

MINUTES OF THE SAN JOSÉ FINANCING AUTHORITY

SAN JOSÉ, CALIFORNIA

TUESDAY, JANUARY 25, 2005

The Council of the City of San José convened in joint session at 6:23 p.m. with the San José Financing Authority, in City Council Chambers at City Hall.

Present: Council Members - Campos, Chavez, Chirco, Cortese, Dando, LeZotte, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - None.

2. Approval of various actions for Revenue Bonds for the land acquisition project lease for property located at 1125 Coleman Avenue and 328 West Brokaw Road.

Recommendation:

(a) **Adoption of a resolution by the City of San José Financing Authority (the "Authority"):**

(1) **Authorizing the issuance of City of San José Financing Authority Lease Revenue Bonds (Land Acquisition Project), Series 2005A (Taxable) and Series 2005B (AMT), (collectively, the "Bonds") in the not-to-exceed aggregate principal amount of \$90,000,000, to be sold through negotiated sale subject to certain limitations.**

[Deferred from 11/30/04 – Item 2(b)(1)]

(2) **Authorizing the Executive Director or the Executive Director's designee to select the appropriate variable rate mode at the time of the sale and throughout the duration of the Bonds pursuant to the terms and conditions of the Trust Agreement and the Remarketing Agreements.**

[Deferred from 11/30/04 – Item 2(b)(2)]

(3) **Approving, in substantially final form, the Bonds, the Trust Agreement, Site Lease Agreement, General Sublease Agreement, Operating Sublease Agreement, Standby Bond Purchase Agreement, Financial Guaranty Agreement, Preliminary Official Statement, Continuing Disclosure Agreement, Bond Purchase Agreements and Remarketing Agreements for the Bonds; authorizing the Executive Director, or the Executive Director's designee to execute and, as appropriate, to negotiate, and deliver these documents and other related financing documents and to take other actions as necessary in connection with the issuance of the Bonds.**

[Deferred from 11/30/04 – Item 2(b)(3)]

(Item continued on the next page)

2. (a) (4) **Authorizing the Executive Director or the Executive Director's designee, without further action from the Authority, to replace the Remarketing Agent and to enter into new Remarketing Agreements, in substantially the form of those approved hereby, with other broker dealers, remarketing agents or banks if the Executive Director or the Executive Director's designee deems it in the best interest of the Authority to do so.**

[Deferred from 11/30/04 – Item 2(b)(4)]

- (b) **Adoption of a resolution by the San José City Council:**

- (1) **Approving in substantially final form and authorizing the execution, as applicable, of the Site Lease Agreement, General Sublease Agreement, Operating Sublease Agreement, Preliminary Official Statement, Continuing Disclosure Agreement, Financial Guaranty Agreement, Standby Bond Purchase Agreement, Bond Purchase Agreement, Custodian Agreement and authorizing the City Manager or his designee to execute and, as appropriate, to negotiate, and deliver these documents and other related financing documents and to take other actions as necessary in connection with the issuance of the Bonds.**

[Deferred from 11/30/04 – Item 2(c)(1)]

CEQA: Resolution No. 71716, PDC 98-12-104. (Finance/Airport)

- (c) **Adoption of a resolution by the San José City Council approving the addition of the City Property located on Remillard Court adjacent to Interstate 280 to the north, Remillard Court to the east, Story Road to the south, and Coyote Creek to the west as additional collateral for the Housing and Urban Development (HUD) Section 108 loan for the purchase of a portion of 74.87 acres of property located at 1125 Coleman Avenue. CEQA: Resolution No. 71716, PDC 98-12-104. (Economic Development/Finance)**

Documents Filed: (1) Memorandum from Deputy Director of Finance Julia Cooper, and Assistant Director of Aviation Frank Kirkbride, dated January 12, 2005, recommending adoption of a San José Financing Authority Resolution. (2) Supplemental memorandum from Deputy Director of Finance Julia Cooper, dated January 14, 2005, transmitting additional information. (3) Memorandum from Director of Economic Development Paul Krutko, and Director of Finance Scott Johnson, dated January 5, 2005, recommending approval of City Property located on Remillard Court.

Action: Upon motion by Vice Mayor Chavez, seconded by Council Member Reed and carried unanimously, San José Financing Authority Resolution No. 68, entitled: “A Resolution of the Council of the City of San José Financing Authority Authorizing the Issuance of Lease Revenue Bonds in an Amount Not To Exceed \$90,000,000 to Finance the Acquisition and Improvement of Certain Real Property, Authorizing Execution of a Trust Agreement and Certain Financing Documents, Authorizing the Negotiation of the Sale of Bonds, Approving the Official Statement, and Authorizing Other Related

2. (Cont'd.)

Actions”; Resolution No. 72508, entitled: “A Resolution of the Council of the City of San José Approving and Authorizing Execution of Certain Financing Documents and Certain Related Actions in Order to Finance the Acquisition and Improvement of Real Property”, and Resolution No. 72509, entitled: “A Resolution of the Council of the City of San José Approving the Use of Additional City Property as Security for a HUD Section 108 Loan”, were adopted. (9-0-1. Absent: Cortese.)

ADJOURNMENT

The Joint City of San José Financing Authority meeting was adjourned at 6:24 p.m.

RON GONZALES, MAYOR

ATTEST:

LEE PRICE, CMC, CITY CLERK

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