

# CITY OF INDUSTRY

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CITY COUNCIL  
SPECIAL MEETING AGENDA

AUGUST 18, 2016  
9:00 AM



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Mayor Mark Radecki  
Mayor Pro Tem Cory Moss  
Council Member Abraham Cruz  
Council Member Roy Haber, III  
Council Member Newell Ruggles

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744

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## **Addressing the City Council:**

- ▶ **Agenda Items:** Members of the public may address the City Council on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.
- ▶ **Public Comments (Agenda Items Only):** During public comments, if you wish to address the City Council during this Special Meeting, under Government Code Section 54954.3(a), you may only address the City Council concerning any item that has been described in the notice for the Special Meeting.

## **Americans with Disabilities Act:**

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

## **Agendas and other writings:**

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.
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1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comments

5. **ACTION ITEMS**

- 5.1 Consideration of Resolution No. CC 2016-54 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, FIXING THE AMOUNT OF REVENUE FROM PROPERTY TAXES NECESSARY TO PAY THE BONDED OR OTHER INDEBTEDNESS OF THE CITY ACCURING DURING THE 2016/17 FISCAL YEAR

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-54.*

- 5.2 Consideration of Resolution No. CC 2016-55 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, FIXING THE RATE OF TAXES AND LEVYING TAXES FOR THE 2016/17 FISCAL YEAR ON PROPERTY WITHIN THE CITY TO PAY THE BONDED OR OTHER INDEBTEDNESS OF THE CITY

*RECOMMENDED ACTION: Adopt Resolution No. CC 2016-55.*

6. Adjournment. Next regular meeting: Thursday, August 25, 2016 at 9:00 a.m.

*CITY COUNCIL*

ITEMS NO. 5.1 & 5.2



# CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

## MEMORANDUM

TO: Honorable Mayor and Council Members

FROM: Paul J. Philips, City Manager

STAFF: Susan Paragas, City Controller

DATE: August 18, 2016

SUBJECT: Resolution No. CC 2016-54 of the City of Industry, California, Fixing the Amount of Revenue from Property Taxes Necessary to Pay the Bonded or Other Indebtedness of the City Accruing During the 2016/17 Fiscal Year; and

Resolution No. CC 2016-55 of the City of Industry, California, Fixing the Rate of Taxes and Levying Taxes for the 2016/17 Fiscal Year on Property within the City to Pay the Bonded or Other Indebtedness of the City

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### **BACKGROUND:**

It is required that the City of Industry annually adopt resolutions to set the tax rates levied and to satisfy the aggregate debt service payments for the City's General Obligation ("GO") bonds.

The portion of GO Tax Rate revenue pledged to supporting the City's GO Bond Debt is the revenue based on the City's assessed valuations ("AV") in Taxing District #1, the Redevelopment Project Area 4 and the base year AV for Redevelopment Project Areas 1, 2, and 3.

### **DISCUSSION:**

The attached August 12, 2016 memorandum from the City's financial advisor, Eric Scriven of NHA Advisors, summarizes how the projected GO tax revenues will be applied to each of the four series of GO bonds. It also includes details on how the GO debt service

requirement of \$15.2 million will be met by utilizing a combination of these tax revenues and funds already on deposit of \$3.2 million.

The Los Angeles County's FY 2016/17 Assessed Valuation report, dated August 8, 2016, for all of the secured and unsecured properties in the City is used to calculate the estimated GO property tax revenue.

Resolution number CC 2016-54 sets and allocates the City's accrued property tax revenues to pay the bonded or other indebtedness for GO bonds in FY 2016/17.

Resolution number CC 2016-55 sets the tax rates levied upon property owners within the City's jurisdiction in order to pledge revenues necessary to pay the debt service payments for the GO bonds. The adopted resolution is due to Los Angeles County on August 22, 2016.

**FISCAL IMPACT:**

The recommended actions will authorize the amount of \$11,982,745 of projected property tax revenues based on the City's FY 2016/17 AV, at a tax rate of \$.737500, necessary to pay the GO bond debt service payments.

**RECOMMENDED ACTION:**

Staff recommends the City Council adopt:

- a) Resolution number CC 2016-54, fixing the amount of revenue from property taxes necessary to pay the bonded or other indebtedness of the City accruing during FY 2016/17; and
- b) Resolution number CC 2016-55, fixing the rate of taxes and levying taxes for FY 2016/17 on property within the City to pay the bonded or other indebtedness of the City.

**ATTACHMENTS:**

Memorandum: 2016/17 Tax Rate for General Obligation Debt Service from Eric Scriven, NHA Advisors

Resolution No. CC 2016-54: Council Adoption Fixing Amount of Revenue from Property Taxes Necessary to pay the Bonded or Other Indebtedness of the City Accruing during FY 2016/17

Resolution No. CC 2016-55: Council Adoption Fixing the Rate of Taxes and Levying Taxes for FY 2016/17 on Property within the City to Pay the Bonded or Other Indebtedness of the City

## MEMORANDUM

To: Paul Phillips, Jamie Casso, Susan Paragas, Dean Yamagata, City of Industry

From: Eric Scriven and Michael Meyer, NHA Advisors

Date: August 12, 2016

RE: 2016/17 Tax Rate for General Obligation Debt Service

2016/17 Assessed Valuation's (AV) for the City were released this week by the County of Los Angeles. The total AV for Industry is estimated at \$8,007,462,476, an increase of 2.96% from the previous year. This is inclusive of the City's four RDA project areas, and also the non-RDA portion of the City known as Taxing District #1 (TD#1).

The portion of GO Tax Rate revenue pledged to supporting the City's GO Bond Debt is the revenue attributable to TD#1, RDA Project Area 4, and the base year AV for Redevelopment Project Areas 1, 2 and 3. TD#1 AV for 2016/17 is \$1,141,672,981, for Project 4 is \$41,453,816 and the base year AV total for Project Area 1, 2 and 3 is \$441,652,186. Combined, this totals **\$1,624,778,983** in assessed valuation.

Per existing bond covenants, the City will maintain the same tax rate as last year, which is **\$0.7375 per \$100 of assessed valuation**. This tax rate, when applied to the \$1,624,778,983 of AV, totals \$11,982,745 in estimated GO tax revenue. This tax revenue will be allocated as follows\*:

(a)	For the debt service on the voter-approved 2014 GO Refunding Bonds	\$657,441.23
(b)	For the debt service on the voter-approved 2010 GO Refunding Bonds	\$2,888,017.58
(c)	For the debt service on the voter-approved 2009 Series B GO Refunding Bonds	\$4,654,013.43
(d)	For the debt service on the voter-approved 2009 GO Refunding Bonds	\$3,768,272.76
(e)	For the paying agent's fees for above	<u>\$15,000.00</u>
	<b>TOTAL</b>	<b>\$11,982,745.00</b>

*\* Allocated based on share of total 2017 debt service payment (5.49% for 2014 GO, 24.13% for 2010 GO, 38.89% for 2009B GO, and 31.49% for 2009 GO.*

In order to satisfy the aggregate debt service payment (\$15,162,850) for FY 2016/17 on the four GO Bond issues, the City of Industry will also utilize approximately \$3.2 million from current funds on deposit. In anticipation of this, on July 28, 2015 the City deposited \$1.0 million into the GO Bond Trust Account. When combined with the \$2.7 million balance already in the fund, the new fund balance is approximately \$3.7 million. This amount is greater (by about \$500,000) than the estimated \$3.2 million needed, thus any surplus will remain in the trust account to provide flexibility to reduce next year's deposit. This extra amount also provides additional security that there will be sufficient funds to pay debt service in the event that revenues do not come in as expected.

Attached to this memorandum are resolutions that detail the 2016/17 GO tax rate to be adopted as well as how the GO tax revenue shall be allocated. Please let us know if you have any questions.

**RESOLUTION NO. CC 2016-54**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF INDUSTRY, CALIFORNIA, FIXING THE AMOUNT OF  
REVENUE FROM PROPERTY TAXES NECESSARY TO PAY  
THE BONDED OR OTHER INDEBTEDNESS OF THE CITY  
ACCRUING DURING THE 2016/17 FISCAL YEAR**

THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE AS  
FOLLOWS:

**SECTION 1:** This City Council hereby fixes the amount of revenue from property taxes necessary to pay the bonded or other indebtedness of the city accruing during the 2016/17 fiscal year as follows:

(a) For the debt service on the voter-approved 2014 general obligation refunding bonds.....	\$657,441.23
(b) For the debt service on the voter-approved 2010 general obligation refunding bonds.....	2,888,017.58
(c) For the debt service on the voter-approved 2009 Series B general obligation refunding bonds.....	4,654,013.43
(d) For the debt service on the voter-approved 2009 general obligation refunding bonds.....	3,768,272.76
(e) For the paying agent's fees for above.....	15,000.00
TOTAL.....	\$11,982,745.00

**SECTION 2:** The City Clerk is hereby directed to post copies of this Resolution at three (3) public places in the City of Industry designated for the posting of ordinances of the city.

**PASSED, APPROVED and ADOPTED** at a Special Meeting of the City of Industry City Council on August 18, 2016, by the following vote:

AYES:                    COUNCIL MEMBERS:  
NOES:                    COUNCIL MEMBERS:  
ABSTAIN:                COUNCIL MEMBERS:  
ABSENT:                 COUNCIL MEMBERS:

Resolution No. CC 2016-54

August 18, 2016

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Mark D. Radecki, Mayor

ATTEST:

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Cecelia Dunlap, Deputy City Clerk



**RESOLUTION NO. CC 2016-55**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, FIXING THE RATE OF TAXES AND LEVYING TAXES FOR THE 2016/17 FISCAL YEAR ON PROPERTY WITHIN THE CITY TO PAY THE BONDED OR OTHER INDEBTEDNESS OF THE CITY**

THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE AS FOLLOWS:

**SECTION 1:** This City Council has heretofore adopted Resolution No. CC 2016-54 in which the City Council has fixed the sum of \$11,982,745 as the total amount of revenue from property taxes necessary to pay the bonded or other indebtedness of the city accruing during the 2016/17 fiscal year.

**SECTION 2:** The Los Angeles County Auditor-Controller has transmitted to the City a written statement showing the total full value of all property in the City of Industry ascertained from the current assessment books of Los Angeles County, as equalized and corrected, in the amount of \$8,007,462,476.

**SECTION 3:** The City Council hereby fixes the rate of the tax of the City of Industry from the 2016/17 fiscal year to pay bonded or other indebtedness of the City and the amount necessary to compensate for the allocation and payment required pursuant to subdivision (b) of Section 33670 and subdivision (d) of Section 33675 of the Health and Safety Code at .737500 as shown on Exhibit "A" attached hereto, and hereby levies such tax in said amount upon each one hundred dollars in full value of all property as assessed and equalized .

**SECTION 4:** The City Clerk is hereby directed to transmit immediately to the Los Angeles County Auditor-Controller a certified copy of this Resolution together with a statement of the tax rate fixed herein. The City Clerk is further directed to post copies of this Resolution in three (3) public places in the City of Industry designated for the posting of ordinances of the City.

**PASSED, APPROVED and ADOPTED** at a Special Meeting of the City of Industry City Council on August 18, 2016.

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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Mark D. Radecki, Mayor

ATTEST:

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Cecelia Dunlap, Deputy City Clerk

RESOLUTION NO. CC 2016-55

**EXHIBIT "A"**

**2016/17 SECURED TAX RATES**

<u>ACCT.#</u>	<u>AGENCY</u>	<u>DISTRICT</u>	<u>TAX RATE</u>
174.01	City of Industry	TD #1	\$.737500
174.02	City of Industry	CIV-REC-IND RP 1	\$.737500
174.03	City of Industry	TR DIS IND RP 2	\$.737500
174.04	City of Industry	TR DIS IND RP 3	\$.737500
174.06	City of Industry	CIV-REC-IND RP 4	\$.737500

I, Mark D. Radecki, am a member of the City Council of the City of Industry and I hereby certify that the tax rates levied hereby are exempt from the application of Article XIII A, Section 1(A) of the Constitution of the State of California.

\_\_\_\_\_  
Authorized signature

Mayor  
Title

August 18, 2016  
Date