

City of Scottsbluff, Nebraska

Monday, May 4, 2015

Regular Meeting

Item Leasing1

See attached agenda for Scottsbluff Leasing Corporation.

Staff Contact: Rick Kuckkahn, City Manager

**AGENDA
CITY OF SCOTTSBLUFF
LEASING CORPORATION
BOARD OF DIRECTORS MEETING**

May 4, 2015

1. Roll Call
2. **For public information, a copy of the Nebraska Open Meetings Act is posted in the back of the room on the west wall.**
3. Notice of changes in the agenda by the city clerk (Additions may not be made to this agenda less than 24 hours before the beginning of the meeting unless added under Item 3 of this agenda.)
4. Citizens with business not scheduled on the agenda (As required by state law, no matter may be considered under this item unless council determines that the matter requires emergency action.)
5. Approve minutes of the meeting held December 1, 2014.
6. Board to consider approval of a Resolution and related documents authorizing the City of Scottsbluff Leasing Corporation to issue \$3,850,000.00 principal amount of Lease Rental Revenue and Refunding Bonds, in one or more series, for the purpose of providing funds for payment and redemption of the Corporation's Lease Rental Revenue Bonds Series 2009 and Series 2010, and the costs of a project for the City of Scottsbluff.
7. Adjourn.

December 1, 2014
Scottsbluff, Nebraska

The Board of Directors of the City of Scottsbluff Leasing Corporation met in the City Council Chamber of City Hall on December 1, 2014 at 6:15 p.m. Notice was given by publication in the Star Herald on November 28, 2014. Upon roll call the following Board Members were present: Raymond Gonzales, Randy Meininger, Scott Shaver and Board Members Elect Liz Hilyard and Jordan Colwell. Absent: None.

Board Member Meininger nominated Raymond Gonzales as temporary Chairperson for reorganization of the Board. Moved by Board Member Gonzales, seconded by Board Member Hilyard, "That Board Member Gonzales be appointed as temporary Chairperson of the Scottsbluff Leasing Corporation." "YEAS" Meininger, Gonzales, Shaver, Hilyard, Colwell. "NAYS" None. Absent: None.

Moved by Board Member Meininger seconded by Board Member Gonzales, "That Liz Hilyard and Jordan Colwell be appointed as a Board Members." "YEAS" Meininger, Gonzales, Shaver, Hilyard, Colwell, "NAYS" None. Absent: None.

Chairperson Gonzales called for nominations for President, Vice President and Secretary/Treasurer of the Scottsbluff Leasing Corporation.

Moved by Board Member Gonzales, seconded by Board Member Meininger, "That Board Member Hilyard be nominated as President of the Scottsbluff Leasing Corporation." No other nominations were made. "YEAS" Meininger, Gonzales, Shaver, Hilyard, Colwell "NAYS" None. Absent: None.

Moved by Board Member Gonzales, seconded by Board Member Meininger, "That Board Member Colwell be nominated as Vice President of the Scottsbluff Leasing Corporation." No other nominations were made. "YEAS" Meininger, Gonzales, Shaver, Hilyard, Colwell. "NAYS" None. Absent: None.

Moved by Board Member Gonzales, seconded by Board Member Shaver, "That Board Member Meininger be nominated as Secretary/Treasurer of the Scottsbluff Leasing Corporation." No other nominations were made. "YEAS" Meininger, Gonzales, Shaver, Hilyard, Colwell "NAYS" None. Absent: None.

Moved by Board Member Meininger, seconded by Board Member Shaver, "That minutes of the December 3, 2012 meeting be approved," "YEAS" Meininger, Gonzales, Shaver, Hilyard, Colwell "NAYS" None. Absent: None.

Moved by Board Member Meininger, seconded by Board Member Hilyard to adjourn the meeting of the Scottsbluff Leasing Corporation at 6:20 p.m. "YEAS" Meininger, Gonzales, Shaver, Hilyard, Colwell. "NAYS" None. Absent: None.

Liz Hilyard, President

Cindy Dickinson, City Clerk

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE CITY OF SCOTTSBLUFF LEASING CORPORATION TO ISSUE NOT TO EXCEED \$3,850,000 PRINCIPAL AMOUNT OF LEASE RENTAL REVENUE AND REFUNDING BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF PROVIDING FUNDS TO (1) PROVIDE FOR THE PAYMENT AND REDEMPTION OF \$2,205,000 AGGREGATE PRINCIPAL AMOUNT OF THE CORPORATION'S LEASE RENTAL REVENUE BONDS, SERIES 2009 and \$1,285,000 AGGREGATE PRINCIPAL AMOUNT OF THE CORPORATION'S LEASE RENTAL REVENUE BONDS, SERIES 2010, UPON THE SATISFACTION OF CERTAIN CONDITIONS, AND (2) PAY THE COSTS OF A PROJECT FOR THE CITY OF SCOTTSBLUFF, NEBRASKA; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SCOTTSBLUFF LEASING CORPORATION, AS FOLLOWS:

FINDINGS AND DETERMINATIONS

1. The City of Scottsbluff Leasing Corporation (the **"Corporation"**) is a nonprofit corporation duly organized and existing under the Nebraska Nonprofit Corporation Act (Chapter 21, Article 19, Reissue Revised Statutes of Nebraska, as amended) for the purpose of acquiring property of any kind and nature, usable or useful to the City of Scottsbluff, Nebraska (the **"City"**) in performing its governmental functions and leasing the same to the City, a body corporate and political subdivision of the State of Nebraska, organized and existing under Chapter 16, Reissue Revised Statutes of Nebraska, as amended.

2. The City is authorized pursuant to Section 19-2421, Reissue Revised Statutes of Nebraska, as amended, (the **"Act"**), to enter into contracts for the lease of real or personal property for any purpose for which the City is authorized by law to purchase property or construct improvements, which contracts are not restricted to a single year, and may provide for the purchase of the property in installment payments.

3. (a) Pursuant to a Trust Indenture Supplement Number One dated as of September 2, 2009 (the **"2009 Indenture"**) between the Corporation and U.S. Bank National Association, trustee (the **"2009 Trustee"**) the Corporation has heretofore issued \$4,005,000 principal amount Lease Rental Revenue and Refunding Bonds, Series 2009, dated the date of delivery (September 2, 2009) thereof (the **"2009 Bonds"**) for the purpose of (i) providing for the payment and redemption of \$2,060,000 principal amount of the Corporation's Lease Rental Revenue and Refunding Bonds, Series 2003, dated as of February 15, 2003 (the **"2003 Bonds"**) and (ii) paying the costs of acquiring, constructing, furnishing and equipping certain recreational facilities for the use and benefit of the City (the **"2009 Project"**). The 2003 Bonds were issued for the purpose of (i) providing for the payment and redemption of \$605,000 principal amount of the Corporation's Lease Rental Revenue Bonds, Series 1997, dated as of September 15, 1997 (the **"1997 Bonds"**) and (ii) refinancing the costs of acquiring, constructing, furnishing and equipping

certain recreation facilities for the use and benefit of the City (the **“2003 Project”**). The 1997 Bonds were issued to pay the costs of (i) acquiring two new fire trucks for the use of the City, (ii) making certain improvements to the City’s Riverside Zoo, and (iii) developing two softball fields at Lacy Park (collectively the **“1997 Project”**).

(b) Pursuant to a Trust Indenture Supplement Number Two dated as of July 8, 2010 (the **“2010 Indenture”**) between the Corporation and U.S. Bank National Association, trustee (the **“2010 Trustee”**) the Corporation has heretofore issued \$2,035,000 principal amount Lease Rental Revenue Bonds, Series 2010, dated the date of delivery (July 8, 2010) thereof (the **“2010 Bonds”**) for the purpose of paying the costs of acquiring, constructing, furnishing and equipping an addition to and renovations of the Lied Scottsbluff Public Library for the use and benefit of the City (the **“2010 Project”**). .

4. The City has leased the real property on which the 2003 Project, the 1997 Project and the 2010 Project (collectively, the **“Prior Projects”**) are located (collectively, the **“Project Sites”**) to the Corporation pursuant to a Site Lease, dated as of February 15, 2003, as amended by Site Lease Amendment Number One, dated as of September 2, 2009, and as further amended by Site Lease Amendment Number Two, dated as of July 8, 2010 (collectively, the **“Prior Site Lease”**) between the City, as lessor, and the Corporation, as lessee, and the Corporation has leased the Prior Projects to the City pursuant to a Lease Agreement dated as of February 15, 2003, as amended by Lease Agreement Amendment Number One, dated as of September 2, 2009, and as further amended by Lease Agreement Amendment Number Two, dated as of July 8, 2010 (collectively, the **“Prior Lease Agreement”**) between the Corporation, as lessor, and the City, as lessee.

5. The 2009 Bonds remain unpaid in the principal amount of \$2,205,000 and the 2010 Bonds remain unpaid in the principal amount of \$1,285,000 and are a legal liability against the Corporation, provision for the payment of which may be made by the lawful issuance and sale of refunding bonds of the Corporation pursuant to the Nebraska Nonprofit Corporation Act.

6. Upon the satisfaction of certain conditions, by making provision for the redemption and payment of the 2009 Bonds and the 2010 Bonds through the issuance of refunding bonds, a savings in the amount of annual debt service on the 2009 Bonds and the 2010 Bonds would be made by the Corporation for the benefit of the City.

7. By this Resolution, the Corporation has duly authorized the President, in the manner prescribed by law, upon the satisfaction of certain conditions, to call all of the outstanding 2009 Bonds and 2010 Bonds for payment and redemption on date determined by the President in accordance with the provisions of **Section 9(b)** of this Resolution (the **“Redemption Date”**).

8. Except for amounts representing accrued rental payments under the Prior Lease Agreement, all bond sinking fund money of the Corporation and the City in existence with respect to the 2009 Bonds and the 2010 Bonds has been used to pay principal and interest maturing, accruing and falling due on the 2009 Bonds and the 2010 Bonds on or before the Redemption Date, all of such sinking fund money being hereby appropriated and set aside for such purpose, it being found hereby that except for such accrued rental payments, no sinking fund money is presently in existence to pay the principal of the 2009 Bonds and the 2010 Bonds being called for redemption on the Redemption Date, and that neither the Corporation nor the City has any other funds accumulated for the payment thereof.

9. The Board of Directors (the **“Board”**) of the Corporation has heretofore determined and does now find and determine that it is necessary and desirable for the improvement of facilities of the

City, and that it is within the authority of the Nebraska Nonprofit Corporation Act and within the public purposes of the Act, that the Corporation acquire from the City a leasehold interest in and to certain real estate in addition to the Prior Site located within the geographic limits of the City (the “**2015 Project Site**”), including sites, buildings, structures and fixtures, and issue its Lease Rental Revenue and Refunding Bonds in one or more series, in a principal amount not to exceed \$3,850,000 (the “**Bonds**”), for the purpose of providing funds (1) for the payment and redemption of the outstanding 2009 Bonds and 2010 Bonds on the Redemption date upon the satisfaction of certain conditions, and (2) to acquire, construct, furnish and equip municipal facilities on the 2015 Project Site (the “**2015 Project**,” the Prior Projects and the 2015 Project are hereinafter referred to collectively as the “**Project**”), and that the Corporation lease the Project to the City.

10. It is necessary and desirable in connection with the issuance of the Bonds that the Corporation enter into certain documents, that the Corporation take certain other actions and approve the execution of certain other documents as herein provided, and authorize the President to fix certain terms and provisions of the Bonds as set forth herein.

Section 1. Conveyance of the Project Site. The Corporation is hereby authorized to accept conveyance of a leasehold interest in and to the 2015 Project Site and the Prior Project Sites (collectively, the “**Project Site**”).

Section 2. Authorization of the Bonds. The Corporation is hereby authorized to issue and sell its Lease Rental Revenue and Refunding Bonds in one or more series in a principal amount not to exceed \$3,850,000, for the purpose of providing funds (1) for the payment and redemption of the 2009 Bonds and 2010 Bonds on the Redemption Date to refinance the Prior Projects upon the satisfaction of certain conditions set forth herein, and (2) to pay the costs of acquiring, constructing, furnishing and equipping the 2015 Project. The Bonds shall be issued in one or more series and shall be secured pursuant to the Indenture herein authorized. The Bonds of each series shall be dated the date of delivery thereof and payment therefor, shall mature on December 1 in the years and in the respective amounts and shall bear interest from the date thereof payable semiannually on June 1 and December 1 of each year, beginning on the date determined by the President in accordance with the provisions of **Sections 9(a) and (b)**, in each year at the respective rates per annum determined by the President in accordance with the provisions of **Sections 9(a) and (b)**.

The Bonds shall be sold to the Purchaser (hereinafter defined) at a purchase price not less than 97.0% of the principal amount thereof, which purchase price shall include an underwriter’s discount not to exceed 1.00%. The Bonds shall be in such denominations, shall be in such forms, shall be subject to redemption prior to maturity, shall have such other terms and provisions, and shall be issued, executed and delivered in such manner subject to such provisions, covenants and agreements, as are set forth in the Indenture (hereinafter defined).

Section 3. Limited Obligations. The Bonds and the interest thereon shall be limited obligations payable solely out of the rents, revenues and receipts received by the Corporation pursuant to the Lease (hereinafter defined), and such rents, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. The Bonds and the interest thereon shall not constitute a debt or liability of the City, or of the State of Nebraska or of any political subdivision thereof, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 4. Authorization of Documents. The Corporation is hereby authorized to enter into the following documents:

(a) one or more Trust Indenture Supplements, appropriately numbered and dated (the **“Trust Indenture Supplement(s)”**), in substantially the form entered into in connection with the 2009 Bonds and 2010 Bonds, amending and supplementing the Trust Indenture, dated as of February 15, 2003 (the **“2003 Indenture”**), between the Corporation and the Trustee, pursuant to which the Bonds shall be issued and the Corporation shall pledge and assign the rents, revenues and receipts received pursuant to the Lease to the Trustee for the benefit of and security of the owners of the Bonds upon the terms and conditions as set forth in the 2003 Indenture, as amended and supplemented from time to time, including, without limitation, the Trust Indenture Supplement(s) (collectively, the **“Indenture”**).

(b) one or more Lease Agreement Amendments, appropriately numbered and dated (the **“Lease Agreement Amendment(s)”**), in substantially the form entered into in connection with the 2009 Bonds and 2010 Bonds, amending and supplementing the Lease Agreement, dated as of February 15, 2003 (the **“2003 Lease Agreement”**), between the Corporation and the City, under which the Corporation shall (i) refinance the Prior Projects upon satisfaction of the conditions set forth herein, and (ii) acquire, construct, furnish and equip the 2015 Project and shall lease the Project to the City upon the terms and conditions set forth in the 2003 Lease, as amended and supplemented from time to time, including with limitation, the Lease Agreement Amendment (collectively, the **“Lease Agreement”**).

(c) one or more Site Lease Amendment(s), appropriately numbered and dated (the **“Site Lease Amendment(s)”**), in substantially the form entered into in connection with the 2009 Bonds and 2010 Bonds, amending and supplementing the Site Lease, dated as of February 15, 2003 (the **“2003 Site Lease”**), from the City to the Corporation pursuant to which the Corporation will acquire a leasehold interest in the 2015 Project Site upon the terms and conditions set forth in the 2003 Site Lease, as amended and supplemented from time to time, including, without limitation, the Site Lease Amendment (collectively, the **“Site Lease”**).

(d) one or more Bond Purchase Agreements, appropriately dated (the **“Bond Purchase Agreement(s)”**), in substantially the form entered into in connection with the 2009 Bonds and 2010 Bonds, among the Corporation, the City and Ameritas Investment Corp. (the **“Purchaser”**), under which the Corporation agrees to sell the Bonds to the Purchaser upon the terms and conditions as set forth in the Bond Purchase Agreement(s).

Section 5. Official Statement. The Corporation hereby ratifies and approves the publication, distribution and use of a preliminary Official Statement in connection with the offering of the Bonds, with such changes, additions and modifications, as may be approved by the President or Vice President (the **“Preliminary Official Statement”**). The President and Vice President are each hereby authorized to deem the information contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, as amended. The City further authorizes and directs the preparation of, and authorizes and directs the execution and delivery by the President or Vice President of a final Official Statement for use in connection with the sale of the Bonds.

Section 6. Execution of Bonds and Documents. The President or the Vice President of the Corporation is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Corporation in the manner provided in the Indenture. The Corporation is hereby authorized to enter into and the President or the

Vice President of the Corporation is hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the Corporation, the Indenture Supplement(s), the Lease Agreement Amendment(s) (including one or more Memorandum of Lease Agreement to be recorded in the appropriate real estate records at closing to evidence the Lease Agreement), the Site Lease Amendment(s) and the Bond Purchase Agreement(s) and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 7. Designation of Bonds as Qualified Tax-Exempt Obligations. The Corporation hereby designates the Bonds to be “qualified tax-exempt obligations” as such term is defined in Section 265(b)(3) of the Code. In addition, the Corporation hereby represents that:

(a) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds) which will be issued by or on behalf of the Corporation, the City and all entities subordinate to the City during calendar year 2015 does not exceed \$10,000,000; and

(b) the aggregate principal amount of obligations designated by the Corporation as “qualified tax-exempt obligations” during calendar year 2015, including the Bonds, does not exceed \$10,000,000.

The President or the Vice President is hereby authorized to take such other action as may be necessary to make effective the designation in this Section.

Section 8. Authority of President; Further Authority.

(a) In connection with the issuance of a series of Bonds to pay the costs of the 2015 Project and as a part of such sale, the President shall fix (i) the dated date; (ii) the principal amount of such series of Bonds including the principal amounts of the respective Serial Bonds and Term Bonds of such series of Bonds; provided, however that the aggregate amount of such series of Bonds shall not exceed Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) but may be less than that amount; (iii) the rate or rates of interest to be borne by each maturity of such series of Bonds; provided that the true interest cost on such series of Bonds shall not exceed 2.50%, (iv) the principal amount of such series of Bonds maturing in each year; (v) the Sinking Fund Installments due and the dates thereof with respect to such series of Bonds in each year for which the President determines that a Sinking Fund Installment shall be due; (vi) the dates upon which such series of Bonds will be subject to redemption at the option of the City and the redemption price, not to exceed 104% of the principal amount thereof, payable upon the redemption of such series of Bonds, (vii) the purchase price of such series of Bonds, which shall not be less than 97.0% of the principal amount thereof, which purchase price shall include an underwriter's discount not to exceed 1.0% and (viii) the number, date, form and contents of each Trust Indenture Supplement, Lease Agreement Supplement, Site Lease Amendment, Bond Purchase Agreement, Disclosure Certificate and any other agreement executed and delivered by the City in connection with the issuance of such series of Bonds.

The President shall report from time to time to the Board the purchase price of such series of Bonds sold and the principal amount, maturities, Sinking Fund Installments and other terms thereof established in accordance with the provisions of this Resolution.

(b) A series of Bonds may be issued to refund the 2009 Bonds and the 2010 Bonds only if the present value savings (determined with respect to the principal amount of 2009 Bonds and the 2010 Bonds then outstanding) is not less than 3.0% of the par amount of the 2009 Bonds and the 2010 Bonds being refunded. At such time as such present value savings is not less than 3.0%, the Corporation is authorized to issue a series of Bonds to refund the 2009 Bonds and the 2010 Bonds. In connection with

the issuance of a series of Bonds to refund the 2009 Bonds and the 2010 Bonds, and as a part of such sale, the President shall approve (i) the dated date; (ii) the principal amount of such series of Bonds including the principal amounts of the respective Serial Bonds and Term Bonds of such series of Bonds; provided, however that the aggregate amount of such series of Bonds shall not exceed Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) but may be less than that amount; (iii) the rate or rates of interest to be borne by each maturity of such series of Bonds; provided that yield on such series of Bonds shall not exceed 2.50%, (iv) the principal amount of such series of Bonds maturing in each year; (v) the Sinking Fund Installments due and the dates thereof with respect to such series of Bonds in each year for which the President determines that a Sinking Fund Installment shall be due; (vi) the dates upon which such series of Bonds will be subject to redemption at the option of the City and the redemption price, not to exceed 104% of the principal amount thereof, payable upon the redemption of such series of Bond, (vii) the purchase price of such series of Bonds, which shall not be less than 97.0% of the principal amount thereof, which purchase price shall include an underwriter's discount not to exceed 1.0%, (viii) the number, date, form and contents of each Trust Indenture Supplement, Lease Agreement Supplement, Site Lease Amendment, Bond Purchase Agreement, Disclosure Certificate and any other agreement executed and delivered by the Corporation in connection with the issuance of such series of Bonds, and (ix) the redemption date of the 2009 Bonds and the 2010 Bonds and the form and content of any notice of redemption.

The President shall report from time to time to the Board the purchase price of such series of Bonds sold and the principal amount, maturities, Sinking Fund Installments and other terms thereof established in accordance with the provisions of this Resolution, together with the savings to be achieved in connection with refunding the outstanding 2009 Bonds and 2010 Bonds.

(c) The officers, agents and employers of the Corporation, including the President and Secretary, shall be, and they hereby are, 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, and to carry out, comply with and perform the duties of the Corporation with respect to the Bonds, the Indenture, the Lease, the Site Lease and the Bond Purchase Agreement, to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 10. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Board the Corporation.

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PASSED AND ADOPTED: May 4, 2015.

**CITY OF SCOTTSBLUFF LEASING
CORPORATION**

ATTEST:

By: _____
President

By: _____
Secretary

[S E A L]