

## RESOLUTION NO. 2022-079

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE AUTHORIZING THE FINANCING OF PUBLIC IMPROVEMENTS, AND APPROVING A LEASE AGREEMENT AND RELATED DOCUMENTS AND ACTIONS

**WHEREAS**, the City of Elk Grove (the “City”) desires to move forward with financing improvements to police facilities within the City (the “Project”), which will provide benefit to the City and its citizens; and

**WHEREAS**, the Elk Grove Finance Authority (the “Authority”) was formed to, among other things, assist the City finance municipal capital improvements; and

**WHEREAS**, in order to provide financing for all or a portion of the cost of the Project and incidental expenses related thereto, the City proposes to lease certain real property, expected to consist of the City’s police department facility located at 8380 Laguna Palms Way and the council chambers and additional police facilities located at 8400 Laguna Palms Way (the “Leased Property”), to the Authority to the Authority as provided in a Site Lease, as defined herein and the Authority proposes to issue and sell its Elk Grove Finance Authority 2022 Lease Revenue Bonds (Police Facilities)” in the aggregate principal amount of not to exceed \$14,000,000 (the “Bonds”) under 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”); and

**WHEREAS**, in order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the “Lease Agreement”), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to U.S. Bank Trust Company, National Association, as trustee for the Bonds; and

**WHEREAS**, to provide for development of the most favorable debt structure for the City and to ensure the most favorable reception in the marketplace 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 & Co., Incorporated, as underwriter (the “Underwriter”); and

**WHEREAS**, for purposes of the sale of the Bonds, the City has caused to be prepared an Official Statement describing the Bonds, the preliminary form of which is on file with the City Clerk and the City Council, with the aid of their staff, have undertaken such review of the Official Statement as hereinafter described as is necessary to assure proper disclosure of all material facts relating to the Bonds that are within the personal knowledge of City Council members and the staff; and

**WHEREAS**, as required by Section 6586.5 of the California Government Code, the City has caused publication of a notice of a public hearing on the financing of the public capital improvements once at least five (5) days prior to the hearing in a newspaper of general circulation in the City; and

**WHEREAS**, the City Council held a duly noticed public hearing at which all interested persons were provided the opportunity to speak on the subject of financing such public capital improvements; and

**WHEREAS**, in accordance with Government Code Section 5852.1, the following information has been obtained and disclosed in the staff report for the Council action set forth herein: (i) the estimated true interest cost of the Bonds, (ii) the estimated finance charge of the Bonds, (iii) the estimated proceeds of the Bonds expected to be received, net of proceeds for finance charges in (ii) above to be paid from the principal amount of the Bonds, and (iv) the estimated total payment amount of the Bonds; and

**WHEREAS**, the City Council wishes at this time to authorize all proceedings relating to the financing of the Project and desires to approve all of said transactions in furtherance of the public purposes of the City.

**NOW, THEREFORE, BE RESOLVED**, as follows:

**Section 1. Issuance of Bonds.** The City Council hereby approves the issuance of the Bonds by the Authority under the Bond Law in one or more series in the maximum principal amount of not to exceed \$14,000,000 for the purpose of financing the Project and incidental expenses related thereto. The City Council hereby finds that issuance of the Bonds for the purpose of financing the Project will result in significant public benefits of the type described in Section 6586 of the California Government Code, including, but not limited to, a more efficient delivery of City police services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs.

**Section 2. Approval of Related Financing Agreements.** The City Council hereby approves each of the following agreements required for the issuance and sale of the Bonds, in substantially the respective forms on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the City Manager, Finance Director or any of their designees (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. Such changes or additions may include, but are not limited to, changing the City assets to be the subject of the Lease Agreement, changing the form of the document creating the contemplated lease transaction, agreeing to change in the taxable or tax-exempt status of the Bonds supported by the financing documents, providing that Bonds are insured by a bond insurance and/or secured by a reserve surety policy and the use of an escrow for a portion of the proceeds of the Bonds, if in the judgment of an Authorized Officer such changes are in the best interest of the City. An Authorized Officer is hereby authorized and directed for and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- 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 an upfront amount which will be applied by the City to finance a portion of 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 to provide revenues with which to pay principal of and interest on the Bonds when due; and
- Continuing Disclosure Certificate, to be executed by the City, for and on behalf of itself and the Authority, for the purpose of providing annual financial information and notice of certain enumerated events to holders and beneficial owners of the Bonds.

The foregoing documents contemplate the issuance of the Bonds simultaneously with the issuance of bonds (referred to in the documents as “Series A” bonds) to finance police, fire and other capital facilities. Each Authorized Officer is authorized to make such changes as are in the best interest of the City in the event such “Series A” bonds are not issued.

**Section 3. Negotiated Sale of Bonds.** The City Council hereby approves the negotiated sale of the Bonds by the Authority to the Underwriter. The Bonds shall be sold pursuant to the terms and provisions of the Bond Purchase Agreement among the Authority, the City and the Underwriter in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The true interest cost of the Bonds shall not exceed 4.5% and the Underwriter’s discount shall not exceed 0.75%.

**Section 4. Official Statement.** The City Council hereby approves the preliminary Official Statement describing the Bonds in substantially the form on file with the City Clerk. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to said preliminary Official Statement, and to execute an appropriate certificate stating the City’s determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The City Council hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the City by the Mayor or an Authorized Officer.

**Section 5. Official Actions.** The Authorized Officers, the City Attorney, the City Clerk and all other officers of the City are each authorized and directed on behalf of the City to make any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance or termination, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. An Authorized Officer may revise the identity of the

Leased Property (including by adding thereto) or any other aspects of the financing as determined necessary or desirable in order to facilitate the construction of the Project and the purposes of 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 such officer by any person designated by such officer to act on behalf of the officer in the case such officer is absent or unavailable.

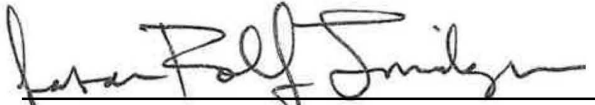
**Section 6. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 13<sup>th</sup> day of April 2022



BOBBIE SINGH-ALLEN, MAYOR of the  
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,  
CITY ATTORNEY

**CERTIFICATION**  
**ELK GROVE CITY COUNCIL RESOLUTION NO. 2022-079**

STATE OF CALIFORNIA        )  
COUNTY OF SACRAMENTO    )        ss  
CITY OF ELK GROVE         )

*I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on April 13, 2022 by the following vote:*

**AYES:**        **COUNCILMEMBERS:** *Singh-Allen, Suen, Hume, Spease, Nguyen*

**NOES:**       **COUNCILMEMBERS:** *None*

**ABSTAIN:**   **COUNCILMEMBERS:** *None*

**ABSENT:**   **COUNCILMEMBERS:** *None*

  
\_\_\_\_\_  
**Jason Lindgren, City Clerk**  
**City of Elk Grove, California**