



## Legislation Text

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### **RESOLUTION of the Board of Directors of the San Leandro Public Financing Authority Authorizing the Issuance and Sale of 2018 Lease Revenue Bonds to Finance Capital Improvement Projects for the City of San Leandro, and Approving Related Documents and Official Actions**

**WHEREAS**, the San Leandro Public Financing Authority (the "Authority") has previously issued its \$14,125,000 San Leandro Public Financing Authority 2016 Refunding Lease Revenue Bonds (the "2016 Bonds") for the purpose of refinancing certain capital projects of the City of San Leandro (the "City"), including improvements to the City's main library building and the acquisition and construction of two fire stations (the "Prior Project"); and

**WHEREAS**, in connection with the issuance of the 2016 Bonds, the City leased the real property constituting its main library building, including both land and improvements (the "Leased Property"), to the Authority in consideration of the payment by the Authority of an upfront rental payment sufficient to provide funds to refinance the Prior Project, and the Authority leased the Leased Property back to the City under a Lease Agreement (the "Lease Agreement"), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority has assigned substantially all of its rights under the Lease Agreement to U.S. Bank National Association, as trustee (the "Trustee"); and

**WHEREAS**, in order to finance additional capital projects of the City, the Authority is undertaking to issue its San Leandro Public Financing Authority 2018 Lease Revenue Bonds (the "2018 Bonds"), which will be payable from the lease payments, as increased following issuance of the 2018 Bonds, and certain other amounts payable by the City under the Lease Agreement for the Leased Property; and

**WHEREAS**, the Authority will issue the 2018 Bonds in the aggregate principal amount not to exceed \$22,000,000 under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"); and

**WHEREAS**, the staff report accompanying this resolution contains the information the Board of Directors of the Authority is required to obtain and disclose in a meeting open to the public prior to authorizing the issuance of the 2018 Bonds pursuant to Section 5852.1 of the Government Code; and

**WHEREAS**, the Board of Directors wishes at this time to approve all proceedings of the Authority relating to the issuance and sale of the 2018 Bonds.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Leandro Public Financing Authority as follows:

**SECTION 1. Issuance of 2018 Bonds.** The Board of Directors hereby approves the issuance of the 2018 Bonds under the Bond Law in the maximum principal amount not to exceed \$22,000,000, for the purpose of providing funds to finance capital improvement projects of the City. The 2018 Bonds shall be issued under the Bond Law and the Indenture of Trust dated as of December 1, 2016, by and among the Authority and the Trustee (the “Indenture”), as supplemented and amended by the First Supplemental Indenture of Trust approved below.

**SECTION 2. Approval of Related Financing Agreements.** The Board of Directors hereby approves each of the following agreements required for the issuance and sale of the 2018 Bonds, in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto (including the addition of a reserve account) deemed advisable by the Chairman, Executive Director or the Treasurer (each, an “Authorized Officer”), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- First Supplemental Indenture of Trust, between the Authority and the Trustee, setting forth the terms and provisions relating to the 2018 Bonds, and supplementing and amending the Indenture;
- First Amendment to Site Lease, between the City, as lessor, and the Authority, as lessee, amending the Site Lease pursuant to which the City has leased the Leased Property to the Authority in consideration of the payment of an upfront amount which was applied by the City to refinance the Prior Project, and pursuant to which an additional payment will be made to finance the costs of the capital improvement projects;
- First Amendment to Lease Agreement, between the Authority, as lessor, and the City, as lessee, amending the Lease Agreement pursuant to which the Authority has leased the Leased Property back to the City in consideration of the payment of semiannual lease payments to the Authority, which payments the Authority has assigned to the Trustee and which will be updated to reflect the increased lease payments due following issuance of the 2018 Bonds; and
- First Amendment to Assignment Agreement, between the Authority and the Trustee, amending the Assignment Agreement pursuant to which the Authority has assigned certain of its rights under the Lease Agreement to the Trustee, including the right to receive semiannual lease payments.

**SECTION 3. Negotiated Sale of 2018 Bonds.** The Board of Directors hereby authorizes and directs the negotiated sale of the 2018 Bonds to Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”). The 2018 Bonds shall be sold pursuant to the terms and provisions of a Bond Purchase Agreement among the Authority, the City and the Underwriter in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer; provided, that the true interest

cost of the 2018 Bonds shall not exceed 5.0% and the Underwriter's discount on the 2018 Bonds shall not exceed 0.5%.

**SECTION 4. Official Statement.** The Board of Directors hereby approves the preliminary Official Statement describing the 2018 Bonds in substantially the form on file with the Secretary. The Executive Director and the Treasurer, each acting alone, are hereby authorized and directed to approve any changes in or additions to said preliminary Official Statement and, if requested by the Underwriter, to execute an appropriate certificate stating the Authority's determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. The Executive Director and the Treasurer, each acting alone, are hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by the Executive Director or the Treasurer shall be conclusive evidence of approval of any such changes and additions. The Board of Directors hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the Authority by the Executive Director or the Treasurer.

**SECTION 5. Official Actions.** The Authorized Officers and the General Counsel, the Secretary and all other officers of the Authority are each authorized and directed on behalf of the Authority to make and deliver any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance or termination, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. An Authorized Officer may revise the identity of the Leased Property as necessary in order to accomplish the purposes of this Resolution. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer is absent or unavailable.

**SECTION 6. Effective Date.** This Resolution shall take effect immediately upon its passage and adoption.