



Midpeninsula Regional
Open Space District

R-12-07
Meeting 12-01
January 11, 2012

FINANCING AUTHORITY AGENDA ITEM 1

AGENDA ITEM

Resolution Authorizing the Execution and Delivery of Documents in Connection with the Refinancing of the 1999 Revenue Bonds

EXECUTIVE DIRECTOR'S RECOMMENDATION

Adopt the attached Resolution of the Board of Directors of the Midpeninsula Regional Open Space District Financing Authority authorizing the execution and delivery of documents in connection with the refinancing of the Authority's outstanding 1999 Revenue Bonds, and approving related documents and official actions.

DISCUSSION

In order to achieve significant cash flow savings over the next 16 years, District staff is proposing to refinance the Authority's \$33 million of outstanding 1999 Revenue Bonds through the issuance of approximately \$33.7 million of 2012 Refunding Notes. This proposed transaction is described in District board report number R-12-06, dated January 11, 2012. Because of the approval of California State Assembly Bill 612 (AB612), these District notes will have maturities up to 30 years and be sold to the public directly from the District, through its underwriters. There is no benefit to utilizing the Authority on this transaction. However, the Authority must authorize and execute the escrow and deposit agreement related to the refinancing of its 1999 Revenue Bonds.

Attachment

1. Resolution

Prepared by:
Stephen Abbors, Executive Director
Michael Foster, Controller

Contact person:
Stephen Abbors, Executive Director

RESOLUTION NO. 12-XX

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA
REGIONAL OPEN SPACE DISTRICT FINANCING AUTHORITY
AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN
CONNECTION WITH THE REFINANCING OF THE AUTHORITY'S
OUTSTANDING 1999 REVENUE BONDS, AND APPROVING RELATED
DOCUMENTS AND OFFICIAL ACTIONS**

WHEREAS, the Midpeninsula Regional Open Space District (the "District") previously entered into a Project Lease dated as of January 1, 1999 (the "1999 Project Lease"), with the Midpeninsula Regional Open Space District Financing Authority (the "Authority") for the purpose of (i) financing the acquisition of open space and (ii) refunding on an advance basis the District's outstanding 1992 Promissory Notes; and

WHEREAS, the Authority issued its 1999 Revenue Bonds (the "1999 Bonds") pursuant to a Trust Agreement dated as of January 1, 1999 (the "1999 Trust Agreement"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "1999 Trustee"); and

WHEREAS, the 1999 Bonds were secured by and payable from the Base Rental Payments payable by the District under the 1999 Project Lease (the "1999 Base Rental Payments"); and

WHEREAS, the District wishes to refinance the 1999 Project Lease and the 1999 Bonds; and

WHEREAS, to that end, the District has proposed to issue and sell its Midpeninsula Regional Open Space District 2012 Refunding Promissory Notes (1999 Project Lease) (the "2012 Notes") under the provisions of Article 3 of Chapter 3 of Division 5 of the Public Resources Code of the State of California (the "Bond Law"); and

WHEREAS, in order to accomplish the prepayment of the 1999 Base Rental Payments and redemption and defeasance of the 1999 Bonds, the District, the Authority and the 1999 Trustee will enter into an Escrow Deposit and Trust Agreement, dated as of January 1, 2012 (the "Escrow Agreement"); and

WHEREAS, the Board of Directors wishes at this time to approve all proceedings to which it is a party relating to the issuance and sale of the 2012 Notes and the refinancing of the 1999 Project Lease and the 1999 Bonds;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Midpeninsula Regional Open Space District Financing Authority, as follows:

SECTION 1. Approval of Refinancing and Escrow Agreement. The prepayment of the 1999 Base Rental Payments and the refinancing of the 1999 Project Lease and the 1999 Bonds are hereby approved. The Chairperson, the Treasurer or the Controller (each, an “Authorized Officer”), are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the Escrow Agreement in the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Officer, whose execution thereof shall be conclusive evidence of approval of any such additions and changes, and such other documents as the Authorized Officer determine are necessary to effectuate such refunding.

SECTION 2. Approval of Refinancing. The refinancing of the 1999 Project Lease and the 1999 Bonds is hereby approved, subject to achieving debt service savings in an amount acceptable to the Controller; issuance of the 2012 Notes by the District in an amount sufficient to refinance the 1999 Project Lease and the 1999 Bonds shall be conclusive evidence of the Controller’s approval.

SECTION 3. Official Actions. The Authorized Officers, the Secretary, the Authority general counsel 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 and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under 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 if such officer is absent or unavailable.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

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