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OFFICE OF THE
CITY TREASURER

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TREASURER

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May 20, 1998
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APPROVED
BY THE CITY COUNCIL

JUN 4 1998

OFFICE OF THE
CITY CLERK

AG 98-055
AG 98-056
AG 98-057
AG 98-058
AG 98-059
AG 98-060
AG 98-061
AG 98-062
AG 97-045-1

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: STATE OF CALIFORNIA-CAL/EPA BOND ANTICIPATION NOTES

LOCATION/COUNCIL DISTRICT: All

RECOMMENDATION

This report recommends that the Sacramento City Financing Authority adopt the attached Resolutions authorizing

- Issuance, sale and delivery of Sacramento City Financing Authority Bond Anticipation Notes for the State of California-Cal/EPA Office Building
- Execution and delivery of a Bond Anticipation Note Trust Indenture, Consent and Assignment Agreement, a Preliminary Offering Memorandum, and a Note Purchase Contract
- Issuance Sale and Delivery of a Sacramento City Financing Authority Lease Revenue Bonds for State of California-Cal/EPA Building, 1998 Series A
- Execution and Delivery of a Bond Trust Indenture, a Consent and Assignment Agreement, a Preliminary Offering Memorandum and a Bond Purchase Contract

This report also recommends that the City Council adopt the attached Resolutions authorizing

- Execution and delivery of a Consent and Assignment Agreement in connection with the with the Sacramento City Financing Authority Bond Anticipation Notes
- Execution and Delivery of First Amendment to Sacramento/State Building Lease in connection with the Sacramento City Financing Authority Lease Revenue Bonds
- The City Treasurer, with the concurrence of the City Manager, to execute all documents as may be required therewith

CONTACT PERSON: Thomas P. Friery, City Treasurer (916) 264-5168

FOR COUNCIL MEETING OF: June 4, 1998

SUMMARY

- On June 27, 1995 the Sacramento City Council authorized the City Manager to enter into a lease agreement with the State of California to construct an office building for the State of California-California Environmental Protection Agency as one of the State's major tenants on City Property known as Lot B.
- On November 26, 1996 the City Council approved the business terms for the lease purchase agreement with the State of California to develop the office building.
- On April 22, 1997 the City Council authorized the City Manager to execute a lease to finance and construct a 950,000 square foot office building for the State of California; execute a Development Agreement with Thomas Development Partners.

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND INFORMATION

City staff report dated November 6, 1996 previously reported that the City was selected as developer for the Cal/EPA Office Building in December 1993. Complete project time lines including original and current dates were approved.

The estimated benefits for the City of Sacramento included the following:

- Creation of 1,000 construction jobs over an 18-month period
- Retain \$2.0 to \$3.0 million in annual spending power in the downtown area
- Increase pedestrian traffic on 10th Street between H & K for retailers and Park Plaza
- Retain 2,000 to 4,000 riders on Light Rail
- Provide cash flow from parking fees to the City Parking Fund (\$19.2 to \$23.7 million over the term of the lease)

The project also presents some challenges such as the City's reduced capacity to meet parking demands and reduced flexibility to meet future office space of the City.

Initially the plan to provide pre-construction financing was provided by Thomas Development Partners, this protected the City from assuming financial risk until the permanent financing was available.

Through exceptional efforts from city staff and the developers the construction schedule has been excelled by almost a year at substantial cost savings to the project. The City Treasurer's office has conducted extensive efforts to proceed with the financing, however it was discovered that the State of California has what it terms a 'Black-Out' period. This black out period is effective May 1 and extends until the State adopts their Budget. The City Treasurer's office recommended the issuance of a Bond Anticipation Note for six months, at maturity the black out period should be completed and the permanent bonds will be issued to pay down the notes and complete construction of the office building.

Risk Assessment

- If at the end of six months the State has not approved the budget, an advance refunding will be required to pay-off the notes.
- The City Attorney has previously advised the council that certain staff expenses and Thomas Development Partners may not fully recover expenditures under the lease if the State fails to follow through with permanent financing of the project.
- Under the lease, which contains both an abatement and non-appropriation measures, the Department of General Services has covenanted to take all necessary steps to annually appropriate. However there are no assurances the State Legislature will appropriate. In addition, the Department of General Services obligation to make rental payments is dependent upon the beneficial use and occupancy of the Building.

FINANCIAL CONSIDERATIONS

The City of Sacramento Financing Authority will issue a six-month Bond Anticipation Note (BAN), secured by a pledge of revenues from the lease entered into the State of California Department of General Services and the City. The BAN amount will not exceed \$37.5 million and will be used to finance a portion of the construction, installation and equipping of the office building. The pledge of revenues is to be provided by the permanent financing and will be a pledge of the State of California General Fund.

In order to provide for the lowest possible True Interest Cost (TIC) the City Treasurer and State Treasurer's staff have been working with the City's financing team to review rated issues, non-rated issues and to consider the beneficial use of insurance. The scale used to price these notes will be the State's commercial paper rates. Weekly pricing calls have taken place and given the current market and credit quality of the notes the current TIC is approximately 3.8%.

POLICY CONSIDERATIONS

One of the priorities of the City Council has been to retain the State employment center in the Central Business District. This project would provide significant economic benefits to the City and ensure approximately 5% of the State workforce remain close to K Street and Light Rail.

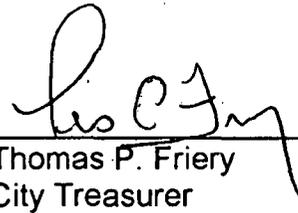
ENVIRONMENTAL REVIEW

The City Council certified the Environmental Impact Report for the project including the necessary studies and surveys to prepare the analysis for the report in accordance with the California Environmental Quality Act (CEQA). Several challenges were filed and were subsequently dismissed.

MBE/WBE

The City Treasurer has included several minority firms in the syndicate to sell and underwrite and these Notes.

Respectfully Submitted,



Thomas P. Friery
City Treasurer

Approved for City Council Authorization



William H. Edgar
City Manager

RESOLUTION NO. 98-002

JUN 4 1998

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY OFFICE OF THE CITY CLERK

ON DATE OF _____

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$37,500,000 SACRAMENTO CITY FINANCING AUTHORITY BOND ANTICIPATION NOTES FOR THE STATE OF CALIFORNIA – CAL EPA BUILDING, 1998 SERIES A AND THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, A CONSENT AND ASSIGNMENT AGREEMENT, A PRELIMINARY OFFERING MEMORANDUM, A NOTE PURCHASE CONTRACT AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH AND AUTHORIZING RELATED ACTIONS

WHEREAS, the Sacramento City Financing Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"); and

WHEREAS, the Authority is authorized pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) of the California Government Code, as amended (the "Act"), to issue bonds to provide funds to achieve its purposes, including the payment of the costs of any Public Capital Improvement (as that term is defined in the Act); and

WHEREAS, the Authority has determined to issue its Sacramento City Financing Authority Bond Anticipation Notes for the State of California – Cal EPA Building, 1998 Series A, in the aggregate principal amount of not to exceed \$37,500,000 (the "Notes") for the purpose of providing interim financing for the construction, installation and equipping of certain facilities located on property owned by the City of Sacramento (the "City"), a local agency pursuant to the Act, which facilities, when complete, are to be an office building occupied by various State of California agencies including those currently organized under the Environmental Protection Agency (the "Project"); and

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RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the City, as lessor, has entered into a Sacramento/State Building Lease with the Department of General Services of the State of California (the "Department"), as lessee, dated April 23, 1997 (the "Lease" or "City Agreement No. 97-045"), to finance and to construct, install and equip the Project and subsequently to lease the Project to the Department; and

WHEREAS, the City has requested the assistance of the Authority in issuing the Notes to provide interim financing for the construction, installation and equipping of the Project; and

WHEREAS, the City has determined that the Project will result in substantial public benefits; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to finance the Project in the manner and upon the terms herein provided; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento City Financing Authority as follows:

Section 1. All of the above recitals are true and correct, and this Board so finds and determines.

Section 2. The form of Trust Indenture (the "Indenture") by and among the Authority and the Trustee, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes therein as such boardmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of Consent and Assignment Agreement (the "Consent Agreement"), by and among the Authority, the City, the Trustee and the Department, presented to this meeting and on file with the Secretary of the Board, is

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RESOLUTION NO.: _____

DATE ADOPTED: _____

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hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Consent Agreement in substantially said form, with such changes therein as such boardmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Notes in the aggregate principal amount of not to exceed thirty seven million five hundred thousand dollars (\$37,500,000) are hereby authorized to be issued. The Notes shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority, in accordance with the Indenture.

Section 5. The form of Note Purchase Contract (the "Note Purchase Contract"), by and between Merrill Lynch & Co., as representative of the underwriters named therein (the "Underwriters"), the Treasurer of the State of California, as agent for sale of the Notes, and the Authority, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Note Purchase Contract in substantially said form, with such changes therein as such boardmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of Preliminary Offering Memorandum relating to the Notes (the "Preliminary Offering Memorandum") and to be used in connection with the offer and sale of the Notes, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Preliminary Offering Memorandum in substantially said form, with such changes therein as such boardmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Secretary of the Board is hereby authorized and directed to attest to the manual or facsimile signatures of the officers of, or the seal of, the Authority, as may be required or appropriate in connection with the execution and delivery of the Indenture, the Notes, the Consent Agreement, and the Note Purchase Contract.

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RESOLUTION NO.: _____

DATE ADOPTED: _____

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Section 8. The Chairman, the Vice Chairman, the Treasurer, and any and all other officers, agents and employees of the Authority are hereby further authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all document, including, without limitations, documents relating to bond insurance, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, including, without limitation, the Indenture, the Consent Agreement, the Note Purchase Contract, the Preliminary Offering Memorandum, City Agreement No. 97-045 and the issuance, sale and delivery of the Notes. Any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 9. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 4th day of June, 1998.

Chairman

[Seal]

ATTEST:

Secretary

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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APPROVED
BY THE CITY COUNCIL

JUN 4 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-214

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSENT AND ASSIGNMENT AGREEMENT IN CONNECTION WITH THE FINANCING OF A PORTION OF AN OFFICE BUILDING FOR THE STATE OF CALIFORNIA WITH THE PROCEEDS OF THE SACRAMENTO CITY FINANCING AUTHORITY BOND ANTICIPATION NOTES FOR THE STATE OF CALIFORNIA - CAL EPA BUILDING, 1998 SERIES A AND OTHER ACTIONS IN CONNECTION THEREWITH AND AUTHORIZING RELATED ACTIONS

WHEREAS, the City of Sacramento, a charter city and municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), is authorized pursuant to its Charter and the laws of the State of California to lease real and personal property which is necessary and proper for municipal purposes; and

WHEREAS, the Sacramento City Financing Authority, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority") has determined to assist the City in furtherance of the City's municipal purposes; and

WHEREAS, the City has determined it is a municipal purpose to assist the Department of General Services of the State of California (the "Department") in providing interim financing for the construction, installation and equipping of certain facilities located on property owned by the City, which facilities, when complete are to be an office building occupied by various State of California agencies including those currently organized under the Environmental Protection Agency (the "Project"); and

WHEREAS, in furtherance of financing the Project, the City, as lessor has entered into a Sacramento/State Building Lease with the Department, as lessee, dated April 23, 1997 (the "Lease" or "City Agreement No. 97-045"), to finance and to construct, install and equip the Project and subsequently to lease the Project to the Department; and

WHEREAS, the City has requested the assistance of the Authority in providing interim financing for the Project; and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the Authority intends to issue its Bond Anticipation Notes for the State of California – Cal EPA Building, 1998 Series A, for the purpose of providing interim financing for the construction, installation and equipping of Project; and

WHEREAS, the Project will result in significant public benefits (described below); and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Sacramento as follows:

Section 1. All of the above recitals are true and correct, and this Council so finds and determines.

Section 2. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and the statements, finding and determinations of the City set forth in the preambles of the documents approved herein are true and correct.

Section 3. The City hereby finds that the significant public benefits of the Project include, but are not limited to, the following:

1. the maintenance and promotion of economic development and jobs within the City and the region;
2. the maintenance and generation of increased tax revenues to the City;
3. the promotion of the general welfare, sense of community and quality of life within the City and in the region; and
4. the concentration of the State of California's administrative offices in the downtown area of the City.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 4. The form of the Consent and Assignment Agreement (the "Consent Agreement"), presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor, the Vice Mayor, the City Manager and City Treasurer of the City are hereby jointly and severally authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Consent Agreement in substantially said form, with such changes therein as such councilmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The City Clerk is hereby authorized and directed to attest the signature of the Mayor, the Vice Mayor, the City Manager and City Treasurer, and to affix, and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of the Consent Agreement and any other documents executed and delivered pursuant to the authority granted in this resolution.

Section 6. The City Manager, City Treasurer, City Attorney, City Clerk and any and all other officers, agents and employees of the City, are hereby further authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including, without limitation, documents relating to insurance on the bond anticipation notes, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, the Consent Agreement, City Agreement No. 97-045 and any other documents executed and delivered pursuant to the authority granted in this resolution. Any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 7. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 4th day of June, 1998

Mayor of the City of Sacramento

[Seal]

Attest:

City Clerk of the City of Sacramento

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 98-003

APPROVED
BY THE CITY COUNCIL

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

JUN 4 1998

ON DATE OF _____

OFFICE OF THE
CITY CLERK

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$210,000,000 SACRAMENTO CITY FINANCING LEASE REVENUE BONDS FOR THE STATE OF CALIFORNIA - CAL EPA BUILDING, 1998 SERIES A AND THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, A CONSENT AND ASSIGNMENT AGREEMENT, A PRELIMINARY OFFERING MEMORANDUM, A BOND PURCHASE CONTRACT AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH AND AUTHORIZING RELATED ACTIONS

WHEREAS, the Sacramento City Financing Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"); and

WHEREAS, the Authority is authorized pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) of the California Government Code, as amended (the "Act"), to issue bonds to provide funds to achieve its purposes, including the payment of the costs of any Public Capital Improvement (as that term is defined in the Act); and

WHEREAS, the Authority has determined to issue its Sacramento City Financing Authority Lease Revenue Bonds for the State of California - Cal EPA Building, 1998 Series A, in the aggregate principal amount of not to exceed \$210,000,000 (the "Bonds") for the purpose of financing the construction, installation and equipping of certain facilities located on property owned by the City of Sacramento (the "City"), a local agency pursuant to the Act, which facilities, when complete, are to be an office building occupied by various State of California agencies including those currently organized under the Environmental Protection Agency (the "Project"); and

WHEREAS, the City, as lessor, has entered into a Sacramento/State Building Lease with the Department of General Services of the State of California (the "Department"), as lessee, dated April 23, 1997 (the "Lease" or "City Agreement No. 97-045"), to finance and to construct, install and equip the Project and subsequently to lease the Project to the Department; and

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the City has requested the assistance of the Authority in Issuing the Bonds to provide financing for the construction, installation and equipping of the Project; and

WHEREAS, the City has determined that the Project will result in substantial public benefits; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to finance the Project in the manner and upon the terms herein provided; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento City Financing Authority as follows:

Section 1. All of the above recitals are true and correct, and this Board so finds and determines.

Section 2. The form of Trust Indenture (the "Indenture") by and among the Authority and the Trustee, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes therein as such boardmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of Consent and Assignment Agreement (the "Consent Agreement"), by and among the Authority, the City, the Trustee and the Department, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Consent Agreement in substantially said form, with such changes therein as such boardmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 4. The Bonds in the aggregate principal amount of not to exceed two hundred ten million (\$210,000,000) are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority, in accordance with the Indenture.

Section 5. The form of Bond Purchase Contract (the "Bond Purchase Contract"), by and between Merrill Lynch & Co., as representative of the underwriters named therein (the "Underwriters") and the Authority, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Contract in substantially said form, with such changes therein as such boardmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Secretary of the Board is hereby authorized and directed to attest to the manual or facsimile signatures of the officers of, or the seal of, the Authority, as may be required or appropriate in connection with the execution and delivery of the Indenture, the Bonds, the Consent Agreement, and the Bond Purchase Contract.

Section 7. At the time that the Bonds are expected to be marketed by the Underwriters, a substantially final form of the offering document will be presented to the Board of Directors for approval.

Section 8. The Chairman, the Vice Chairman, the Treasurer, and any and all other officers, agents and employees of the Authority are hereby further authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including, without limitations, documents relating to bond insurance, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, including, without limitation, the Indenture, the Consent Agreement, the Bond Purchase Contract, City Agreement No. 97-045 and the issuance, sale and delivery of the Bonds. Any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 9. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 4th day of June, 1998.

Chairman

[Seal]

ATTEST:

Secretary

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVED
BY THE CITY COUNCIL

JUN 4 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-215

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE SACRAMENTO/STATE BUILDING LEASE AND A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH THE FINANCING OF AN OFFICE BUILDING FOR THE STATE OF CALIFORNIA WITH THE PROCEEDS OF THE SACRAMENTO CITY FINANCING AUTHORITY LEASE REVENUE BONDS FOR THE STATE OF CALIFORNIA - CAL EPA BUILDING, 1998 SERIES A AND OTHER ACTIONS IN CONNECTION THEREWITH AND AUTHORIZING RELATED ACTIONS

WHEREAS, the City of Sacramento, a charter city and municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), is authorized pursuant to its Charter and the laws of the State of California to lease real and personal property which is necessary and proper for municipal purposes; and

WHEREAS, the Sacramento City Financing Authority, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority") has determined to assist the City in furtherance of the City's municipal purposes; and

WHEREAS, the City has determined it is a municipal purpose to assist the Department of General Services of the State of California (the "Department") in providing interim financing for the construction, installation and equipping of certain facilities located on property owned by the City, which facilities, when complete are to be an office building occupied by various State of California agencies including those currently organized under the Environmental Protection Agency (the "Project"); and

WHEREAS, in furtherance of financing the Project, the City, as lessor has entered into a Sacramento/State Building Lease with the Department, as lessee, dated April 23, 1997 (the "Lease" or "City Agreement No. 97-045"), to finance and to construct, install and equip the Project and subsequently to lease the Project to the Department; and

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the City has requested the assistance of the Authority in providing interim financing for the Project; and

WHEREAS, the Authority intends to issue its Lease Revenue Bonds for the State of California – Cal EPA Building, 1998 Series A, for the purpose of financing the construction, installation and equipping of Project; and

WHEREAS, the Project will result in significant public benefits (described below); and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Sacramento as follows:

Section 1. All of the above recitals are true and correct, and this Council so finds and determines.

Section 2. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and the statements, finding and determinations of the City set forth in the preambles of the documents approved herein are true and correct.

Section 3. The City hereby finds that the significant public benefits of the Project include, but are not limited to, the following:

1. the maintenance and promotion of economic development and jobs within the City and the region;
2. the maintenance and generation of increased tax revenues to the City;

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

3. the promotion of the general welfare, sense of community and quality of life within the City and in the region; and
4. the concentration of the State of California's administrative offices in the downtown area of the City.

Section 4. The form of First Amendment to the Sacramento/State Building Lease (the "Lease Amendment"), presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor, the Vice Mayor, the City Manager and City Treasurer of the City are hereby jointly and severally authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Lease Amendment in substantially said form, with such changes therein as such councilmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and content of the Continuing Disclosure Certificate (the "Disclosure Certificate"), of the City, the Department and the Treasurer of the State of California presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor, the Vice Mayor, the City Manager and the City Treasurer of the City are hereby jointly and severally authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Disclosure Certificate in substantially said form, with such changes therein as such councilmember or officer, as appropriate, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The City Clerk is hereby authorized and directed to attest the signature of the Mayor, the Vice Mayor, the City Manager and City Treasurer, and to affix, and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of the Lease Amendment, the Disclosure Certificate, and any other documents executed and delivered pursuant to the authority granted in this resolution.

Section 7. The City Manager, City Treasurer, City Attorney, City Clerk and any and all other officers, agents and employees of the City, are hereby further authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including, without limitation, documents relating to bond insurance, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, the Lease Amendment, the Disclosure Certificate, City Agreement No. 97-045 and any other documents executed and delivered pursuant to the authority granted in this resolution. Any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 8. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 4th day of June, 1998

Mayor of the City of Sacramento

[Seal]

Attest:

City Clerk of the City of Sacramento

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____