



County of Santa Cruz

0647

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

July 20, 2001

AGENDA: August 7, 2001

BOARD OF DIRECTORS

County of Santa Cruz Public Finance Authority
701 Ocean Street
Santa Cruz, California 95060

PUBLIC HEARING ON RESOLUTION AUTHORIZING THE REFUNDING OF THE SANTA CRUZ COUNTY PUBLIC FINANCING AUTHORITY'S CONSOLIDATED EMERGENCY COMMUNICATION CENTER LEASE REVENUE BONDS

Dear Members of the Board:

The Santa Cruz County Public Financing Authority is a conduit issuer for the 1994 Lease Revenue Bonds which financed the construction of the Consolidated Emergency Communications Center now operated jointly by the County and cities of Santa Cruz, Watsonville and Capitola through the Santa Cruz Consolidated Emergency Communications Center Joint Powers Authority. On May 24, 2001 the Joint Powers Authority approved a refinancing of the 1994 Lease Revenue Bonds.

The 1994 Bonds are a financial obligation of the Joints Powers Authority and are not a financial obligation of either the County or the Public Financing Authority. The County is, however, contractually obligated to pay its share of the debt service pursuant to a Use Agreement between the Santa Cruz Consolidated Emergency Communications Center and the County and will therefore benefit from the refinancing.

In order to complete the refinancing it is necessary that the Public Financing Authority hold a public hearing and at the conclusion of that public hearing adopt a resolution authorizing and directing:

1. the issuance of not to exceed \$7,000,000 principal amount of 2001 lease revenue bonds;

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REFUNDING OF 1994 COMMUNICATIONS CENTER BONDS**

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2. execution of a form of an indenture of trust, a lease agreement, an escrow agreement, an official statement; and
3. authorizing the sale of bonds pursuant to public sale and providing for other matters properly relating thereto.

On June 26, 2001 your Board approved a Notice of Public Hearing setting a public hearing to be held on August 7, 2001 at 9:00 AM to consider the adoption of a resolution authorizing the items in the preceding list. On June 26, 2001 the Board of Supervisors also approved a resolution approving an amended and restated Use Agreement between the Santa Cruz Consolidated Communications Center Joint Powers Authority and the County to facilitate the issuance of this refunding. At that time the Board of Supervisors was advised that the savings to be realized by the refunding (\$330,000) would be used by the Consolidated Communications Center Authority to acquire needed replacement fixed assets without impacting future member contributions.

At the conclusion of the public hearing it is RECOMMENDED that your Board adopt the attached Resolution of the Santa Cruz County Public Financing Authority authorizing and directing the issuance of not to exceed \$7,000,000 Principal Amount of 2001 Lease Revenue Refunding Bonds (Consolidated Emergency Communications Center Project), authorizing execution and delivery of a form of an Indenture of Trust, a Lease Agreement, an Escrow Agreement and Official Statement, and authorizing the Sale of Bonds pursuant to public sale and providing for other matters properly relating thereto.

Very truly yours,



Susan A. Mauriello
Executive Director of the
Santa Cruz County Public Financing Authority

Attachments

cc: Santa Cruz Consolidated Emergency Communications Center
Auditor-Controller
County Counsel
Rutan and Tucker
Harrell & Associates

On the motion of Supervisor _____
duly seconded by Supervisor _____
the following Resolution is adopted:

0649

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ COUNTY PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$7,000,000 PRINCIPAL AMOUNT OF 2001 LEASE REVENUE REFUNDING BONDS (CONSOLIDATED EMERGENCY COMMUNICATIONS CENTER PROJECT), AUTHORIZING AND DIRECTING EXECUTION OF A FORM OF AN INDENTURE OF TRUST, A LEASE AGREEMENT, AN ESCROW AGREEMENT, AND OFFICIAL STATEMENT, AUTHORIZING THE SALE OF BONDS PURSUANT TO PUBLIC SALE, AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the County of Santa Cruz (the "County") and the Santa Cruz County Redevelopment Agency (the "Agency") have heretofore entered into a Joint Exercise of Powers Agreement establishing the Santa Cruz County Public Financing Authority (the "Authority") for the purpose of issuing its bonds to finance the acquisition of bonds, notes, and other obligations of, or for the purpose of making loans to, public entities, and to provide financing for public capital improvements of public entities; and

WHEREAS, the Authority proposes at this time to issue its Santa Cruz County Public Financing Authority 2001 Lease Revenue Bonds (Consolidated Emergency Communications Center Project) in an aggregate principal amount of not to exceed \$7,000,000 (the "Bonds") for the purpose of providing financing of equipment and refinancing with respect to the Consolidated Emergency Communications Center, more particularly described in the hereinafter defined Lease Agreement (the "Project") for lease by the Santa Cruz Consolidated Emergency Communications Center (The "Center") to the Authority and lease by the Authority back to the Center in accordance with the terms of a Lease Agreement, dated as of June 1, 2001, by and between the Authority and the Center (the "Lease Agreement"); and

WHEREAS, the Bonds are to be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (the "Act"), constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, and pursuant to an Indenture of Trust, dated as of June 1, 2001 (the "Indenture"), by and between the Authority and BNY Western Trust Company as trustee (the "Trustee"); and

WHEREAS, in connection with the offering of the Bonds at public sale, Harrell & Company Advisors, LLC, the Authority's Financial Advisor, (the "Financial Advisor"), has caused to be prepared Preliminary Official Statement and an Official Statement and a Notice of Sale describing the Bonds and the procedures for bidding on the Bonds, the preliminary forms of which are on file with the Secretary; and

WHEREAS, this Board has duly considered such transactions, including, without limitation, the Indenture, the Lease Agreement, the Official Statement and the Notice of Sale, and wishes at this time to approve said transactions in the public interests of the Authority;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Santa Cruz County Public Financing Authority as follows:

1. Issuance of Bonds; Approval of Indenture. The Board hereby authorizes issuance of the Bonds under and pursuant to the Act and the Indenture in the aggregate not to exceed principal amount of \$7,000,000 for the purposes hereinbefore described. The Board hereby approves the Indenture in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or Assistant Executive Director or an authorized representative, upon consultation with Bond Counsel, whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director or Assistant Executive Director is hereby authorized and directed to execute and attest to the final form of the Indenture for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Indenture.

2. Approval of Lease Agreement. The Board hereby approves the lease of the Project from the Center to the Authority and the lease of the Project back to the Center pursuant to and in accordance with the Lease Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or Assistant Executive Director or an authorized representative upon consultation with Bond Counsel whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director or Assistant Executive Director is hereby authorized and directed to execute and attest to the final form of the Lease Agreement for and in the name and on behalf of the Authority.

3. Approval of Escrow Agreement. The Board hereby approves the advance refunding of its \$7,675,000 Santa Cruz County Public Financing Authority 1994 Lease Revenue Bonds, Series A (Consolidated Emergency Communications Center Project) (the "Prior Bonds") pursuant to and in accordance with the Escrow Deposit and Trust Agreement dated as of June 1, 2001 (the "Escrow Agreement") in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or Assistant Executive Director or an authorized representative upon consultation with Bond Counsel whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director or Assistant Executive Director is hereby authorized and directed to execute and attest to the final form of the Escrow Agreement for and in the name and on behalf of the Authority.

4. Approval of Sale of the Bonds at Public Sale. The Board hereby approves the sale of the Bonds by public sale to the lowest responsible bidder, in accordance with Notice of Sale (which Notice is approved substantially in the form on file with the Secretary), and as recommended by the Financial Advisor. The Bonds shall be awarded on behalf of the Authority by the Executive Director or Assistant Executive Director, provided that the purchase price received by the Authority for the Bonds shall be not less than ninety-eight (98.0%) of the par

amount thereof and the stated interest rate to be borne by the Bonds shall not exceed seven percent (7%) per annum.

5. Approval of Official Statement. The Board hereby approves the Preliminary Official Statement describing the Bonds in substantially the form submitted by the Financial Advisor and on file with the Secretary. Distribution of the Preliminary Official Statement by the Financial Advisor is hereby approved, and, prior to the distribution of the Preliminary Official Statement, the Executive Director or Assistant Executive Director is authorized and directed, on behalf of the Authority, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Executive Director or Assistant Executive Director, upon consultation with Bond Counsel, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Bonds, and the Executive Director or Assistant Executive Director is authorized and directed to execute the final Official Statement for and on behalf of the Authority and to deliver to the lowest responsible bidder for the Bonds a certificate with respect to the information set forth therein.

6. Approval of Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement by and among the Authority, the Center, and the Trustee (the "Continuing Disclosure Agreement") presented at this meeting is hereby approved and the Executive Director or Assistant Executive Director is hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver said Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes therein as the Executive Director or Assistant Executive Director may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

7. Financial Advisor and Bond Counsel. Pursuant to its contract prior approved, the financing consulting firm of Harrell & Company Advisors, LLC and, pursuant to its contract prior approved, the law firm of Rutan & Tucker, LLP are hereby retained as Financial Advisor and Bond Counsel respectively. Fulbright & Jaworski, LLP are hereby retained as Disclosure Counsel.

8. Official Action. The Chairperson, Vice Chairperson, Treasurer, Executive Director, Assistant Executive Director, Secretary, Counsel to the Authority, and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, consents, instruments of conveyance, warrants, and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale, and delivery of the Bonds to the lowest responsible bidder for the Bonds in accordance with the approved Notice of Sale for the Bonds, the payment of issuance costs incurred with respect to the Bonds and the lease and lease-back of the Project.

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

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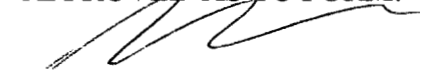
PASSED AND ADOPTED this 7th day of August, 2001.

Chairperson of the Santa Cruz
County Public Financing Authority

ATTEST:

Secretary of the Santa Cruz
County Public Financing Authority

APPROVED AS TO FORM:



Bond Counsel

STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ) ss
CITY OF SANTA CRUZ)

I, _____, Secretary of the Santa Cruz County Public Financing Authority, hereby certify that the above and foregoing Resolution No. _____ was duly and regularly passed and adopted by the said Authority at a special meeting thereof, held on the 7th day of August, 2001, by the following roll call vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Santa Cruz County Public Financing Authority this 7th day of August, 2001.

Secretary of the Santa Cruz
County Public Financing Authority