



Midpeninsula Regional  
Open Space District

R-14-146  
Meeting 14-33  
November 25, 2014

## **FINANCING AUTHORITY AGENDA ITEM 2**

Resolution Authorizing the Execution and Delivery of Documents in Connection with the Refinancing of the 2004 Revenue Bonds

### **EXECUTIVE DIRECTOR AND CONTROLLER'S RECOMMENDATION**

Adopt a 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 2004 Revenue Bonds, and approving related documents and official actions.

### **DISCUSSION**

In order to achieve significant cash flow savings over the next 20 years, District staff is proposing to refinance the Authority's \$29.8 million of outstanding 2004 Revenue Bonds through the issuance of approximately \$31 million of 2014 Refunding Promissory Notes. This proposed transaction is described in District board report number R-14-145, dated November 25, 2014. There is no benefit to utilizing the Authority on the proposed transaction. However, the Authority must authorize and execute the Escrow and Deposit Agreement related to the refinancing of its 2004 Revenue Bonds.

#### Attachment

1. Resolution Authorizing the Execution and Delivery of Documents in Connection with the Refinancing of the Authority's Outstanding 2004 Revenue Bonds, and Approving Related Documents and Official Actions

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

**RESOLUTION NO. 14-\_\_\_-FA**

**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 2004 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, 2004 (the "2004 Project Lease"), with the Midpeninsula Regional Open Space District Financing Authority (the "Authority") for the purpose of (i) financing the acquisition of open space, (ii) refunding on an advance basis a portion of its 1995 Promissory Notes and (iii) prepaying on a current basis the District's outstanding Certificates of Participation (1993 Open Space Project); and

**WHEREAS**, the Authority issued its 2004 Revenue Bonds (the "2004 Bonds") pursuant to an Indenture dated as of January 1, 2004 (the "2004 Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "2004 Trustee"); and

**WHEREAS**, the 2004 Bonds were secured by and payable from the Base Rental Payments payable by the District under the 2004 Project Lease (the "2004 Base Rental Payments"); and

**WHEREAS**, the District wishes to refinance the 2004 Project Lease and the 2004 Bonds;  
and

**WHEREAS**, to that end, the District has proposed to issue and sell its Midpeninsula Regional Open Space District 2014 Refunding Promissory Notes (2004 Project Lease) (the "2014 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 2004 Base Rental Payments and redemption and defeasance of the 2004 Bonds, the District, the Authority and the 2004 Trustee will enter into an Escrow Deposit and Trust Agreement (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 2014 Notes and the refinancing of the 2004 Project Lease and the 2004 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 2004 Base Rental Payments and the refinancing of the 2004 Project Lease and the 2004 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 2004 Project Lease and the 2004 Bonds is hereby approved, subject to achieving debt service savings in an amount acceptable to the Controller; issuance of the 2014 Notes by the District in an amount sufficient to refinance the 2004 Project Lease and the 2004 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, including, but not limited to, a termination agreement related to the termination of the 2004 Project Lease. 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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The foregoing resolution was passed and adopted by the Board of Directors of the Midpeninsula Regional Open Space District Financing Authority at a special meeting held on the \_\_\_\_\_, 2014, by the following vote:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

**ATTEST:**

**APPROVED:**

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Secretary  
Midpeninsula Regional Open Space District  
Financing Authority

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Chairperson  
Midpeninsula Regional Open Space District  
Financing Authority

**APPROVED AS TO FORM:**

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General Counsel