blank: <span style="font-size: 1.5em;">943.1</span>   | Date/Time Rec'd: <span style="font-size: 1.5em;">5/13/14</span>                      |
| TO: BOARD OF SUPERVISORS<br>FROM: Joe Paul Gonzalez<br>Clerk, Auditor & Recorder  |   | CONTACT FOR INFORMATION:<br>Name: Joe Paul Gonzalez<br>Phone No: 636-4090 x23   |   | NUMBER OF CERTIFIED COPIES<br>REQUIRED: 0  |
| MEETING DATE:<br>May 20, 2014   | (1) SUBJECT:<br>Subordination request for former Hollister Redevelopment Agency (RDA) 2003 Bond Refunding |   |   |  |
| (2) BACKGROUND INFORMATION (Attach additional pages if necessary):<br><br><p>The City of Hollister has requested that the County approve a resolution subordinating the County's interest in tax increment revenues to allow refunding of the 2003 Tax Allocation Bonds of the former RDA. The former Hollister Redevelopment Agency (RDA) issued several bonds for redevelopment purposes. The County has previously subordinated its interests in the tax increment revenues payable to the County under the Agreement to the payment of the bonds for each of the several series of bonds previously issued by the Form RDA that are secured by tax increment revenues. The fiscal impact to the County would be neutral.</p> <p>The City of Hollister Successor Agency to the former City of Hollister RDA is requesting San Benito County to subordinate its interest in tax increment revenues to proposed bond indebtedness of the Successor Agency to allow the refunding (refinancing) of 2003 Tax Allocation Bonds for the former Hollister RDA. In 2012, the State enacted AB x 1 26 (the "Dissolution Act"), which ended redevelopment agencies and created Successor Agencies with responsibility for managing the obligations of former redevelopment agencies and winding up their activities. The Act established Oversight Boards with the fiduciary responsibilities to review Successor Agency activities on behalf of the taxing entities. Actions of the Oversight Board are subject to review by the California Department of Finance. The Oversight Board to the former Hollister RDA approved a proposed refunding of a 2003 Tax allocation bond with a remaining balance of \$33.6 million dollars on April 24, 2014 (see Attached Resolution 2014-05 OB). Based on current market conditions with a modest interest rate "cushion", the proposed refunding is expected to generate approximately \$1.9 million in net present value savings or 5.7% of the refunded par and approximately \$145,000 in average annual cash flow savings. The benefit of the refunding will flow to all of the taxing entities that did not have pass through agreements with the former Hollister RDA (school districts and City of Hollister). There will be no increase in distribution to the County, San Benito County Water District or Hospital District because of prior pass through agreements developed when the Hollister RDA was formed. There would a neutral fiscal impact to the county from adoption of the resolution.</p> |   |   |   |  |
| (4) SUPPORTIVE DOCUMENTS RELATIVE TO THIS ITEM:<br><input type="checkbox"/> Contract <input checked="" type="checkbox"/> Resolution<br><input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Other:  |   | (5) PREVIOUS RELEVANT BOARD ACTIONS ON THIS SPECIFIC ITEM:<br>Approval of subordination for issuance of the RDA 2003 Tax Allocation Bonds |   |  |
| (6) FUNDING SOURCE(S):  |   | (7) CURRENT YEAR COST:<br>\$0   | (8) ANNUAL COST:<br>\$0                                     | (9) BUDGETED:<br><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| (10) WILL PROPOSAL REQUIRE ADDITIONAL PERSONNEL? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO    If YES, STATE NUMBER:<br><div style="display: flex; justify-content: space-between; width: 100%;"> <span>Permanent</span> <span>Limited Term</span> </div>  |   |   |   |  |
| (11) RECOMMENDED ACTION(S):<br><br>Adopt resolution subordinating the County's interest in tax increment revenues to proposed bonded indebtedness of the Successor Agency of the Redevelopment Agency of the City of Hollister.   |   |   |   |  |
| SIGNATURE OF AGENCY OR DEPARTMENT AUTHORIZED REPRESENTATIVE<br>   |   |   | DATE<br><span style="font-size: 1.5em;">May 13, 2014</span> |  |

|   |  |   |   |
|---|--|---|---|
| CLERK'S USE ONLY  |  |   |   |
| <input type="checkbox"/> APPROVED<br><input type="checkbox"/> ACKNOWLEDGED<br><input type="checkbox"/> SET PUBLIC HEARING | <input type="checkbox"/> DENIED<br><input type="checkbox"/> ACCEPTED<br><input type="checkbox"/> APPOINTED | <input checked="" type="checkbox"/> ADOPTED<br>RESOLUTION NO. <span style="font-size: 1.2em;">2014-42</span><br>ORDINANCE NO. _____ | <input type="checkbox"/> CONTINUED TO _____<br><input type="checkbox"/> OTHER _____<br><input type="checkbox"/> NO ACTION TAKEN |
| BY:<br>Deputy Clerk of the Board  |  |   |   |
| DATE: <span style="font-size: 1.5em;">5/20/14</span>  |  |   |   |

**COPY ROUTING: BOARD – ORIGINATING DEPT. – AUDITOR**

RESOLUTION NO. 2014-42

**A RESOLUTION OF THE SAN BENITO COUNTY BOARD  
OF SUPERVISORS SUBORDINATING THE COUNTY'S  
INTEREST IN TAX INCREMENT REVENUES TO  
PROPOSED BONDED INDEBTEDNESS OF THE  
SUCCESSOR AGENCY OF THE REDEVELOPMENT  
AGENCY OF THE CITY OF HOLLISTER**

**RESOLVED**, by the Board of Supervisors of the County of San Benito, California, as follows:

**WHEREAS**, the Redevelopment Agency of the City of Hollister (the "Former Agency") and the County of San Benito (the "County") entered into an Agreement (the "Agreement"), dated December 10, 1984, with respect to the sharing of tax increment revenues generated within the Hollister Community Development Project Area (the "Project Area");

**WHEREAS**, Section 2 of the Agreement provides that the Former Agency may request the County to subordinate its interest in the tax increment revenues payable to the County under the Agreement in order to allow the Former Agency to pledge those tax increment revenues to, and secure payment of, bonded indebtedness of the Former Agency incurred for the Project Area;

**WHEREAS**, for each of the several series of bonds previously issued by the Former Agency that are secured by tax increment revenues, the County has, pursuant to the Agreement, subordinated its interests in the tax increment revenues payable to the County under the Agreement to the payment of the bonds, including the Former Agency's Series 2003 Bonds; and

**WHEREAS**, Assembly Bill 26, enacted on June 29, 2011 ("ABx1-26"), amended the Community Redevelopment Law and added Part 1.85 to Division 24 of the Health and Safety Code; ABx1-26 ordered the dissolution of all California redevelopment agencies, including the Former Agency, and the vesting of all authority, rights, powers, duties and obligations of redevelopment agencies in successor agencies as therein defined; pursuant to ABx1-26, the City of Hollister (the "City") thereafter designated itself as the Successor Agency to the Redevelopment Agency of the City of Hollister (the "Successor Agency");

**WHEREAS**, Assembly Bill 1484, enacted on June 27, 2012 ("AB 1484") further amended the Community Redevelopment Law, and also amended ABx1-26; as used in this Resolution, "Law" means the Community Redevelopment Law, as amended and supplemented by ABx1-26 and AB 1484;

**WHEREAS**, the Successor Agency is proposing to issue a series of refunding bonds, being the Successor Agency's 2014 Tax Allocation Refunding Bonds (the "Series 2014 Bonds"), to be secured by tax increment revenues in order to provide debt service savings that will accrue; the Series 2014 Bonds to be issued for the purpose of refunding the Former Agency's Series 2003 Bonds;

**WHEREAS**, the Agreement provides that, in the event any tax increment revenues otherwise payable to this County under the Agreement are needed by the Successor Agency in order to pay the Series 2014 Bonds or meet any reserve fund requirements related thereto, it shall be treated as an advance by this County and be repaid by the Successor Agency with interest and upon such other terms as are agreed upon by the parties at the time such tax increment revenues are first advanced by the County to the Successor Agency for such purpose;

**WHEREAS**, accompanying the request by the Successor Agency is documentation of the Successor Agency's ability to pay the bonded indebtedness without demand anticipated to be made on the tax increment revenues payable to this County under the terms of the Agreement; and

**WHEREAS**, it is in the public interest that the Successor Agency issue the Series 2014 Bonds in order to provide debt service savings to accrue through the refunding of the Former Agency's Series 2003 Bonds.

**NOW, THEREFORE, IT IS FOUND, DETERMINED and ORDERED** as follows:

1. In order to provide debt service savings to accrue through the refunding of the Former Agency's Series 2003 Bonds, the County of San Benito subordinates its interests to the tax increment revenues payable to this County under the Agreement to the pledge of those tax increment revenues to, and secure payment of, the Series 2014 Bonds to be secured by tax increment revenues; the Series 2014 Bonds being in an amount not to exceed \$35,000,000.

2. The subordination is approved with the understanding that any tax increment revenues otherwise payable to the County under the Agreement that are used by the Successor Agency to pay the bonded indebtedness, or meet the reserve fund requirements related thereto, shall be treated as an advance by the County and be repaid by the Successor Agency with interest and upon such other terms as are agreed upon by the parties at the time such tax increment revenues are first advanced by the County to the Successor Agency for such purpose.

3. The Clerk of this Board is directed to transmit a certified copy of this Resolution to the Successor Agency.

**PASSED AND ADOPTED** by the San Benito County Board of Supervisors, State of California, at the meeting of said Board held on the 20<sup>th</sup> day of May, 2014 by the following vote:

AYES, Supervisors: **Muenzer, De La Cruz, Rivas, Botelho, Barrios**

NOES, Supervisors: **NONE**

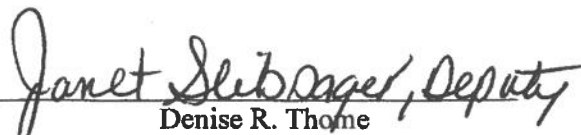
ABSENT, Supervisors: **NONE**

By:

  
Jerry Muenzer, Chair,  
San Benito County Board of Supervisors

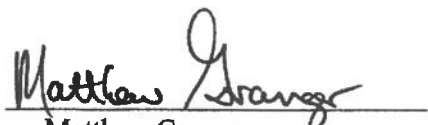
ATTEST: **DENISE THOME**

By:

  
Denise R. Thome  
Clerk of the Board

APPROVED AS TO LEGAL FORM:

By:

  
Matthew Granger  
County Counsel

**TABLE 1-A**  
**Tax Increment Revenue Projections**  
**Hollister Community Development Project Area**

| Plan Yr.                 | Bond Yr. | Assessed Value Forecast       |                    |               | Incremental   | Gross Tax Increment |            |
|--------------------------|----------|-------------------------------|--------------------|---------------|---------------|---------------------|------------|
|                          |          | Secured <sup>1</sup><br>2.00% | Unsecured<br>0.00% | Total         |               | Annual<br>1.0%      | Cumulative |
| 1982-83 Base Year Value: |          |                               |                    |               |               |                     |            |
| 31                       | 1        | 1,143,474,816                 | 44,942,228         | 1,188,417,044 | 1,013,391,433 | Through 2007-08:    |            |
| 32                       | 2        | 1,166,344,312                 | 44,942,228         | 1,211,286,540 | 1,036,260,929 | 10,133,914          |            |
| 33                       | 3        | 1,189,671,199                 | 44,942,228         | 1,234,613,427 | 1,059,587,816 | 10,362,809          |            |
| 34                       | 4        | 1,213,464,623                 | 44,942,228         | 1,258,406,851 | 1,083,381,240 | 10,595,878          |            |
| 35                       | 5        | 1,237,733,915                 | 44,942,228         | 1,282,676,143 | 1,107,650,532 | 10,833,812          |            |
| 36                       | 6        | 1,262,488,593                 | 44,942,228         | 1,307,430,821 | 1,132,405,210 | 11,076,505          |            |
| 37                       | 7        | 1,287,738,365                 | 44,942,228         | 1,332,680,593 | 1,157,654,982 | 11,324,052          |            |
| 38                       | 8        | 1,313,493,132                 | 44,942,228         | 1,358,435,360 | 1,183,409,749 | 11,576,550          |            |
| 39                       | 9        | 1,339,762,995                 | 44,942,228         | 1,384,705,223 | 1,209,679,612 | 11,834,097          |            |
| 40                       | 10       | 1,366,558,255                 | 44,942,228         | 1,411,500,483 | 1,236,474,872 | 12,096,796          |            |
| 41                       | 11       | 1,393,889,420                 | 44,942,228         | 1,438,831,648 | 1,263,806,037 | 12,364,749          |            |
| 42                       | 12       | 1,421,767,209                 | 44,942,228         | 1,466,709,437 | 1,291,683,826 | 12,638,060          |            |
| 43                       | 13       | 1,450,202,553                 | 44,942,228         | 1,495,144,781 | 1,320,119,170 | 12,916,838          |            |
| 44                       | 14       | 1,479,206,604                 | 44,942,228         | 1,524,148,832 | 1,349,123,221 | 13,201,192          |            |
| 45                       | 15       | 1,508,790,736                 | 44,942,228         | 1,553,732,964 | 1,378,707,353 | 13,491,232          |            |
| 46                       | 16       | 1,538,966,551                 | 44,942,228         | 1,583,908,779 | 1,408,883,168 | 13,787,074          |            |
| 47                       | 17       | 1,569,745,882                 | 44,942,228         | 1,614,688,110 | 1,439,662,499 | 14,088,832          |            |
| 48                       | 18       | 1,601,140,799                 | 44,942,228         | 1,646,083,027 | 1,471,057,416 | 14,396,625          |            |
| 49                       | 19       | 1,633,163,615                 | 44,942,228         | 1,678,105,843 | 1,503,080,232 | 14,710,574          |            |
| 50                       | 20       | 1,665,826,887                 | 44,942,228         | 1,710,769,115 | 1,535,743,504 | 15,030,802          |            |
| Cumulative Totals        |          |                               |                    |               | 15,357,435    | 438,686,227         |            |
|                          |          |                               |                    |               | 251,817,628   | 454,043,663         |            |

Notes:  
1/ Includes homeowner exemption values. Utility values are excluded from these projections.

**Tax Increment Revenue Projections**  
**Hollister Community Development Project Area**  
**TABLE 1-A continued**

| Plan Yr.          | Bond Yr. | County Admin. Charge | Redevelopment Funds            |                               |  |                                    |             |  | Net Revenue |
|-------------------|----------|----------------------|--------------------------------|-------------------------------|--|------------------------------------|-------------|--|-------------|
|                   |          |                      | Net Revenue After Admin Charge | Senior Taxing Agency Payments | Net Revenue Available for Debt Service | Subordinate Taxing Agency Payments | Net Revenue |  |             |
| BY                | 1982-83  |                      |                                |                               |  |                                    |             |  |             |
| 31                | 1        | (391,169)            | 9,742,745                      | 559,946                       | 9,182,799                              | 1,991,826                          | 7,190,974   |  |             |
| 32                | 2        | (399,997)            | 9,962,613                      | 572,583                       | 9,390,030                              | 2,097,935                          | 7,292,095   |  |             |
| 33                | 3        | (409,001)            | 10,186,877                     | 585,472                       | 9,601,405                              | 2,206,167                          | 7,395,238   |  |             |
| 34                | 4        | (418,185)            | 10,415,627                     | 598,619                       | 9,817,008                              | 2,316,564                          | 7,500,445   |  |             |
| 35                | 5        | (427,553)            | 10,648,952                     | 612,029                       | 10,036,924                             | 2,429,168                          | 7,607,756   |  |             |
| 36                | 6        | (437,108)            | 10,886,944                     | 625,707                       | 10,261,237                             | 2,544,024                          | 7,717,212   |  |             |
| 37                | 7        | (446,855)            | 11,129,695                     | 639,658                       | 10,490,037                             | 2,661,178                          | 7,828,858   |  |             |
| 38                | 8        | (456,796)            | 11,377,301                     | 653,889                       | 10,723,412                             | 2,780,675                          | 7,942,737   |  |             |
| 39                | 9        | (466,936)            | 11,629,860                     | 668,405                       | 10,961,455                             | 2,902,561                          | 8,058,894   |  |             |
| 40                | 10       | (477,279)            | 11,887,469                     | 683,210                       | 11,204,259                             | 3,026,886                          | 8,177,373   |  |             |
| 41                | 11       | (487,829)            | 12,150,231                     | 698,312                       | 11,451,919                             | 3,153,697                          | 8,298,223   |  |             |
| 42                | 12       | (498,590)            | 12,418,248                     | 713,716                       | 11,704,533                             | 3,283,044                          | 8,421,489   |  |             |
| 43                | 13       | (509,566)            | 12,691,626                     | 729,428                       | 11,962,198                             | 3,414,978                          | 8,547,220   |  |             |
| 44                | 14       | (520,762)            | 12,970,471                     | 745,454                       | 12,225,017                             | 3,549,550                          | 8,675,467   |  |             |
| 45                | 15       | (532,181)            | 13,254,892                     | 761,800                       | 12,493,092                             | 3,686,815                          | 8,806,278   |  |             |
| 46                | 16       | (543,829)            | 13,545,003                     | 778,474                       | 12,766,529                             | 3,826,824                          | 8,939,705   |  |             |
| 47                | 17       | (555,710)            | 13,840,915                     | 795,481                       | 13,045,434                             | 3,969,634                          | 9,075,801   |  |             |
| 48                | 18       | (567,828)            | 14,142,746                     | 812,828                       | 13,329,918                             | 4,115,300                          | 9,214,618   |  |             |
| 49                | 19       | (580,189)            | 14,450,613                     | 830,522                       | 13,620,091                             | 4,263,879                          | 9,356,213   |  |             |
| 50                | 20       | (592,797)            | 14,764,638                     | 848,570                       | 13,916,068                             | 4,415,429                          | 9,500,639   |  |             |
| Cumulative Totals |          | (9,720,160)          | 242,097,468                    | 13,914,101                    | 228,183,366                            | 62,636,133                         | 165,547,234 |  |             |

**Taxing Agency Payments**  
**Hollister Community Development Project Area**  
**TABLE 1-B**

| Plan Year | Bond Yr. | Senior Fiscal Mitigation Agreements |                   | Subordinate Fiscal Mitigation Agreement | Subordinate Statutory Payments  |                     |                      |                 |                     |                          | Total Subordinate Taxing Agency Payments | Total Senior & Subordinate Taxing Agency Payments |
|-----------|----------|-------------------------------------|-------------------|---|---------------------------------|---------------------|----------------------|-----------------|---------------------|--------------------------|--|---|
|           |          | Water & Flood Control               | Hospital District |   | City of Hollister <sup>1/</sup> | Education Tax Areas | Hollister Elementary | San Benito High | Gavilan Jr. College | Santa Clara Equalization |  |   |
|           |          | 3.4680%                             | 2.0675%           | 18.4039%                                | 14.0298%                        | 3.1368%             | 27.9064%             | 23.0155%        | 7.9613%             | 0.0209%                  | 94.4745%                                 | 100%  |
| BY        | 1982-83  |                                     |                   |   |                                 |                     |                      |                 |                     |                          |  |   |
| 31        | 1        | 351,441                             | 208,505           | 1,865,036                               | 23,384                          | 5,228               | 46,512               | 38,361          | 13,269              | 35                       | 1,991,826                                | 2,551,772   |
| 32        | 2        | 359,372                             | 213,211           | 1,907,125                               | 29,801                          | 8,141               | 72,423               | 59,730          | 20,661              | 54                       | 2,097,935                                | 2,670,518   |
| 33        | 3        | 367,462                             | 218,010           | 1,950,056                               | 36,346                          | 11,111              | 98,852               | 81,527          | 28,201              | 74                       | 2,206,167                                | 2,791,639   |
| 34        | 4        | 375,713                             | 222,906           | 1,993,845                               | 43,023                          | 14,141              | 125,809              | 103,760         | 35,891              | 94                       | 2,316,564                                | 2,915,182   |
| 35        | 5        | 384,130                             | 227,899           | 2,038,510                               | 49,833                          | 17,232              | 153,306              | 126,437         | 43,736              | 115                      | 2,429,168                                | 3,041,197   |
| 36        | 6        | 392,714                             | 232,992           | 2,084,068                               | 56,779                          | 20,384              | 181,352              | 149,568         | 51,737              | 136                      | 2,544,024                                | 3,169,731   |
| 37        | 7        | 401,471                             | 238,187           | 2,130,538                               | 63,864                          | 23,600              | 209,959              | 173,162         | 59,898              | 157                      | 2,661,178                                | 3,300,837   |
| 38        | 8        | 410,403                             | 243,487           | 2,177,937                               | 71,090                          | 26,880              | 239,139              | 197,228         | 68,223              | 179                      | 2,780,675                                | 3,434,564   |
| 39        | 9        | 419,513                             | 248,892           | 2,226,283                               | 78,462                          | 30,225              | 268,902              | 221,774         | 76,714              | 201                      | 2,902,561                                | 3,570,966   |
| 40        | 10       | 428,806                             | 254,405           | 2,275,597                               | 85,980                          | 33,638              | 299,260              | 246,812         | 85,374              | 224                      | 3,026,886                                | 3,710,096   |
| 41        | 11       | 438,284                             | 260,028           | 2,325,897                               | 93,648                          | 37,118              | 330,226              | 272,351         | 94,208              | 247                      | 3,153,687                                | 3,852,009   |
| 42        | 12       | 447,952                             | 265,764           | 2,377,203                               | 101,472                         | 40,668              | 381,811              | 298,400         | 103,219             | 271                      | 3,283,044                                | 3,996,759   |
| 43        | 13       | 457,813                             | 271,614           | 2,429,535                               | 109,451                         | 44,290              | 394,027              | 324,970         | 112,410             | 295                      | 3,414,978                                | 4,144,405   |
| 44        | 14       | 467,872                             | 277,582           | 2,482,914                               | 117,589                         | 47,983              | 426,888              | 352,072         | 121,785             | 319                      | 3,549,550                                | 4,295,004   |
| 45        | 15       | 478,131                             | 283,669           | 2,537,361                               | 125,890                         | 51,751              | 460,406              | 379,716         | 131,347             | 344                      | 3,686,815                                | 4,448,615   |
| 46        | 16       | 488,596                             | 289,876           | 2,592,896                               | 134,357                         | 55,594              | 494,595              | 407,912         | 141,100             | 370                      | 3,826,824                                | 4,605,298   |
| 47        | 17       | 499,270                             | 296,211           | 2,649,542                               | 142,994                         | 59,514              | 529,487              | 436,873         | 151,049             | 396                      | 3,969,634                                | 4,765,115   |
| 48        | 18       | 510,158                             | 302,670           | 2,707,321                               | 151,803                         | 63,512              | 565,036              | 466,009         | 161,196             | 423                      | 4,115,300                                | 4,928,128   |
| 49        | 19       | 521,253                             | 309,259           | 2,766,255                               | 160,789                         | 67,590              | 601,318              | 495,931         | 171,547             | 450                      | 4,263,878                                | 5,094,401   |
| 50        | 20       | 532,591                             | 315,979           | 2,826,368                               | 169,954                         | 71,749              | 638,324              | 526,452         | 182,104             | 477                      | 4,415,429                                | 5,263,999   |
| Total     |          | 8,732,954                           | 5,181,147         | 46,344,289                              | 1,846,511                       | 730,349             | 6,497,612            | 5,358,845       | 1,853,668           | 4,859                    | 62,636,133                               | 76,550,234  |

Notes:  
1/ The City of Hollister only receives the first tier of the statutory payments

**Successor Agency to the Hollister Redevelopment Agency**  
**Hollister Community Development Project**

**TABLE 2**

| Year<br>(1) | Net Revenue<br>Available for<br>Debt Service(2) | Current Parity Obligations   |               |               |                          | Subordinate Obligations |                         |                          |                            | Total<br>All<br>Obligations(5)      | All-in<br>Coverage | Net<br>Remaining<br>Cashflow |
|-------------|---|--|---------------|---------------|--------------------------|-------------------------|-------------------------|--------------------------|----------------------------|-------------------------------------|--------------------|------------------------------|
|             |   | 1997<br>Bonds  | 2003<br>Bonds | 2009<br>Bonds | Total<br>Parity<br>Bonds | Estimated<br>Coverage   | AB 1290<br>Payments (2) | San Benito<br>County (3) | Agency<br>Admin<br>Fee (4) | Total<br>Subordinate<br>Obligations |                    |                              |
| 2014        | 9,182,799                                       | -  | 2,820,419     | 676,856       | 3,497,275                | 262.6%                  | 190,810                 | 1,907,125                | 399,997                    | 2,497,932                           | 153.2%             | 3,187,592                    |
| 2015        | 9,390,030                                       | -  | 2,818,719     | 677,506       | 3,496,225                | 268.6%                  | 256,111                 | 1,950,056                | 409,001                    | 2,615,168                           | 153.6%             | 3,278,637                    |
| 2016        | 9,601,405                                       | -  | 2,819,131     | 677,156       | 3,496,287                | 274.6%                  | 322,718                 | 1,993,845                | 418,185                    | 2,734,749                           | 154.1%             | 3,370,370                    |
| 2017        | 9,817,008                                       | -  | 2,816,394     | 680,156       | 3,496,550                | 280.8%                  | 390,658                 | 2,038,510                | 427,553                    | 2,856,721                           | 154.5%             | 3,463,738                    |
| 2018        | 10,036,924                                      | -  | 2,815,506     | 681,769       | 3,497,275                | 287.0%                  | 459,956                 | 2,084,068                | 437,108                    | 2,981,133                           | 154.9%             | 3,558,515                    |
| 2019        | 10,261,237                                      | -  | 2,816,206     | 681,919       | 3,498,125                | 293.3%                  | 530,640                 | 2,130,538                | 446,855                    | 3,108,033                           | 155.3%             | 3,655,079                    |
| 2020        | 10,490,037                                      | -  | 2,818,231     | 680,888       | 3,499,119                | 299.8%                  | 602,738                 | 2,177,937                | 456,796                    | 3,237,471                           | 155.7%             | 3,753,446                    |
| 2021        | 10,723,412                                      | -  | 2,816,319     | 678,638       | 3,494,957                | 306.8%                  | 676,278                 | 2,226,283                | 466,936                    | 3,369,498                           | 156.2%             | 3,858,958                    |
| 2022        | 10,961,455                                      | -  | 2,815,469     | 679,738       | 3,495,207                | 313.6%                  | 751,289                 | 2,275,597                | 477,279                    | 3,504,165                           | 156.6%             | 3,962,083                    |
| 2023        | 11,204,259                                      | -  | 2,820,419     | 679,219       | 3,499,638                | 320.2%                  | 827,799                 | 2,325,897                | 487,829                    | 3,641,526                           | 156.9%             | 4,063,096                    |
| 2024        | 11,451,919                                      | -  | 2,815,644     | 682,031       | 3,497,675                | 327.4%                  | 905,841                 | 2,377,203                | 498,590                    | 3,781,634                           | 157.3%             | 4,172,611                    |
| 2025        | 11,704,533                                      | -  | 2,818,650     | 676,381       | 3,495,031                | 334.9%                  | 985,442                 | 2,429,535                | 509,566                    | 3,924,544                           | 157.8%             | 4,284,958                    |
| 2026        | 11,962,198                                      | -  | 2,816,788     | 680,881       | 3,497,669                | 342.0%                  | 1,066,636               | 2,482,914                | 520,762                    | 4,070,312                           | 158.1%             | 4,394,218                    |
| 2027        | 12,225,017                                      | -  | 2,820,056     | 677,931       | 3,497,987                | 349.5%                  | 1,149,454               | 2,537,361                | 532,181                    | 4,218,996                           | 158.4%             | 4,508,034                    |
| 2028        | 12,493,092                                      | -  | 2,817,944     | 677,788       | 3,495,732                | 357.4%                  | 1,233,928               | 2,592,896                | 543,829                    | 4,370,653                           | 158.8%             | 4,626,707                    |
| 2029        | 12,766,529                                      | -  | 2,815,450     | 680,050       | 3,495,500                | 365.2%                  | 1,320,092               | 2,649,542                | 555,710                    | 4,525,343                           | 159.2%             | 4,745,686                    |
| 2030        | 13,045,434                                      | -  | 2,817,319     | 679,950       | 3,497,269                | 373.0%                  | 1,407,979               | 2,707,321                | 567,828                    | 4,683,128                           | 159.5%             | 4,865,038                    |
| 2031        | 13,329,918                                      | -  | 2,818,038     | 681,100       | 3,499,138                | 380.9%                  | 1,497,623               | 2,766,255                | 580,189                    | 4,844,068                           | 159.8%             | 4,986,713                    |
| 2032        | 13,620,091                                      | -  | 2,817,350     | 679,450       | 3,496,800                | 389.5%                  | 1,589,061               | 2,826,368                | 592,797                    | 5,008,226                           | 160.1%             | 5,115,065                    |
| 2033        | 13,916,068                                      | All or a portion of the 2003 bonds will be refinanced by the 2014 Bond |               |               |                          |                         |                         |                          |                            |                                     |                    |                              |

(1) Revenues presented on a fiscal year basis, bond debt service presented on the lagging bond year basis.

(i.e. debt service due on October 1, 2014 will be paid from FY 2013-14 pledged revenues.)

(2) Provided by RSG, April 29, 2014

(3) Agency has asked County to subordinate its share of increment to debt.

(4) Provided by the Agency.

(5) Includes all current debt service and all taxing agency payments senior and subordinate.

DUPLICATE OF ORIGINAL  
ON FILE IN THE  
OFFICE OF THE CITY CLERK  
CITY OF HOLLISTER

**RESOLUTION NO. 2014-07 SA**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF HOLLISTER  
REQUESTING THAT THE COUNTY OF SAN BENITO SUBORDINATE  
ITS INTEREST IN TAX INCREMENT REVENUES TO PROPOSED  
BONDED INDEBTEDNESS OF THE SUCCESSOR AGENCY**

**WHEREAS**, the Redevelopment Agency of the City of Hollister (the "Former Agency") and the County of San Benito (the "County") entered into an Agreement (the "Agreement"), dated December 10, 1984, with respect to the sharing of tax increment revenues generated within the Hollister Community Development Project Area (the "Project Area");

**WHEREAS**, Section 2 of the Agreement provides that the Former Agency may request the County to subordinate its interest in the tax increment revenues payable to the County under the Agreement in order to allow the Former Agency to pledge those tax increment revenues to, and secure payment of, Former Agency bonded indebtedness incurred for the Project Area;

**WHEREAS**, for each of the several series of bonds previously issued by the Former Agency that are secured by tax increment revenues, the County has, pursuant to the Agreement, subordinated its interests in the tax increment revenues payable to the County under the Agreement to the payment of the bonds; and

**WHEREAS**, Assembly Bill 26, enacted on June 29, 2011 ("ABx1-26"), amended the Community Redevelopment Law and added Part 1.85 to Division 24 of the Health and Safety Code; ABx1-26 ordered the dissolution of all California redevelopment agencies, including the Former Agency, and the vesting of all authority, rights, powers, duties and obligations of redevelopment agencies in successor agencies as therein defined; pursuant to ABx1-26, the City of Hollister (the "City") thereafter designated itself as the Successor Agency to the Redevelopment Agency of the City of Hollister (the "Successor Agency");

**WHEREAS**, Assembly Bill 1484, enacted on June 27, 2012 ("AB 1484") further amended the Community Redevelopment Law, and also amended ABx1-26; as used in this Indenture, "Law" means the Community Redevelopment Law, as amended and supplemented by ABx1-26 and AB 1484;



**WHEREAS**, this Successor Agency is proposing to issue a series of bonds, being the Successor Agency's 2014 Tax Allocation Refunding Bonds (the "Series 2014 Bonds"), to be secured by tax increment revenues in order to provide debt service savings that will accrue;

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HOLLISTER FINDS, DETERMINES, AND ORDERS**, as follows:

1. The above recitals are true and correct.
2. Request is made of the County of San Benito to subordinate its interest in tax increment revenues payable to the County under the Agreement, in order to allow the Successor Agency to pledge those tax increment revenues to, and secure payment of, proposed Successor Agency bonded indebtedness, being its Series 2014 Bonds, being issued to provide debt services savings that will accrue.
3. In the event that tax increment revenues that are otherwise payable to the County under the Agreement are used by the Agency to pay the proposed bonded indebtedness or meet any reserve fund requirements related thereto, it is understood that those tax increment revenues will be treated as an advance by the County and be repaid by the Agency with interest and upon such other terms as are agreed upon by the parties at the time those tax increment revenues are first advanced by the County to the Agency.
4. In accordance with Section 2 of the Agreement, Successor Agency staff is directed to submit to the County a debt service savings analysis demonstrating the Successor Agency's ability to pay the bonded indebtedness without demand anticipated to be made on the tax increment payments payable to the County under the terms of the Agreement, as well as a certified copy of this Resolution.

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**PASSED AND ADOPTED** by the Successor Agency to the Redevelopment Agency of the City of Hollister, this 21st day of April, 2014, by the following vote:

AYES: Board Members Friend, Scattini, Gomez, and Chairman Velazquez.

NOES: None.

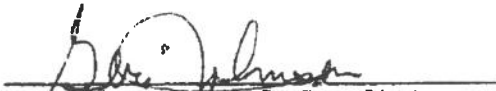
ABSTAINED: None.

ABSENT: Board Member Valdivia.



Ignacio Velazquez, Chairman

ATTEST:

  
Geri Johnson, MMC. City Clerk

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ON FILE IN THE  
OFFICE OF THE CITY CLERK  
CITY OF HOLLISTER