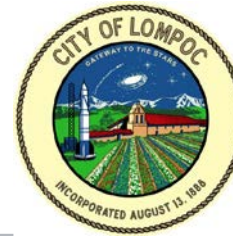


SUCCESSOR AGENCY TO THE  
DISSOLVED LOMPOC REDEVELOPMENT AGENCY

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OLD TOWN LOMPOC REDEVELOPMENT PROJECT  
TAX ALLOCATION REFUNDING BONDS,  
SERIES 2024



# Financing Team Consultants

## Successor Agency to the Dissolved Lompoc Redevelopment Agency Old Town Lompoc Redevelopment Project Tax Allocation Refunding Bonds, Series 2024

<b>Financial Advisor &amp; Fiscal Consultant</b>	<b>Urban Futures, Inc.</b>	<ul style="list-style-type: none"><li>❖ <b>Wing-See Fox</b>, Managing Director</li><li>❖ <b>Doug Anderson</b>, Director</li></ul>
<b>Bond &amp; Disclosure Counsel</b>	<b>Jones Hall</b>	<ul style="list-style-type: none"><li>❖ <b>James Wawrzyniak</b>, Esq.</li><li>❖ <b>David Fama</b>, Esq.</li></ul>
<b>Underwriter</b>	<b>Oppenheimer &amp; Co. Inc.</b>	<ul style="list-style-type: none"><li>❖ <b>Nicki Tallman</b>, Managing Director</li><li>❖ <b>Dan Shaw</b>, Director</li></ul>

# Executive Summary

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- ❖ **The Lompoc Redevelopment Agency Old Town Lompoc Redevelopment Project Tax Allocation Bonds, Series 2010 (the “2010 TABs”) are currently callable at par**
- ❖ **The Dissolution Act directed dissolution of California’s redevelopment agencies in 2012 but allows tax allocation bond refundings for debt service savings**
  - Authorizes refunding bonds to be secured by a pledge of moneys deposited into the Successor Agency’s Redevelopment Property Tax Trust Fund (RPTTF)
  - Savings benefit taxing entities, including the City
- ❖ **10-Year benchmark for tax-exempt municipal bonds (Municipal Market Data) is below 30-year historical average**
  - Higher demand and relatively low supply is advantageous for the sale of municipal bonds
- ❖ **In the current market, savings can be achieved by refunding the 2010 TABs**
  - Total Gross Savings: **\$1,756,974**
  - Average Annual Savings: **\$111,755**
  - Total NPV Savings \$: **\$768,991**
  - Total NPV Savings %: **12.6%**
- ❖ **Allocation of Debt Service Savings**
  - City of Lompoc General Fund: **\$332,243 Gross Savings, \$22,149 Average Annual Savings**
  - Other Taxing Entities (School District, Hospital, Flood Zone): **\$1,426,710 Gross Savings, \$90,627 Average Annual Savings**

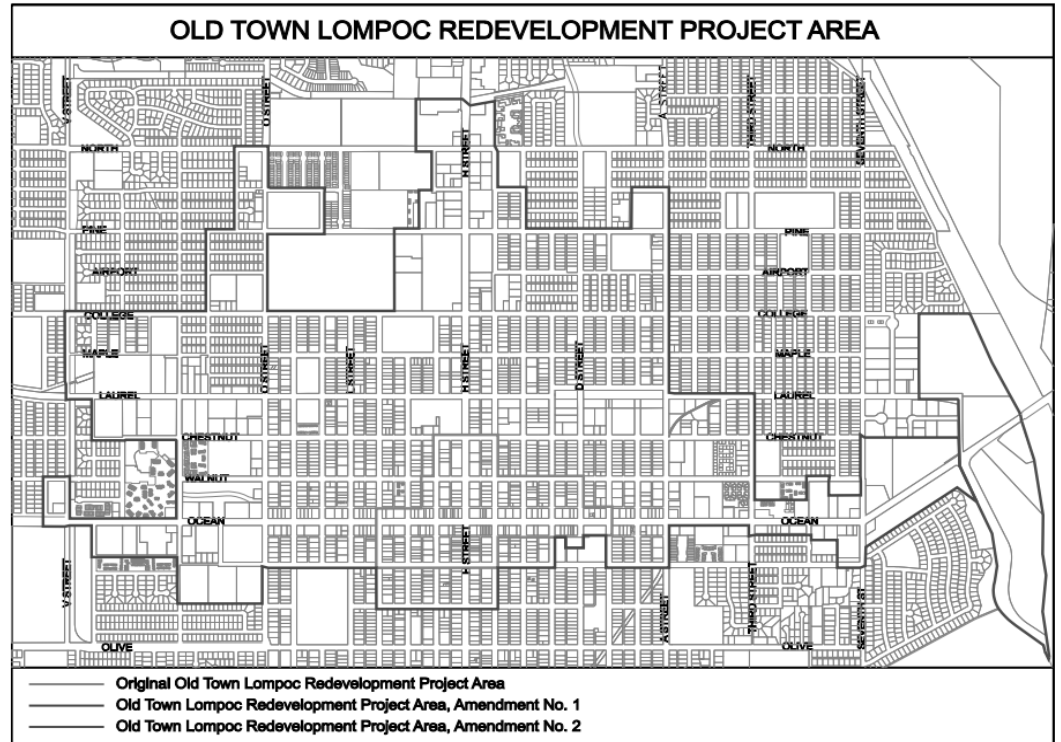


# Old Town Lompoc Redevelopment Project Area

❖ The Old Town Redevelopment Project was originally established in 1984 in the downtown area of the City. The Original Area was amended in 1998 and 2002 to incorporate more area.

- ❖ 1,080 acres, or 14.4% of City acreage
  - ❖ 60.38% Residential
  - ❖ 36.59% Commercial/Industrial
  - ❖ 3.03% Vacant/Other

- ❖ Bonds and obligations secured by property tax increment generated in the Project Area were issued to fund projects:
  - Lompoc Valley Senior Community Center
  - Aquatic Center



❖ Top 10 taxpayers account for 17.35% of Secured AV as of FY 2023-2024

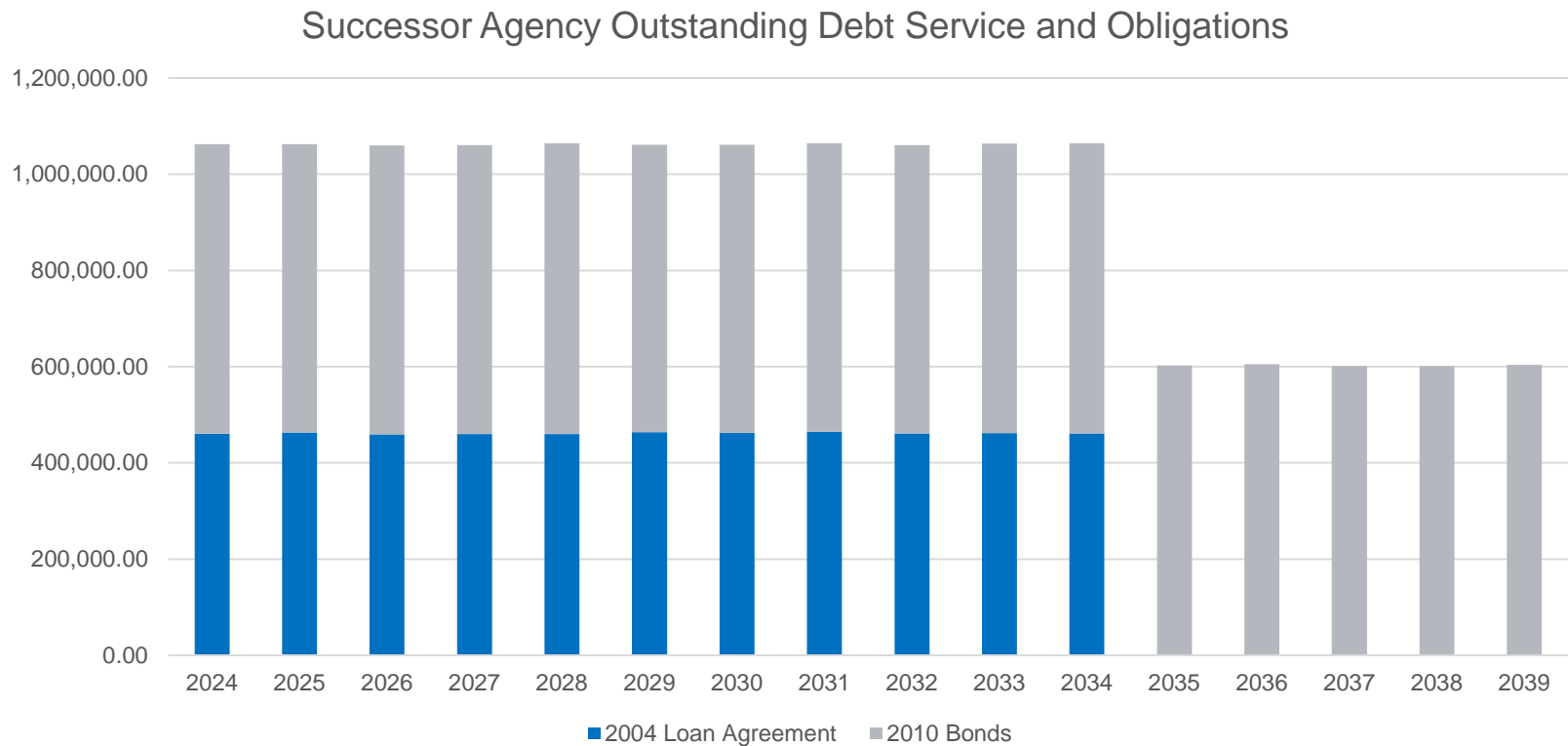
- ❖ Assessed Valuation has grown significantly from since 2010
  - Secured AV: \$517.6 million ➔ \$868.5 million (as of FY 2024) **(+67.8%)**
  - Incremental AV: \$273 million ➔ \$649.9 million (as of FY 2024) **(+137.6%)**

# Refunding of 2010 Tax Allocation Bonds

## ❖ Lompoc Redevelopment Agency 2010 Tax Allocation Bonds (“2010 TABs”)

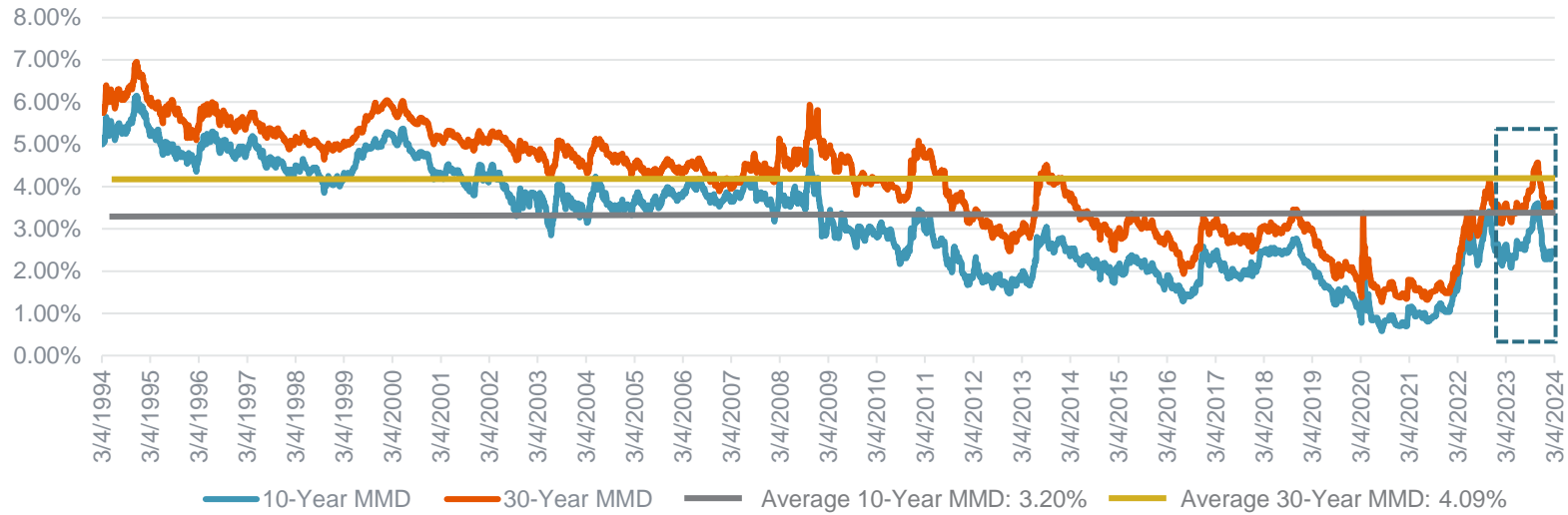
- Underlying Ratings: A- (S&P)
- Total par outstanding: \$6.1 million
- Final maturity: September 1, 2039
- Coupons ranging from 5.25% - 6.00%

## ❖ Refunding of 2010 TABS will not extend the final maturity or add to the debt issuance

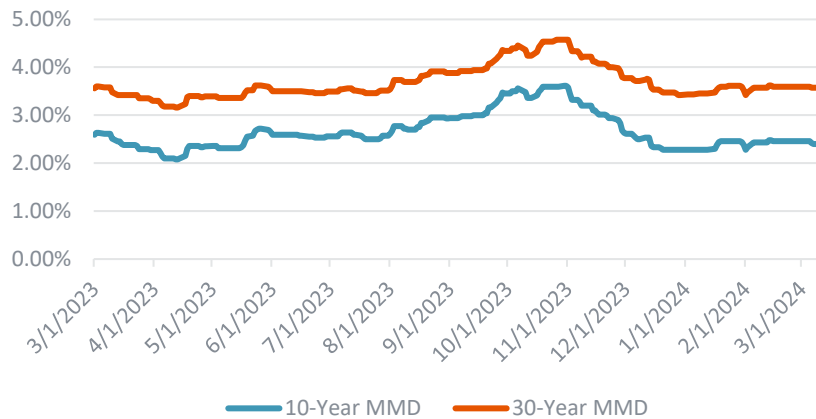


# Market Update: Municipal Bond Yields

## Historical Municipal Bond Yields - Past 30 Years

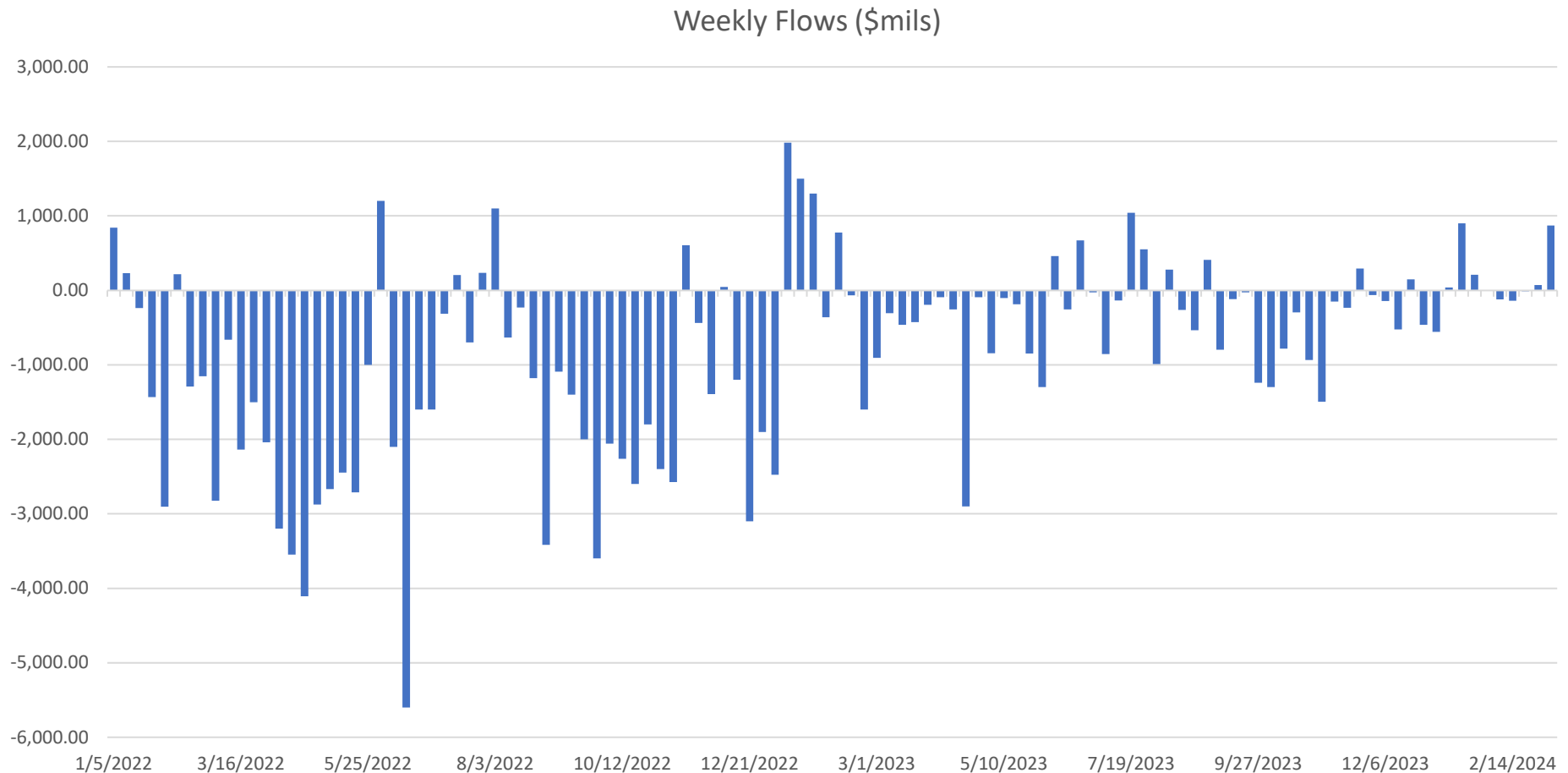


## Municipal Bond Yields Year-Over-Year



- ❖ Despite the rise in rates at the end of 2023, over the last 30 years Municipal bond yields have been higher than today's levels:
  - ❖ 68.2% of the time for the 10-Year MMD
  - ❖ 64.3% of the time for the 30-Year MMD

# Market Update: Municipal Bond Fund Inflows/Outflows

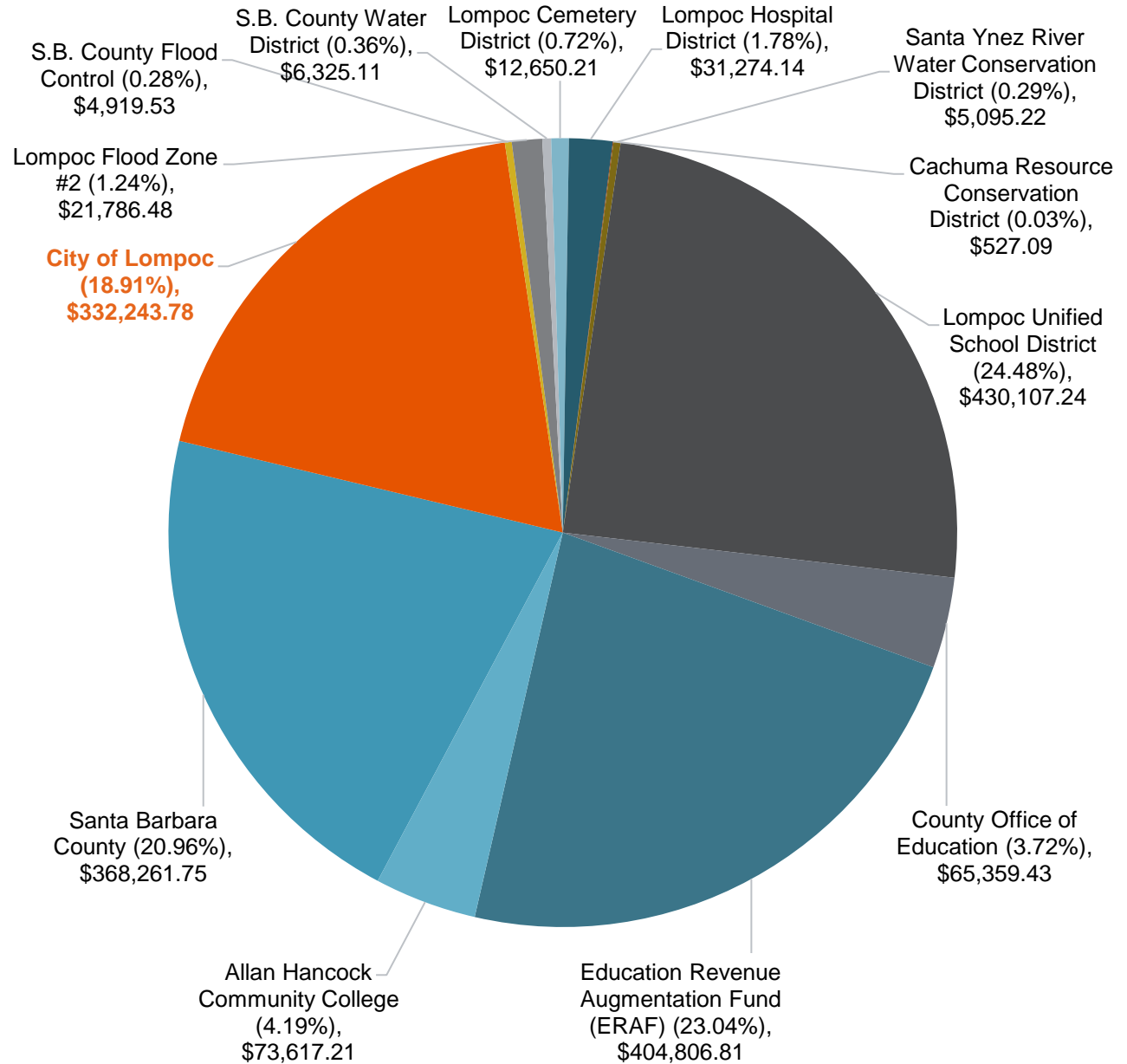


- ❖ After significant outflows out of municipal bond mutual funds for most of 2022 and 2023, inflows into municipal funds have returned in 2024.
- ❖ While demand for municipal bonds have picked up, the supply of bonds has remained relatively low. The supply-demand imbalance has kept rates in place for most of 2024.

# Summary of Refunding Results

## Transaction Results\*

- ❖ **Total Gross Savings:**  
**\$1,756,974**
- ❖ **Average Annual Savings:**  
**\$111,755**
- ❖ **Total NPV Savings:**  
**\$768,991**
- ❖ **Total NPV Savings: 12.6%**
- ❖ **Savings to Successor Agency Taxing Entities**
  - **City General Fund Savings:**
    - **\$332,243**
  - **Other Taxing Agencies Savings:**
    - **\$1,424,730**



\*Based on market rates as of Feb. 27<sup>th</sup> and preliminary, subject to change.



# Successor Agency Action

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## ❖ Adopt Resolution

- **Authorize Issuance of Bonds**
- **Approve Financing Team Consultants**
- **Approve Financing Documents**
  - Indenture of Trust
  - Bond Purchase Agreement
  - Irrevocable Refunding Instructions
- **Request Oversight Board Approval of Issuance of 2024 Bonds**
- **Adopt Debt Management Policy**

# Schedule

Date	Activity
Tuesday, March 19	Successor Agency meeting to approve bond issuance and legal documents
Thursday, March 28	Countywide Oversight Board Meeting
Tuesday, April 2	Send Oversight Board Resolution & Indenture to Department of Finance (DOF)
Monday, April 8	Start of DOF 60-day review
Week of May 20	Rating Agency Presentation
Tuesday, May 21	Successor Agency meeting to approve POS
Week of June 17	Post Preliminary Official Statement
Wednesday, June 26	Pricing of Bonds
Wednesday, July 17	Closing

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