

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 12/15/2020 by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

RECUSE:



Resolution No. 2020/342

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS, 2021 SERIES A AND 2021 SERIES B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000 TO FINANCE VARIOUS CAPITAL PROJECTS AND REFUND VARIOUS OUTSTANDING LEASE REVENUE BONDS AND LEASE REVENUE OBLIGATIONS, AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, A SITE LEASE, A FACILITIES LEASE, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND RELATED FINANCING DOCUMENTS; AND AUTHORIZING TAKING OF NECESSARY ACTIONS AND EXECUTION OF NECESSARY DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the County of Contra Costa (the “County”) and the Contra Costa County Flood Control and Water Conservation District have entered into an Amended and Restated Joint Exercise of Powers Agreement, dated June 16, 2015 pursuant to an amendment of the Joint Exercise of Powers Agreement, dated as of April 7, 1992 (as amended, the “Joint Powers Agreement”), between the County and the Contra Costa County Redevelopment Agency which Joint Powers Agreement creates and establishes the County of Contra Costa Public Financing Authority (the “Authority”);

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and the Joint Powers Agreement, the Authority is authorized to issue bonds to finance and refinance public capital improvements;

WHEREAS, the County Board of Supervisors has requested the Authority assist the County in financing all or a portion of the costs of various capital projects, including but not limited to, (i) demolition and construction of certain County Offices; (ii) expansion and improvement of Buchanan Field Airport; and (iii) acquisition and construction of certain fire stations (collectively, the “2021 Project”);

WHEREAS, pursuant to the Act and a Trust Agreement, dated as of November 1, 2010 (the “2010 Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as trustee, the Authority previously issued its Lease Revenue Bonds consisting of \$13,130,000 2010 Series A-2 (Capital Project I – Taxable Build America Bonds) (the “Series A-2 Bonds”), \$20,700,000 2010 Series A-3 (Capital Project I – Taxable Recovery Zone Bonds) (the “Series A-3 Bonds”), and \$17,435,000 2010 Series B (Refunding) (the “Series B Bonds”) to finance and refinance capital projects for the County;

WHEREAS, pursuant to the Act and a Trust Agreement, dated as of October 1, 2012 (the “2012 Trust Agreement,” and together with the 2010 Trust Agreement, the “Prior Trust Agreements”) the Authority previously issued its \$13,102,304 Lease Revenue Obligations 2012 Series A (the “2012 Series A Obligations,” collectively with the Series A-2 Bonds, the Series A-3 Bonds and the Series B Bonds, the “Prior Obligations”) to finance capital projects for the County;

WHEREAS, the County Board of Supervisors has requested the Authority assist the County in the refunding and defeasance of all of the outstanding Prior Obligations in order to produce debt service savings;

WHEREAS, the County has requested and approved the Authority’s issuance of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects and Refunding) 2021 Series A (Capital Projects) and 2021 Series B (Refunding) (the “Bonds”) in an amount sufficient to finance the 2021 Project and refund the Prior Obligations and pay related costs of issuance;

WHEREAS, in accordance with the requirements of Section 6586.5 of the Act, a public hearing regarding the financing of the 2021 Project proposed herein was heretofore conducted by the County on December 15, 2020;

WHEREAS, notice of such hearing was published at least five days prior to such hearing in a newspaper of general circulation in the County;

WHEREAS, the County has determined that the financing of the 2021 Project by the issuance of the Bonds by the Authority will result in significant public benefits to the County, including demonstrable savings in effective interest rate, bond preparation, or bond issuance costs;

WHEREAS, it is proposed that the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee") enter into a trust agreement (the "Trust Agreement"), acknowledged by the County, and, pursuant to the Trust Agreement, the Authority will issue the Bonds in an aggregate principal amount not to exceed \$150,000,000;

WHEREAS, it is proposed that the Authority enter into a site lease (the "Site Lease") pursuant to which the County will lease certain real property, including the improvements thereon (collectively the "Facilities"), to the Authority;

WHEREAS, it is further proposed that the Authority enter into a facilities lease (the "Facilities Lease") pursuant to which it will lease the Facilities back to the County;

WHEREAS, under the Facilities Lease, the County will be obligated to make base rental payments to the Authority which the Authority will cause to be used to pay debt service on the Bonds;

WHEREAS, the County deems it necessary and desirable to authorize the sale of the Bonds by negotiated sale to Barclays Capital Inc. (the "Underwriter") pursuant to a Bond Purchase Agreement among the County, the Authority, and the Underwriter (the "Bond Purchase Agreement") and has found and determined the following reasons therefor: (1) provide more flexibility in the timing of the sale of the Bonds; (2) provide more flexibility in the debt structure; and (3) increase the opportunity to pre-market the Bonds;

WHEREAS, a form of Official Statement describing the Bonds (the "Official Statement") has been prepared, which will be distributed by the Underwriter in preliminary form (the "Preliminary Official Statement") to potential purchasers of the Bonds and in final form to the actual purchasers of the Bonds (the "Final Official Statement");

WHEREAS, a form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") among the Authority, the County, and Digital Assurance Certification, L.L.C. as dissemination agent, has been prepared;

WHEREAS, Montague DeRose and Associates, LLC, is serving as municipal advisor (the "Municipal Advisor") to the County and the Authority, Schiff Hardin LLP is serving as disclosure counsel ("Disclosure Counsel") to the County and the Authority, and Nixon Peabody LLP is serving as bond counsel ("Bond Counsel") to the County and the Authority in connection with the transaction;

WHEREAS, this Board has been presented with the substantially final form of each document referred to herein relating to the Bonds, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing;

WHEREAS, the Authority has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized; and

WHEREAS, the Authority expects to finance the 2021 Project and refund the Prior Obligations on a tax-exempt basis;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the County of Contra Costa Public Financing Authority, as follows:

Section 1. The foregoing recitals are true and correct and this Board so finds and determines.

Section 2. The issuance and sale of the Bonds by the Authority, in a principal amount not to exceed \$150,000,000, for the financing of the 2021 Project, the refunding of the Prior Obligations and the payment of related transaction costs is hereby authorized and approved.

Section 3. The form of Site Lease on file with the Secretary of the Board of Directors is hereby approved, and the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director of the Authority or the Deputy Executive Director of the Authority or any designee of any such official (the "Authorized Signatories") and the Secretary of the Board of Directors or any Assistant Secretary of the Board of Directors (the "Secretary"), each acting alone, are hereby authorized and directed to execute and deliver, and the Secretary to attest, the Site Lease in substantially said form, with such changes therein as such 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 thereof shall end on the date on which all Base Rental Payments and

Additional Payments due and owing under the Facilities Lease are paid in full, not to exceed a term of 31 years.

Section 4. The form of Facilities Lease on file with the Secretary is hereby approved, and any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to execute and deliver, and the Secretary to attest, the Facilities Lease in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum annual base rental payments payable under the Facilities Lease shall not exceed \$15,000,000 and the term of the Facilities Lease (including any extensions) shall end on the date on which all of the Base Rental Payments and Additional Payments have been paid in full; provided that in the event the obligation of the County to pay Base Rental Payments or Additional Payments is abated for any period under the Facilities Lease, the term of the Facilities Lease shall extend until such time as all Base Rental Payments and Additional Payments set forth in the Facilities Lease have been paid in full, *provided* that the term of the Facilities Lease shall not extend more than ten years following the last Base Rental Payment date set forth in the Facilities Lease.

Section 5. The form of Trust Agreement on file with the Secretary is hereby approved. Any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to execute and deliver, and the Secretary to attest, the Trust Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of Bond Purchase Agreement on file with the Secretary of the Authority is hereby approved. Any one of the Authorized Signatories is hereby authorized and directed, for and in the name and on behalf of the Authority, to accept the offer of the Underwriter to purchase the Bonds as reflected in the Bond Purchase Agreement; and to execute and deliver the Bond Purchase Agreement in substantially the form on file with the Secretary of the Authority, with such additions, deletions, changes and corrections therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however that (i) the interest rate on the Bonds shall not exceed a true interest cost of four percent (4.0%) per annum, (ii) the underwriting discount (excluding any original issue discount) shall not exceed three-tenths percent (0.3%) of the aggregate principal amount of the Bonds, and (iii) the refunding of the Prior Obligations shall result in cost savings in accordance with the County's Debt Management Policy.

Section 7. The form of Official Statement describing the Bonds is hereby approved, along with the form of Continuing Disclosure Agreement attached as an appendix item therein, and any of the Authorized Signatories is hereby authorized and directed to execute and deliver a Final Official Statement in substantially said form with such additions, deletions, changes and corrections therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution thereof. The Underwriter is hereby directed to distribute copies of the Final Official Statement to all actual purchasers of the Bonds. Distribution by the Underwriter of the Preliminary Official Statement to potential purchasers is hereby approved and any of the Authorized Signatories is hereby authorized and directed to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12, as amended ("Rule 15c2-12").

Section 8. The Authority acknowledges and relies upon the fact that the County has represented that it shall execute the Continuing Disclosure Agreement containing such covenants of the County as shall be necessary to allow the Underwriter to comply with the requirements of Rule 15c2-12. The Authority acknowledges and relies upon the fact that the County has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

Section 9. The Authorized Signatories are each hereby authorized to enter into one or more investment agreements, float contracts, other hedging products that are authorized under the County's Debt Management Policy from time to time (hereinafter collectively referred to as the "Investment Agreement") providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Authorized Signatories shall deem appropriate including providing investments with terms up to the final maturity date of the Bonds. Pursuant to Section 5922 of the California Government Code, this Board hereby finds and determines that the Investment Agreement is designed to reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 10. The County has requested the Authority to issue the Bonds for the purpose of financing certain capital improvements and refunding certain outstanding lease revenue bonds as described herein, and in connection therewith, the Authority approves legal and financial work on behalf of the County and the Authority, and the execution of agreements with the Underwriter, with the Municipal Advisor, with Disclosure counsel and with Bond Counsel. In addition, the Authority adopts and approves the Good Faith Estimates required by Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") and obtained by the County from the Underwriter and the Municipal Advisor. The Authority confirms, that to the extent

applicable, it adopts the County’s stated debt management policies required by Senate Bill 1029 (“SB 1029”), and further represents that it is in compliance with the applicable SB 1029 pre-issuance requirements and that it expects to comply with all post-issuance requirements of SB 1029 applicable to the Bonds.

Section 11. The Authorized Signatories and other officers 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, modifying the bond caption and series designation of the Bonds, executing and delivering documents related to transfers of real property, lease terminations, title clarifications, property acceptances, signature certificates, no-litigation certificates and tax and rebate certificates, certificates concerning the contents of the Official Statement distributed in connection with the sale of the Bonds, and execution of any escrow instructions, escrow agreements or documents in connection with the refunding and defeasance of the Prior Obligations. The Authorized Signatories and the County Finance Director on behalf of the Authority are hereby authorized and directed to execute and deliver any and all certificates, instructions as to investments, written requests and other certificates necessary and desirable to administer the Bonds and the Trust Agreement or other documents authorized hereunder including executing the Written Requests of the Authority authorizing disbursements from the Costs of Issuance Fund for payment of costs of issuance such as legal and municipal advisor fees, trustee’s fees, title insurance premiums, insurance premiums and reserve surety premiums (if any), publication and printing costs and similar expenses of the bond financing. Any one of the Authorized Signatories is hereby authorized and directed, for and in the name of and on behalf of the County, to evaluate and select one or more municipal bond insurers for all or any portion of the Bonds and to execute and deliver such contracts and agreements with such bond insurers as may be approved by the Authorized Signatories executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the issuance and sale of the Bonds are hereby approved and confirmed.

Section 13. All of the agreements contemplated by this Resolution may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the Authority) and sent by e-mail shall be deemed original signatures, unless stated otherwise in the agreement.

Section 14. This Resolution shall take effect from and after its date of adoption.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 15, 2020

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Timothy Ewell, 925-655-2043

By: , Deputy

cc: