ATTACHMENT A

Successor Agency
to the
Redevelopment Agency
of the
City of Stockton

2016 Tax Allocation Refunding Bonds Series A and Taxable Series B

Plan of Refunding and Savings Analysis
June 28, 2016

DRALLC
Del Rio Advisors, LLC
"Independent Registered Municipal Advisor"

ATTACHMENT A

Existing Indebtedness

(North Stockton, South Stockton, Midtown Project Areas)

- **$75,755,000 Stockton Public Financing Authority, Revenue Bonds (Redevelopment Projects), 2006 Series A (the "2006A Bonds)**
  - Amount remaining: $49,160,000 (prior to September 1, 2016)
  - Final maturity: 9/1/37
  - Sale type: Public Offering
  - Insurer: Radian
  - Reserve fund: Cash (Invested in AIG GIC – can liquidate at premium)
  - Redemption: Any date on or after 9/1/16 @ par (100%)
  - Purpose:
    - Financed certain redevelopment projects within or of benefit to the Merged Midtown, North Stockton and South Stockton Merged Redevelopment Projects
    - Funded a portion of the reserve account created under each Redevelopment Project Loan Agreement
    - Paid costs of issuance of the 2006A Bonds

Existing Indebtedness

(West End Urban Renewal Project Area)

- **Amended and Restated Pledge Agreement, $47,000,000 Redevelopment Agency of the City of Stockton, Revenue Bonds, Series 2004 (Stockton Events Center – Arena Project) (the "2004 Bonds")**
  - Amount remaining: $42,150,459 prior to September 1, 2016
    $43,360,000 of bonds prior to September 1, 2016
  - Final maturity: 9/1/36
  - Sale type: Negotiated bankruptcy settlement
  - Insurer: NPFG
  - Reserve fund: Cash
  - Redemption: To be negotiated
  - Additional security: General Fund backstop
  - Bankruptcy agreement: NPFG (approved by DoF)
  - Purpose:
    - Financed a portion of the costs of an indoor arena of approximately 220,000 square feet, including facilities for ice hockey, indoor football, indoor soccer, concerts and other events,
    - Funded two years of capitalized interest on the 2004 Bonds
    - Funded a reserve fund for the 2004 Bonds
    - Paid certain costs of issuance of the 2004 Bonds

Existing Indebtedness
(20% Housing Set-Aside)

- **$25,985,000 Stockton Public Financing Authority, Taxable Revenue Bonds (Housing Projects), 2006 Series C (the “2006C Bonds”)**
  - Amount remaining: $22,285,000 (prior to September 1, 2016)
  - Final maturity: 9/1/37
  - Sale type: Public Offering
  - Insurer: Radian
  - Reserve fund: Cash
  - Redemption: Any date on or after 9/1/16 @ par (100%)
  - Purpose:
    - Funded a loan made pursuant to a loan agreement (the “Housing Loan”) to finance certain low and moderate income housing projects throughout the City of Stockton
    - Funded a reserve account under the Housing Loan Agreement
    - Paid costs of issuance of the 2006C Bonds

Existing Indebtedness
(20% Housing Set-Aside)

- **$12,140,000 City of Stockton, Certificates of Participation (Redevelopment Housing Projects), Taxable Series 2003B (the "2003B COPs")**
  - Amount remaining: $10,515,000 (prior to September 1, 2016)
  - Final maturity: 9/1/33
  - Sale type: Public Offering
  - Insurer: Ambac
  - Reserve fund: Cash
  - Redemption: Any date on or after 9/1/13 @ par (100%)
  - Additional security: General Fund backstop
  - Bankruptcy agreement: Ambac
  - Purpose:
    - Financed the construction of capital improvements to provide redevelopment housing in the City
    - Funded a reserve fund for the 2003B COPs
    - Paid costs of issuance of the 2003B COPs

Existing Indebtedness

(Subordinate 20% Housing Set-Aside)

- **$1,160,000 City of Stockton, Certificates of Participation (Redevelopment Housing Projects), Series 2003A (the "2003A COPS")**
  - Amount remaining: $985,000 (prior to September 1, 2016)
  - Final maturity: 9/1/33
  - Sale type: Public Offering
  - Insurer: Ambac
  - Reserve fund: Cash
  - Redemption: Any date on or after 9/1/13 @ par (100%)
  - Additional security: General Fund backstop
  - Bankruptcy agreement: Ambac
  - Purpose:
    - Financed the construction of capital improvements to provide redevelopment housing in the City
    - Funded a reserve fund for the 2003A COPs
    - Paid costs of issuance of the 2003A COPs

Successor Agency to the Redevelopment Agency of the City of Stockton
Aggregate Oustanding Debt Service

Date	2006 Series A	Taxable 2006 Series C	COPs Series 2003A	Taxable COPs Series 2003B	Amended and Restated Pledge Agreement	Total Annual Debt Service
9/1/2016 (*)						
9/1/2017	4,751,513	2,124,760	79,813	919,927	2,703,524	10,579,535
9/1/2018	4,102,263	2,126,135	78,333	917,299	2,762,164	9,986,193
9/1/2019	4,779,763	2,094,419	81,813	916,320	2,789,111	10,661,425
9/1/2020	4,779,013	2,091,673	80,013	919,305	2,901,782	10,771,785
9/1/2021	2,007,013	2,090,835	78,213	915,995	2,975,127	8,067,181
9/1/2022	2,857,013	2,091,562	81,413	916,649	3,046,836	8,993,471
9/1/2023	3,344,513	2,048,510	79,350	916,008	3,113,133	9,501,514
9/1/2024	4,470,513	1,919,428	77,288	919,072	3,185,079	10,571,379
9/1/2025	4,441,763	1,880,155	80,163	915,032	3,255,772	10,572,884
9/1/2026	3,698,013	1,879,852	77,825	919,672	3,368,435	9,943,796
9/1/2027	3,684,600	1,880,770	80,488	917,464	3,444,630	10,007,951
9/1/2028	3,691,200	1,882,566	77,938	918,672	3,519,247	10,089,622
9/1/2029	3,686,500	1,879,896	80,313	918,032	3,627,234	10,191,975
9/1/2030	3,570,763	1,837,761	77,469	915,544	3,735,788	10,137,324
9/1/2031	3,564,500	1,838,565	79,625	916,208	3,811,363	10,210,261
9/1/2032	3,666,938	1,839,217	81,563	919,760	3,891,702	10,399,179
9/1/2033	3,667,038	1,834,372	78,281	915,936	3,976,028	10,471,655
9/1/2034	3,669,525	1,839,032	-	-	4,058,600	9,567,156
9/1/2035	3,153,875	1,837,165	-	-	4,143,969	9,135,008
9/1/2036	3,151,863	1,838,771	-	-	4,236,750	9,227,384
9/1/2037	3,157,500	1,838,164	-	-	-	4,995,664
Totals	**$ 77,895,675**	**$ 40,693,603**	**$ 1,349,895**	**$ 15,596,895**	**$ 68,546,274**	**$ 204,082,342**

(*) Assumes September 1, 2016 payments made prior to the closing date of the proposed refunding

Refunding Plan

- **$111,185,000 Successor Agency of the Redevelopment Agency of the City of Stockton, 2016 Tax Allocation Refunding Bonds**
  - Assumed closing: October 4, 2016
  - Purpose: Refund all outstanding debt obligations of the Agency
  - Final maturity: 9/1/37 (no extension of final maturity)
  - Security: Gross RPTTF pledge
  - Sale type: Public offering
  - Insurer: TBD
  - Reserve fund: Full cash (surety if available)
- **Refunding results(*)**
  - Total savings: $25,532,359
  - Average annual savings: $1,215,827
  - NPV savings: $16,222,005
    - % of refunded principal 13.171%
    - % of refunding principal 14.590%
  - "All-In" TIC 3.871%
  - Average Rate (Prior Bonds) 5.399%

(*) Assumes market interest rates as of May 5, 2016 - preliminary, subject to change

Refunding Plan (continued)

- The Successor Agency and the Oversight Board both approved resolutions allowing the refunding on the following terms:
  - Authorized a public offering to carry out the refunding program
  - Set a minimum 3.00% net present value savings
  - No extension of final maturity date
- Other considerations
  - Substantial net present value savings
  - Level debt service after refunding
  - Eliminate General Fund backstop:
    - COPs Series 2003A and Taxable Series 2003B
    - Amended and Restated Pledge Agreement
  - Eliminate two bankruptcy agreements
    - Ambac: Amended and Restated Stipulation and Settlement Agreement
    - NPFG: Amended and Restated Pledge Agreement

ATTACHMENT A

Successor Agency to the Redevelopment Agency of the City of Stockton

Aggregate Refunding Debt Service [1]

Date	2016 Series A	2016 Series B	Total Annual Debt Service
10/4/2016 [2]			
9/1/2017	3,594,048	4,908,277	8,502,325
9/1/2018	3,956,750	4,546,855	8,503,605
9/1/2019	3,956,750	4,543,676	8,500,426
9/1/2020	3,956,750	4,545,970	8,502,720
9/1/2021	3,956,750	4,547,530	8,504,280
9/1/2022	3,956,750	4,543,670	8,500,420
9/1/2023	3,956,750	4,542,894	8,499,644
9/1/2024	3,956,750	4,546,078	8,502,828
9/1/2025	7,731,750	772,486	8,504,236
9/1/2026	8,503,000	-	8,503,000
9/1/2027	8,501,250	-	8,501,250
9/1/2028	8,502,750	-	8,502,750
9/1/2029	8,501,750	-	8,501,750
9/1/2030	8,502,750	-	8,502,750
9/1/2031	8,505,000	-	8,505,000
9/1/2032	8,502,750	-	8,502,750
9/1/2033	8,505,500	-	8,505,500
9/1/2034	8,502,250	-	8,502,250
9/1/2035	8,502,500	-	8,502,500
9/1/2036	8,500,250	-	8,500,250
9/1/2037	8,499,750	-	8,499,750
Totals	**141,052,548**	**37,497,435**	**178,549,983**

(1) Preliminary, Subject to Change
(2) Assumes September 1, 2016 payments made prior to the closing date of the proposed refunding

Successor Agency to the Redevelopment Agency of the City of Stockton

Aggregate Savings [1]

Date	Total Prior Issues Debt Service	Total Refunding Issues Debt Service	Total Periodic (Savings) / Cost
10/4/2016 [2]			
9/1/2017	10,579,535	8,502,325	(2,077,210)
9/1/2018	9,986,193	8,503,605	(1,482,589)
9/1/2019	10,661,425	8,500,426	(2,160,999)
9/1/2020	10,771,785	8,502,720	(2,269,065)
9/1/2021	8,067,181	8,504,280	437,099
9/1/2022	8,993,471	8,500,420	(493,051)
9/1/2023	9,501,514	8,499,644	(1,001,870)
9/1/2024	10,571,379	8,502,828	(2,068,551)
9/1/2025	10,572,884	8,504,236	(2,068,648)
9/1/2026	9,943,796	8,503,000	(1,440,796)
9/1/2027	10,007,951	8,501,250	(1,506,701)
9/1/2028	10,089,622	8,502,750	(1,586,872)
9/1/2029	10,191,975	8,501,750	(1,690,225)
9/1/2030	10,137,324	8,502,750	(1,634,574)
9/1/2031	10,210,261	8,505,000	(1,705,261)
9/1/2032	10,399,179	8,502,750	(1,896,429)
9/1/2033	10,471,655	8,505,500	(1,966,155)
9/1/2034	9,567,156	8,502,250	(1,064,906)
9/1/2035	9,135,008	8,502,500	(632,508)
9/1/2036	9,227,384	8,500,250	(727,134)
9/1/2037	4,995,664	8,499,750	3,504,086
Totals	**$ 204,082,342**	**$ 178,549,983**	**$ (25,532,359)**

(1) Preliminary, Subject to Change

(2) Assumes September 1, 2016 payments made prior to the closing date of the proposed refunding

Sources and Uses of Funds(*)

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016

Sources:	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Bond Proceeds:						
Par Amount	795,000.00	10,250,000.00	37,155,000.00	41,185,000.00	21,800,000.00	111,185,000.00
Premium	148,744.50	-	5,579,421.90	5,874,741.55	-	11,602,907.95
	943,744.50	10,250,000.00	42,734,421.90	47,059,741.55	21,800,000.00	122,787,907.95
Other Sources of Funds:						
Prior Debt Service Reserve Fund	81,853.00	919,932.00	3,596,582.00	4,866,326.00	2,126,660.00	11,591,353.00
	1,025,597.50	11,169,932.00	46,331,003.90	51,926,067.55	23,926,660.00	134,379,260.95

Uses:	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Refunding Escrow Deposits:						
Cash Deposit	0.80	1.03	0.75	0.39	1.02	3.99
SLGS Purchases	951,715.00	10,234,750.00	42,956,966.00	48,192,658.00	21,938,323.00	124,274,412.00
	951,715.80	10,234,751.03	42,956,966.75	48,192,658.39	21,938,324.02	124,274,415.99
Other Fund Deposits:						
Debt Service Reserve Fund	60,816.41	784,110.94	2,842,306.54	3,150,596.01	1,667,670.10	8,505,500.00
Delivery Date Expenses:						
Cost of Issuance	3,335.60	43,006.03	155,891.60	172,800.30	91,466.47	466,500.00
Underwriter's Discount	7,940.92	107,507.68	371,124.75	411,378.62	228,650.46	1,126,602.43
	11,276.52	150,513.71	527,016.35	584,178.92	320,116.93	1,593,102.43
Other Uses of Funds:						
Contingency	1,788.77	556.32	4,714.26	-1,365.77	548.95	6,242.53
	1,025,597.50	11,169,932.00	46,331,003.90	51,926,067.55	23,926,660.00	134,379,260.95

(*) Assumes market interest rates as of May 5, 2016 - preliminary, subject to change

NPV Savings By Series(*)

Sized for Aggregate Level Debt Service (as of May 6, 2016)

	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Dated Date	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016
Delivery Date	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016
Arbitrage Yield	3.250362%	2.547214%	3.250362%	3.250362%	3.829219%	3.250362%
Escrow Yield	0.183724%	0.183726%	0.183727%	0.183727%	0.183727%	0.183727%
Value of Negative Arbitrage	2,328.25	19,335.94	105,088.49	117,896.93	63,694.27	308,343.88
Bond Par Amount	795,000.00	10,250,000.00	37,155,000.00	41,185,000.00	21,800,000.00	111,185,000.00
True Interest Cost	2.745581%	3.157282%	3.743656%	3.893227%	4.030268%	3.829440%
Net Interest Cost	3.011846%	3.134892%	4.047450%	4.201840%	4.016240%	4.103388%
All-In TIC	2.794219%	3.404038%	3.778331%	3.925548%	4.111428%	3.871041%
Average Coupon	5.000000%	2.549032%	5.000000%	5.000000%	3.839924%	4.859046%
Average Life	8.908	1.790	14.716	16.620	5.949	12.469
Par amount of refunded bonds	945,000.00	10,145,000.00	42,615,000.00	47,775,000.00	21,685,000.00	123,165,000.00
Average coupon of refunded bonds	4.301344%	5.265107%	4.902946%	5.214332%	6.870000%	5.398668%
Average life of refunded bonds	9.871	10.116	12.996	12.000	12.668	12.291
PV of prior debt	1,080,885.63	12,574,150.69	50,148,045.21	56,591,765.35	28,102,748.76	-
Net PV Savings	117,893.31	2,188,885.95	3,168,438.77	4,902,478.76	5,844,307.81	16,222,004.60
Percentage savings of refunded bonds	12.475483%	21.576007%	7.435032%	10.261599%	26.950924%	13.170953%
Percentage savings of refunding bonds	14.829347%	21.354985%	8.527624%	11.903554%	26.808751%	14.590102%

(*) Assumes market interest rates as of May 5, 2016 - preliminary, subject to change

Tentative Financing Schedule

Task	Date	Status
Successor Agency Approval	June 28	Done
Oversight Board Approval	June 29	Done
DOF Refunding Plan Review	July – Aug	
Successor Agency Approval (POS and BPA)	July 26	
Rating Agency and Bond Insurer Review	Week of Aug 22nd	
Ratings Release / Bond Insurance Commitment Print and Post Preliminary Official Statement	Week of Sept 12th	
Pre-Pricing / Pricing	Week of Sept 26th	
Print and Post Final Official Statement and Execute Final Documents	Week of Oct 3rd	
Closing and Transfer of Funds	Week of Oct 11th	