



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

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

September 4, 2001

AGENDA: September 11, 2001

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

LEASE REVENUE BONDS PUBLIC FINANCE AUTHORITY'S 2001 SERIES B

Dear Members of the Board:

The attached resolution (Attachment A) is the last in a series of approvals required for the Santa Cruz County Public Financing Authority to issue the 2001 Series B Lease Revenue Bonds for the benefit of Santa Cruz County. Attachment B is a list of the documents which are on file with the Clerk of the Board.

At this time it is **RECOMMENDED** that your Board adopt the attached Resolution of the Santa Cruz County Public Financing Authority authorizing the issuance of not to exceed \$13,000,000 Principal Amount of Lease Revenue Bonds, authorizing and directing execution of a form of a Supplemental Indenture of Trust No. 1, an Amendment No. 1 to Lease Agreement, an 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

Attachments

cc: Auditor-Controller
County Counsel
Bond Counsel
Financial Advisor
Department of Public Works
Agricultural Commissioner

SERVING THE COMMUNITY - WORKING FOR THE FUTURE

Attachment A

Resolution of the Santa Cruz County Public Financing Authority authorizing the issuance of not to exceed \$13,000,000 Principal Amount of Lease Revenue Bonds, authorizing and directing execution of a form of a Supplemental Indenture of Trust No. 1, an Amendment No. 1 to Lease Agreement, an Official Statement and authorizing the sale of Bonds pursuant to public sale and providing for other matters properly relating thereto

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On the motion of Supervisor _____
duly seconded by Supervisor _____
the following resolution is _____

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ COUNTY PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$13,000,000 PRINCIPAL AMOUNT OF LEASE REVENUE BONDS, 2001 SERIES B (PUBLIC FACILITIES PROJECT), AUTHORIZING AND DIRECTING EXECUTION OF A FORM OF A SUPPLEMENTAL INDENTURE OF TRUST NO. 1, AN AMENDMENT NO. 1 TO LEASE AGREEMENT, AN 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 Lease Revenue Bonds, 2001 Series B (Public Facilities Project) in an aggregate principal amount of not to exceed \$13,000,000 (the "Bonds") for the purpose of providing financing for certain capital public facilities, more particularly described in the hereinafter defined Supplemental Lease Agreement (the "Project") for lease by the County to the Authority and lease by the Authority back to the County in accordance with the terms of a Lease Agreement, dated as of July 15, 1995, by and between the Authority and the County (the "Lease Agreement") and the Amendment No. 1 to Lease Agreement, dated as of August 1, 2001, by and between the Authority and the County (the "Supplemental 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 July 15, 1995 (the "Indenture"), by and among the Authority, and BNY Western Trust Company successor to First Interstate Bank of California as trustee and a Supplemental Indenture of Trust No. 1, dated as of August 1, 2001, by and between the Authority and BNY Western Trust Company, as Trustee (the "Trustee") (the "Supplemental Indenture"); 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

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caused to be prepared a Preliminary Official Statement, an Official Notice of Sale and a Summary 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 Supplemental Indenture, the Supplemental Lease Agreement, the Official Statement and the Official 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 and the Supplemental Indenture in the aggregate not to exceed principal amount of \$13,000,000 for the purposes hereinbefore described. The Board hereby approves the Supplemental 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 Supplemental Indenture for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Supplemental Indenture.

2. Approval of Supplemental Lease Agreement. The Board hereby approves the lease of the Project from the County to the Authority and the lease of the Project back to the County pursuant to and in accordance with the Lease Agreement and the Supplemental 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 Supplemental Lease Agreement for and in the name and on behalf of the Authority.

3. 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 Official 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 and one-half percent (98.5%) of the par amount thereof and the average annual stated interest rate to be borne by the Bonds shall not exceed six percent (6%) per annum.

4. 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

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PASSED AND ADOPTED this 11th day of September, 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

AYES:

NOES:

ABSENT:

ABSTAIN:

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Attachment B

List of Documents on File with the Clerk of the Board

List of Documents

1. August 21, 2001 Report of the County Administrative Officer regarding Lease Revenue Bonds, 2001 Series B and an Ordinance Approving the entry into an Amendment No. 1 to Lease Agreement Between the Santa Cruz County Public Financing Authority and the County. Various attachments.
2. Supplemental Indenture of Trust No. 1
3. Amendment to Lease Agreement Between Santa Cruz County Public Financing Authority and the County.
4. Official Statement
5. Official Notice of Sale.
6. Summary Notice of Sale