



## Legislation Text

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**File #:** 20-100, **Version:** 1

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Resolution of the City of South San Francisco Public Facilities Financing Authority Authorizing the Execution and Delivery of a Ground Lease, Lease Agreement, Indenture, Assignment Agreement, and Bond Purchase Agreement in Connection with the Issuance of the City of South San Francisco Public Facilities Authority (Police Station Project) Lease Revenue Bonds, Series 2020A, Approving the Issuance of Such Bonds in an Aggregate Principal Amount of Not to Exceed \$65,000,000, Authorizing the Distribution of an Official Statement in Connection with the Offering and Sale of such Bonds and Authorizing the Execution of Necessary Documents and Certificates and Related Actions.

WHEREAS, the City of South San Francisco (the “City”) desires to finance the costs of the acquisition, construction and/or installation of a new City police station and related improvements, facilities and equipment (the “Project”); and

WHEREAS, the City of South San Francisco Public Facilities Financing Authority (the “Authority”) and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of the “City of South San Francisco Public Facilities Financing Authority (Police Station Project) Lease Revenue Bonds, Series 2020A” (the “Bonds”) for the purpose of financing the Project; and

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the “Ground Lease”) pursuant to which the City will lease certain real property and improvements thereon (which real property and improvements shall consist of assets generally described as the Miller Parking Garage (excluding the commercial office space therein which has been sold by the City) and Orange Memorial Park) (the “Leased Assets”) to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which are pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the City and the Authority (the “Indenture”); and

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement (the “Assignment Agreement”) in order to provide, among other things, that all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee;

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”);

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds;

WHEREAS, the City and the Authority have selected the underwriters named in the Bond Purchase Agreement (as defined below), with Stifel Nicolaus & Company, Incorporated, as representative of such underwriters (together, the “Underwriters”), of the Bonds and, in connection therewith, to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”);

WHEREAS, a form of the Preliminary Official Statement with respect to the Bonds (the “Preliminary Official Statement”) has been prepared;

WHEREAS, the City is a member of the Authority and the Project is located within the boundaries of the City;

WHEREAS, the City has, prior to the consideration of this resolution, held a public hearing on the financing of the Project with the proceeds of the issuance of the Bonds in accordance with Section 6586.5 of the Act, which hearing was held at 33 Arroyo Drive, South San Francisco, California on February 12, 2020;

WHEREAS, notice of such hearing was published once in The Examiner, a newspaper of general circulation in the City, at least five days prior to the hearing in accordance with Section 6586.5 of the Act;

WHEREAS, the Board of Directors of the Authority (the “Board of Directors”) has been presented with the form of each document referred to herein, and the Board of Directors desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, the City of South San Francisco Public Facilities Financing Authority, does hereby resolve as follows:

1. All of the recitals herein contained are true and correct and the Board of Directors so finds. The Board of Directors has determined and hereby finds that the Authority’s assistance in financing the Project by the issuance of the Bonds will result in significant public benefits of the types described in Section 6586 (a) through (d), inclusive, of the Act, in that the issuance of the Bonds and related transactions will result in more efficient delivery of local agency services to residential and commercial development.
2. The forms of the Lease Agreement and the Ground Lease, on file with the Secretary of the Authority, are hereby approved, and the Chair and Vice Chair of the Authority, or such other member of the Board of Directors as the Chair or Vice Chair may designate, the Executive Director of the Authority and the Treasurer of the Authority, and any designee thereof (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Lease Agreement and the Ground Lease, respectively, in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery

thereof; provided, however, that the term of the Lease Agreement and the Ground Lease shall terminate no later than June 1, 2046 (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest components of the Base Rental Payments shall not exceed 5.00% per annum.

3. The form of the Indenture, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Bonds shall not exceed \$65,000,000, the final maturity date of the Bonds shall be no later than June 1, 2046 and the true interest cost applicable to the Bonds shall not exceed 5.00% per annum and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.
4. The issuance of not to exceed \$65,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby authorized and approved.
5. The form of the Assignment Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.
6. The Bond Purchase Agreement on file with the Secretary of the Authority is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Authority to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriters' discount in excess of 0.40% of the aggregate principal amount of the Bonds (not including any original issue discount or premium).
7. The form of Preliminary Official Statement, on file with the Secretary of the Authority, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (except for the omission of certain final pricing, rating and related information as permitted by such Rule 15c2-12).
8. The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective investors for the Bonds a reasonable number of copies of the Preliminary Official

Statement.

9. The preparation, execution and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.
10. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including but not limited to, adding property to, substituting property for, or removing property from the Leased Assets. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.
11. In accordance with Government Code Section 5852.1, there has been presented to this Board of Directors in the Staff Report accompanying this Resolution certain good faith estimates provided to the Authority by its municipal advisor with respect to the Bonds. The Board of Directors hereby finds that the requirements of Section 5852.1 have been satisfied.
12. The Board of Directors hereby adopts by reference the Conflict of Interest Code established by the City Council for the City by Resolution No. 129-87, as such code exists as of the date hereof and as hereafter amended, as the procedures affecting conflicts of interest involving the Authority.
13. The Board of Directors hereby adopts by reference the Debt Management Policy established by the City Council for the City by Resolution No. 107-2017, as such policy exists as of the date hereof and as hereafter amended, as the Debt Management Policy of the Authority.
14. This resolution shall take effect immediately upon its passage.

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