

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF FRESNO AIRPORT REVENUE BONDS, SERIES 2023 BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENTAL INDENTURE, BOND PURCHASE CONTRACT, ESCROW AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE, OFFICIAL STATEMENT AND RELATED DOCUMENTS, AND AUTHORIZING CERTAIN OTHER ACTIONS AND THE EXECUTION OF CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the Council (the "Council") of the City of Fresno, California (the "City"), acting under and pursuant to the powers reserved to the City under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and Section 1223 of the Charter of the City, has enacted the City of Fresno Municipal Improvements Revenue Bond Law, being Article 7 of Division 2 of Chapter 8 of the Municipal Code of the City, which incorporates, to the extent made applicable by such law, the Revenue Bond Law of 1941, being Chapter 6 of Division 2 of Title 5 of the California Government Code, as enacted and as thereafter amended; and

WHEREAS, the City has heretofore issued \$10,815,000 aggregate principal amount of Airport Revenue Bonds, Series 2000A (the "Series 2000A Bonds") and \$32,230,000 aggregate principal amount of Airport Revenue Bonds, Series 2000B (the "Series 2000B Bonds" and together with the Series 2000A Bonds, the "Series 2000 Bonds") pursuant to an Indenture of Trust, dated as of June 15, 2000, by and between the City and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to BNY Western Trust Company), as trustee (the "Trustee") (as supplemented from time

Date Adopted:

Date Approved:

Effective Date:

City Attorney Approval: 

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to time, the “Indenture”) for the purpose of financing various improvements at Fresno Yosemite International Airport (the “Airport”); and

WHEREAS, the City has heretofore issued \$22,000,000 aggregate principal amount of Airport Revenue Bonds, Taxable Series 2007 (the “Series 2007 Bonds”) pursuant to the First Supplemental Indenture, dated as of May 1, 2007, between the Trustee and the City; and

WHEREAS, the City has heretofore issued \$10,810,000 aggregate principal amount of Airport Revenue Refunding Bonds, Series 2013A (Non-AMT) (the “Series 2013A Bonds”) and \$22,810,000 aggregate principal amount of Airport Revenue Refunding Bonds, Series 2013B (AMT) (the “Series 2013B Bonds” and together with the Series 2013A Bonds, the ‘Series 2013 Bonds’) pursuant to the Second Supplemental Indenture, dated as of July 1, 2013, between the Trustee and the City; and

WHEREAS, the City has heretofore issued \$35,000,000 aggregate principal amount of Airport Revenue Bonds, Series 2019 (the “Series 2019 Bonds”) pursuant to the Third Supplemental Indenture, dated as of May 1, 2019, between the Trustee and the City; and

WHEREAS, the City is empowered to cause the financing and refinancing of capital improvements to the Airport through the issuance of its revenue bonds; and

WHEREAS, the City hereby determines that bonds in the principal amount not to exceed \$110,000,000 are necessary to provide funds to finance and refinance capital improvements to the Airport and that such bonds, not to exceed such principal amount, should be issued and entitled “City of Fresno Airport Revenue Bonds, Series 2023A (AMT)” (the “Series 2023A Bonds”) and “City of Fresno Airport Revenue Refunding

Bonds, Series 2023B (Non-AMT)” (the “Series 2023B Bonds” and together with the Series 2023A Bonds, the “Series 2023 Bonds”); and

WHEREAS, there is on file with the City Clerk and presented to Council a proposed form of fourth supplemental indenture, providing for the issuance of the Series 2023 Bonds, by and between the City and the Trustee; and

WHEREAS, there is on file with the City Clerk and presented to Council a proposed form of escrow agreement, providing for the refunding of the Series 2013 Bonds, by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”); and

WHEREAS, pursuant to the Municipal Improvements Revenue Bond Law, the City is authorized to sell the Series 2023 Bonds in the manner it determines, at public or private sale; and

WHEREAS, the City desires to sell the Series 2023 Bonds by negotiated sale to Raymond James & Associates, Inc. (the “Underwriter”) pursuant to a bond purchase contract, the proposed form of which is on file with the City Clerk and presented to Council; and

WHEREAS, in connection with and related to the Series 2023 Bonds, the City proposes to deliver a Continuing Disclosure Certificate, the proposed form of which is on deposit with the City Clerk and presented to Council; and

WHEREAS, there is on file with the City Clerk and presented to Council a proposed form of official statement describing the Series 2023 Bonds and related matters; and

WHEREAS, pursuant to Section 5852.1 of the Government Code of the State of California, the City has received certain representations and good faith estimates from

KNN Public Finance, LLC, as municipal advisor, and the City has disclosed such good faith estimates as set forth on Exhibit A attached hereto; and

WHEREAS, it is now necessary and appropriate for the City to authorize the execution of and to approve the forms of the fourth supplemental indenture, bond purchase contract, escrow agreement, continuing disclosure certificate and official statement, and to authorize the issuance and sale of the Series 2023 Bonds pursuant thereto; and

WHEREAS, the Council has been presented with the form of each document referred to above, and the Council has examined and approved each document and desires to authorize and direct the execution of such documents in substantially the form presented to Council and the consummation of such financing; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), prior to their issuance, private activity bonds such as the Series 2023A Bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, pursuant to Section 147(f) of the Code, this Council has, following public notice duly given, held a public hearing regarding issuance of the Series 2023A Bonds; and

WHEREAS, the members of this Council are the applicable elected representatives of the City; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Series 2023A Bonds required by Section 147(f) of the Code;

WHEREAS, all acts, conditions and things required by the Charter of the City, the Municipal Improvements Revenue Bond Law and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing, and to authorize the issuance of the Series 2023 Bonds and the execution of the aforementioned documents, in the manner and upon the terms provided in this resolution.

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

1. The Council hereby approves the issuance of the Series 2023 Bonds by the City. It is the purpose and intent of the Council that this resolution constitute approval of the Series 2023A Bonds for the purposes of Section 147(f) of the Code.

2. The issuance of not to exceed \$110,000,000 aggregate principal amount of City of Fresno Airport Revenue Bonds, Series 2023A (AMT) and City of Fresno Airport Revenue Refunding Bonds, Series 2023B (Non-AMT), is hereby authorized and approved. The true interest cost of the interest on the Series 2023 Bonds shall not exceed five and one-half percent (5.50%).

3. The proposed form of fourth supplemental indenture, between the City and the Trustee, presented to Council and on file with the City Clerk, is hereby approved. The

Mayor, City Manager or Controller, or any such officer's designee (collectively, the "Authorized Officers") are each hereby authorized and directed, jointly and severally, to execute and deliver a fourth supplemental indenture in substantially said form (the "Fourth Supplemental Indenture"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and delivery thereof. In the event an Authorized Officer determines at the time of sale of the Series 2023 Bonds that it is in the best interest of the City to obtain municipal bond insurance and/or a reserve fund surety, such changes may include, but are not limited to, changes necessary to conform to the requirements of the municipal bond insurer. The date, maturity date or dates (not to exceed July 1, 2053), interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places and times of payment, terms of redemption and other terms of the Series 2023 Bonds and the municipal bond insurance provisions (if any) shall be as provided in the Fourth Supplemental Indenture as executed and delivered.

4. The proposed form of bond purchase contract, between the City and the Underwriter, presented to Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each, jointly and severally, hereby authorized and directed to execute and deliver to the Underwriter said bond purchase contract in substantially said form (the "Bond Purchase Contract"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the terms of the Series 2023 Bonds shall be subject to the limitations set forth in Section 2 hereof, and

the Underwriter's discount (exclusive of original issue discount) shall not exceed one-half percent (0.5%) of the aggregate principal amount of the Series 2023 Bonds.

5. The proposed form of escrow agreement, between the City and the Escrow Agent, presented to Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each hereby authorized and directed, jointly and severally, to execute and deliver an escrow agreement in substantially said form (the "Escrow Agreement"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and delivery thereof.

6. The proposed form of continuing disclosure certificate, presented to Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each, jointly and severally, authorized and directed, to execute and delivery on behalf of the City, and for the benefit of Bondholders, the continuing disclosure certificate in substantially said form (the "Continuing Disclosure Certificate"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and delivery thereof.

7. The proposed form of official statement relating to the Series 2023 Bonds, presented to Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each hereby authorized and directed, to execute said official statement, in substantially said form (the "Official Statement"), with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof. The Underwriter is hereby authorized to distribute such Official Statement in preliminary form to the potential purchasers of the Series 2023 Bonds and

is hereby authorized and directed to deliver such Official Statement in final form to all purchasers of the Series 2023 Bonds. The Authorized Officers are each authorized to certify to the Underwriter that the preliminary form of the Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain information as permitted by said Rule).

8. The officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Series 2023 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Series 2023 Bonds and the Fourth Supplemental Indenture, Bond Purchase Contract, Escrow Agreement, Continuing Disclosure Certificate and Official Statement, including, but not limited to, entering into amendments to the Indenture, investment agreements, and such other documents and certificates as may be necessary or desirable to obtain municipal bond insurance and/or a reserve fund surety and to satisfy Rule 15c2-12.

9. Capitalized terms used herein which are not otherwise defined shall have the meanings set forth in the Fourth Supplemental Indenture.

10. This resolution shall be effective upon final approval.

Attachment: Exhibit A - Good Faith Estimate

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STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, TODD STERMER, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____ 2023.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2023
Mayor Approval/No Return: _____, 2023
Mayor Veto: _____, 2023
Council Override Vote: _____, 2023

TODD STERMER, CMC
City Clerk

By: _____
Deputy Date

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Brandon M. Collet Date
Supervising Deputy City Attorney

EXHIBIT A

GOOD FAITH ESTIMATES

CITY OF FRESNO AIRPORT REVENUE BONDS, SERIES 2023A (AMT)

CITY OF FRESNO AIRPORT REVENUE REFUNDING BONDS, SERIES 2023B (NON-AMT)

The following information was obtained from KNN Public Finance, LLC, as the municipal advisor of the bonds defined above (the "Bonds"), for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of the Bonds in the amount of \$98,625,000 is sold to effectuate the financing (together with an estimated \$6,261,754 received in original issue premium) and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 4.5%.

2. *Finance Charge of the Bonds.* Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds) including underwriter discount, is \$1,267,158.

3. *Amount of Proceeds to be received.* Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the issuer for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$85,619,758 .

4. *Total Payment Amount.* Assuming such aggregate principal amount of the proposed Bonds (\$98,625,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$183,458,125.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the issuer based on need for funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the issuer's control.