

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF THE MILPITAS MUNICIPAL FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS IN AN AMOUNT NOT TO
EXCEED \$25,000,000 TO ASSIST IN FINANCING OF CAPITAL IMPROVEMENTS, AND APPROVING
RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the City of Milpitas (the “City”) and the City of Milpitas Housing Authority have entered into a Joint Exercise of Powers Agreement, dated as of March 1, 2016, establishing the Milpitas Municipal Financing Authority (the “Authority”) for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, the City is proceeding to (1) replace Fire Station #2 with a new fire station located on the same site, which includes acquisition of furnishings and equipment related to such facility, and (2) acquire and install energy efficiency improvements to various City facilities (collectively, the “Project”); and

WHEREAS, in order to provide financing for a portion of the cost of the Project, the City has proposed to lease (1) the Fire Station #2 site located at 1263 Yosemite Drive in the City and the new fire station to be built thereon, and (2) the real property and facilities known as the Barbara Lee Senior Center located at 40 North Milpitas Boulevard (together, the “Leased Property”) to the Authority under a Site Lease anticipated to be dated as of November 1, 2020, in consideration of the payment by the Authority of an initial rental payment (the “Site Lease Payment”) which is sufficient to provide funds for such purposes, and to lease back the Leased Property from the Authority in consideration of semi-annual lease payments pursuant to a Lease Agreement between the Authority, as lessor, and the City, as lessee; and

WHEREAS, upon the completion of Fire Station #2, Fire Station #2 and its site are expected to become the sole Leased Property, and the remainder of the initial Leased Property is expected to be released; and

WHEREAS, the Authority proposes to issue and sell its 2020 Lease Revenue Bonds (Capital Projects), in the principal amount of not to exceed \$25,000,000 (the “Bonds”) under the provisions of 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”), for the purpose of providing the funds to enable the Authority to pay the Site Lease Payment to the City in accordance with the Site Lease, and thereby provide financing for a portion of the cost of the Project; and

WHEREAS, to provide for development of the most favorable debt structure for the City and to ensure the most favorable reception in the market place for the Bonds, the City has requested the Authority to sell the Bonds through a negotiated sale pursuant to the terms of a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Authority, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”); and

WHEREAS, the Board of the Authority has duly considered such transactions and wishes at this time to approve all proceedings and documents to which the Authority is a party relating to the issuance and sale of the Bonds.

NOW, THEREFORE, the Governing Board of the Milpitas Municipal Financing Authority hereby finds, determines, and resolves as follows:

Section 1. Approval of Financing Plan; Authorization of Bonds. The Board hereby approves the financing plan described in the recitals of this Resolution. To that end, the Board hereby authorizes the issuance of the Bonds under the Bond Law in the principal amount of not to exceed \$25,000,000, for the purpose of providing financing for the Project. The Bonds shall be issued under the Indenture of Trust which is approved below.

Section 2. Approval of Financing Agreements. The Board hereby approves each of the following agreements required to implement the financing plan to be accomplished by the Bonds, in substantially the respective forms on file with the Secretary together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer (each, an “Authorized Officer”), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions:

- Indenture of Trust between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), prescribing the terms and conditions upon which the Bonds will be issued;
- Site Lease between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of the Site Lease Payment which will be applied by the City to finance the Project;
- Lease Agreement between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semiannual lease payments which are sufficient to provide for payment of principal of and interest on the Bonds when due;
- Assignment Agreement, between the Authority and the Trustee, whereby the Authority assigns certain of its rights under the Lease Agreement to the Trustee for the benefit of the Bond owners; and
- Bond Purchase Agreement among the Authority, the City and the Underwriter, under which the Underwriter agrees to purchase the Bonds from the Authority.

An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed, if necessary, to attest the final form of each of the foregoing agreements.

Section 3. Sale of Bonds. The Board hereby approves the sale of the Bonds by the Authority in a principal amount not to exceed \$25,000,000 pursuant to the Bond Purchase Agreement; provided, that the true interest cost on the Bonds shall not exceed 4.0% and the underwriter’s discount shall not exceed 0.70% of the principal amount of the Bonds. The Bond Purchase Agreement shall be executed in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by any Authorized Officer, each of whom acting alone is hereby authorized and directed to execute and deliver said form of Bond Purchase Agreement on behalf of the Authority, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions.

Section 4. Official Statement. The Board hereby approves and deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Bonds in the form on file with the Secretary, together with such modifications thereof as may be approved by an Authorized Officer. An Authorized Officer is hereby authorized and directed to (a) execute and deliver to the purchaser of the Bonds a certificate deeming the Preliminary Official Statement to be final, as of its date, within the meaning of such Rule, (b) approve any changes in or additions to cause the Official Statement to be put in final form, and (c) execute the Final Official Statement for and in the name and on behalf of the Authority. The Board hereby authorizes the distribution of the Preliminary Official Statement and the Final Official Statement by the Underwriter.

Section 5. Official Actions. The Chair, the Executive Director, the Treasurer, the Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under 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 any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

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

PASSED and ADOPTED this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Mary Lavelle, Authority Secretary

Rich Tran, Chair

APPROVED AS TO FORM:

Christopher J. Diaz, Authority Counsel