

Summary - An ordinance authorizing the issuance by the City of Sparks, Nevada of its Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A in the maximum principal amount of \$86,000,000, its Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt) in the maximum principal amount of \$11,500,000 and its Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable) in the maximum principal amount of \$4,500,000, and providing other matters relating thereto.

**BILL NO. 2768**  
**ORDINANCE NO. 2586**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SPARKS, NEVADA, AUTHORIZING THE ISSUANCE OF THE CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA), SENIOR SALES TAX ANTICIPATION REVENUE REFUNDING BONDS, SERIES 2019A, THE CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA), SUBORDINATE SALES TAX ANTICIPATION REVENUE REFUNDING BONDS, SERIES 2019B (TAX-EXEMPT), AND THE CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA), SUBORDINATE SALES TAX ANTICIPATION REVENUE REFUNDING BONDS, SERIES 2019C (TAXABLE), TO REFUND, TOGETHER WITH OTHER AVAILABLE MONEYS, ALL OF THE OUTSTANDING CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA) SENIOR SALES TAX ANTICIPATION REVENUE BONDS, SERIES A AND CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA) SUBORDINATE SALES TAX ANTICIPATION REVENUE BONDS, SERIES A; AUTHORIZING THE EXECUTION AND DELIVERY OF SPECIFIED AGREEMENTS, DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH, AND APPROVING MATTERS RELATING THERETO; PROVIDING FOR ADOPTION OF THE ORDINANCE AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE THEREOF.**

**WHEREAS**, the City of Sparks in the State of Nevada (the “City” and “State,” respectively) is a political subdivision of the State duly organized and operating as a city under the provisions of an act entitled “AN ACT incorporating the City of Sparks, in Washoe County,

Nevada under a new charter, defining the boundaries thereof, and providing other matters properly relating thereto,” cited as Chapter 470, Statutes of Nevada 1975, and all laws amendatory thereof (the “Charter”); and

**WHEREAS**, in accordance with NRS Chapter 271A (the “Act”), the City Council of the City (the “City Council”), pursuant to Ordinance No. 2370 adopted on July 23, 2007, has heretofore created the City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) (the “District”) for the purpose of carrying out the acquisition, improvement, equipping, operation and maintenance of certain real and personal property within the District suitable for retail, tourism or entertainment purposes, and the real or personal property necessary, useful or desirable in connection therewith (the “Project”);

**WHEREAS**, to finance the costs of the Project, the City has heretofore issued its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Bonds, Series A,” in the aggregate principal amount of \$83,290,000 (the “Senior 2008 Bonds”), pursuant to an Indenture, dated as of May 1, 2008 (the “Senior Indenture”), by and between the City and the and U.S. Bank National Association, as trustee (the “Trustee”); and

**WHEREAS**, to finance the costs of the Project, the City has heretofore issued its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Bonds, Series A,” in the aggregate principal amount of \$36,600,000 (the “Subordinate 2008 Bonds”), to a Subordinate Indenture, dated as of May 1, 2008, by and between the City and the Trustee (the “Subordinate Indenture”); and

**WHEREAS**, for the purpose of reducing interest costs and effecting other economies, the City desires to refund all of the outstanding Senior 2008 Bonds and Subordinate 2008 Bonds (collectively, the “Refunded Bonds”); and

**WHEREAS**, pursuant to NRS 271A.120, the City is authorized to issue bonds as special obligations under the Local Government Securities Law, NRS 350.500 et seq. (the “Bond Act”), to refinance the Project for the benefit of the District; and

**WHEREAS**, the City Council desires to issue its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A” in the maximum aggregate principal amount of \$86,000,000 (the “2019A Bonds”) to provide funds, together with other available monies, to refund a portion of the Refunded Bonds, provide a debt service reserve for the 2019A Bonds, and pay the costs of issuing the 2019A Bonds (collectively, the “Senior Refunding Project”); and

**WHEREAS**, the 2019A Bonds shall be issued under and pursuant to a Supplemental Indenture No. 1 to Senior Indenture, dated as of December 1, 2019 (the “Supplemental Senior Indenture”), between the City and the Trustee; and

**WHEREAS**, Citigroup Global Markets Inc. (the “Underwriter”) has submitted a proposal to purchase the 2019A Bonds in the form of a bond purchase agreement (the “Bond Purchase Agreement”); and

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the 2019A Bonds, the Underwriter must have reasonably determined that one or more obligated persons have undertaken in a written agreement or contract for the benefit of the holders of the 2019A Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis; and

**WHEREAS**, in order to assist in causing such requirement to be satisfied, the City desires to enter into a continuing disclosure agreement with the Trustee (the “Continuing Disclosure Agreement”); and

**WHEREAS**, the City Council desires to issue its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt)” in the maximum aggregate principal amount of \$11,500,000 (the “2019B Bonds”) and its “City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable)” in the maximum aggregate principal amount of \$4,500,000 (the “2019C Bonds” and together with the 2019B Bonds, the “2019 Subordinate Bonds”) to provide funds, together with other available monies, to refund a portion of the Subordinate 2008 Bonds, and pay the costs of issuing the 2019 Subordinate Bonds (collectively, the “Subordinate Refunding Project” and together with the Senior Refunding Project, the “Refunding Project”); and

**WHEREAS**, the 2019 Subordinate Bonds shall be issued under and pursuant to a Supplemental Indenture No. 1 to Subordinate Indenture, dated as of December 1, 2019 (the “Supplemental Subordinate Indenture”), between the City and the Trustee; and

**WHEREAS**, the 2019 Subordinate Bonds will be privately placed with the Sparks Legends Development, Inc.; and

**WHEREAS**, the City Council has elected, and hereby elects, to have Chapter 348 of the NRS (the “Supplemental Bond Act”) apply to the 2019A Bonds and the 2019 Subordinate Bonds (collectively, the “2019 Bonds”); and

**WHEREAS**, in connection with the 2019 Bonds and pursuant to NRS 350.155, a certificate of the City Manager, as chief administrative officer of the City, and a report of the City’s financial advisor, have been submitted to the City Council (attached hereto as Exhibit C) and are hereby approved; and

**WHEREAS**, the City Council has determined and does hereby declare as follows:

A. It is necessary and for the best interests of the City to effect the Refunding Project;

B. Each of the limitations and other conditions to the issuance of the 2019 Bonds in the Act, the Bond Act, the Supplemental Bond Act, and in any other relevant act of the State or the Federal Government, has been met and pursuant to NRS 350.708 of the Bond Act, this determination of the Council that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion; and

C. This Ordinance pertains to the sale, issuance and payment of the 2019 Bonds; and

D. Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of NRS 350.579(2); and

E. This Ordinance may accordingly be adopted as if an emergency exists and may become effective at any time when an emergency ordinance of the City may go into effect pursuant to NRS 350.579(2).

**WHEREAS**, there have been filed with the City Clerk (A) the proposed form of the Supplemental Senior Indenture, (B) the proposed form of the Bond Purchase Agreement concerning the 2019A Bonds; (C) the proposed form of the Continuing Disclosure Agreement concerning the 2019A Bonds; (D) the proposed form of the preliminary limited offering memorandum concerning the 2019A Bonds (the “Preliminary Limited Offering Memorandum”); and (E) the proposed form of the Supplemental Subordinate Indenture; and

**NOW, THEREFORE**, the City Council of the City of Sparks, Nevada, does ordain:

**Section 1.** Supplemental Senior Indenture. The Supplemental Senior Indenture, in substantially the form on file with the City Clerk, be and the same is hereby approved. The Mayor, or such officer of the City as the Mayor may designate, is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Supplemental Senior Indenture in the form on file with the City Clerk, with such changes, insertions and omissions as may be approved by the officer executing the same on behalf of the City, said execution being conclusive evidence of such approval; provided, however, that such changes, insertions and omissions shall not authorize: (i) an aggregate principal amount of 2019A Bonds in excess of \$86,000,000; or (ii) an effective interest rate on the 2019A Bonds that exceeds by more than three percent (3%) the “Index of Revenue Bonds” which was most recently published in The Bond Buyer prior to the time a negotiated offer for the 2019A Bonds is accepted. The City Clerk is hereby authorized and directed to affix the seal of the City to the Supplemental Senior Indenture and to attest the same.

**Section 2.** Bond Purchase Agreement. The Bond Purchase Agreement, in substantially the form on file with the City Clerk, be and the same is hereby approved. The City Manager or the City’s Chief Financial Officer (the “Chief Financial Officer”), is hereby

authorized and directed, for and on behalf of the City, to execute and deliver the Bond Purchase Agreement in the form on file with the City Clerk, with such changes, insertions and omissions as may be approved by the officer executing the same on behalf of the City, said execution being conclusive evidence of such approval.

**Section 3.** Continuing Disclosure Agreement. The Continuing Disclosure Agreement, in substantially the form on file with the City Clerk, be and the same is hereby approved. The City Manager or the Chief Financial Officer is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Continuing Disclosure Agreement in the form on file with the City Clerk, with such changes, insertions and omissions as may be approved by the officer executing the same on behalf of the City, said execution being conclusive evidence of such approval.

**Section 4.** Preliminary Limited Offering Memorandum. The Preliminary Limited Offering Memorandum, in substantially the form on file with the City Clerk, be and the same is hereby approved, with such changes, insertions and omissions as may be approved by the officer executing the same on behalf of the City, said execution being conclusive evidence of such approval. The distribution of the Preliminary Limited Offering Memorandum is hereby ratified, approved and authorized. The preparation of a final Limited Offering Memorandum in substantially the form of the Preliminary Limited Offering Memorandum with such amendments as the City Manager or the Chief Financial Officer, shall approve (the "Limited Offering Memorandum") and the distribution of the Limited Offering Memorandum are hereby authorized, directed and approved. The City Manager or the Chief Financial Officer, is hereby authorized and directed to affix such officer's signature to the Limited Offering Memorandum for and on behalf of the City.

**Section 5.** Supplemental Subordinate Indenture. The Supplemental Subordinate Indenture, in substantially the form on file with the City Clerk, be and the same is hereby approved. The Mayor, or such officer of the City as the Mayor may designate, is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Supplemental Subordinate Indenture in the form on file with the City Clerk, with such changes, insertions and omissions as may be approved by the officer executing the same on behalf of the City, said execution being conclusive evidence of such approval; provided, however, that such changes, insertions and omissions shall not authorize: (i) an aggregate principal amount of 2019B Bonds in excess of \$11,500,000; (ii) an aggregate principal amount of 2019C Bonds in excess of \$4,500,000; (iii) an effective interest rate on the 2019B Bonds that exceeds by more than three percent (3%) the "Index of Revenue Bonds" which was most recently published in The Bond Buyer prior to the time a negotiated offer for the 2019B Bonds is accepted; or (iv) an effective interest rate on the 2019C Bonds that exceeds by more than three percent (3%) the "Index of Revenue Bonds" which was most recently published in The Bond Buyer prior to the time a negotiated offer for the 2019C Bonds is accepted. The City Clerk is hereby authorized and directed to affix the seal of the City to the Supplemental Subordinate Indenture and to attest the same.

**Section 6.** Collateral Documents and Certificates. The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of

this Ordinance, the Supplemental Senior Indenture and the Supplemental Subordinate Indenture, including without limiting the generality of the foregoing: (A) the printing of the 2019 Bonds, including, without limitation, the printing of such additional blank 2019 Bonds as shall be required by the Trustee; (B) the execution of such certificates as may be reasonably required by the Underwriter or purchaser(s) of the 2019 Subordinate Bonds, relating, inter alia, to the signing and registration of the 2019 Bonds, the tenure and identity of the officials of the City Council and the City, the delivery of the 2019 Bonds, the receipt of the purchase prices for the 2019 Bonds, the exemption of interest on the 2019A Bonds and the 2019B Bonds from federal and state income taxation, and if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof; and (F) the execution of any documents ancillary and related to the 2019 Bonds or the Refunding Project.

**Section 7. Redemption of Refunded Bonds.** The City hereby elects to call for prior redemption the Refunded Bonds on the delivery date of the 2019 Bonds, at the price equal to the principal amount of each Refunded Bond, or portion thereof, so redeemed, plus interest thereon and premium, if any, and in accordance with this Ordinance, the Senior Indenture, the Subordinate Indenture and the ordinance authorizing the Refunded Bonds. In connection with the Refunding Project, the trustee for the Refunded Bonds is authorized to give conditional notices of prior redemption in accordance with this Ordinance, the Senior Indenture, the Subordinate Indenture and the ordinance authorizing the issuance of the Refunded Bonds.

**Section 8. Prior Actions.** All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council and the officers of the City in furtherance of the financing of the Refunding Project, and the issuance of the 2019 Bonds be, and the same hereby are, ratified, approved and confirmed.

**Section 9. Invalid Provisions.** If any section, subsection, paragraph, clause or provision of this Ordinance shall for any reason be held invalid or unenforceable, the invalidity or unenforceability of such section or subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 10. Emergency.** The Council has expressed in the preambles of this Ordinance that it pertains to the sale, issuance and payment of the 2019 Bonds, that this Ordinance may accordingly be adopted as if an emergency now exists, and may become effective at any time when an emergency ordinance of the City may go into effect. Consequently, pursuant to NRS 350.579, final action shall be taken immediately, and this Ordinance shall be in effect from and after its publication by title as herein provided in Section 11.

**Section 11. Publication and Effective Date.** After this Ordinance is signed by the Mayor and attested and sealed by the Clerk, this Ordinance shall be published, once by its title in a newspaper published and having a general circulation in the City, and such publication to be in substantially the following form, together with the names of the Council members voting for or against its passage and a statement that typewritten copies of this Ordinance are available for inspection by all interested parties at the office of the City Clerk, and shall be effective after said publication:

(Form of Publication)

**BILL NO. 2768**  
**ORDINANCE NO. 2586**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SPARKS, NEVADA, AUTHORIZING THE ISSUANCE OF THE CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA), SENIOR SALES TAX ANTICIPATION REVENUE REFUNDING BONDS, SERIES 2019A, THE CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA), SUBORDINATE SALES TAX ANTICIPATION REVENUE REFUNDING BONDS, SERIES 2019B (TAX-EXEMPT), AND THE CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA), SUBORDINATE SALES TAX ANTICIPATION REVENUE REFUNDING BONDS, SERIES 2019C (TAXABLE), TO REFUND, TOGETHER WITH OTHER AVAILABLE MONEYS, ALL OF THE OUTSTANDING CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA) SENIOR SALES TAX ANTICIPATION REVENUE BONDS, SERIES A AND CITY OF SPARKS, NEVADA, TOURISM IMPROVEMENT DISTRICT NO. 1 (LEGENDS AT SPARKS MARINA) SUBORDINATE SALES TAX ANTICIPATION REVENUE BONDS, SERIES A; AUTHORIZING THE EXECUTION AND DELIVERY OF SPECIFIED AGREEMENTS, DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH, AND APPROVING MATTERS RELATING THERETO; PROVIDING FOR ADOPTION OF THE ORDINANCE AS IF AN EMERGENCY EXISTS; AND PROVIDING THE EFFECTIVE DATE THEREOF.**

PUBLIC NOTICE IS HEREBY GIVEN that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance are available for public inspection and distribution at the office of the City Clerk of the City of Sparks at her office at 431 Prater Way, Sparks, Nevada, and that such Ordinance was proposed, passed and adopted at the regular meeting of the Sparks City Council on November 25, 2019, by the following vote of the City Council:

Those Voting Aye: \_\_\_\_\_  
Those Voting Nay: \_\_\_\_\_  
Those Absent: \_\_\_\_\_

This Ordinance shall be in full force and effect on November \_\_, 2019.

IN WITNESS WHEREOF, the City Council of the City of Sparks, Nevada has caused this Ordinance to be published by title only.

DATED this November 25, 2019.

/s/ Ron Smith  
Mayor

(SEAL)

Attest:

/s/ Lisa Hunderman  
City Clerk

(End of Form of Publication)



**Section 12. Severability.** If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Proposed on November 25, 2019.

Passed on November 25, 2019.

Those Voting Aye: \_\_\_\_\_

Those Voting Nay: \_\_\_\_\_

Those Absent: \_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
City Attorney

This Ordinance shall be in full force and effect on November \_\_\_\_, 2019.

**STATE OF NEVADA**        )  
  ) **ss.**  
**CITY OF SPARKS**         )

I am the duly chosen and qualified City Clerk of the City of Sparks (herein “City”), Nevada (the “State”), and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of an ordinance introduced and adopted as if an emergency exists at the meeting of the City Council held on November 25, 2019.

2. The original of such ordinance has been approved and authenticated by the signatures of the Mayor of the City and myself as Clerk, sealed with the seal of the City, and has been recorded in the minute book of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

3. The members of the City Council present at the meeting voted on the passage of the ordinance as set forth therein.

4. All members of the Council were given due and proper notice of the meeting held on November 25, 2019.

5. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting (attached hereto as Exhibit A) containing the time, place, location and an excerpt from the agenda for the meeting relating to the ordinance, as posted no later than 9 a.m. at least 3 working days in advance of the meeting at the Council’s office, the City’s website, the State’s website and at least three of the following locations:

- (i) Sparks City Hall  
431 Prater Way  
Sparks, Nevada
- (ii) Sparks Recreation Center  
98 Richards Way  
Sparks, Nevada
- (iii) Alf Sorensen Center  
1400 Baring Blvd.  
Sparks, Nevada
- (iv) Sparks Branch Library  
1125 12<sup>th</sup> Street  
Sparks, Nevada

(v) Sparks Justice Court  
1675 E. Prater Way #107  
Sparks, Nevada

(vi) Sparks Senior Citizens Center  
97 Richards Way  
Sparks, Nevada

6. Prior to 9 a.m. at least 3 working days before such meeting, such notices were given to each person, if any, who has requested notice of meetings of the Council in accordance with the provisions of Chapter 241 of NRS.

7. An affidavit of publication of the notice of adoption of ordinance is attached hereto as Exhibit B.

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of the City this November 25, 2019.

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City Clerk

(SEAL)

EXHIBIT A

(Attach Copy of Notice of Meeting)

**EXHIBIT B**

**(Attach Affidavit of Publication)**

EXHIBIT C

(Attach Certificate of the City Manager and Report of the City's Financial Advisor)