

RESOLUTION R2016-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF SOLID WASTE REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$12,500,000, FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUISITION AND CONSTRUCTION OF CAPITAL IMPROVEMENTS AT THE CITY'S MATERIALS DIVERSION FACILITY, APPROVING AN INDENTURE OF TRUST, A CONTINUING DISCLOSURE CERTIFICATE, AND AN OFFICAL STATEMENT, AND AUTHORIZING RELATED MATTERS

WHEREAS, the City of Napa, California (the "City") is a charter city and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California, and as such is authorized to issue the Bonds under and pursuant to the powers of the City with respect to municipal affairs in accordance with Section 4 of the City Charter and Section 5 of Article XI of the California Constitution; and

WHEREAS, the City, after due investigation and deliberation, has determined that it is in the interests of the City at this time to provide for the issuance of its Solid Waste Revenue Bonds, Series 2016 (Federally Taxable) (Napa Materials Diversion Facility) (the "Series 2016 Bonds") pursuant to this Resolution and the Indenture (as defined in Section 5) for the purpose of financing the acquisition and construction of capital improvements at the City's Materials Diversion Facility; and

WHEREAS, a Mitigated Negative Declaration (MND) for the Napa Renewable Resources Project (NRRP) was adopted by the City of Napa Planning Commission on October 31, 2013, pursuant to Resolution No. PC2013-15; and

WHEREAS, A Notice of Determination for the MND was filed on February 3, 2014 (File #12-0022, State Clearinghouse Number 2013092036); and

WHEREAS, the City Council of the City wishes at this time to authorize all proceedings relating to the issuance of the Series 2016 Bonds, and to approve the execution and delivery of all agreements and documents relating thereto.

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

1. Recitals. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

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2. Adoption of Authorizing Procedures. The City Council hereby authorizes the Series 2016 Bonds to be issued pursuant to the powers of the City with respect to municipal affairs in accordance with Section 4 of the City Charter and Section 5 of Article XI of the California Constitution. The Series 2016 Bonds shall be issued and sold in accordance with the procedures specified in Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, which are hereby adopted as the procedures to be followed in the issuance and sale of the Series 2016 Bonds, with full force and effect as though the City were an "Authority" under and as defined therein.
3. Issuance of Bonds. The City Council hereby authorizes and approves the issuance of a series of bonds, to be denominated "City of Napa Solid Waste Revenue Bonds, Series 2016 (Federally Taxable) (Napa Materials Diversion Facility)", so long as the principal amount of the Series 2016 Bonds does not exceed \$12,500,000. The Finance Director is hereby authorized to add a "Green Bonds" designation to the name of the Bonds if she determines, after consultation with the City's municipal advisor and the Underwriter (defined below), that doing so would be likely to result in a lower interest rate.
4. Purposes. The purposes for which the Series 2016 Bonds are proposed to be issued are to provide funds to finance acquisition and construction of capital improvements at the City's Materials Diversion Facility, fund a reserve fund for the Series 2016 Bonds (if necessary), and pay costs of issuing the Series 2016 Bonds.
5. Revenue Bonds. The Series 2016 Bonds are to be revenue bonds, payable exclusively from the net revenues of the Solid Waste System of the City. Such revenues constitute a trust fund for the security and payment of the principal or redemption price of and interest on the Series 2016 Bonds. The general fund of the City is not liable and the credit or taxing power of the City is not pledged for the payment of the principal or redemption price of and interest on the Series 2016 Bonds. The owners of the Series 2016 Bonds may not compel the exercise of the taxing power by the City or the forfeiture of its property. The principal or redemption price of and interest on the Series 2016 Bonds are not a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of the City's property, or upon any of its income, receipts, or revenues except the net revenues of the Solid Waste System of the City.
6. Approval of Indenture of Trust. The Series 2016 Bonds shall be issued pursuant to and secured by the Indenture of Trust (**Exhibit A**), between The Bank of New York Mellon Trust Company, N.A. (the "Trustee") and the City (the "Indenture"), which is hereby referred to and incorporated herein by reference. The Indenture, in substantially the form on file with the City Clerk

and made a part hereof as though set forth in full herein, is hereby approved by the City Council. The City Manager or his designee and the City Clerk are hereby authorized and directed, for and in the name of the City, to execute and deliver the Indenture in such form, together with such changes, insertions and omissions as may be approved by the City Attorney, Bond Counsel, and the officer executing the Indenture, such execution to be conclusive evidence of such approval; and the City Clerk is hereby authorized and directed to attest such Indenture and affix the seal of the City thereto. The City Council hereby authorizes the delivery and performance of the Indenture.

7. Series 2016 Bonds. The Series 2016 Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form, shall be subject to redemption, and shall otherwise be issued on the terms and conditions, all as set forth in the Indenture and in accordance with this Resolution.
8. Sale of Series 2016 Bonds. The Bond Purchase Agreement (**Exhibit B**), between the City and Raymond James & Associates, Inc., the underwriter of the Series 2016 Bonds (the "Underwriter"), in substantially the form on file with the City Clerk and made a part hereof as though set forth in full herein, is hereby approved by the City Council. The City Manager and the Finance Director, or either of such officers acting singly, are each hereby authorized and directed, for and in the name of the City, to execute and deliver the Bond Purchase Agreement in such form, together with such changes, insertions and omissions which are approved by the City Attorney, Bond Counsel and the officer or officers executing such agreement and which are in accordance with the provisions of this Resolution, such execution to be conclusive evidence of such approval; and the City Clerk is hereby authorized and directed to attest such Bond Purchase Agreement; subject to the requirement that the true interest cost of the Series 2016 Bonds may not exceed 4.50% and the Underwriter's discount on the purchase of the Series 2016 Bonds may not exceed 0.60%. The City Council hereby approves the negotiated sale of the Series 2016 Bonds to the Underwriter pursuant to such Bond Purchase Agreement.
9. Official Statement. The City Council hereby approves the preliminary Official Statement (**Exhibit C**) describing the financing, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Finance Director or the City Manager. The City Council approves and authorizes the distribution by the Underwriter of the preliminary Official Statement to prospective purchasers of the Series 2016 Bonds, and authorizes and directs the Finance Director and the City Manager, on behalf of the City, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the preliminary Official Statement prior to its distribution by the Underwriter.

The Finance Director and the City Manager are authorized and directed to cause the preliminary Official Statement to be brought into the form of a final Official Statement and to execute said final Official Statement, dated as of the date of the sale of the Series 2016 Bonds, and a statement that the facts contained in the final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Series 2016 Bonds, true and correct in all material respects and that the final Official Statement did not, on the date of sale of the Series 2016 Bonds, and does not, as of the date of delivery of the Series 2016 Bonds, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Finance Director and the City Manager shall take such further actions prior to the signing of the final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Finance Director and the City Manager and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

The final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Series 2016 Bonds.

10. Continuing Disclosure. The City Council hereby approves the Continuing Disclosure Certificate (**Exhibit D**), in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the City Manager or the Finance Director, such approval to be conclusively evidenced by the execution and delivery thereof. The City Manager and Finance Director are hereby separately authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest the final form of the Continuing Disclosure Certificate, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.
11. Further Authority. The Finance Director is authorized to accept on behalf of the City a municipal bond guaranty insurance policy and a debt service reserve fund insurance policy and to restrict Authorized Investments in accordance with the terms of any such policy.

The officers of this City are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution,

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and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

12. Approval of Bond Counsel and Disclosure Counsel. The City Council hereby approves the engagement of Jones Hall, A Professional Law Corporation for bond counsel and disclosure counsel services in connection with the Bonds, pursuant to the Agreement for Legal Services on file with the City Clerk. The City Council hereby authorizes the City Attorney to execute the Agreement for Legal Services on behalf of the City.
13. Approval of Municipal Advisor. The City Council hereby approves the engagement of NHA Advisors, LLC for municipal advisor services, pursuant to the agreement on file with the City Clerk. The City Council hereby authorizes the City Manager to execute the agreement with NHA Advisors, LLC on behalf of the City.
14. Delivery of Series 2016 Bonds. The Series 2016 Bonds shall be delivered to the purchaser thereof. This City shall execute and the Trustee shall authenticate and deliver the Series 2016 Bonds upon receipt of the purchase price and shall credit the proceeds as provided in the Indenture.
15. CEQA. The City Council hereby determines, pursuant to CEQA Guidelines Section 15162, that the potential environmental effects of the actions identified in this resolution (the Series 2016 Bonds) were adequately examined by the Mitigated Negative Declaration (MND) for the Napa Renewable Resources Project (NRRP), which was adopted by the City of Napa Planning Commission on October 31, 2013, pursuant to Resolution No. PC2013-15. A Notice of Determination for the MND was filed on February 3, 2014 (File # 12-0022, State Clearinghouse Number 2013092036). The Series 2016 Bonds are planned to finance physical construction of certain critical and time-sensitive improvements to the City's Materials Diversion Facility (MDF) that are described as a part of the NRRP, including a covered compost system (covered aerated static pile, or CASP system) and stormwater upgrades. The Series 2016 Bonds are also anticipated to include sufficient revenue to finance additional physical improvements to the MDF that have not yet been completely identified, and that were not analyzed in the MND, such as the potential construction of an extension of the roof at the main sorting building at the MDF. The City Council hereby determines that any such additional physical improvements to be funded by the Series 2016 Bonds are not subject to CEQA review at this time, since the City has not yet completely defined those physical improvements, and has not made a commitment to any physical change in the environment. Any such additional physical improvements will be subject to environmental review in accordance with CEQA at the "earliest feasible time" after they have been identified, and prior to "approval" of construction, consistent with CEQA Guidelines Sections 15004 and 15352.

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16. Effective Date. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 20th day of September, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____

Dorothy Roberts
City Clerk

Approved as to for:

Michael W. Barrett
City Attorney