

(RA-99-65)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2927

ADOPTED ON DECEMBER 8, 1998

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF THE AGENCY'S CITY HEIGHTS REDEVELOPMENT PROJECT TAX ALLOCATION BONDS IN TWO SERIES, THE EXECUTION AND DELIVERY OF A MASTER TRUST AGREEMENT, A FIRST SUPPLEMENTAL TRUST AGREEMENT, A SECOND SUPPLEMENTAL TRUST AGREEMENT, A BOND PURCHASE AGREEMENT AND AN OFFICIAL STATEMENT, APPROVING THE AMENDMENT OF CERTAIN COOPERATION AGREEMENTS RELATED TO SAID PROJECT AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

RECITALS:

WHEREAS, the Redevelopment Agency of The City of San Diego, California (the "Agency"), is a redevelopment agency (a public body, corporate and politic) duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) and the powers of such Agency include the power to issue bonds for any of its corporate purposes; and

WHEREAS, a redevelopment plan for a redevelopment project known and designated as the City Heights Redevelopment Project has heretofore been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plan have been duly complied with; and

WHEREAS, the City Heights Redevelopment Plan contemplates that the Agency will issue its bonds to finance and refinance a portion of the cost of such redevelopment plan; and

WHEREAS, the Agency intends to provide for the issuance of its City Heights Redevelopment Project Tax Allocation Bonds, Series A (the "Series A Bonds") and its City Heights Redevelopment Project Tax Allocation Capital Appreciation Bonds, Series B (the "Series B Bonds" and collectively with the Series A Bonds, the "Bonds"), for the purpose of providing \$13,300,000 of Net Proceeds to the Agency to finance a portion of the costs of the City Heights Redevelopment Project; and

WHEREAS, Net Proceeds shall mean the aggregate amount of the proceeds of the Bonds received by the Agency net of amounts deposited in the reserve funds, capitalized interest, original issue discount, Underwriters' discount and all issuance costs; and

WHEREAS, in order to meet the Agency's financial objectives for the Bonds, the Agency intends to request that the San Diego Unified School District, the San Diego Community College District, the County of San Diego and the San Diego County Office of Education (collectively, the "Taxing Entities") consent to the issuance of the Bonds under separate Cooperation Agreements entered into by each of the Taxing Entities with the Agency in June and July 1992 (the "Cooperation Agreements") with respect to the City Heights Redevelopment Project; and

WHEREAS, the Agency desires to enter into (i) a Master Trust Agreement (City Heights Redevelopment Project) dated as of February 1, 1999, by and between the Agency and Dai-Ichi Kangyo Bank of California, as trustee (the "Trustee"), (ii) a First Supplemental Trust Agreement (City Heights Redevelopment Project) dated as of February 1, 1999, by and between the Agency and the Trustee, (iii) a Second Supplemental Trust Agreement (City Heights Redevelopment Project) dated as of February 1, 1999, between the Agency and the Trustee and (iv) a Bond Purchase Agreement among the Agency, the San Diego Redevelopment Financing Authority (the "Authority") and Prudential Securities Incorporated (the "Underwriters") and intends to deliver a Preliminary Official Statement and a final Official Statement with respect to the Bonds.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

1. The foregoing recitals are true and correct and this Agency hereby so finds and determines.
2. The issuance by the Agency of Bonds for the City Heights Redevelopment Project in an aggregate principal and maturity amount sufficient to provide \$13,300,000 of Net Proceeds to the Agency is hereby approved. The Series A Bonds shall mature no later than September 1, 2030, and shall be sold at a true interest cost not in excess of 6.50% per annum. The Series B Bonds shall mature no later than September 1, 2030, and shall be sold at a true interest cost not in excess of 6.75% per annum. The true interest cost is the annual discount rate which, when used to discount all debt service payments on the Bonds to the date of initial delivery of such Bonds, compounded semiannually, results in the aggregate present value of such debt service payments being equal to the original purchase price. Subject to the provisions of paragraph 3 below, the aggregate principal and maturity amount of the Bonds and true interest cost for the Bonds, within the guidelines set forth herein, shall be approved on behalf of the Agency by the Chair, the Executive Director and any Deputy Executive Director of the Agency, or any of them (each a "Designated Officer") and shall be set forth in the Bond Purchase Agreement approved herein. The forms of the Master Trust Agreement, the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement presented to this meeting are hereby approved. The Designated Officers are hereby authorized and directed to execute and deliver, and the Secretary of the Agency is hereby authorized and directed to attest, the Master Trust Agreement, the First Supplemental Trust Agreement, and the Second Supplemental Trust Agreement in substantially the forms on file with the Secretary and presented to this meeting, with such changes in the interest of the Agency as may be approved by the Designated Officer executing the same in consultation with the Agency's counsel and Bond Counsel (such approval to be conclusively evidenced by such execution and delivery).

3. The issuance of the Bonds shall not be approved by a Designated Officer unless and until the provisions set out in part II of Attachment 3 of the Disposition and Development Agreement between the Agency and CityLink Investment Corporation (adopted by the Agency on or about December 8, 1998) have been completed and unless the Net Proceeds to be derived from the sale of the Bonds shall not be less than \$13,300,000. The Designated Officers or any of them are hereby authorized and directed to seek the consent of each of the Taxing Entities to each of the Cooperation Agreements such that the subordinated payment obligations thereunder shall not interfere with the Agency's ability to issue the Bonds providing Net Proceeds to the Agency of \$13,300,000. Said Designated Officers are hereby authorized and directed to enter into such amendments to said Cooperation Agreements as said Designated Officer shall deem to be in the best interest of the Agency.

4. The form of Bond Purchase Agreement relating to the Bonds providing for the sale of the Bonds to the Authority and the resale of the Bonds by the Authority to the Underwriters, a copy of which is on file with the Secretary of the Agency and incorporated into this Resolution by reference, is hereby approved. The Designated Officers, or any of them, are hereby authorized and directed, for and in the name and on behalf of the Agency, to accept the offer of the Authority and the Underwriters to purchase the Bonds as reflected in the Bond Purchase Agreement and to execute and deliver the Bond Purchase Agreement in substantially the form on file with the Secretary of the Agency, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Designated Officer executing the same, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that such additions, changes or insertions in the Bond Purchase Agreement shall not specify a true interest cost for the Series A Bonds in excess of 6.50% per annum, a true interest cost for the Series B Bonds in excess of 6.75% per annum, an Underwriter's discount for the Bonds in excess of two percent of the aggregate principal and maturity amounts thereof or a maturity date for the Bonds later than September 1, 2030.

5. The form of preliminary official statement describing the Bonds, on file with the Secretary of the Agency and incorporated into this resolution by reference, is hereby approved. The execution by a Designated Officer of a certificate deeming said preliminary official statement to be substantially "final" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended is hereby authorized. The Underwriters are hereby authorized to distribute said preliminary official statement as so deemed final to prospective purchasers of the Bonds. The Designated Officers or any of them, are hereby authorized and directed, for and in the name and on behalf of the Agency, to execute a final official statement in substantially the form of such deemed final preliminary official statement, including such final pricing and related information and with such additions thereto or changes therein as hereafter become necessary in the interest of the Agency and which are approved by the Designated Officer executing the same, such approval to be conclusively evidenced by the execution and delivery of such official statement. The Underwriters are hereby authorized to distribute copies of said final official statement to all actual purchasers of the Bonds.

6. The Agency hereby consents a) to the selection of Prudential Securities Incorporated as Underwriters for the Bonds under the terms of the Bond Purchase Agreement hereinbefore approved, b) to the selection of Dai-Ichi Kangyo Bank of California ("DKB") as Trustee for the Bonds with the duties set forth in the Master Trust Agreement, the First

Supplemental Trust Agreement and the Second Supplemental Trust Agreement hereinbefore approved and consents to the schedule of payment for such services as set out in the DKB Response to Request for Proposal dated October 28, 1998, a copy of which is on file with the Secretary of the Agency and incorporated in this Resolution by reference, and c) to the selection of Robinson & Pearman LLP as bond counsel for the Bonds under the terms set forth in the attached Bond Counsel Contract, a copy of which is on file with the Secretary of the Agency and incorporated in this Resolution by reference.

7. In connection with the sale of the Bonds, the Designated Officers or any one of them are hereby authorized to purchase on behalf of the Agency one or more policies of municipal bond insurance for some or all of the Bonds or to permit the Underwriters to purchase municipal bond insurance for some or all of such Bonds, said insurance to contain such terms and conditions as shall be acceptable to said Designated Officer(s).

8. The Agency covenants and agrees to provide such information as shall be necessary to comply with the applicable provisions of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended, with respect to continuing disclosure obligations of issuers of municipal obligations for so long as any Bonds are Outstanding.

9. The Secretary is further authorized and directed to cause written notice to be provided to the California Debt Advisory Commission of the proposed sale of the Bonds, said notice to be provided not later than 30 days prior to the sale of the Bonds as provided in Section 8855 et seq. of the California Government Code, to file the notice of final sale with said Commission, to file the written statement required by Section 53583 of the California Government Code, and to file such additional notices and reports as are deemed necessary or desirable by any of such persons in connection with the Bonds, and any prior such notices are hereby ratified, confirmed and approved.

10. The officers of the Agency are hereby authorized to execute any and all documents and to take any and all other actions which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, or otherwise to effectuate the purposes of this Resolution, the Master Trust Agreement, the First Supplemental Trust Agreement, the Second Supplemental Trust Agreement, the Bond Purchase Agreement and the Official Statement, including, but not limited to, the filing of notices and payment of rebates, if any, required under Section 148(f) and 149(e) of the Internal Revenue Code of 1986, as amended.

11. This Resolution shall become effective immediately upon adoption.

APPROVED: CASEY GWINN, City Attorney

By

Douglas K. Humphreys
Deputy City Attorney

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