

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SUNNYVALE FINANCING AUTHORITY AUTHORIZING
THE ISSUANCE AND SALE OF SOLID WASTE REVENUE
BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF
\$50,000,000 TO FINANCE SMaRT STATION
IMPROVEMENTS AND EQUIPMENT, ADOPTING A DEBT
MANAGEMENT POLICY, AND AUTHORIZING AND
APPROVING RELATED DOCUMENTS AND OFFICIAL
ACTIONS**

WHEREAS, the City of Sunnyvale (the “City”) previously entered into a New Memorandum of Understanding Among the Cities of Mountain View and Sunnyvale Relating to the Operation of a Materials Recovery and Transfer Station, dated December 22, 2021 (the “Memorandum of Understanding”); and

WHEREAS, the Memorandum of Understanding sets forth the contractual rights and obligations of each of the parties to the Memorandum of Understanding for the use and management of the Sunnyvale Materials Recovery and Transfer Station (the “SMaRT Station”); and

WHEREAS, the SMaRT Station serves as the transfer station for solid waste generated within the jurisdictions of the City and the City of Mountain View as well as, from time to time, (i) solid waste generated by other public agencies, referred to as “other Partners” in the Memorandum of Understanding and (ii) solid waste generated by other public agencies or solid waste haulers, referred to as “merchant users” in the Memorandum of Understanding; and

WHEREAS, under the Memorandum of Understanding, the City is the Managing Partner, with the responsibility for the improvement, ownership and operation of the SMaRT Station; and

WHEREAS, the City has determined that it is necessary to finance the costs of replacing materials recovery facility equipment and making related improvements necessary to deliver the public services provided at the SMaRT Station (the “Improvements”); and

WHEREAS, the Sunnyvale Financing Authority (the “Authority”) has been formed for the purpose of assisting the City with its financings, and in order to finance the acquisition and installation of the Improvements, the Authority proposes to issue its Solid Waste Revenue Bonds, Series 2025, in the maximum principal amount of \$50,000,000 (the “Series 2025 Bonds”) under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the “Bond Law”); and

WHEREAS, the Series 2025 Bonds will be issued under an Indenture of Trust, by and between U.S. Bank Trust Company, National Association and the Authority (the “Indenture”); and

WHEREAS, in order to provide revenues which are sufficient to pay debt service on the Series 2025 Bonds, the Authority proposes to sell the Improvements to the City under an Installment Sale Agreement, between the City and the Authority (the "Installment Sale Agreement") for a purchase price to be paid by the City in semiannual installments during the term of the Series 2025 Bonds; and

WHEREAS, the obligations of the City under the Installment Sale Agreement will be payable exclusively from (i) the net revenues of Sunnyvale's Solid Waste System (as defined in the Installment Sale Agreement) and (ii) payments to be made by the City of Mountain View pursuant to the Memorandum of Understanding; and

WHEREAS, in accordance with Government Code Section 5852.1, the Board of Directors received from Ross Financial, the City's municipal advisor (the "Municipal Advisor"), certain required good faith estimates and such estimates are disclosed and set forth in Exhibit A hereto; and

WHEREAS, the City Council has conducted a noticed public hearing on the issuance of the Bonds and made certain findings, as required by Section 6586.5 of the Bond Law; and

WHEREAS, Government Code Section 8855(i) requires issuers of any proposed debt to adopt policies concerning the use of debt; and

WHEREAS, the City adopted a debt management policy (the "City Debt Management Policy") in compliance with Government Code Section 8855(i) as Council Policy 7.1.8, and the Authority wishes to adopt the City Debt Management Policy, as it may be amended from time to time, as the policy of the Authority; and

WHEREAS, the Board of Directors of the Authority wishes at this time to take action approving such financing transaction and all related documents and actions related to the issuance and sale of the Series 2025 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUNNYVALE FINANCING AUTHORITY AS FOLLOWS:

SECTION 1. Approval of Financing Plan; Authorization of Series 2025 Bonds. The Board of Directors hereby approves the financing plan described in the recitals of this Resolution. To that end, the Board of Directors hereby authorizes the issuance of the Series 2025 Bonds under the Bond Law and the Indenture in the maximum principal amount of \$50,000,000 for the purpose of providing funds to finance the Improvements.

SECTION 2. Approval of Related Financing Agreements. The Board of Directors hereby approves the Indenture and the Installment Sale Agreement, in substantially the respective forms on file with the Secretary together with any changes therein or additions thereto deemed advisable by Executive Director or the Treasurer (each, an "Authorized Officer"), and the execution thereof by the Chair shall be conclusive evidence of the approval of any such changes or additions.

The Chair is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of each of the foregoing agreements.

SECTION 3. Sale of Bonds. The Bond Purchase Contract, between the Authority and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), in substantially the form on file with the Secretary and made a part hereof as though set forth in full herein, is hereby approved by the Board of Directors; subject to the requirement that the interest rate borne by the Series 2025 Bonds does not exceed six percent 6.0%, the Underwriter’s discount does not exceed 0.35%, and the principal amount of the Series 2025 Bonds shall not exceed \$50,000,000. The Board of Directors hereby approves the negotiated sale of the Series 2025 Bonds to the Purchaser pursuant to such Bond Purchase Contract, the Treasurer is hereby authorized and directed to execute the Bond Purchase Contract, and such execution shall be conclusive evidence of the approval of the final form thereof.

SECTION 4. Official Statement. The Board of Directors hereby approves and deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”), the preliminary Official Statement describing the Series 2025 Bonds in the form on file with the Secretary. An Authorized Officer is hereby authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board of Director’s determination that the preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Directors hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the Board of Directors by an Authorized Officer.

SECTION 5. Official Actions. The Chair, the Executive Director, the Treasurer, the Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

An Authorized Officer is hereby authorized and directed to take all actions necessary to authorize the purchase of one more municipal bond insurance policies or reserve account insurance policies for the Series 2025 Bonds if it is determined by the City, upon consultation with the City’s Municipal Advisor and Bond Counsel, that such insurance policies will reduce the true interest cost of the Series 2025 Bonds.

SECTION 6. Bond Counsel and Disclosure Counsel. The Board of Directors hereby approves the selection of Jones Hall LLP (“Bond Counsel”), as bond counsel and disclosure counsel to the Authority. An Authorized Officer or the General Counsel is hereby authorized to execute a professional services agreement with Bond Counsel in connection with the proposed financing, and the execution of such agreements by an Authorized Officer or the General Counsel shall be conclusive evidence of such approval.

SECTION 7. California Environmental Quality Act. On May 20, 2025 (RTC 25-0307), the City Council accepted Addendum #3 to the previously certified SMaRT Station EIR (State Clearinghouse # 89022812) finding that no further environmental review is required for the proposed integrated waste process equipment system constituting the Improvements to be financed by the Series 2025 Bonds, pursuant to Sections 15162 and 15164 of the Guidelines to the California Environmental Quality Act (CEQA).

SECTION 8. Debt Management Policy. The Authority hereby adopts the City Debt Management Policy, as it may be amended from time to time, as the Authority’s debt management policy for purposes of complying with Government Code Section 8855(i), and, in the case of the Bonds, where the proceeds will be used by the City, the Authority relies on the City Debt Management Policy with respect to the policies described in subparagraphs (C), (D) and (E) of paragraph 1 of such Section.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

Adopted by the Financing Authority at a regular meeting held on _____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

David Carnahan, Clerk Financing Authority
(SEAL)

Larry Klein, Chair Financing Authority

APPROVED AS TO FORM:

Rebecca L. Moon, Financing Authority Counsel

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the City's Municipal Advisor, which has been represented by such party to have been provided in good faith:

- (A) True Interest Cost with respect to the Series 2025 Bonds: 4.08%.
- (B) Finance Charge with respect to the Series 2025 Bonds (sum of all fees paid to third parties): \$420,000.
- (C) Net Proceeds to be Received (net of finance charges, reserves and capitalized interest, if any): \$45,380,900.
- (D) Total Payment Amount Through Maturity: \$67,110,594.

The foregoing estimates constitute good faith estimates only. The principal amount of the Series 2025 Bonds, the true interest cost of the Series 2025 Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2025 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2025 Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Series 2025 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2025 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations in the City's financing plan, or a combination of such factors, or (g) the treatment of the interest with respect to the Series 2025 Bonds under federal tax law.

The actual date of sale of the Series 2025 Bonds and the actual principal amount of Series 2025 Bonds sold will be determined by the City based on the timing of the need for proceeds of the Series 2025 Bonds and other factors. The actual interest rates borne by the Series 2025 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2025 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.