

RESOLUTION NO. 2020-107

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE AUTHORIZING THE FINANCING OF PUBLIC IMPROVEMENTS AND APPROVING A LEASE AGREEMENT WITH THE ELK GROVE FINANCE AUTHORITY AND RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City of Elk Grove (the “City”) desires to finance the costs of acquisition and construction of the District56 Nature Area improvement project (WCE028) and the Old Town Plaza Phase 2 and 3 improvement project (WCE022) (the “Projects”) and incidental expenses related thereto and the Elk Grove Finance Authority (the “Authority”) desires to assist in the financing; and

WHEREAS, in order to provide the funds needed to finance the Projects, the City proposes to initially lease the City’s administration building located at 8401 Laguna Palms Way (the “Leased Property”) to the Authority pursuant to the Site Lease, dated April 1, 2020, between the Authority and the City (the “Site Lease”), in order to allow the Authority to lease the Leased Property back to the City pursuant to a Lease Agreement dated April 1, 2020, between the Authority and the City (the “Lease Agreement”) in consideration of the payment by the City of semi-annual lease payments under the provisions of the Lease Agreement as the rental for the Leased Property (the “Lease Payments”), which the Authority will assign to a bank under an Assignment of Lease Agreement, dated April 1, 2020, between the Authority and the bank (the “Assignment Agreement”); and

WHEREAS, as described in the Lease Agreement, upon the construction and the substantial readiness of the Projects for use and occupancy by the City, either or both of the Projects and their sites are expected to be the sole Leased Property subject to the Site Lease and the Lease Agreement, and the initial Leased Property is expected to be released; and

WHEREAS, the City Council desires to approve these transactions in furtherance of the public purposes of the City and wishes at this time to authorize all proceedings related to the financing of the Projects.

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

Section 1. Approval of Site Lease and Lease Agreement. The City Council hereby approves the financing plan outlined above. To that end, the City Council hereby approves the Site Lease and Lease Agreement, in substantially the form presented and on file with the City Clerk, both of which are between the City and the Elk Grove Finance Authority, together with any changes therein or additions thereto deemed advisable by the City Manager, provided that the Lease Agreement shall be for a term that does not extend beyond 15 years (unless extended in the event of default), with amortization of a principal amount not to exceed \$11 million at a true interest cost attributable to the Lease Payments that shall not exceed 3.5%. The City Manager or the Finance Director are hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the final form of the Site Lease and the Lease Agreement.

Section 2. Official Actions. The Mayor, the City Manager, the Finance Director, the City Attorney, the City Clerk and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved pursuant to this Resolution. Whenever in this resolution any officer of the City 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 in the case such officer is absent or unavailable.

Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 13th day of May 2020



STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2020-107

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) **ss**
CITY OF ELK GROVE)


I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on May 13, 2020 by the following vote:

AYES: COUNCILMEMBERS: *Ly, Detrick, Hume, Nguyen, Suen*

NOES: COUNCILMEMBERS: *None*

ABSTAIN: COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*


Jason Lindgren, City Clerk
City of Elk Grove, California