



**MINUTES OF THE JOINT CITY COUNCIL
SAN JOSE FINANCING AUTHORITY**

SAN JOSE, CALIFORNIA

TUESDAY, MARCH 15, 2011

The Council of the City of San José convened in Regular Joint Session at 2:02 p.m. in the Council Chambers at City Hall.

Present: Council Members - Campos Chirco, Chu, Herrera, Liccardo, Nguyen, Oliverio, Pyle; Reed.

Absent: Council Members - Constant, Kalra. (Excused)

2. (a) **It is recommended that the City Council take the following actions:**
- (1) **Hold a Public Hearing on the proposed issuance of City of San José Financing Authority Lease Revenue Bonds, Series 2011A (Convention Center Expansion and Renovation Project) (“Lease Revenue Bonds”).**
 - (2) **Adopt a resolution to authorize the issuance of the City of San José Special Hotel Tax Revenue Bonds, Series 2011 (Convention Center Expansion and Renovation Project) (“Hotel Tax Bonds”) in the not-to-exceed principal amount of \$120,000,000 in order to finance certain public capital improvements of the City, consisting of the expansion and renovation to the San José McEnery Convention Center, approve in substantially final form the Official Statement, Indenture, Bond Purchase Agreement, and Continuing Disclosure Certificate, and authorize the City Manager, or other authorized designees, to execute and deliver these documents and any other related documents as necessary in connection with the issuance of the Hotel Tax Bonds.**
 - (3) **Adopt a resolution to authorize the issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2011A (Convention Center Expansion and Renovation Project) (“Lease Revenue Bonds”) in the not-to-exceed principal amount of \$50,000,000 and, together with the 2011 Hotel Tax Bonds, a not-to-exceed combined aggregate principal amount of \$150,000,000 and approve in substantially final form the Official Statement, Trust Agreement, Facility Lease, Site Lease, Continuing Disclosure Certificate, and Bond Purchase Agreement and authorize the Executive Director, or other authorized designees, to execute and deliver these documents and other related documents as necessary in connection with the issuance of the Lease Revenue Bonds.**

2. (b) **It is recommended that the City of San José Financing Authority Board take the following actions:**
 - (1) **Adopt a resolution to authorize the issuance of the City of San José Financing Authority Lease Revenue Bonds, Series 2011A (Convention Center Expansion and Renovation Project) (“Lease Revenue Bonds”) in the not-to-exceed principal amount of \$50,000,000 and, together with the 2011 Hotel Tax Bonds, a not-to-exceed combined aggregate principal amount of \$150,000,000 and approve in substantially final form the Official Statement, Trust Agreement, Facility Lease, Site Lease, Continuing Disclosure Certificate, and Bond Purchase Agreement and authorize the Executive Director, or other authorized designees, to execute and deliver these documents and other related documents as necessary in connection with the issuance of the Lease Revenue Bonds.**

Documents Filed: (1) Memorandum from Assistant Director of Finance Julia H. Cooper, dated February 22, 2011, recommending holding a public hearing, and adoption of resolutions. (2) Supplemental memorandum from Assistant Director of Finance Julia H. Cooper, dated March 11, 2011, providing additional information to the City Council/Authority Board related to the ratings and not to exceed sale parameters for the issuance of the bonds for the San José McEnery Convention Center Renovation and Expansion Project.

City Manager Debra Figone offered introductory remarks.

Assistant City Manager Ed Shikada presented a brief context for the action. Assistant Director of Finance Julia H. Cooper summarized the report.

City Attorney Richard Doyle provided clarification for the record regarding the draft Preliminary Official Statements and Appendix A.

Mayor Reed presented meeting disclosures.

Motion: Council Member Liccardo moved approval of the Staff recommendations. Council Member Herrera seconded the motion.

City Attorney Richard Doyle clarified that Council Member Pyle would be abstaining from portions of the action due to a conflict of interest and requested to pull Items 2(a)(4) and 2(b)(2) for a separate vote. The request was accepted by Council Members Liccardo and Herrera.

Assistant Director of Finance Julia H. Cooper and Division Manager Treasury Division Arn C. Andrews responded to Council questions and comments.

Mayor Reed opened the public hearing.

- 2. (a) (1)-(3) (Cont'd.)
- (b) (1)

Public Comments: Bob Leininger spoke in support to the Staff recommendations.

Mayor Reed closed the public hearing.

Action: On a call for the question, the motion carried unanimously, SJFA Resolution No. 109, entitled: “A Resolution of the City of San José Financing Authority Authorizing the Issuance of Lease Revenue Bonds in an Amount Not To Exceed \$50,000,000 to Finance of Portion of the Expansion and Renovation of the San José Convention Center, Authorizing and Directing 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 Actions”; Resolution No. 75758, entitled: “A Resolution of the Council of the City of San José Approving the Issuance by the City of Not To Exceed \$120,000,000 of San José Special Hotel Tax Revenue Bonds, Series 2011 (Convention Center Expansion and Renovation Project); Authorizing the Execution and Delivery of an Indenture Providing for the Issuance of Such Bonds; Approving a Bond Purchase Agreement Providing for the Sale of Such Bonds; Approving an Official Statement; Approving a Continuing Disclosure Certificate; Authorizing the Sale of Such Bonds; and Authorizing Related Actions and the Execution of Related Documents In Connection with the Issuance, Sale and Delivery of Such Bonds” and Resolution No. 75759, entitled: “A Resolution of the Council of the City of San José Approving the Issuance by the City of San José Financing Authority of Not To Exceed \$50,000,000 Aggregate Principal Amount of Lease Revenue Bonds, Series 2011A (Convention Center Expansion and Renovation Project); Approving the Forms of and Directing the Execution and Delivery of a Trust Agreement, A Facility Lease (Convention Center Expansion and Renovation Project), A Site Lease, A Continuing Disclosure Certificate and A Bond Purchase Agreement; Approving the Form of and Distribution of the Official Statement for Said Bonds; and Authorizing Taking of Necessary Actions and Execution of Necessary Documents and Certificates in Connection Therewith”, were adopted. (9-0-2. Absent: Constant, Kalra.)

- 2. (a) (4) **Adopt a resolution to approve and authorize the execution and delivery of a Third Amendment to the Site Lease, a Third Amendment to the Sublease, and other related actions pertaining to the City of San José Financing Authority’s Lease Revenue Commercial Paper Program in order to provide for the substitution of certain components of the property under the Site Lease and the Sublease.**
- (b) (2) **Adopt a resolution to approve and authorize the execution and delivery of a Third Amendment to the Site Lease, a Third Amendment to the Sublease, a Second Amendment to the Memorandum of Assignment and other related actions pertaining to the City of San José Financing Authority’s Lease Revenue Commercial Paper Program in order to provide for the substitution of certain components of the property under the Site lease and the Sublease.**

CEQA: Resolution No. 72767 and Addenda thereto. File No. PP08-002. (Finance)

- 2 (a) (4) (Cont'd.)
(b) (2)

Documents Filed: Statement and Declaration of Conflict of Interest Form from Council Member Pyle, dated March 15, 2011, declaring a CalSTRS Pension.

Action: Upon motion by Council Member Liccardo, seconded by Council Member Herrera and carried unanimously, Resolution No. 75760, entitled: "A Resolution of the Council of the City of San José Approving and Authorizing the Execution and Delivery of a Third Amendment to Site Lease, A Third Amendment to Sublease and Other Related Actions Relating to the City of San José Financing Authority's Lease Revenue Commercial Paper Notes Program in Order to Provide for the Substitution of Certain Components of the Property Under the Site Lease and the Sublease" and SJFA Resolution No. 110, entitled: "A Resolution of the City of San José Financing Authority Approving and Authorizing the Execution and Delivery of a Third Amendment to Site Lease, A Third Amendment to Sublease, A Second Amendment to Memorandum of Assignment and Other Related Actions Relating to the City of San José Financing Authority's Lease Revenue Commercial Paper Notes Program In Order to Provide for the Substitution of Certain Components of the Property Under the Site Lease and the Sublease", were adopted. (8-0-2-1. Absent: Constant, Kalra. Abstained: Pyle.)

Mayor Reed adjourned the Joint Council/San José Financing Authority Meeting at 2:51 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Dennis D. Hawkins, CMC
City Clerk

smd/03-15-11 JT-SJFA MIN

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