

**SPECIAL SESSION
June 9, 2004**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 1:00 p.m., Wednesday, June 9, 2004, at in the Supervisors' Conference Room, 10th Floor, Administration Building, Phoenix, Arizona, with the following members present: Andrew Kunasek, Chairman, District 3, Fulton Brock, District 1, Don Stapley, District 2, Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board, David Smith, County Administrator, and Paul Golab, Deputy County Attorney.

RESOLUTION – ISSUANCE OF CERTIFICATES OF PARTICIPATION

Item: Adopt a resolution which, among other things, would authorize the issuance of not-to-exceed \$15,000,000 aggregate principal amount of Certificates of Participation, Series 2004, to finance acquisition, construction and improvements for the Human Services Campus; and authorize the execution and delivery of related documents and delegate to the Chief Financial Officer authority to take certain actions in connection with the certificates. Maricopa County may be liable for the annual debt service payment of up to \$2.2 million beginning in FY 2006-2007 if donations do not materialize. (CONTINUED FROM MEETING OF JUNE 2, 2004.) (C18040438) (F23148)

In answer to Supervisor Brock's question regarding the status of the finances, Mr. Smith stated the kick-off included the county's initial \$7,000,000 contributions. Subsequently, many foundations and corporations have made contributions or pledges. The total raised is now at \$17,000,000; \$5,000,000 to \$5,500,000 short of the goal. The total amount for the project is estimated at \$22,000,000.

Supervisor Wilcox thanked all involved for their assistance with this project.

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) on a roll call vote with Supervisors Wilcox, Stapley, Wilson, Brock and Kunasek voting "aye" to adopt the following resolution:

RESOLUTION

RESOLUTION APPROVING AND AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY AND THE EXECUTION AND DELIVERY OF A LEASE-PURCHASE AGREEMENT, A TRUST AGREEMENT AND AN ACQUISITION AGREEMENT; APPROVING THE ISSUANCE OF NOT TO EXCEED \$15,000,000 AGGREGATE PRINCIPAL AMOUNT OF CERTIFICATES OF PARTICIPATION, SERIES 2004 TO FINANCE THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF A HUMAN SERVICES CAMPUS OF FACILITIES FOR THE HOMELESS PURSUANT TO A LEASE-PURCHASE AGREEMENT BETWEEN MARICOPA COUNTY, ARIZONA AND A NONPROFIT CORPORATION AUTHORIZED TO ISSUE OBLIGATIONS ON BEHALF OF THE COUNTY, AS WILL BE ASSIGNED TO A TRUSTEE; AUTHORIZING THE SALE OF SUCH CERTIFICATES PURSUANT TO A CERTIFICATE PLACEMENT AGREEMENT, AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE OR OTHER FORM OF USE AGREEMENT WITH ONE OR MORE NONPROFIT ENTITIES TO PROVIDE SERVICES FOR THE HOMELESS, AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DELEGATING CERTAIN DUTIES TO THE COUNTY'S CHIEF FINANCIAL OFFICER AND RATIFYING CERTAIN ACTIONS.

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WHEREAS, Maricopa County, Arizona (the "County") desires to provide financing for the acquisition, construction and equipping of a human services campus of facilities for the homeless (collectively, the "Human Services Improvements"), with services to be provided by the County and one or more nonprofit entities, including, but not limited to Andre House of Arizona, Central Arizona Shelter Services, NOVA Safe Haven, St. Joseph the Worker and St. Vincent DePaul (collectively, the "Nonprofit Service Providers") on real property owned or to be owned by the County (such real property, together with the Human Services Improvements, the "Human Services Projects");

WHEREAS, the County desires to sell certain of its real property identified in Exhibit A to the hereinafter defined Lease-Purchase Agreement (the "Alternate Leased Land"), and to apply a portion of the remaining sale proceeds of the Maricopa County Public Finance Corporation Lease Revenue Bonds, Series 2001 (the "2001 Bond Funds") in an amount sufficient to acquire, construct and equip health services projects to be operated by the County (collectively, the "Health Services Improvements") on the Alternate Leased Land and reacquire on a lease-purchase basis the Alternate Leased Land and the Health Services Improvements (collectively, the "Health Services Projects") pursuant to Arizona Revised Statutes, Sections 11-251.9 and 11-251.46; and

WHEREAS, the County desires to provide for the financing of costs of the Human Services Improvements through the execution, delivery and sale of not to exceed \$15,000,000 aggregate principal amount of Certificates of Participation, Series 2004 (the "Certificates"), evidencing a proportionate interest of the owners thereof in a Lease-Purchase Agreement, to be dated as of June 1, 2004 or such later date as may be appropriate (the "Lease-Purchase Agreement"), between Maricopa Public Finance Corporation (the "Corporation"), an Arizona nonprofit corporation authorized to issue obligations on behalf of the County and the County, as assigned to a trustee (the "Trustee") to be selected by the County's Chief Financial Officer (the "Chief Financial Officer"), pursuant to a Trust Agreement to be dated as of June 1, 2004 or such later date as may be appropriate (the "Trust Agreement"), between the Trustee and the Corporation; and

WHEREAS, the County, as agent for the Corporation will agree to cause the Health Services Improvements to be acquired and otherwise completed from the 2001 Bond Funds and other funds, if any, to be deposited with the Trustee under the Trust Agreement pursuant to an Acquisition and Assignment Agreement, to be dated as of June 1, 2004 or such later date as may be appropriate (the "Acquisition Agreement"), between the Corporation and the County; and

WHEREAS, the Certificates are to be sold pursuant to a Certificate Placement Agreement to a Purchaser (the "Purchaser") to be selected pursuant to this Resolution (the "Certificate Placement Agreement") and the proceeds thereof will be made available to the County for the acquisition, construction and equipping of the Human Services Improvements; and

WHEREAS, the County intends to enter into one or more lease or other use agreements with the Nonprofit Service Providers or a single entity formed on their behalf pursuant to which the Nonprofit Service Providers will agree to provide services to the homeless and to cooperate with the County in obtaining charitable contributions and donations from the public to defray all or a portion of the County's obligation to make lease payments under the Lease-Purchase Agreement; and

WHEREAS, the Clerk of the Board has presented to the Board at this meeting (i) the proposed form of the Lease-Purchase Agreement, (ii) the proposed form of the Trust Agreement, (iii) the proposed form of the Acquisition Agreement, and (iv) the proposed form of Certificate Placement Agreement.

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NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Maricopa County, Arizona, that:

Section 1. It is hereby found and determined that the construction, acquisition and completion of the Human Services Improvements with the 2001 Bond Funds and the construction, acquisition and completion of the Health Services Improvements and payment of costs of issuance with the proceeds of the Certificates and the sale and lease-purchase back of the Alternate Leased Land and the Health Services Improvements pursuant to the terms of and as defined in the Lease-Purchase Agreement, the Trust Agreement and the Acquisition Agreement are in furtherance of the purposes of the County and in the public interest. The sale of the Alternate Leased Land pursuant to the Acquisition Agreement shall be at a price of not less than ninety percent (90%) of the appraised value thereof pursuant to A.R.S. § 11-251.9.

Section 2. The County hereby approves the issuance and delivery of the Certificates, as hereinafter described, by the Trustee. The Certificates shall be issued in the aggregate principal amount of not to exceed \$15,000,000. The Certificates shall be dated June 1, 2004 or such later date as provided in the Trust Agreement, and the components of the County's lease payments identified as interest from such date and thereafter shall be payable on January 1 and July 1 of each year, commencing January 1, 2005 or such other dates as may be specified in the Certificate Placement Agreement. The Certificates shall represent interest at the rates per annum that result in a true interest cost not to exceed 6.50% and shall mature on July 1 (or such other dates as specified in the Certificate Placement Agreement) in the years and principal amounts (with a final maturity date not later than fifteen years from the date of initial delivery of the Certificate Placement Agreement) all as are to be set forth in the Certificate Placement Agreement.

The forms, terms and provisions of the Certificates and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are hereby approved.

Section 3. The Chief Financial Officer is authorized and directed to solicit offers to purchase the Certificates on such terms as the Chief Financial Officer deems appropriate and to execute and deliver a Certificate Placement Agreement. Execution of the Certificate Placement Agreement by the Chief Financial Officer shall be conclusive evidence of the approval and acceptance of the offer.

Section 4. The Chief Financial Officer is hereby directed to cause the 2001 Bond Funds in an amount not to exceed \$_____ to be transferred to the Trustee under the Trust Agreement to be used for the Health Services Improvements.

Section 5. The form, terms and provisions of the Lease-Purchase Agreement, the Trust Agreement, the Certificates, the Certificate Placement Agreement and the Acquisition Agreement (collectively, the "County Documents") in the form of such documents (including the exhibits thereto) presented at this meeting are hereby approved, with such insertions, deletions and changes as shall be approved by the Chairman of their Board or the Chief Financial Officer, the execution of the Lease-Purchase Agreement, the Certificate Placement Agreement and the Acquisition Agreement being conclusive evidence of such approval, and the Chairman of the Board, the Chief Financial Officer and the Clerk of the Board are hereby authorized and directed to execute and deliver the Lease-Purchase Agreement, the Certificate Placement Agreement and the Acquisition Agreement and such other documents as are necessary to complete the transaction, including, but not limited to one or more lease or other use agreements with the Nonprofit Service Providers and/or entity formed on their behalf with

respect to the Human Services Projects. The County's Chief Financial Officer is authorized to select the entity to serve as Trustee under the Trust Agreements.

Section 6. The County hereby requests the Corporation and the Trustee to take any and all action necessary in connection with the execution and delivery of the Lease-Purchase Agreement, the Trust Agreement and the Acquisition Agreement and the issuance and sale of the Bonds.

Section 7. The County covenants that it will do all things necessary to assist the Corporation and the Trustee in the issuance and delivery of the Certificates.

Section 8. After any of the Certificates are delivered by the Trustee to the Purchaser thereof upon receipt of payment, therefore this resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 9. All actions of the officers and agents of the County or the Board which conform to the purposes and intent of this resolution and which further the issuance and sale of the Certificates as contemplated by this resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the County are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the county as may be necessary to carry out the terms and intent of this resolution, including conducting any public hearings which may be required under Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 10. In consideration of the purchase and acceptance of the Certificates by the owners thereof and, in consideration of retaining the exclusion of interest income on the Certificates from gross income for federal income tax purposes, the County covenants with the owners from time to time of the Certificates to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest income represented by the Certificates becoming subject to inclusion as gross income for federal income tax purposes under either laws existing on the date of issuance of the Certificates or such laws as they may be modified or amended.

The County agrees that it will comply with such requirement(s) and will take any such action(s) as in the opinion of Greenberg Traurig, LLP ("bond counsel") are necessary to prevent interest income on the Certificates becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by bond counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Certificates; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Certificates; and limiting the use of the proceeds of the Certificates and property financed thereby. The Chief Financial Officer is further authorized to make one or more declarations of official intent to reimburse amounts advanced for the Human Services Projects as may be required by Treasury Regulations Section 1.150-2.

Section 11. If any section, paragraph, clause or phrase of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this resolution.

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Section 12. All orders, resolution and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

DATED this 9th day of June 2004.

/s/ Andrew Kunasek, Chairman of the Board

ATTEST:

/s/ Fran McCarroll, Clerk, Board of Supervisors

Approved as to Form:
Greenberg Traurig, LLP

By: /s/ William R. DeHaan

SOLE SOURCE CONTRACT WITH AMERICAN APPRAISAL ASSOCIATES

Item: Approve a sole source contract with American Appraisal Associates for a not-to-exceed amount of \$217,300 for valuation-consulting services to determine a fair market value for the tangible and intangible assets of the of the Maricopa Integrated Health System in preparation for transition to the new Special Health Care District. Action on this item is subject to County Counsel's review and approval of the final contract and subsequent execution of the contract. (C73040051)

Tom Manos, Chief Financial Officer, stated this contract is necessary for a clean hand off to the new health care district regarding verification of fixed assets. This company has been used before and has the expertise in valuing health system equipment.

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) on a roll call vote with Supervisors Wilcox, Stapley, Wilson, Brock and Kunasek voting "aye" to approve the sole source contract with American Appraisal Associates, for a not-to-exceed amount of \$217,300.

TRANSFER OF EXCESS COUNTY PROPERTY TO HUMAN SERVICES CAMPUS, LLC

Motion was made by Supervisor Stapley, seconded by Supervisor Wilcox, and unanimously carried (5-0) on a roll call vote with Supervisors Wilcox, Stapley, Wilson, Brock and Kunasek voting "aye" to approve the transfer of excess county property (listed below) to the Human Services Campus, LLC, for use by the agency in the operation of the Human Services Campus in Phoenix, Arizona. The Human Services Campus, LLC, is a 501(c)3 non-profit agency organized for charitable purposes. The property will be transferred immediately upon approval by the Board of Supervisors in accordance with ARS §11-251 and Article 8 of the Maricopa County Procurement Code. The sale price for the property will be set at \$1. (C2205094M) (ADM119)

Human Services Salvage List (Furniture) as of May 24, 2004

8 metal desks 2 wood desks
1 conference table 8 file cabinets
8 lateral files 1 magazine display

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3 book shelves 1 storage locker
7 cube panels (tan) 1 4-foot cube desktop w/file cabinet
1 cube desktop corner piece 10 4-foot cube desktop panels (grey)
5 brown cube lights 10 2-foot half panels (light brown)
12 front flipper doors 6 4-foot corner pieces
6 full 6-foot wall panels 12 full 2-foot wall panels
9 cork boards 1 misc. electrical cube parts (box)
1 misc. brackets, corner plastic pieces (box) 1 table round 4-foot diameter
2 keyboard trays

AGREEMENT WITH TOWN OF BUCKEYE

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) on a roll call vote with Supervisors Wilcox, Stapley, Wilson, Brock and Kunasek voting "aye" to approve and sign an agreement between Maricopa County Equipment Services and the Town of Buckeye. This agreement allows Maricopa County to sell fuel from the county fueling stations to the Town of Buckeye. Fuel will be provided at the current cost to the county plus a markup to cover all associated costs of providing fuel. (CONTINUED FROM MEETING OF JUNE 2, 2004.) (C74040032)

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

Andrew Kunasek, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board