

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

January 15, 2013

Agenda Item: 5.5

Subject: Adoption of Resolution No. 10-1213 - Authorizing the Issuance of Chabot-Las Positas Community College District 2013 General Obligation Refunding Bonds

Background: An election was held in the Chabot-Las Positas Community College District on March 2, 2004 for the issuance and sale of general obligation refunding bonds of the District for various purposes in the maximum amount of \$498,000,000 (the "Authorization"). Pursuant to the Authorization, the District has previously issued its (i) \$229,159,709.55 General Obligation Bonds, Election of 2004, Series 2006B and (ii) \$168,838,667.35 General Obligation Bonds, Election of 2004, Series 2006C (collectively, the "Prior Bonds"). The District now desires to issue its 2013 Refunding Bonds to advance refund certain maturities of the Prior Bonds. The District will receive no additional proceeds from the refunding. All of the savings will go directly to the taxpayers. The refunding will not add additional years to the original bond terms.

(a) Bond Resolution. This Resolution authorizes the issuance of refunding general obligation bonds (the "Bonds"). The resolution specifies the basic terms, parameters and forms of the Bonds, and approves the form of Purchase Contract, the form of Preliminary Official Statement and the form of the Escrow Agreement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate principal amount of the Bonds to be issued (\$350,000,000). Section 3 of the Resolution authorizes the Bonds to be sold at a negotiated sale and Section 4 sets the not-to-exceed the underwriter's discount (0.45%) with respect to the Bonds. The resolution also approves Stradling Yocca Carlson & Rauth to act as Bond Counsel and Disclosure Counsel, and Piper Jaffay & Co., as representative of itself, Backstrom McCarley Berry & Co., LLC and Kinsell, Newcomb & De Dios, Inc, as the underwriters (collectively, the "Underwriters") and U.S. Bank National Association to act as Paying Agent and Escrow Agent.

(b) Form of Purchase Contract. Pursuant to the Purchase Contract, the Underwriters will agree to buy the Bonds from the District. All the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Bonds, the final execution copy of the Purchase Contract will be prepared following this form.

(c) Form of Preliminary Official Statement. The Preliminary Official Statement ("POS") is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to among other things (i) the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the tax levy), (v) information with respect to the Improvement District's tax base (upon which such *ad valorem* taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to

prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the Bonds will be prepared, substantially in the form of the POS.

(d) Escrow Agreement. Pursuant to the Escrow Agreement, proceeds from the sale of the Bonds in an amount sufficient to redeem the outstanding Prior Bonds which are designated for refunding, will be deposited in an escrow fund (the "Escrow Fund") held by U.S. Bank National Association (acting as "Escrow Agent"). The monies in the Escrow Fund will be used by the Escrow Agent to advance refund the Prior Bonds on or about August 1, 2016. As a result of the deposit and application of funds so provided in the Escrow Agreement, the Prior Bonds will be defeased and the obligation of Alameda County and Contra Costa County to levy *ad valorem* taxes for payment of the Prior Bonds will cease.

Fiscal Impact. There is no fiscal impact to the General Fund resulting from the issuance of the Bonds.

Recommended Action: That the Board of Trustees adopts Resolution No. 10-1213 - Authorizing the Issuance of Chabot-Las Positas Community College District 2013 General Obligation Refunding Bonds.

Submitted: Lorenzo Legaspi/Date

Approved: Judy E. Walters/Date

_____ APPROVED

_____ DISAPPROVED

_____ TABLED