

MINUTES

of an adjourned regular meeting of the Redevelopment Agency of the City of Redlands held in the Council Chambers, Safety Hall, 212 Brookside Avenue, on September 24, 1974 at 2:30 P.M.

PRESENT

Jack B. Cummings, Chairman
 Ellsworth E. Miller, Member
 Charles G. DeMirjyn, Member
 Chresten M. Knudsen, Member
 Bertha Rose Grace, Member
 W. C. Schindler, Community Development Director
 Bill Brunick, Deputy City Attorney
 Alice G. Walls, Deputy Secretary
 Erwin S. Hein, Redlands Daily Facts
 Rosemary Hite, San Bernardino Sun

ABSENT

None

This adjourned regular meeting of the Redevelopment Agency was scheduled for the purpose of considering bids for promissory notes for project financing.

The following bid for \$2,000,000 in promissory notes was opened and publicly declared in the office of the City Clerk at 10:00 A.M. this date:

Bid	Crocker National Bank	Premium: \$25.00
	Redlands, California	Notes: \$100,000 x 5
		50,000 x 10
Promissory		25,000 x 40
Notes		Interest: 6.18%

This bid was referred to the City's Financial Consultants for study and recommendation.

At this time Mr. Ed Hyland summarized the bid, stating that the interest rate of 6.18% caused a complication. The terms of sale furnished to prospective bidders stated that each rate bid must be in multiples of 1/20 of 1%. The bidder had missed that stipulation, and there is no way the bid can be accepted, and the bid cannot be negotiated either with this prospective purchaser or any other. The only way the notes can be sold is by readvertising. If the Agency wishes to

readvertise it will be necessary to adopt a new resolution, with some changes in wording.

Chairman Cummings questioned the possibility of using the second bond issue at this time rather than readvertising. Mr. Hyland explained the difference in time required for a bond issue as compared to promissory notes; preparation of the documents for a bond issue would take approximately two months compared to two to three weeks for the notes.

Redevelopment Coordinator Poer explained the tight time schedule with reference to escrows which are due to close at the end of this month and the importance of financing in order to meet our commitments.

After considerable general discussion by the members, Dr. Miller asked Mr. Hyland to explain the changes necessary to adopt a new resolution.

Mr. Hyland suggested the following changes:

Each reference to September 24, change to October 1.

Each reference to September 17, change to September 24.

Each reference to Resolution No. 137, change to Resolution No. 138. Each reference to September 25, change to October 1. Each reference to March 25, change to April 1.

On page 4, Terms of Sale, change the section "Award" to read as follows: "Bids may be for all of any part of the notes, provided that no bid for less than \$500,000 principal amount of said notes nor bids which are not a multiple of \$500,000 will be accepted. The notes shall be sole for cash only. Each bid shall specify the amount of notes for which the bid is offered and

and the denominations and shall state that the bidder offers accrued interest to the date of delivery, the purchase price which shall not be less than 95% of par and the premium, if any, and the interest rate or rates, not to exceed eight percent (8%) per annum, at which the bidder offers to buy the notes in accordance with the terms of this Resolution. Each rate bid must be a multiple of 1/20 of 1%. No note shall bear more than one interest rate."

Resolution
No. R-138
Promissory
Notes

Change the section "Highest Bidder" to read as follows: "The notes will be awarded to the highest responsible bidder or bidders considering the interest rate or rates specified and the premium or discount offered, if any, provided that no discount bid will be considered unless the Agency receives no bids at par or better. Subject to the foregoing conditions, the highest bid will be determined by deducting the amount of the premium bid (if any) from, or adding the discount (if any) to the total amount of interest which the Agency would be required to pay from the date of the notes to the maturity date thereof at the rate specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Agency. The purchaser must pay accrued interest from the date of the notes to the date of delivery computed on a 360-day year basis."

Member Miller then moved to adopt Resolution No. 138 with the above changes to Resolution No. 137, and to authorize the Secretary to advertise for bids. The motion was seconded by Member Grace and carried unanimously.

There being no further business, the Redevelopment Agency adjourned, on motion, to an adjourned

meeting to be held October 1, 1974 at 2:30 P.M.

ATTEST:

Reginald M. Mosley
Secretary

Jack Blumming
Chairman of the Redevelopment
Agency

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