

RESOLUTION NO. 2019-9-133

Authorizing and approving the execution and delivery of various documents and taking of actions in connection with the acquisition, construction, improving and financing of the Dr. Percy and Lileah Harris Building Project, including authorizing the execution and delivery of a First Amendment to Lease Purchase Agreement, a First Supplemental Trust Agreement and an Amended and Restated Certificate Purchase Agreement; authorizing the issuance and approving the sale of certain Certificates of Participation; providing for the levy of taxes to pay Base Lease Payments under the Lease Purchase Agreement; and related matters.

WHEREAS, the City Council of the City of Cedar Rapids, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of Code of Iowa, has established the Consolidated Central Urban Renewal Area (the "Urban Renewal Area") within the City and has adopted an Urban Renewal Plan for the Urban Renewal Area, which Urban Renewal Plan has been amended from time to time by the City, including by Amendment No. 8, at the request of Linn County (the "County"), to identify the undertaking by the County of the Dr. Percy and Lileah Harris Building Project (hereinafter defined) as an "urban renewal project" under the Urban Renewal Plan; and

WHEREAS, pursuant to the provisions of Chapters 331 and 403 of the Code of Iowa, the County proposed to enter into a General Obligation Urban Renewal Lease Purchase Agreement (the "Lease Purchase Agreement") in a principal amount not to exceed \$31,500,000, for the purpose of paying the cost, to that extent, of an urban renewal project within the Urban Renewal Area consisting of the acquisition, construction, improving, furnishing and equipping of a building to house the Linn County Public Health and Linn County Child and Youth Development Services (the "Dr. Percy and Lileah Harris Building Project" or the "Project"); and

WHEREAS, the County has instituted proceedings to enter into the Lease Purchase Agreement under the provisions of Sections 331.301, 331.441, subsection 2.b.(14) and 331.442, subsection 5 of the Code of Iowa, by causing a notice of such proposal to be published setting January 3, 2018 at 10:00 o'clock a.m. at the Linn County Jean Oxley Public Service Center as the time and place at which the County Board of Supervisors would meet to institute proceedings and take action for authorizing and entering into the Lease Purchase Agreement, including notice of the right to petition for an election; and

WHEREAS, such hearing was held at such time and place and no petition was filed with the County asking that the question of entering into the Lease Purchase Agreement be submitted to the registered voters of the County; and

WHEREAS, subsequent to such hearing, the County determined to proceed with the Lease Purchase Agreement for the acquisition of the Project and to authorize and approve the following documents (among others) (the "Project Documents"):

a. Ground Lease (the “Ground Lease”) between the County and Bankers Trust Company (succeeded by UMB Bank, n.a.) (the “Trustee”) providing for the lease of the Site to the Trustee for a term of approximately fifty years;

b. Lease Purchase Agreement between the County and the Trustee pursuant to which the Trustee appointed the County as its agent to acquire the Project and the County will lease the Project from the Trustee;

c. Trust Agreement (the “Trust Agreement”) between the County and the Trustee pursuant to which the Trustee will provide for the issuance of Certificates of Participation Evidencing an Ownership Interest in Base Lease Payments Pursuant to a Lease Purchase Agreement (the “Certificates of Participation”) to provide funds to finance the Project;

d. Ground Sublease (the “Ground Sublease”) between the Trustee and Rinderknecht Associates, Inc., subsequently assigned to Harris Building Tenant, LLC (the “Contractor”), consented to by the County, providing for the subleasing of the Site by the Trustee to the Contractor to facilitate the construction of the Project and a method to secure construction period financing for the Project;

e. Certificate Purchase Agreement between the County and Robert W. Baird & Co. (the “Underwriter”) providing for the sale of the Certificates of Participation by the Underwriter; and

WHEREAS, the Lease Purchase Agreement and the Trust Agreement provided for the issuance and delivery of, from time to time, the Certificates, by a supplemental trust agreement to evidence the ownership interests of the Certificate Holders in and to Base Lease Payments (as defined in the Lease Purchase Agreement) pursuant to the Lease Purchase Agreement to provide funds to acquire the Project; and

WHEREAS, the County has determined to provide for the sale of the Certificates of Participation in an aggregate amount of \$29,225,000 to be designated General Obligation Certificates of Participation, Series 2019 Evidencing An Ownership Interest In Base Lease Payments Pursuant to a Lease Purchase Agreement (the “Certificates”) for the purpose of financing the acquisition of the Project; and

WHEREAS, the Certificates will be sold to the Underwriter pursuant to an Amended and Restated Certificate Purchase Agreement; and

WHEREAS, the County deems it advisable and in the best interests of the County to proceed with the financing of the Project and the authorization, issuance and sale of the Certificates by the Trustee and in connection therewith, there have been prepared and presented to the Board of Supervisors for consideration and approval the following (the “Project Documents”):

a. First Amendment to Lease Purchase Agreement (the “First Amendment to Lease Purchase Agreement”) between the County and the Trustee; and

b. First Supplemental Trust Agreement (the “First Supplemental Trust Agreement”) between the County and the Trustee; and

c. Amended and Restated Certificate Purchase Agreement (the “A/R Certificate Purchase Agreement”) between the County and the Underwriter;

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of the County as follows:

Section 1. The sale of the Certificates to the Underwriter and the issuance of the Certificates pursuant to the Trust Agreement are hereby authorized and approved. The Certificates shall be in the form attached to the Trust Agreement as Exhibit A, the Certificates shall be in an aggregate principal amount of \$29,225,000, the Certificates shall be sold to the Underwriter at the prices, shall bear interest at the rates, shall mature on the dates in each of the years and in the principal amounts and shall be subject to redemption prior to maturity at the times as are set forth in the Trust Agreement and the A/R Certificate Purchase Agreement.

The Lease Purchase Agreement and the obligations of the County to pay Base Lease Payments under the Lease Purchase Agreement for the payment of the Certificates are general obligations of the County. All taxable property within the boundaries of the County is subject to a levy of taxes to pay the Base Lease Payments without constitutional or statutory limitation as to rate or amount.

Section 2. For the purpose of providing funds to pay the Base Lease Payments under the Lease Purchase Agreement for the payment of principal of and interest on the Certificates, there is hereby ordered levied a direct annual tax on all of the taxable property in the County, sufficient to produce funds in the following amounts in each of the following fiscal years:

For collection in the fiscal year beginning July 1, 2020,  
sufficient to produce the net annual sum of \$2,071,500;

For collection in the fiscal year beginning July 1, 2021,  
sufficient to produce the net annual sum of \$2,071,500;

For collection in the fiscal year beginning July 1, 2022,  
sufficient to produce the net annual sum of \$2,074,000;

For collection in the fiscal year beginning July 1, 2023,  
sufficient to produce the net annual sum of \$2,071,900;

For collection in the fiscal year beginning July 1, 2024,  
sufficient to produce the net annual sum of \$2,070,650;

For collection in the fiscal year beginning July 1, 2025,  
sufficient to produce the net annual sum of \$2,071,650;

For collection in the fiscal year beginning July 1, 2026,  
sufficient to produce the net annual sum of \$2,071,850;

For collection in the fiscal year beginning July 1, 2027,  
sufficient to produce the net annual sum of \$2,073,600;

For collection in the fiscal year beginning July 1, 2028,  
sufficient to produce the net annual sum of \$2,075,400;

For collection in the fiscal year beginning July 1, 2029,  
sufficient to produce the net annual sum of \$2,075,000;

For collection in the fiscal year beginning July 1, 2030,  
sufficient to produce the net annual sum of \$2,072,400;

For collection in the fiscal year beginning July 1, 2031,  
sufficient to produce the net annual sum of \$2,072,600;

For collection in the fiscal year beginning July 1, 2032,  
sufficient to produce the net annual sum of \$2,070,400;

For collection in the fiscal year beginning July 1, 2033,  
sufficient to produce the net annual sum of \$2,070,800;

For collection in the fiscal year beginning July 1, 2034,  
sufficient to produce the net annual sum of \$2,073,600;

For collection in the fiscal year beginning July 1, 2035,  
sufficient to produce the net annual sum of \$2,073,600;

For collection in the fiscal year beginning July 1, 2036,  
sufficient to produce the net annual sum of \$2,070,800;

For collection in the fiscal year beginning July 1, 2037,  
sufficient to produce the net annual sum of \$2,074,100; and

For collection in the fiscal year beginning July 1, 2038,  
sufficient to produce the net annual sum of \$2,075,450;

The County hereby declares that the Project is an urban renewal project, as defined in Iowa Code section 403.17, within the Urban Renewal Area, and that the proceeds from the sale of the Certificates shall be used to carry out the purposes and provisions of Iowa Code chapter 403 and of the urban renewal plans for the Urban Renewal Area.

Section 3. A certified copy of this resolution shall be filed with the County Auditor of Linn County, and the County Auditor is hereby instructed in and for each such fiscal year, to levy and assess the tax hereby authorized in Section 2 sufficient to produce Debt Service Tax Revenues in an amount equal to the amount so certified, such levy and assessment to be in like

manner as other taxes are levied and assessed, and such taxes so levied to be collected in like manner as other taxes of the County are collected, and when collected, the proceeds of such taxes shall be converted to the Debt Service Fund of the County, set aside therein as a special account to be used solely and only for the payment of the Base Lease Payments and transferred to the County for deposit into the Sinking Fund (as defined in the Trust Agreement) to be used for such purposes and for no other purpose whatsoever.

Section 4. The Project Documents are hereby made a part of this Resolution as though fully set forth herein and are hereby approved. The Chairperson of the Board of Supervisors and the County Auditor are authorized and directed to execute, acknowledge and deliver the Project Documents on behalf of the County in substantially the forms presented to the Board of Supervisors with such changes, insertions and omissions therein as may be appropriate, such execution to be conclusive evidence of approval of such documents by this Board of Supervisors in accordance with the terms hereof.

Section 5. The Chairperson of the Board of Supervisors, the County Auditor and other officials of the County are authorized and directed to execute and deliver all other documents which may be required under the terms of the Project Documents, or by bond counsel, and to take any other action as may be required or deemed appropriate for the performance of the duties imposed thereby to carry out the purposes thereof.

Section 6. The Chairperson of the Board of Supervisors, the County Auditor and other officials of the County are authorized to furnish to the Trustee, the purchasers of the Certificates and bond counsel certified copies of all proceedings and records of the County relating to the Project Documents and the Certificates, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Certificates as such facts appear from the books and records in the officials' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the County as to the truth of all statements contained therein.

Section 7. It is the intention of the County that interest on the Certificates be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof, the County covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with the applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Certificates will remain excluded from gross income for federal income tax purposes. On the date of issuance and delivery of the Certificates, the County will execute and deliver a tax certificate setting forth the certifications and undertakings required by the Internal Revenue Code so that interest on the Certificates will be and remain excluded from gross income for federal income tax purposes. Any and all of the officers of the County are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein and in the tax certificate.

Section 8. The Securities and Exchange Commission (the "SEC") has promulgated certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule") that make it unlawful for an underwriter to participate in the primary offering of municipal securities in a principal amount of \$1,000,000 or more unless, before submitting a bid or entering into a purchase contract for such securities, it has reasonably determined that the issuer or an obligated person has undertaken in writing for the benefit of the holders of such securities to provide certain disclosure information to prescribed information repositories on a continuing basis so long as such securities are outstanding.

On the date of issuance and delivery of the Certificates, the County will execute and deliver a Continuing Disclosure Certificate pursuant to which the County will undertake to comply with the Rule. The County covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Certificate. Any and all of the officers of the County are hereby authorized and directed to take any and all actions as may be necessary to comply with the Rule and the Continuing Disclosure Agreement.

Section 9. This Resolution may be amended without the consent of any holders of the Certificates if, in the opinion of bond counsel, such amendment is necessary to make sure that interest on the Certificates will remain excluded from gross income for federal income tax purposes.

Section 10. All resolutions and orders or parts thereof in conflict with the provisions of this resolution, to the extent of such conflict, are hereby repealed.

Section 11. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved September 18, 2019.

  
Chairperson, Board of Supervisors

Attest:

  
County Auditor

  
Deputy

STATE OF IOWA

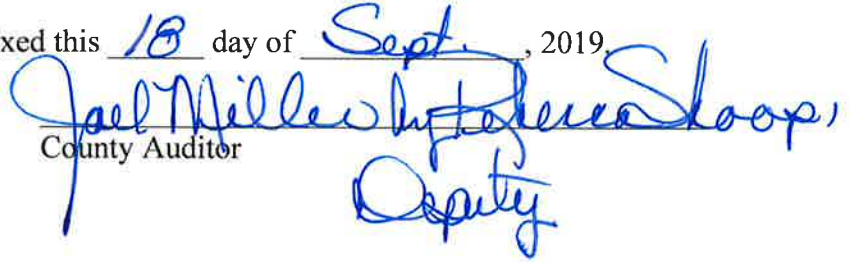
SS:

COUNTY OF LINN

I, the undersigned, County Auditor of the aforementioned County, in the State of Iowa, do hereby certify that on the 18 day of Sept., 2019, I filed in my office a certified copy of a resolution of the County shown to have been adopted by the Board of Supervisors on the 18<sup>th</sup> day of September, 2019, entitled: "Authorizing and approving the execution and delivery of various documents and taking of actions in connection with the acquisition, construction, improving and financing of the Dr. Percy and Lileah Harris Building Project, including authorizing the execution and delivery of a First Amendment to Lease Purchase Agreement, a First Supplemental Trust Agreement and an Amended and Restated Certificate Purchase Agreement; authorizing the issuance and approving the sale of certain Certificates of Participation; providing for the levy of taxes to pay Base Lease Payments under the Lease Purchase Agreement; and related matters".

I further certify that the taxes provided for in that resolution will in due time, manner and season be entered on the State and County tax lists of this County for collection in the fiscal year beginning July 1, 2020, and subsequent years as provided in the resolution.

WITNESS MY HAND hereto affixed this 18 day of Sept., 2019.

  
County Auditor  
Deputy

Cedar Rapids, Iowa

September 18, 2019

The Board of Supervisors of Linn County, Iowa, met on September 18, 2019, at \_\_\_\_\_ o'clock a.m., at the Linn County Jean Oxley Public Service Building, Cedar Rapids, Iowa. The meeting was called to order by the Chairperson, and the roll was called showing the following Supervisors present and absent:

Present: Chairperson Walker, Supervisors Rogers & Olson  
Absent: none.

\* \* \* Other Business \* \* \*

The Board took up and considered matters relating to the sale and issuance of Certificates of Participation in connection with the Dr. Percy and Lileah Harris Building Project.

After due consideration and discussion, Supervisor Rogers introduced the resolution next hereinafter set out and moved its adoption, seconded by Supervisor Olson. The Chairperson put the question upon the adoption of said resolution, and the roll being called, the following Supervisors voted:

Ayes: Walker, Rogers, Olson  
Nays: none.

Whereupon, the Chairperson declared the resolution duly adopted as hereinafter set out.

\* \* \* Other Business \* \* \*

At the conclusion of the meeting, and upon motion and vote, the Board adjourned.

By: Stacy Walker  
Chairperson, Board of Supervisors

Attest:

By: Paul Miller by Rhonda Shoop,  
County Auditor Deputy