

are looking for when purchasing lease revenue bonds. This building was also used in 2015 to secure Lease Revenue Bonds.

Final costs will be determined when the Bonds are sold, which is anticipated in mid- November. The closing and delivery of funds is expected to occur in December.

The County's Financial Advisor solicited underwriting proposals from Stifel, Nicolaus & Company, Inc. (Stifel), Raymond James, Hilltop Securities and Brandis Tallman. After evaluation of the proposals submitted, Stifel was selected as underwriter. Based on the recent sale of the County's Taxable Tax Allocation Bonds, Stifel was expected to provide the lowest possible interest rates on the financing.

Public Hearing

Approval of the financing and the new agreements with SunPower requires adoption of resolutions by Authority Board and the Board of Supervisors after the Board conducts a public hearing.

Because the Bonds are being sold through the Authority, the County, as the jurisdiction where the facilities being financed are located, is required to hold a public hearing before the Authority may approve a resolution authorizing the sale of the Bonds. After the public hearing, the Board must find that there will be significant public benefit to the County from the issuance and sale of Bonds by the Authority for the purpose of financing the improvements before the Authority may approve a resolution authorizing the lease agreement and indenture.

"Significant public benefit" includes a demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs. Combining the financing of the eight separate CREBs-approved components into one financing by the Authority will reduce overall issuance costs through economies of scale, and the increased size of the financing (compared with separate smaller financings) will result in more interested investors, which can reduce the effective interest rate on the financing. Further, the use of Lease Revenue Bonds, rather than through Certificates of Participation, will also broaden investor appeal and can result in a lower effective interest rate.

Authorizing Resolutions and Method of Sale

The resolution of the Board of Directors approves the parameters of sale and documents required for the issuance of the Bonds. The resolution authorizes the Executive Director to sell the Bonds to Stifel at an interest rate not-to-exceed 5% (prior to the Subsidy) and with an underwriter's discount not-to-exceed 0.5% of the par amount of the Bonds, in a total amount not-to-exceed \$8,600,000.

This resolution also approves the form of the following documents:

- First Amendment to Site and Facility Lease between the County and the Authority;
- First Amendment to Lease Agreement between the County and the Authority;
- First Supplemental Indenture between the Authority and the Trustee;
- Assignment Agreement between the Authority and the Trustee;
- Preliminary Official Statement;
- Bond Purchase Agreement between the County, the Authority and Stifel.

The preliminary official statement was prepared by staff and the Financial Advisor, with input from the County's bond counsel and disclosure counsel. Your Board's review of the sections of the preliminary official statement describing the County and the County's financial information is requested and any modifications communicated to staff.

Other actions required by the Board of Supervisors appear elsewhere on today's agenda.

IT IS THEREFORE RECOMMENDED that your Board adopt the attached resolution, and direct Clerk of the Board to provide certified copies of the Resolution, as needed, to the County's Bond Counsel.

Submitted by:

Replaces:

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IT IS THEREFORE RECOMMENDED that your Board adopt the attached resolution, and ~~take related actions.~~ direct Clerk of the Board to provide certified copies of the Resolution, as needed, to the County's Bond Counsel.

Submitted by: