



CITY OF PRESCOTT MUNICIPAL PROPERTY CORPORATION A G E N D A

**CITY OF PRESCOTT
MUNICIPAL PROPERTY CORPORATION
PUBLIC MEETING
THURSDAY, DECEMBER 17, 2009
2:00 P.M.**

**Council Chambers
201 South Cortez Street
Prescott, Arizona
(928) 777-1100**

The following Agenda will be considered by the City of Prescott Municipal Property Corporation at a **Public Meeting** to be held on Thursday, December 17, 2009, in the City Hall Council Chamber, 201 S. Cortez Street, Prescott, Arizona.

- I. **CALL TO ORDER**
- II. **ROLL CALL:**
- III. Discussion of SR89A/Side Road Project and funding
- IV. CONSIDERATION AND POSSIBLE ADOPTION OF AN ORDINANCE (1) APPROVING THE ISSUANCE OF NOT TO EXCEED \$19,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PRESCOTT MUNICIPAL PROPERTY CORPORATION REVENUE BONDS, SERIES 2010; (2) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; (3) DELEGATING TO THE BUDGET/FINANCE DIRECTOR OF THE CITY THE AUTHORITY TO DETERMINE VARIOUS TERMS WITH RESPECT TO THE SERIES 2010 BONDS AND THE SALE THEREOF; (4) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE AND (5) DECLARING AN EMERGENCY.
- V. Adjournment

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ .m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Elizabeth A. Burke, City Clerk

RESOLUTION OF THE BOARD OF DIRECTORS OF CITY OF PRESCOTT MUNICIPAL PROPERTY CORPORATION (1) AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$19,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE BONDS, SERIES 2010 FOR THE PURPOSE OF REFINANCING AND FINANCING CERTAIN PROJECTS FOR THE CITY OF PRESCOTT, ARIZONA; (2) DELEGATING TO THE BUDGET/FINANCE DIRECTOR OF THE CITY OF PRESCOTT, ARIZONA, THE AUTHORITY TO DETERMINE VARIOUS TERMS WITH RESPECT TO THE SERIES 2010 BONDS AND THE SALE THEREOF; (3) PROVIDING FOR THE APPLICATION OF THE PROCEEDS FROM THE SALE OF THE SERIES 2010 BONDS; (4) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE CORPORATION OF A SECOND SUPPLEMENT TO TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF REVENUES AND FURTHER SECURING THE PAYMENT OF THE SERIES 2010 BONDS, AN EXTENSION OF SERIES 2007 GROUND LEASE, A SERIES 2010 CITY LEASE, A DEPOSITORY TRUST AGREEMENT AND A BOND PURCHASE CONTRACT; (5) APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT RELATING TO THE SERIES 2010 BONDS AND (6) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION

WHEREAS, the City of Prescott Municipal Property Corporation (the "Corporation"), a nonprofit corporation designated a political subdivision of the State of Arizona (the "State"), by virtue of the laws of the State, is authorized and empowered, among other things (a) to issue its special obligation bonds for the purposes of assisting the City of Prescott, Arizona (the "City"), in constructing, improving and equipping municipal improvements and otherwise incurring expenses to improve the use of municipal facilities, (b) to enter into a ground lease, a city lease and other necessary documents and to provide for lease payments sufficient to pay the principal of and premium, if any, and interest on such bonds, (c) to secure such bonds as provided for herein and (d) to enact this Resolution and enter into the Indenture Supplement, the Ground Lease and the City Lease (all as hereinafter defined) upon the terms and conditions provided herein and therein; and

WHEREAS, the City will have certain property available, as set forth in Exhibit A to the Ground Lease, to lease or sublease to the Corporation in connection with the issuance of the Series 2010 Bonds (as hereinafter defined); and

WHEREAS, the Board of Directors of the Corporation desires to extend the period of time it will retain sites from the City (the "2007 Project Sites") and cause to be refinanced all or a portion of its remaining outstanding Excise Tax Revenue Bonds, Series 1998-F (the

"Series 1998-F Bonds") under the circumstances described herein and to be constructed certain roadway improvements (the "Projects") for the benefit of the City for municipal purposes, and the City desires to grant an extension leasehold interests in the 2007 Project Sites from the Corporation as set forth in the Series 2010 City Lease; and

WHEREAS, in order to provide funds for such refinancing and the construction of the Projects, the Corporation desires to issue its Revenue Bonds, Series 2010 in an aggregate principal amount of not to exceed \$19,000,000 (the "Series 2010 Bonds"), the proceeds of which shall be used to assist the City in the financing of the Projects; and

WHEREAS, in connection with the issuance of the Series 2010 Bonds, the Corporation and the City will enter into an Extension of Series 2007 Ground Lease, to be dated as of the first day of the month of the date established as the dated date of the Series 2010 Bonds as provided herein (the "Ground Lease"), pursuant to which the City will extend the lease of the 2007 Project Sites to the Corporation and a Series 2010 City Lease, to be dated as of the first day of the month of the date established as the dated date of the Series 2010 Bonds as provided herein (the "City Lease"), pursuant to which the Corporation will lease the 2007 Project Sites to the City, and the City will provide for construction of the Projects with proceeds of the sale of the Series 2010 Bonds on behalf of the Corporation; and

WHEREAS, the Series 2010 Bonds (and certain parity obligations heretofore and hereafter issued) have been and will be secured by a Trust Indenture, dated as of December 1, 2004, as supplemented by a First Supplement to Trust Indenture, dated as of May 1, 2007, and to be supplemented by a Second Supplement to Trust Indenture, to be dated as of the first day of the month of the date established as the dated date of the Series 2010 Bonds as provided herein (the "Indenture Supplement"), from the Corporation to U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Series 2010 Bonds will be secured by rent payments due for that purpose pursuant to the City Lease, as security for which the City will pledge, with certain limitations as provided therein, (a) revenues from the unrestricted transaction privilege (sales) tax, licenses, franchise fees, permits, fines, forfeitures and charges for services which the City imposes; provided that the Council of the City may impose other transaction privilege taxes in the future, the uses of revenues from which will be restricted, at the discretion of such Council (collectively, the "Excise Taxes") and (b) tax revenues collected by the State and distributed to the City pursuant to Sections 42-5029 and 43-306, Arizona Revised Statutes, as amended, or any successor statutes thereto (except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes) (the "State Shared Revenues"); and

WHEREAS, the Corporation has not made and does not intend to make any profit by reason of any business or venture in which it

may engage or by reason of the assistance it renders the City in such financing, and no part of the net earnings of the Corporation, if any, shall ever inure to the benefit of any person, firm or corporation except the City; and

WHEREAS, there have been presented to the Board of Directors of the Corporation at the meeting of the Board of Directors of the Corporation at which this Resolution is being adopted (1) the proposed form of the Ground Lease; (2) the proposed form of the City Lease; (3) the proposed form of a Depository Trust Agreement, to be dated as of the first day of the month of the date established as of the dated date of the Series 2010 Bonds as provided herein (the "Depository Trust Agreement"), between the Corporation and U.S. Bank National Association, as depository trustee (the "Depository Trustee"); (4) the proposed form of the Indenture Supplement (the Ground Lease, the City Lease, the Depository Trust Agreement and the Indenture Supplement being referred to herein collectively as the "Basic Documents"); (5) the proposed form of Bond Purchase Contract, to be dated the date of the sale of the Series 2010 Bonds (the "Purchase Contract"), submitted by RBC Capital Markets Corporation (the "Underwriter"), for the purchase of the Series 2010 Bonds and (6) the proposed form of the Preliminary Official Statement, to be dated the date of the mailing thereof (the "Preliminary Official Statement"), relating to the Series 2010 Bonds, which, as to be revised after sale of the Series 2010 Bonds, shall constitute the Official Statement, to be dated the date of the sale of the Series 2010 Bonds (the "Official Statement"), relating to the Series 2010 Bonds;

WHEREAS, the Board of Directors of the Corporation hereby determines that: (i) the Corporation was formed to assist the City in financing certain projects at no profit to the Corporation; (ii) the City desires to refinance certain portions of the Series 1998-F Bonds and to lease the 2007 Project Sites from the Corporation; (iii) the City will grant the Corporation leasehold interests in the 2007 Project Sites under the Ground Lease; (iv) the Corporation has not and will not make any profit by reason of the assistance it renders the City in connection with the issuance of the Series 2010 Bonds and (v) the Corporation is authorized by law and deems it necessary to borrow money for purposes of carrying out its obligations under the Ground Lease and the City Lease by issuing the Series 2010 Bonds, and to secure the payment of the principal of and interest on the Series 2010 Bonds and the performance of the covenants and conditions contained in the Basic Documents, and to provide for the application of the proceeds from the Series 2010 Bonds in accordance with the Indenture Supplement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CITY OF PRESCOTT MUNICIPAL PROPERTY CORPORATION AS FOLLOWS:

Section 1. (A) The Series 2010 Bonds are hereby authorized to be issued as a series of special, limited obligation bonds of the Corporation in the aggregate principal amount of not to exceed \$19,000,000. The Series 2010 Bonds shall be issued in the denom-

ination of \$5,000 of principal amount or any integral multiple thereof and shall be fully registered bonds without coupons as provided in the Indenture Supplement.

(B) The Budget/Finance Director of the City is hereby authorized to determine on behalf of the City and the Corporation the date the Series 2010 Bonds are to be sold to the Underwriter; the total aggregate principal amount of the Series 2010 Bonds which are to be issued and, for purposes of the next subsection, the series thereof but not to exceed the total principal amount indicated hereinabove; the date the Series 2010 Bonds are to be dated; the dates on which interest on the Series 2010 Bonds is to be payable and the rates of interest per annum the Series 2010 Bonds are to bear; the dates the Series 2010 Bonds are to mature but not later than July 1, 2030, the principal amounts to mature on such dates and the provisions for redemption thereof in advance of such dates; the maturity dates and principal amounts of the Series 1998-F Bonds to be refinanced and the provisions for redemption thereof; the terms upon which the Series 2010 Bonds or any series thereof are to be sold to the Underwriter (including determinations of price, original issue discount and premium and underwriting compensation) and the provisions pursuant to which the Series 2010 Bonds or any series thereof are to be credit enhanced (including determinations with respect to bond insurance, if any, for the Series 2010 Bonds); provided, however, that the foregoing determinations shall not result in the yield on the Series 2010 Bonds, calculated for federal income tax purposes, exceeding eight percent.

(C) If, and to the extent, the Series 2010 Bonds or any portion thereof meet the requirements therefor pursuant to the Internal Revenue Code of 1986, as amended, the Series 2010 Bonds or such portion thereof may be qualified and sold as "Build America Bonds" with the federal tax credits paid directly to the City. The Budget/Finance Director of the City is hereby authorized and directed to determine such matters on behalf of the Corporation and then to take any action, make any modification of documents, enter into any agreements, make any elections or certifications and pay any costs necessary to provide for the sale and issuance of the Series 2010 Bonds or such portion thereof in such manner and to comply with the requirements of such Code and the terms of the Series 2010 Bonds or such portion thereof and any agreement related thereto including causing the Series 2010 Bonds to be issued in multiple series as designated by the Budget/Finance Director of the City.

(D) The form and other terms and provisions of the Series 2010 Bonds, including for signatures, authentication, payment, registration, transfer, exchange, redemption and number, shall be as set forth in the Indenture Supplement and are hereby approved, with only such changes therein as are not inconsistent herewith and as are approved by the officers authorized to execute the Series 2010 Bonds, and each is hereby authorized to execute and deliver the Series 2010 Bonds. The signatures of the President or Vice President and the Secretary on the Bonds may be by facsimile.

Section 2. The forms, terms and provisions of the Basic Documents and the Purchase Contract, in substantially the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the President or Vice President (which approval will be conclusively demonstrated by their execution thereof), and the President or Vice President and the Secretary or any other director are hereby authorized to execute and attest and deliver, respectively, the Basic Documents and the Purchase Contract as well as any other documents necessary in connection therewith to provide for the issuance of the Series 2010 Bonds including any financial guaranty or related agreement necessary with respect to credit enhancement for the Series 2010 Bonds.

Section 3. The Series 2010 Bonds shall be sold to the Underwriter in accordance with the terms of the Purchase Contract as such terms are to be determined as provided hereinabove.

Section 4. The President, Vice President or Secretary are authorized to execute and deliver to the Trustee the written order of the Corporation for the authentication and delivery of the Series 2010 Bonds by the Trustee.

Section 5. Upon the delivery of the Series 2010 Bonds, the proceeds of the Series 2010 Bonds shall be deposited as provided in the Indenture Supplement.

Section 6. The officers of the Corporation shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the sale and delivery of the Series 2010 Bonds.

Section 7. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Corporation and its officers directed toward the sale and issuance of the Series 2010 Bonds are hereby approved and ratified.

Section 8. The form and use by the Underwriter of the Preliminary Official Statement is hereby approved. The President or Vice President are hereby authorized and directed to cause the preparation of and to execute the Official Statement, in substantially the form of the Preliminary Official Statement, revised to reflect the provisions of sale of the Series 2010 Bonds and with such changes as may be acceptable to such officers of the Corporation, and the distribution of the Official Statement by the Underwriter is hereby approved.

Section 9. The Series 2010 Bonds shall be special, limited obligations of the Corporation payable solely from rental payments to be made by the City under the City Lease. Nothing contained in this Resolution, the Basic Documents or any other instrument shall be

construed as obligating the Corporation except to the extent provided in such documents or instruments or as incurring a charge upon the general credit of the Corporation nor shall the breach of any agreement contained in this Resolution, the Basic Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the Corporation.

Section 10. U.S. Bank National Association is hereby confirmed as the Trustee and Registrar and Paying Agent (as such terms are defined in the Indenture Supplement) pursuant to, and for purposes of, the Indenture Supplement, and as the Depository Trustee pursuant to, and for purposes of, the Depository Trust Agreement.

Section 11. After any of the Series 2010 are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Series 2010 Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 12. (A) If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

(B) Any provisions of any bylaws, orders, procedural pamphlets and resolutions inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any bylaw, order, procedural pamphlet or resolution or any part thereof.

(C) It is hereby found and determined that all formal actions of the Corporation and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Corporation.

(D) This Resolution shall be effective immediately.

ADOPTED AND APPROVED this 17th day of December, 2009.

.....
Jesse Thomas, President

ATTEST:

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_Mark Woodfill, Secretary