

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN FINANCING DOCUMENTS AND DIRECTING CERTAIN RELATED ACTIONS IN CONNECTION WITH FINANCING CERTAIN IMPROVEMENTS TO THE CITY'S WATER SYSTEM

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, for the purpose of raising funds necessary to finance certain improvements to the City's water system (the "Water Projects"), the Authority proposes to authorize the issuance of its revenue bonds under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), designated as the Milpitas Municipal Financing Authority 2019 Water Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to an Installment Sale Agreement between the City and the Authority (the "Installment Sale Agreement"), the City will purchase the Water Projects from the Authority, and the Authority will use the installment payments paid by the City pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information to be used in connection with the sale of the Bonds; and

WHEREAS, the information required to be obtained and disclosed pursuant to Government Code Section 5852.1 prior to the issuance of the Bonds is set forth in the staff report accompanying this Resolution; and

WHEREAS, the City Council of the City has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILPITAS, AS FOLLOWS:

Section 1. Issuance of Bonds by the Authority. The City Council hereby approves the issuance of the Bonds by the Authority under the Act for the purpose of providing funds to finance the acquisition, construction and installation of the Water Projects. The aggregate principal amount of the Bonds shall not exceed \$21,000,000.

Section 2. Approval of Installment Sale Agreement. The City Council hereby approves the Installment Sale Agreement between the Authority and the City, under which the Authority agrees to provide financing for the Water Projects and to sell the completed Water Projects to the City in consideration of the payment by the City of semiannual installment payments which are sufficient to provide revenues with which to pay principal of and interest on the Bonds when due. The Installment Sale Agreement is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the City Manager, the Assistant City Manager or the Finance Director (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. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest to, if necessary, the final form of the Installment Sale Agreement.

Section 3. Sale of Bonds by the Authority. The City Council hereby approves the negotiated sale of the Bonds by the Authority to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the City and the Underwriter, which is hereby approved in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the City.

Section 4. Official Statement. The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the City Clerk. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The City Council approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The City Council authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

Section 5. Official Actions. The Authorized Officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to a Continuing Disclosure Certificate in substantially the form attached to the Official Statement which is approved under Section 4, 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 City 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 from and after the date of its passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher Diaz, City Attorney