

REQUEST FOR COUNCIL ACTION

Subject: Resolution authorizing and approving the execution and delivery of a master lease agreement by and between the City and the Municipal Building Authority of the City of West Jordan, Utah and a ground lease agreement, authorizing the issuance and sale by the authority of its lease revenue bonds, series 2016, in the aggregate principal amount of not more than \$25,000,000.

Discussion: The resolution, prepared by Ballard Spahr LLP, authorizing and approving of a master lease agreement by and between the City and the Municipal Building Authority of the City of West Jordan, Utah will give the Building Authority the right to go ahead and issue bonds for the construction of the public works building and enter into a lease agreement with the City for the payment of the bonds. This lease with the City will provide the funds to pay the debt service for the bonds. The aggregate principal amount of not more than \$25,000,000. These bonds are being issued so that the City can finance the costs of a new City Public Works facility and any related improvements, fund any necessary debt service reserve funds, and pay costs of issuance with respect to the Series 2016 Bonds. The City Council along with staff, discussed the possibility of issuing these bonds earlier this year.

It is now time to pass the resolution for the master lease agreement. The resolution needs to be passed so that we can begin the process to issue Municipal Building Authority Revenue Bonds. Over the next several weeks, the City along with our Bond Counsel (Ballard Spahr LLP) and Financial Advisor (George K Baum & Company), will be working to get all of the required paperwork complete, notices sent to the paper, decide on the structure of the bonds, and finally City Council will hold a public hearing to receive input from the public with respect to the issuance of the Series 2016 Bonds and the potential economic impact that the improvement will have on the private sector. The public hearing is scheduled for September 21, 2016.

Fiscal and/or Asset Impact: The City will sell approximately \$25,000,000 worth of Municipal Building Authority bonds. The bonds will be paid back with proceeds from the master lease over the next 20 years.

Attachments: Resolution

Recommendation: Approve the Resolution.

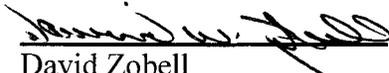
Motion Recommended:

"I move that we approve resolution #16-137 authorizing approving the execution and delivery of a master lease agreement by and between the City and

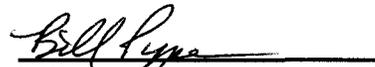
the Municipal Building Authority of the City of West Jordan, Utah (the Authority), and a ground lease agreement authorizing the issuance and sales by the authority of its lease revenue bonds, series 2016, in the aggregate principal amount of not more than \$25,000,000, authorizing and approving the execution and delivery by the authority of a general indenture of trust and a first supplemental indenture of trust, bond purchase agreement, certain security documents, an official statement, and other documents required in connection therewith, authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by this resolution, and related matters.”

Roll Call Vote Required

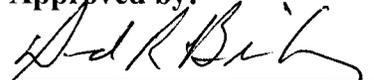
Prepared by:


David Zobell
City Treasurer

Reviewed and Concurred by:


Bill Pyper
Acting Finance Director

Approved by:


David R. Brickey
City Attorney

Recommended by:


Mark R. Palesh
City Manager

West Jordan, Utah

August 24, 2016

The City Council (the "Council") of the City of West Jordan (the "City"), met in regular session in West Jordan, Utah, on August 24, 2016, at 6:00 p.m., with the following Councilmembers being present:

Kim V. Rolfe	Mayor
Dirk Burton	Councilmember
Jeff Haaga	Councilmember
Zach Jacob	Councilmember
Christopher M. McConnehey	Councilmember
Chad Nichols	Councilmember
Sophie Rice	Councilmember

Also present:

Mark Palesh	City Manager
Melanie Briggs	City Clerk
David Brickey	City Attorney

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, a Certificate of Compliance with Open Meeting Law with respect to this August 24, 2016 meeting was presented to the Council, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by Councilmember _____ and seconded by Councilmember _____, adopted by the following vote:

Those voting AYE:

Those voting NAY:

The resolution was then signed by the Mayor. The resolution is as follows:

RESOLUTION NO. 16-137

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST JORDAN, UTAH AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A MASTER LEASE AGREEMENT BY AND BETWEEN THE CITY AND THE MUNICIPAL BUILDING AUTHORITY OF THE CITY OF WEST JORDAN, UTAH (THE "AUTHORITY"), AND A GROUND LEASE AGREEMENT; AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 2016, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$25,000,000; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A GENERAL INDENTURE OF TRUST AND A FIRST SUPPLEMENTAL INDENTURE OF TRUST, BOND PURCHASE AGREEMENT, CERTAIN SECURITY DOCUMENTS, AN OFFICIAL STATEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of the City of West Jordan, Utah (the "City") has previously authorized and directed the creation of the Municipal Building Authority of the City of West Jordan, Utah (the "Authority"); and

WHEREAS, pursuant to the direction of the City, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the "Building Authority Act"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles"), the objects and purposes for which the Authority has been founded and incorporated are to construct, acquire, improve or extend one or more projects and to finance their costs on behalf of the Authority in accordance with the procedures and subject to the limitations of the Building Authority Act in order to accomplish the public purpose for which the Authority exists; and

WHEREAS, pursuant to the provisions of the Building Authority Act and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (collectively, the "Act"), the Authority has authority to issue its lease Revenue bonds for the purpose of financing certain improvements for and on behalf of the City; and

WHEREAS, under the direction of the City, the Governing Board of the Authority (the "Governing Board") has the authority to issue the Authority's Lease

Revenue Bonds, Series 2016 (the “Series 2016 Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Authority) in the aggregate principal amount of not to exceed \$25,000,000 to (a) finance a new public works facility and related improvements (the “Series 2016 Project”), (b) fund any required deposit to a debt service reserve fund and (c) pay costs associated with the issuance of the Series 2016 Bonds; and

WHEREAS, the Series 2016 Bonds are to be issued pursuant to a General Indenture of Trust (the “General Indenture”), and a First Supplemental Indenture of Trust (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”), substantially in the forms presented to the Council at this meeting and each of which is attached hereto as Exhibit B; and

WHEREAS, the City is the owner of fee simple title to the site on which the Series 2016 Project is to be located and the City desires to lease such property to the Authority pursuant to the terms and provisions of a Ground Lease Agreements (the “Ground Lease”), in substantially the form presented to this meeting and attached hereto as Exhibit C and herein authorized and approved; and

WHEREAS, the Series 2016 Project is to be leased to the City, on an annually renewable basis, by the Authority pursuant to the terms and provisions of the Master Lease Agreement, by and between the Authority and the City (the “Master Lease”) in substantially the form presented to the Council at this meeting and attached hereto as Exhibit D; and

WHEREAS, to further secure its payment obligations under the Indenture, the Authority proposes to grant a lien on and security interest in the Series 2016 Project pursuant to one or more of the following: (i) a Leasehold Deed of Trust, Assignment of Rents and Security Agreement and (ii) an Assignment of Ground Lease in substantially the forms presented to this meeting and attached hereto as Exhibit E (collectively the “Security Documents”); and

WHEREAS, the Authority by its Resolution dated the date hereof (the “Authority Resolution”) has or is expected to authorize, approve and direct the execution of the Indenture, the Master Lease, Security Documents, and Ground Lease and to authorize the issuance of the Series 2016 Bonds, the financing of the Series 2016 Project; and

WHEREAS, there has been presented to the Council at this meeting a form of a Bond Purchase Agreement (the “Bond Purchase Agreement”) to be entered into among the Authority, the City and the underwriter selected by the Authority for the Series 2016 Bonds (the “Underwriter”), in substantially the form attached hereto as Exhibit F; and

WHEREAS, in connection with the issuance of the Series 2016 Bonds, the City desires to authorize the use and distribution of a Preliminary Official Statement (the “Preliminary Official Statement”) in substantially the form attached hereto as Exhibit G, and to approve a final Official Statement (the “Official Statement”) in substantially the form as the Preliminary Official Statement, and other documents relating thereto; and

WHEREAS, the Authority may not exercise any of its powers without prior authorization by the City, and therefore it is necessary that the City authorize certain actions by the Authority in connection with the transactions contemplated hereby in connection with the issuance of the Series 2016 Bonds; and

WHEREAS, the City desires to improve and promote the local health and general welfare of the citizens of the City by entering into the documents and taking the actions described above; and

WHEREAS, the City desires to approve and direct the execution of the Ground Lease, the Bond Purchase Agreement, and the Master Lease by the City and to authorize the issuance of the Series 2016 Bonds and the financing of the Series 2016 Project by the Authority and to further authorize the execution of the Ground Lease, the Master Lease, the General Indenture, the First Supplemental Indenture, the Bond Purchase Agreement, the Security Documents, the Official Statement, and certain other acts to be taken by the Authority in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST JORDAN, UTAH AS FOLLOWS:

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the City and by the officers of the Authority directed toward the issuance of the Series 2016 Bonds and the financing or refinancing, as appropriate, of the Series 2016 Project are hereby ratified, approved and confirmed.

Section 2. The City hereby finds and determines, pursuant to the Constitution and laws of the State of Utah, that the leasing of the Series 2016 Project under the terms and provisions and for the purposes set forth in the Master Lease and the other documents, instruments and conveyances hereinafter approved and authorized, is necessary, convenient and in furtherance of the governmental and proprietary purposes of the City and is in the best interest of the citizens of the City, and the City hereby authorizes, approves and directs the issuance and sale of the Series 2016 Bonds by the Authority in accordance with the provisions of the Indenture and the leasing of the Series 2016 Project in the manner provided in the Master Lease and the Ground Lease.

Section 3. The Ground Lease, Master Lease, Indenture, Security Documents and Bond Purchase Agreement, in substantially the respective forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized, and confirmed, and the Mayor or the Mayor pro tem, in the absence of the Mayor, is authorized to approve the final terms thereof and to execute and deliver the Ground Lease and the Master Lease in the forms and with substantially the same content as attached hereto for and on behalf of the City with final terms as may be established for the Series 2016 Bonds by the Authority and with such alterations, changes or additions as may be necessary or as may be authorized herein. When authorized by the Governing Board of the Authority, the City hereby approves and authorizes the execution and delivery of the Bond Purchase Agreement, the Master Lease, the General Indenture, the First

Supplemental Indenture, the Security Documents, the Ground Lease, and the Official Statement by the Authority in substantially the forms presented to this meeting and attached hereto as exhibits for and on behalf of the Authority.

Section 4. The Council hereby authorizes the financing of the Series 2016 Project and the delegation by the Authority, to certain officers of the Authority, the ability to set the final terms of the Series 2016 Bonds within the parameters established by the Authority in the Authority Resolution.

Section 5. The Council hereby grants to any two of the Mayor or Mayor Pro Tem, the City Manager, the City Finance Director and the City Treasurer (the "Designated Officers"), the authority to select the Underwriter and approve the final interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2016 Bonds shall be sold by execution of the Bond Purchase Agreement on behalf of the City and such Designated Officers are hereby authorized and directed to execute and deliver the Bond Purchase Agreement on behalf of the City.

Section 6. The Council hereby authorizes the utilization of the Preliminary Official Statement, in the form attached hereto as Exhibit G, in the marketing of the Series 2016 Bonds and hereby approves the Official Statement in substantially the same form as the Preliminary Official Statement with the addition of information established at the time of sale of the Series 2016 Bonds.

Section 7. For the purpose of providing funds to (a) finance the Series 2016 Project, (b) fund any required reserves, and (c) pay costs associated with the issuance of the Series 2016 Bonds and for such other purposes as may be authorized under the Indenture, the Authority shall issue the Series 2016 Bonds which shall be designated the "Municipal Building Authority of the City of West Jordan, Utah Lease Revenue Bonds, Series 2016" (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Authority).

Section 8. The Authority is authorized to issue and sell the Series 2016 Bonds to the Underwriter thereof pursuant to the terms of the Bond Purchase Agreement in the aggregate principal amount of not to exceed \$25,000,000. The form, terms, and provisions of the Series 2016 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Series 2016 Bonds shall mature prior to the expiration of the estimated useful life of the Series 2016 Project. The President of the Authority, including any authorized official acting in the President's place, is hereby authorized to execute the Series 2016 Bonds, to place thereon the seal of the Authority and to deliver the Series 2016 Bonds to the Underwriter. The Secretary-Treasurer of the Authority is authorized to attest to the signature of the President and affix the seal of the Authority to the Series 2016 Bonds and to authenticate the Series 2016 Bonds. The signatures of the President and of the Secretary-Treasurer may be by facsimile or manual execution.

Section 9. The appropriate officers of the City and the Authority are authorized to take all actions necessary or reasonably required to carry out, give effect to

and consummate the transactions contemplated hereby and are authorized to take all actions necessary in conformity with the Act and the Articles to finance the Series 2016 Project, to acquire and construct the Series 2016 Project and to lease the Series 2016 Project pursuant to the Master Lease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Indenture and the sale and delivery of the Series 2016 Bonds.

Section 10. Upon their issuance, the Series 2016 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2016 Bonds, the Indenture and the Security Documents. No provision of this Resolution, the Master Lease, the Ground Lease, the Indenture, the Series 2016 Bonds, the Bond Purchase Agreement, the Security Documents, the Official Statement, nor any other instrument authorized hereby, shall be construed as creating a general obligation of the Authority or of creating a general obligation of the City, the State of Utah or any political subdivision of the State of Utah, nor as incurring or creating a charge upon the general credit of the City or against its taxing powers. The City shall not be obligated to pay out of its funds, revenues, or accounts, or to make any payment in respect of the Series 2016 Bonds, except in connection with the payment of Base Rentals, Additional Rentals, and Purchase Option Price pursuant to the Master Lease (as those terms are defined in the Master Lease), which are subject to annual appropriation by the City in accordance with the provisions of the Master Lease. The Authority has no taxing power.

Section 11. The appropriate officials are hereby authorized to make any alterations, changes or additions in the Master Lease, the Ground Lease, the Bond Purchase Agreement, and the Official Statement herein approved and authorized necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, to the provisions of this Resolution, or any resolution adopted by the City or the Authority, to the agreements with the Underwriter or the provisions of the laws of the State of Utah or the United States, the approval of all such alterations, changes, or additions to be conclusively established by the execution thereof.

Section 12. The appropriate officials of the Authority are authorized to make any alterations, changes, or additions in the Master Lease, the Ground Lease, the General Indenture, the First Supplemental Indenture, the Bond Purchase Agreement, the Security Documents, and the Official Statement herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, or any resolution adopted by the City or the Authority, to the agreements with the Underwriter, or the provisions of the laws of the State of Utah or the United States, approval of all such alterations, changes, or additions to be conclusively established by the execution thereof.

Section 13. If any provisions of this resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this resolution or the exhibits.

Section 14. The City Clerk is hereby authorized to attest to all signatures and acts of any proper official of the City, and, as necessary, to place the seal of the City on the Master Lease, the Bond Purchase Agreement, the Ground Lease and the Official Statement. The Mayor and other proper officials of the City and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents, and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized. Any action authorized to be taken by the Mayor of the City may, in his/her absence, be taken by the Mayor pro tem.

Section 15. The Secretary-Treasurer or other authorized officer of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and, as necessary, to place the seal of the Authority on the Master Lease, the Ground Lease, the Indenture, the Security Documents, the Bond Purchase Agreement, the Official Statement, and any other documents authorized, necessary or proper pursuant to this Resolution or any Resolution of the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any or all additional certificates, documents, and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution. Any action authorized to be taken by the President may, in his/her absence, be taken by the Vice President of the Authority.

Section 16. The appropriate officers of the City are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby.

Section 17. If any provisions of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the exhibits.

Section 18. This Resolution shall become effective immediately upon adoption by the City.

Section 19. All bylaws, orders and resolutions of the City or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as revising any bylaw, order, resolution, or ordinance or part thereof.

PASSED BY THE CITY COUNCIL OF THE CITY OF WEST JORDAN,
UTAH THIS AUGUST 24, 2016.

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Melanie Briggs, the undersigned City Clerk of the City of West Jordan, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the August 24, 2016, public meeting held by the City as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's principal offices on August __, 2016, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to The Salt Lake Tribune and the Deseret News on August __, 2016, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, Notice of the 2016 Annual Meeting Schedule for the City (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the City to be held during the year, by causing said Notice to be (i) posted on _____ at the principal office of the City, (ii) provided to at least one newspaper of general circulation within the City on _____ and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this August 24, 2016.

(SEAL)

By: _____
City Clerk

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING NOTICE

EXHIBIT B

GENERAL INDENTURE AND FIRST SUPPLEMENTAL INDENTURE

(See Transcript Document Nos. __ and __)

EXHIBIT C

GROUND LEASE AGREEMENT

(See Transcript Document No. __)

EXHIBIT D

MASTER LEASE AGREEMENT

(See Transcript Document No. __)

EXHIBIT E

SECURITY DOCUMENTS

(See Transcript Document No. __ & __)

EXHIBIT F

BOND PURCHASE AGREEMENT

(See Transcript Document No __)

EXHIBIT G

PRELIMINARY OFFICIAL STATEMENT

(See Transcript Document No. __)