

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:

John Gioia
Candace Andersen
Diane Burgis
Karen Mitchoff
Federal D. Glover

AYE:
NO:
ABSENT:
ABSTAIN:
RECUSE:



Resolution No. 2020/341

RESOLUTION APPROVING THE ISSUANCE AND SALE OF CONTRA COSTA PUBLIC FINANCING AUTHORITY 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 OF THE AUTHORITY, 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, this Board of Supervisors of the County (the "Board") hereby requests the Authority to 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) the construction of certain fire stations (the "Fire Station Project") (collectively, the "2021 Project");

WHEREAS, pursuant to 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") in order to finance and refinance capital projects for the County;

WHEREAS, pursuant to 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") in order to finance capital projects for the County;

WHEREAS, this Board hereby requests the Authority to assist the County in the refunding and defeasance of the Prior Obligations in order to produce debt service savings;

WHEREAS, the County desires to request and approve 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, pursuant to Section 23004 of the Government Code of the State of California, the County is authorized to acquire and dispose of its property as the Board determines is in the best interests of the County;

WHEREAS, the Contra Costa County Fire Protection District (the "District") has requested the County use a portion of the proceeds of the Bonds to assist the District in the financing the Fire Station Project;

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

WHEREAS, it is proposed that the County enter into a facilities lease (the "Facilities Lease") pursuant to which it will lease the Facilities back from the Authority and 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, it is further proposed that the County and the District enter into an Installment Sale Agreement (the "Installment Agreement") pursuant to which the County will provide funds to construct the Fire Station Project and sell such Fire Station Project to the District in consideration of the payment by the District of installments of principal and interest set forth in the Installment Agreement;

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, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") requires that the County obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds;

WHEREAS, in compliance with SB 450, the County has obtained from Montague DeRose and Associates, LLC, as the County's municipal advisor (the "Municipal Advisor"), and the Underwriter, the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto;

WHEREAS, Senate Bill 1029 ("SB 1029") was signed by the California Governor on September 12, 2016, and places additional responsibilities on any issuer of public debt including the adoption of debt management policies that meet certain criteria;

WHEREAS, the County has represented 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;

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;

WHEREAS, a form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) among the Authority, the County, and Digital Assurance Certificate 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 to the County and the Authority, and Nixon Peabody LLP is serving as 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 County 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 County expects to finance the 2021 Project and to refund the Prior Obligations on a tax-exempt basis;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Contra Costa, as follows:

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

Section 2. The County hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the County and that the statements, findings and determinations of the County set forth above are true and correct and that the issuance of the Bonds by the Authority for the financing of the 2021 Project and the refunding of the Prior Obligations will result in (i) demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs and (ii) more efficient delivery of County services to residential and commercial development, producing significant public benefits and the refunding of the Prior Obligations will result in savings to the County.

Section 3. The Board of Supervisors hereby requests and approves the issuance of the Bonds by the Authority, in a principal amount of 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.

Section 4. The form of Site Lease on file with the Clerk of the Board of Supervisors is hereby approved and the Chair of the Board of Supervisors, the Vice Chair of the Board of Supervisors, the County Administrator of the County, the County Finance Director or any designee of any such official (the “Authorized Signatories”) and the Clerk of the Board of Supervisors or any assistant clerk of the Board of Supervisors (the “Clerk”), each acting alone, are hereby authorized and directed to execute and deliver, and the Clerk 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 5. The form of Facilities Lease on file with the Clerk is hereby approved and any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to execute and deliver, and the Clerk 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 6. The form of Trust Agreement on file with the Clerk is hereby approved. Any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to acknowledge the execution and delivery of 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 acknowledgement thereof.

Section 7. The form of Bond Purchase Agreement is on file with the Clerk is hereby approved. Any one of the Authorized Signatories, acting alone, is hereby authorized and directed to execute and deliver said Bond Purchase Agreement in substantially the form on file with the Clerk, with such additions, deletions, changes and corrections therein as such officer shall require or approve, 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 8. 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 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 County for purposes of Securities and Exchange Commission Rule 15c2-12, as amended ("Rule 15c2-12").

Section 9. The form of Continuing Disclosure Agreement on file with the Clerk, to be dated the date of issuance of the Bonds, is hereby approved. Any of the Authorized Signatories is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The form of Installment Agreement on file with the Clerk is hereby approved. Any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to acknowledge the execution and delivery of the Installment 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 acknowledgement thereof

Section 11. The Authorized Signatories are each hereby authorized to enter into or to instruct the Authority or the Trustee 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 12. The Authorized Signatories and other officers of the County 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, preparation of title reports and/or a title insurance policy, and execution and delivery of signature certificates, no-litigation certificates, tax and rebate certificates, and execution of any escrow instructions, escrow agreements and documents or agreements in connection with the refunding and defeasance of the Prior Obligations, documents or agreements in connection with financing of the 2021 Project and documents or agreements in connection with the Installment Agreement, the certificates concerning the contents of the Official Statement distributed in connection with the sale of the Bonds, closing certificates and opinions. The Authorized Signatories and other appropriate officers of the County before and after the issuance of the Bonds are hereby authorized and directed to execute and deliver any and all documents related to transfers of real property, lease termination agreements, property acceptances, title clarification documents, certificates, instructions as to investments, written requests and other certificates necessary or desirable to finance the 2021 Project, refund the Prior Obligations or execute the Installment Agreement, administer the Bonds or leases, pay costs of issuance or to accomplish the transactions contemplated herein. 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 13. All actions heretofore taken by the officers and agents of the County with respect to the issuance and sale of the Bonds are hereby approved and confirmed.

Section 14. 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 County) and sent by e-mail shall be deemed original signatures, unless stated otherwise in

the agreement.

Section 15. 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.

Contact: Timothy Ewell, 925-655-2043

ATTESTED: December 15, 2020

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

By:  June McHuen, Deputy

cc: Hon. Robert R. Campbell, Auditor-Controller, Hon. Russell V. Watts, Treasurer-Tax Collector, Lewis Broschard III, Fire Chief-CCCFPD, Keith Freitas, Director of Airports, Eric Angstadt, Chief Assistant County Administrator

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