

RESOLUTION NO. 5865 (13)

**A Resolution of the Council of the City of Lompoc,
County of Santa Barbara, State of California,
Authorizing the Execution and Delivery of a Lease with Option to Purchase, and
Authorizing Certain Actions in Connection Therewith**

WHEREAS, the City of Lompoc (the "City") is organized and existing under and pursuant to the Constitution and laws of the State of California (the "State"); and

WHEREAS, the City desires to provide for lease financing in the approximate amount of \$2,490,977 for the acquisition of several vehicles and equipment scheduled for replacement (the "Property"), as well as up to \$6,403,701 for the refinancing of previously issued lease financing for previously acquired Property (the "Refinancing"); and

WHEREAS, the City has issued a request for proposals for financing of the Property and Refinancing of existing financing agreements; and

WHEREAS, the approved FY 2013-2015 budget provides for the lease financing of the Property to match the cost of the Property with the useful life of the Property; and

WHEREAS, the approved FY 2013-2015 budget provides for the continued payment of existing lease financing agreements; and

WHEREAS, the acceptance of any proposals for the Refinancing would have to create an economic benefit to the City over the remaining term of the Refinancing, with the economic benefit beginning no later than FY 2015-2016; less than a three-year payback;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Lease with Option to Purchase. The City Administrator, or her designee, is hereby authorized to enter into a Lease with Option to Purchase (the "Lease") the Property, subject to approval as to form by the City Attorney.

SECTION 2. Lease with Option to Purchase for the Refinancing. The City Administrator, or her designee, is also hereby authorized to enter into a separate lease or a combined lease with the successful proposer of the Lease for the Refinancing for a maximum remaining principal amount of \$6,403,701, subject to approval as to form by the City Attorney and the parameters indicated in the above recitals.

SECTION 3. Attestations. The Clerk is hereby authorized and directed to attest the signature of the City Administrator and to affix and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of the Lease.

SECTION 4. Other Actions. The City Administrator, Management Services Director and other officers of the City, are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all agreements, documents and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Lease. Such actions are hereby ratified, confirmed and approved.

SECTION 5. Qualified Tax-Exempt Obligations. The Lease is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 6. Reimbursement of Prior Expenditures. The City declares its official intent to be reimbursed from the proceeds of the Lease approved hereby for a maximum principal amount of \$2,490,977 of expenditures occurring no earlier than sixty days prior to the adoption of this Resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

SECTION 7. Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Councilmember _____, seconded by Councilmember _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on July 16, 2013, by the following vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

John H. Linn, Mayor
City of Lompoc

ATTEST:

Stacey Alvarez, City Clerk
City of Lompoc