

**Agenda Of The Regular Meeting – Oversight Board for the Successor Agency to the
Redevelopment Agency of the City of National City
Council Chambers
Civic Center
1243 National City Boulevard
National City, California
Wednesday – December 17, 2014 – 3:00 P.M.**

Open To The Public

Please complete a request to speak form prior to the commencement of the meeting and submit it to the Oversight Board Secretary.

It is the intention of your National City Oversight Board to be receptive to your concerns in this community. Your participation in local government will assure a responsible and efficient City of National City. We invite you to bring to the attention of the Board Chairman any matter that you desire the National City Oversight Board to consider. We thank you for your presence and wish you to know that we appreciate your involvement.

ROLL CALL

Pledge of Allegiance to the Flag by Chairman Ron Morrison

Public Oral Communications (Three-Minute Time Limit)

NOTE: Pursuant to state law, items requiring National City Oversight Board action must be brought back on a subsequent National City Oversight Board Agenda unless they are of a demonstrated emergency or urgent nature.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**It Is Requested That All Cell Phones
And Pagers Be Turned Off During The Meetings**

OVERSIGHT BOARD ACTIONS

1. Approval of the Minutes of the Special Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on November 19, 2014.
2. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute the Agreement of Resignation, Appointment and Acceptance by and between the Successor Agency, Deutsche Bank National Trust Company ("Deutsche Bank"), US Bank National Association ("US Bank"), and Ambac Assurance Corporation accepting the resignation of Deutsche Bank as trustee for the 2004 Series A, 2005 Series A and B, and 2011 Tax Allocation Bonds, and appointing US Bank as trustee. (Finance) (Reso 2014-12)

REPORTS

3. Update on Redevelopment Issues

ADJOURNMENT

Adjourn to the next regular meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency scheduled on January 21, 2015 at 3:00 p.m. in Council Chambers, Civic Center.

**MINUTES OF THE SPECIAL MEETING OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF NATIONAL CITY**

NOVEMBER 19, 2014

This Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 3:19 pm by Chairman Ron Morrison.

ROLL CALL

Board Members Present: Carson, Morrison, Perri, McCarthy,

Board Members Absent: Fellows, Desrochers, Hentschke

OTHER STAFF PRESENT: Brad Raulston, Executive Director; Claudia Silva, Successor Agency Counsel, Janel Pehau, Accountant

PLEDGE OF ALLEGIANCE by Chairman Ron Morrison

PRESENTATIONS: None

OVERSIGHT BOARD ACTIONS

1. **SUBJECT:** Approval of the Minutes of the Special Meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of National City Meeting held on October 22, 2014.

RECOMMENDATION: Approve amended minutes as presented.

ACTION: Motion by Carson, seconded by Perri to approve the minutes of the Special Meeting of the Oversight Board meeting held October 22, 2014. Motion carried by the following vote:

Ayes: Morrison, McCarthy, Perri,

Absent: Fellows, Desrochers, Hentschke

2. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute the Agreement of Resignation, Appointment and Acceptance by and between the Successor Agency, Deutsche Bank National Trust Company ("Deutsche Bank"), US Bank National Association ("US Bank"), and Ambac Assurance Corporation accepting the resignation of US Bank as trustee for the 2004 Tax Allocation Bonds, Series A, and 2005 Tax Allocation Bonds, Series B, and appointing Deutsche Bank as trustee. (Finance)(Reso 2014-09)

RECOMMENDATION: Approve the Resolution (**Resolution 2014-09**).

ACTION: Motion by Perri, seconded by Carson to approve the Resolution. Motion carried by the following vote:

Ayes: Morrison, McCarthy, Perri,

Absent: Fellows, Desrochers, Hentschke

3. **SUBJECT:** Resolution of the Oversight Board to Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") authorizing the Chairman to execute a Third Amendment to the Agreement for Legal Services between the Successor Agency and Christensen & Spath, LLP, to extend the term for two years and increase the not to exceed amount by \$100,000, for a total agreement amount of \$450,000. (Successor Agency Counsel) (Reso 2014-10)

RECOMMENDATION: Approve the Resolution. (Resolution 2014-10)

ACTION: Motioned by Carson, seconded by McCarthy to approve the resolution. Motion carried by the following vote:
Ayes: Morrison, McCarthy, Perri,
Absent: Fellows, Desrochers, Hentschke

4. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute a Sixth Amendment to the Agreement for Legal Services between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, the City of National City, and Best Best & Krieger, LLP, for the defense in the Community Youth Athletic Center legal challenge to increase the not to exceed amount by \$225,000 for a total not-to-exceed amount of \$787,500. (Successor Agency) (Reso 2014-11)

RECOMMENDATION: Approve the Resolution. (Resolution 2014-11)

ACTION: Motioned by Carson, seconded by McCarthy to approve the resolution. Motion carried by the following vote:
Ayes: Morrison, McCarthy, Perri,
Absent: Fellows, Desrochers, Hentschke

Motion to Rescind Vote on Item #2:

Janel Pehau, Successor Agency Accountant, noted an error in the verbiage of Agenda Item #2. After board discussion and agreement with the error the following actions were taken:

ACTION: Motioned by Carson, seconded by Perri to reconsider item #2. Motion carried by the following vote:
Ayes: Morrison, McCarthy, Perri,
Absent: Fellows, Desrochers, Hentschke

ACTION: Motioned by Perri, seconded by McCarthy to rescind the vote on Item #2 and return Item to the Successor Agency for correction.

Ayes: Morrison, McCarthy, Perri,
Absent: Fellows, Desrochers, Hentschke

REPORTS

5. Update on Redevelopment Issues

Brad Raulston, Executive Director, provided an update on the WITOD project and discussed the determination letter received from the Department of Finance regarding rejection of the Bond Projects submitted with ROPS 14-15B. A Meet and Confer has been requested

ADJOURNMENT

Motioned by McCarthy, seconded by Perri to adjourn the meeting.

Ayes: Morrison, McCarthy, Perri,
Absent: Fellows, Desrochers, Hentschke

The regular meeting was adjourned to the next Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held on December 17, 2014 at 3:00 p.m., Council Chambers – National City Civic Center, California.

The meeting adjourned at 3:34 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Regular Meeting of December 17, 2014.

Oversight Board Chairman

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: December 17, 2014

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute the Agreement of Resignation, Appointment and Acceptance by and between the Successor Agency, Deutsche Bank National Trust Company ("Deutsche Bank"), US Bank National Association ("US Bank"), and Ambac Assurance Corporation accepting the resignation of Deutsche Bank as trustee for the 2004 Series A, 2005 Series A and Series B, and 2011 Tax Allocation Bonds, and appointing US Bank as trustee.

PREPARED BY: Mark Roberts, Director of Finance **DEPARTMENT:** Finance

PHONE: 619-336-4265

APPROVED BY: Mark Roberts

EXPLANATION:

Deutsche Bank National Trust Company ("Deutsche Bank") and the Community Development Commission of the City of National City ("CDC") entered into an indenture of trust dated as of June 1, 2004 and subsequent supplemental indentures of trust dated as of January 1, 2005, pursuant to which the CDC's 2004 Series A, 2005 Series A and Series B, and 2011 Tax Allocation Bonds ("Bonds") were issued; and Deutsche Bank has been acting as trustee of the Bonds.

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency ("RDA"), the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

On March 14, 2013, Deutsche Bank sold its municipal bond trustee business to US Bank National Association ("US Bank"). In connection with the sale, Deutsche Bank wishes to resign as the trustee under the trust Indenture, and US Bank wishes to be appointed as the successor. The Agreement of Resignation, Appointment and Acceptance provides for US Bank, Deutsche Bank, the Successor Agency, and the bond insurer, Ambac Assurance Corporation, to agree to such resignation and appointment.

FINANCIAL STATEMENT:

APPROVED: Mark Roberts Finance

ACCOUNT NO.

APPROVED: _____ MIS

NA

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Adopt the resolution.

BOARD / COMMISSION RECOMMENDATION:

NA Adopt the resolution.

ATTACHMENTS:

1. Agreement
2. Resolution Successor Agency
3. Oversight Board Resolution 2014-12

AGREEMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE

THIS AGREEMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE (this "Agreement") dated as of December 16, 2014 by and among Deutsche Bank National Trust Company, a national banking association organized and existing under the laws of the United States of America (the "Resigning Trustee"), Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency" and "Issuer"), Ambac Assurance Corporation (the "Bond Insurer") and U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America (the "Successor").

WHEREAS, the Resigning Trustee, or its predecessor in interest, and the Issuer entered into the Indentures of Trust dated as of June 1, 2004, as supplemented as well as any and all ancillary agreements (together to be known as the "Governing Instruments") pursuant to which the Issuer's bonds, as set forth on the attached Schedule 1 (the "Bonds"), were issued; and the Resigning Trustee has been acting in the capacities assigned to it by the Governing Instruments (all such applicable roles being hereinafter included in the term the "Trustee");

WHEREAS, the purchase agreement, dated as of March 14, 2013 as the same may be amended from time to time by and among Deutsche Bank Trust Company Americas, Deutsche Bank National Trust Company, Deutsche Bank AG and U.S. Bank National Association provides for the sale of the Resigning Trustee's portfolio (the "Portfolio") of specified securities including the Governing Instruments to the Successor, subject to receipt of all required consents.

WHEREAS, pursuant to the Governing Instruments, the Resigning Trustee desires to resign as the Trustee, the Successor Agency desires to appoint the Successor as Trustee and the Successor desires to accept appointment as Trustee.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE I SUCCESSION

Section 1.1 Resignation of Resigning Trustee. The Resigning Trustee resigns as the Trustee as of the close of business August 23, 2013 (the "Effective Date"). The Successor Agency with the approval of the Bond Insurer, accepts such resignation and waives any required notice thereof.

Section 1.2 Appointment of Successor. The Successor Agency with the approval of the Bond Insurer appoints the Successor to serve as Trustee, with all the authority, rights, powers and immunities vested in, and all duties and obligations binding on, the Trustee, on the Effective Date. All rights, powers, duties, immunities and obligations of the Trustee shall be vested in and undertaken by the Successor on and from the Effective Date.

Section 1.3 Acceptance of Appointment; Notice to Bondholders. The Successor accepts its appointment as Trustee by the Successor Agency with all the authority, rights, powers and immunities vested in the Trustee and agrees to serve as Trustee and to perform the duties and obligations of the Trustee, on and from the Effective Date. The Successor agrees to notify the registered holders of the Bonds of the resignation of the Resigning Trustee and its appointment as Trustee to the extent, if any, and

Section 2.3 Representations of Successor. The Successor hereby represents and warrants to Resigning Trustee and the Issuer as follows:

(a) The Successor is a national banking association, and is duly organized and existing under the laws of the United States of America; and

(b) The Successor is qualified and eligible to serve as Trustee under the Governing Instruments.

ARTICLE III MISCELLANEOUS

Section 3.1 Applicable Law. This Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions; provided, however, that as between the Resigning Trustee and the Successor, this Agreement shall be governed by the laws of the State of New York, without regard to its conflict of laws provisions, **PROVIDED, FURTHER, THAT IN NO EVENT SHALL ANY CONTROVERSY, CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT TO WHICH THE ISSUER IS MADE A PARTY BE ADJUDICATED OUTSIDE OF THE STATE OF CALIFORNIA, AND FOR THE PURPOSES OF SUCH CONTROVERSY, CLAIM OR DISPUTE TO WHICH THE ISSUER IS A PARTY, THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.**

Section 3.2 Counterparts. This Agreement may be executed in a number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

Section 3.3 Preservation of Rights. Except as expressly provided herein, nothing contained in this Agreement shall in any way affect the obligations or rights of the Issuer, the Resigning Trustee, the Successor or any holder of the Bonds under the Governing Instruments. As between the Resigning Trustee and the Successor, nothing in this Agreement, express or implied, is intended or shall be construed to modify, expand or limit in any way the rights or obligations of the parties under, and the terms of, the Purchase Agreement.

Section 3.4 Severability. In the event any provisions of this Agreement shall be held invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.5 Survival of Obligations. Notwithstanding the resignation of the Resigning Trustee under the Governing Instruments, the Issuer shall remain obligated under the Governing Instruments to compensate, reimburse and indemnify the Resigning Trustee as provided in the Governing Instruments, and nothing contained in this Agreement shall in any way abrogate the obligations of the Issuer to the Resigning Trustee under the Governing Instruments or any lien created in favor of the Resigning Trustee thereunder.

Section 3.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Resigning Trustee, the Successor, and the Issuer and their respective successors and assigns.

SCHEDULE 1

Community Development Commission of the City of National City, National City Redevelopment Project, 2004 Tax Allocation Bonds, Series A

Community Development Commission of the City of National City, National City Redevelopment Project, 2005 Tax Allocation Bonds, Series A

Community Development Commission of the City of National City, National City Redevelopment Project, 2005 Tax Allocation Refunding Bonds, Series B

Community Development Commission of the City of National City, National City Redevelopment Project, 2011 Tax Allocation Bonds

RESOLUTION NO. 2014 –

RESOLUTION OF THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY RESCINDING
RESOLUTION NO. 2014-57 AND AUTHORIZING THE CHAIRMAN
TO EXECUTE THE AGREEMENT OF RESIGNATION, APPOINTMENT,
AND ACCEPTANCE BY AND BETWEEN THE SUCCESSOR AGENCY,
DEUTSCHE BANK NATIONAL TRUST COMPANY, US BANK NATIONAL
ASSOCIATION, AND AMBAC ASSURANCE CORPORATION ACCEPTING
THE RESIGNATION OF DEUTSCHE BANK AS TRUSTEE FOR THE 2004
SERIES A, 2005 SERIES A AND SERIES B, AND 2011 TAX ALLOCATION
BONDS, AND APPOINTING US BANK AS TRUSTEE

WHEREAS, Deutsche Bank National Trust Company (“Deutsche Bank”) and the Community Development Commission of the City of National City (“CDC”) entered into indentures of trust dated June 1, 2004, pursuant to which the CDC’s 2004 Series A, 2005 Series A and Series B, and 2011 Tax Allocation Bond (“Bonds”) were issued, with Deutsche Bank acting as trustee of the Bonds; and

WHEREAS, pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City’s Redevelopment Agency, the City of National City formed the Successor Agency to the Community Development Commission as the National City Redevelopment Agency; and

WHEREAS, on March 14, 2013, Deutsche Bank sold its municipal bond trustee business to US Bank National Association (“US Bank”). In connection with the sale, Deutsche Bank desires to resign as the trustee under the trust indenture, and US Bank desires to be appointed as the successor. The bond issuer, Ambac Assurance Corporation agrees to such resignation and appointment; and

WHEREAS, Resolution No. 2014-57, adopted on November 18, 2014, had the names of the parties inadvertently transposed, thus needs to be rescinded so that this Resolution with the parties names correctly reflected may be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency that Resolution No. 2014-57, adopted on November 18, 2014, is hereby rescinded.

BE IT FURTHER RESOLVED that the Chairman to authorized to execute the Agreement of Resignation, Appointment, and Acceptance by and between the Successor Agency, Deutsche Bank National Trust Company, US Bank National Association, and Ambac Assurance Corporation accepting the resignation of Deutsche Bank as Trustee for the 2004 Series, 2005 Series A Series B, and 2011 Tax Allocation Bonds, and appointing US Bank as trustee. The Agreement of Resignation, Appointment, and Acceptance is on file in the office of the City Clerk.

[Signature Page to Follow]

PASSED and ADOPTED this 16th day of December, 2014.

Ron Morrison, Chairman

ATTEST:

Michael R. Dalla, City Clerk as
Secretary to the Successor Agency

APPROVED AS TO FORM:

Claudia Gacitua Silva
Successor Agency Counsel

RESOLUTION NO. 2014 – 12

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY
AUTHORIZING THE CHAIRMAN TO EXECUTE
THE AGREEMENT OF RESIGNATION, APPOINTMENT, AND ACCEPTANCE BY AND
BETWEEN THE SUCCESSOR AGENCY, DEUTSCHE BANK NATIONAL TRUST
COMPANY, US BANK NATIONAL ASSOCIATION, AND AMBAC ASSURANCE
CORPORATION ACCEPTING THE RESIGNATION OF DEUTSCHE BANK AS
TRUSTEE FOR THE 2004 SERIES A, 2005 SERIES A AND B, AND 2011
TAX ALLOCATION BONDS, AND APPOINTING
US BANK AS TRUSTEE

WHEREAS, Deutsche Bank National Trust Company (“Deutsche Bank”) and the Community Development Commission as the National City Redevelopment Agency (“CDC”) entered into indentures of trust dated June 1, 2004, pursuant to which the CDC’s (i) 2004 Tax Allocation Bonds, Series A, (ii) 2005 Tax Allocation Bonds, Series A, (iii) 2005 Tax Allocation Refunding Bonds, Series B, and (iv) 2011 Tax Allocation Bonds (in the aggregate, the “Bonds”) were issued, with Deutsche Bank acting as trustee of the Bonds; and

WHEREAS, pursuant to Assembly Bill 26 as amended in Assembly Bill 1484, all redevelopment agencies in the State of California were dissolved as of February 1, 2012, and upon dissolution of the CDC, the City of National City (“City”) assumed the role of Successor Agency to the CDC (“Successor Agency”); and

WHEREAS, on March 18, 2013, Deutsche Bank sold its municipal bond trustee business to US Bank National Association (“US Bank”), and in connection with the sale, Deutsche Bank desires to resign as the trustee under the trust indenture, and US Bank desires to be appointed as the successor trustee, and further, the Bonds’ issuer, Ambac Assurance Corporation, agrees to such resignation and appointment (the “Resignation and Appointment”); and

WHEREAS, the Oversight Board of the Successor Agency (“Oversight Board”), at its regular meeting taking place on December 17, 2014 considered the authorization of the Successor Agency’s Chairman to execute all documents related to the Resignation and Appointment (“Authorization”), said Authorization having been approved by the Successor Agency on December 16, 2014, and recommended for Oversight Board approval by staff, along with all evidence presented, both in favor and against the Authorization, if any; and

WHEREAS, approval of the Authorization is not a “Project” under section 15378 of the California Environmental Quality Act (“CEQA”) Guidelines because the proposed action consists of administrative activity that will not result in direct or indirect physical changes to the environment and, as such, pursuant to section 15061(b)(3) of the CEQA Guidelines is not subject to CEQA.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency as follows:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. The Oversight Board hereby authorizes the Chairman of the Successor Agency to the the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") and his designee(s) to execute the "Agreement of Resignation, Appointment, and Acceptance" ("Agreement") by and between the Successor Agency, Deutsche Bank National Trust Company, US Bank National Association, and Ambac Assurance Corporation, accepting the resignation of Deutsche Bank as Trustee for bonds issued by the Community Development Commission as the National City Redevelopment Agency pursuant to indentures of trust dated June 1, 2004, and identified as (i) 2004 Tax Allocation Bonds, Series A, (ii) 2005 Tax Allocation Bonds, Series A, (iii) 2005 Tax Allocation Refunding Bonds, Series B, and (iv) 2011 Tax Allocation Bonds (in the aggregate, the "Bonds"), and appointing US Bank as trustee for the Bonds.

SECTION 3. A true, correct and complete copy of the Agreement shall be maintained on file in the office of the City Clerk.

SECTION 4. Pursuant to Health and Safety Code Section 34179(h), all Oversight Board actions may be reviewed by the Department of Finance; therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State Department of Finance.

SECTION 5. The Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution.

PASSED and ADOPTED this 17th day of December, 2014.

- - - Signature on next page - - -

Resolution No. 2014- 12
December 17, 2014
Page Three

NOW, THEREFORE, BE IT RESOLVED that the foregoing resolution was duly and regularly adopted at a regular meeting of the Oversight Board for the Successor Agency to the Community Development Commission as the National City Redevelopment Agency held on the 17th day of December, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Ron Morrison, Chairman

Brad Raulston, Executive Director
Secretary to the Oversight Board

APPROVED AS TO FORM:

Oversight Board Counsel
Edward Z. Kotkin, Esq.
Law Offices of Edward Z Kotkin, Esq.