PRESS RELEASE

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FOR RELEASE: December 20, 2017

Norco Successor Agency Completes Sale of Refunding Bonds to Significantly Reduce Future Bond Debt Service Payments

Norco, CA: The Successor Agency to the (former) Norco Community Redevelopment Agency has completed the sale of its 2017A and 2017B Tax Allocation Refunding Bonds. Proceeds from the sale of the combined 2017 Bonds were used to refinance outstanding tax allocation bonds issued by the (former) Redevelopment Agency in 2005 and 2010. By issuing the 2017 Bonds, the Successor Agency will reduce its overall interest cost for this debt from approximately 5.55% on the bonds being refunded, to approximately 2.93% on the 2017 Bonds.

The interest rate reduction will result in the future payments of interest and principal on this debt being reduced by a total of $9,073,863. By law, the debt service savings will be split among the affected taxing entities, including the City of Norco, County of Riverside, Corona-Norco Unified School District, Riverside Community College District, and other special districts located within the boundaries of Norco Redevelopment Project Area No. 1. The City of Norco’s share of the overall $9 million savings will be approximately $1,462,072, which equates to a savings of $76,951 per year to the City over the remaining 19-year term of the bonds. The Successor Agency was able to obtain lower interest rates and a higher total savings amount than originally projected, due in part to the upgrade of the Agency’s bond rating by Standard & Poor’s Corp. from “A+” to “AA-“. The bond rating upgrade was based on several factors, including an increase in the assessed valuation of properties located within the Project Area.

The 2017 Bonds in the combined amount of $40,545,000 were sold by the Agency’s underwriter, Hilltop Securities Inc. Other members of the Agency’s finance team include Stradling Yocca Carlson & Rauth (Bond and Disclosure Counsel), and Urban Futures, Inc. (Municipal Advisor and Fiscal Consultant). The combined 2017 Bond financing transaction closed on December 20, 2017.

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