

## **RESOLUTION NO. 2009-768**

Adopted by the Sacramento City Council

December 15, 2009

### **RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL PAYING AGENT AGREEMENT, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

#### **BACKGROUND**

- A. Chapter 3.116 of the Sacramento City Code, the City of Sacramento Nonprofit Public Benefit Corporation Facilities Financing Law, establishes a program and procedure for the authorization, sale, and issuance of revenue bonds by the City for the purpose of making loans to participating parties to finance and refinance their facilities.
- B. Paratransit Incorporated ("Paratransit") is a nonprofit public benefit corporation that owns, maintains, and operates a public-transportation system and related facilities within in the City.
- C. In March 2005 the City and Westamerica Bank, as Paying Agent ("Westamerica"), entered into a Paying Agent Agreement to provide for the issuance of City of Sacramento Special Purpose Facility Revenue Bonds (Paratransit 2005) in the principal amount of \$4,235,000 (the "Bonds").
- D. The City used the proceeds of the Bonds to make a loan to Paratransit under a Loan Agreement dated March 1, 2005. Section 4.1 of the Loan Agreement requires Paratransit to pay or cause Westamerica to pay the owners of the Bonds. Capital One Public Funding, LLC ("Capital Funding") owns all of the Bonds.
- E. Under the terms of the Paying Agent Agreement, the rate on the Bonds is fixed at 4.98% until March 2015, at which time it resets based on formula with a not-to-exceed limit of 9%. Capital Funding and Paratransit have requested that the City and Westamerica amend the Paying Agent Agreement to fix the interest rate on the Bonds at 4.93% from January 1, 2010, through the final maturity of the Bond in April 2025.
- F. Section 10.2 of the Paying Agent Agreement permits the City and Westamerica to amend the Agreement with the written consent of Paratransit and a majority of the owners of the Bonds.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. Authorization to Execute and Deliver Documents. The City Treasurer is hereby authorized, on the City's behalf, to execute and deliver a First Supplemental Paying Agent Agreement that revises Section 2.2(c) of the original Paying Agent Agreement to read in its entirety as follows:

Date; Interest Accrual; Interest Rate. The Bonds shall be dated their date of delivery and shall bear interest from their delivery date. The Bonds shall bear interest on the unpaid principal balance thereof (a) from their date through December 31, 2009, at the rate of 4.98% per annum, and (b) from January 1, 2010, through March 31, 2025, at the rate of 4.93% per annum. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 2. General Authorization. The Mayor, City Manager, City Treasurer, and the City Clerk (the "Designated Officers") are each hereby authorized and directed to execute and deliver any documents on the City's behalf and to take any other actions that in their judgment are necessary or advisable to effect the purpose of the resolution. All actions taken by the Designated Officers or any other officers or employees of the City that conform to the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Adopted by the City of Sacramento City Council on December 15, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

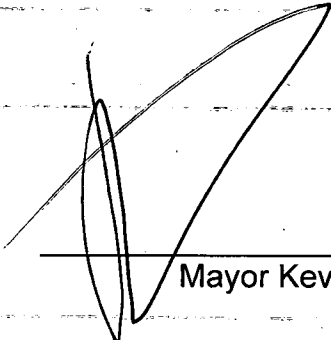
Noes: None.

Abstain: None.

Absent: Councilmember Hammond.

Attest:

  
Shirley Concolino, City Clerk

  
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Mayor Kevin Johnson