

RESOLUTION NO. FA2020-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ELK GROVE FINANCE AUTHORITY AUTHORIZING THE FINANCING OF PUBLIC IMPROVEMENTS AND APPROVING A LEASE AGREEMENT WITH THE CITY OF ELK GROVE AND RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City of Elk Grove (the “City”) desires to finance the costs of acquisition and construction of the District56 Nature Area improvement project (WCE028) and the Old Town Plaza Phase 2 and 3 improvement project (WCE022) (together the “Projects) and incidental expenses related thereto and the Elk Grove Finance Authority (the “Authority”) desires to assist in the financing; and

WHEREAS, in order to provide the funds needed to finance the Projects, the City proposes to lease a City asset, initially the City’s administration building, located at 8401 Laguna Palms Way in the City (the “Leased Property”) to the Authority pursuant to the Site Lease, dated April 1, 2020, between the Authority and the City (the “Site Lease”), in order to allow the Authority to lease the Leased Property back to the City pursuant to a Lease Agreement, dated April 1, 2020, between the Authority and the City (the “Lease Agreement”) in consideration of the payment by the City of semi-annual lease payments under the terms of the Lease Agreement as the rental for the Leased Property (the “Lease Payments”), which the Authority will assign to a bank under an Assignment of Lease Agreement, dated April 1, 2020, between the Authority and the bank (the “Assignment Agreement”); and

WHEREAS, as described in the Lease Agreement, upon the construction and the substantial readiness of the Projects for use and occupancy by the City, either or both of the Projects and their sites are expected to be the sole Leased Property subject to the Site Lease and the Lease Agreement, and the initial Leased Property is expected to be released; and

WHEREAS, the Board of Directors of the Elk Grove Finance Authority desires to approve all of said transactions in furtherance of the public purposes of the City and wishes at this time to authorize all proceedings related to the financing of the Projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Elk Grove Finance Authority as follows:

Section 1. Approval of Site Lease and Lease Agreement. The Board of Directors hereby approves the financing plan outlined above. To that end, the Board of Directors hereby approves the Site Lease and Lease Agreement, in substantially the form presented and on file with the Secretary, both of which are between the City and the Authority, together with any changes therein or additions thereto deemed advisable by the Administrator or Treasurer/Controller (each an “Authorized Officer”), provided that the Lease Agreement shall be for a term that does not extend beyond 15 years (unless extended in the event of default), with amortization of a principal amount not to exceed \$11 million at a true interest cost attributable to the Lease Payments that shall not exceed 3.5%. Each 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 to attest and affix the seal of the Authority to, the final form of the Site Lease and the Lease Agreement.

Section 2. Approval of Assignment Agreement. The Board of Directors hereby approves the Assignment Agreement, in substantially the form presented and on file with the Secretary, between the Authority and a bank to be selected and approved by an Authorized Officer, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. Each 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 to attest and affix the seal of the Authority to, the final form of the Assignment Agreement.

Section 3. Official Actions. The President, Vice President, the Administrator, the Treasurer/Controller, the Authority Legal Counsel, 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 pursuant to 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 such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Elk Grove Finance Authority this 13th day of May 2020



STEVE LY, PRESIDENT of the
ELK GROVE FINANCE AUTHORITY

ATTEST:



JASON LINDGREN, SECRETARY

APPROVED AS TO FORM:



JONATHAN P. HOBBS
AUTHORITY LEGAL COUNSEL

CERTIFICATION
ELK GROVE FINANCE AUTHORITY RESOLUTION NO. FA2020-01

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

I, Jason Lindgren, Secretary of the Finance Authority of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the Board of Directors of the Elk Grove Finance Authority at a regular meeting of the Elk Grove Finance Authority held on May 13, 2020 by the following vote:

AYES: BOARDMEMBERS: Ly, Detrick, Hume, Nguyen, Suen

NOES: BOARDMEMBERS: None

ABSTAIN: BOARDMEMBERS: None

ABSENT: BOARDMEMBERS: None


Jason Lindgren, Secretary
Elk Grove Finance Authority