

RESOLUTION NO. 2010-220

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE RELEASE OF A PRELIMINARY OFFICIAL STATEMENT AND
NOTICE OF SALE IN CONNECTION WITH POSSIBLE ISSUANCE AND SALE OF
LEASE REVENUE BONDS BY THE ELK GROVE FINANCE AUTHORITY TO
FINANCE A CAPITAL FACILITY PROJECT OF THE CITY OF ELK GROVE**

WHEREAS, the City of Elk Grove (the "City") is proceeding to construct a household hazardous waste facility and acquire land, furnishings and equipment related to such facility and incidental expenses related thereto (the "Project"), a capital project of benefit to the City; and

WHEREAS, in order to provide financing for a portion of the cost of the Project, the Board of Directors of the Elk Grove Finance Authority (the "Authority") will consider at a future meeting the approval to issue and sell Lease Revenue Bonds (the "Bonds") under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code, for the purpose of providing moneys to enable the Authority to enter into a lease transaction with the City and thereby provide financing to the City for a portion of the cost of the Project; and

WHEREAS, to provide for development of the most favorable debt structure for the City and to ensure the most favorable reception in the market place for the Bonds, the City has requested flexibility for the Authority to sell the Bonds either by (i) a competitive sale pursuant to the terms of an Official Notice of Sale or (ii) a negotiated sale pursuant to the terms of a Bond Purchase Agreement between the Authority, the City and an underwriter or underwriters to be selected at a future date; and

WHEREAS, the Authority and the City have caused to be prepared a Preliminary Official Statement to assist in marketing the Bonds, and an Official Notice of Sale to enable the Authority and the City to solicit bids from prospective underwriters of the Bonds; and

WHEREAS, the City Council wishes at this time to take action approving the release of a Preliminary Official Statement and Official Notice of Sale to enable the Authority and the City to determine the reaction of bond investors to a potential formal offering of the Bonds which is expected to occur subsequent to approval of the issuance of the Bonds by the Board of Directors of the Authority at a future meeting.

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

1.) Official Statement. The City Council hereby approves distribution to potential investors of the Preliminary Official Statement describing the Bonds in the form on file with the Clerk, together with such modifications thereof as may be approved by

the City Manager, Assistant City Manager or the Finance Director (each, an "Authorized Officer").

2.) Official Notice of Sale. The initial marketing of the Bonds shall occur pursuant to the terms of the Official Notice of Sale in substantially the form on file with the Clerk, together with such additions thereto or changes therein as are acceptable to an Authorized Officer. In the event an Authorized Officer determines that it is in the best interest of the Authority and the City to sell the Bonds pursuant to a negotiated sale, the sale shall occur pursuant to the terms and conditions of a Bond Purchase Agreement in a form to be approved at a future meeting of the City Council.

3.) Notice of Intention. In connection with the possibility of selling the Bonds pursuant to a competitive sale and as described in the Official Notice of Sale, the Clerk shall cause a copy of a Notice of Intention to Sell Bonds to be published once not less than five (5) days prior to the date of public sale of the Bonds in *The Bond Buyer*. The Clerk shall also cause a copy of such Notice to be published once not less than five (5) days prior to the date of public sale of the Bonds, in an official newspaper in of the City. The publication of such notice substantially in the form on file with the Clerk is hereby approved.

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

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 13th day of October 2010.



SOPHIA SCHERMAN, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, INTERIM CITY CLERK

APPROVED AS TO FORM:



SUSAN COCHRAN, CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2010-220**

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

I, Jason Lindgren, Interim 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 October 13, 2010 by the following vote:

AYES : COUNCILMEMBERS: Scherman, Detrick, Cooper, Davis, Hume

NOES: COUNCILMEMBERS: None

ABSTAIN : COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None



**Jason Lindgren, Interim City Clerk
City of Elk Grove, California**