

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

March 21, 2017

Agenda Item: 5.4

Subject: Adoption of Resolution No. 08-1617 Authorization to Issue Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) Election of 2016 General Obligation Bonds, Series A and Actions Related Thereto

Background: An election was held in the Chabot-Las Positas Community College District on June 7, 2016 for the issuance and sale of general obligation bonds of the District for various purposes in the maximum amount of \$950,000,000 (the “Measure A”). The District now desires to issue its first series of bonds under Measure A in an amount not-to-exceed \$325,000,000 (the “Bonds”). The Bonds are being authorized for sale for the purpose of providing funds to finance projects approved by Measure A and to pay the costs of issuing the Bonds.

(a) Bond Resolution. This Resolution authorizes the issuance of Bonds, specifies the basic terms, parameters and forms of the Bonds, and approves the form of Purchase Contract and form of Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate initial principal amount of the Bonds to be issued (\$325,000,000). Section 4 of the Resolution states the maximum underwriter’s discount (0.50%) with respect to the Bonds, the maximum legal interest rate on the Bonds, and authorizes the Bonds to be sold at a negotiated sale to Piper Jaffray & Co. and Rice Financial Products Company (together, the “Underwriters”). The Resolution authorizes the issuance of current interest bonds only; capital appreciation bonds are not authorized.

(b) Form of Purchase Contract. The Resolution approves the form of the Purchase Contract. Pursuant to the Purchase Contract, the Underwriters 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 Resolution approves the form of the Preliminary Official Statement. The Preliminary Official Statement (the “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 *ad valorem* property tax levy), (v) information with respect to the District’s tax base (upon which such *ad valorem* property 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 material 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) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from any public agency issuing debt a covenant that such public agency will annually file “material financial information and operating data” with respect to such public agency through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (a federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligations). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information about the District, in the same manner the District has filed such information in connection with prior bond issuances. The purpose of the law is to provide investors in the Bonds with current information regarding the District. Similar laws have governed the corporate debt market for many years.

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 adopt Resolution No. 08-1617-Authorization to Issue Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) Election of 2016 General Obligation Bonds, Series A and Actions Related Thereto.

Submitted: Lorenzo Legaspi/Date

Approved: Jannett N. Jackson/Date

_____ APPROVED

_____ DISAPPROVED

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