

5500- 1/28/14

(O-2014-77)

ORDINANCE NUMBER O- 20350 (NEW SERIES)

DATE OF FINAL PASSAGE FEB 12 2014

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE AMENDMENTS TO SITE LEASE, AMENDMENTS TO FACILITIES LEASE AND OFFICIAL NOTICE INVITING BIDS; AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF ONE OR MORE SUPPLEMENTAL INDENTURES BY THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO; AUTHORIZING THE CITY ATTORNEY TO APPOINT BOND COUNSEL AND DISCLOSURE COUNSEL; APPROVING AND AUTHORIZING THE ISSUANCE AND SALE IN ONE OR MORE SERIES OF THE AUTHORITY'S LEASE REVENUE BONDS; AND APPROVING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers local agencies to form a joint powers authority and Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Marks-Roos Local Bond Pooling Act of 1985) authorizes and empowers such an authority to issue bonds for the purpose of financing and refinancing public capital improvements or projects to further public purposes and effect significant public benefits, as determined by the local agency; and

WHEREAS, the City of San Diego (City), the Successor Agency to the Redevelopment Agency of the City of San Diego, and the Housing Authority of the City of San Diego have heretofore entered into a Third Amended and Restated Joint Exercise of Powers Agreement dated January 1, 2013 (Joint Powers Agreement), which created and established the Public Facilities Financing Authority of the City of San Diego (Authority) for the purpose, among

others, of issuing its bonds to be used to provide financial assistance to the City to finance and refinance public capital improvements; and

WHEREAS, the Authority has previously entered into an Indenture, dated as of July 1, 2012 as supplemented and amended by the First Supplemental Indenture, dated as of July 1, 2013 (together, the Master Indenture), each with Wells Fargo Bank, National Association, as trustee (the Trustee), to provide for the issuance of lease revenue bonds pursuant to the terms of the Master Indenture for the benefit of the City; and

WHEREAS, pursuant to the Master Indenture, the Authority has issued various series of bonds (the Prior Bonds) to finance certain capital projects and to refund various obligations of the City and the Authority; and

WHEREAS, pursuant to Section 2.13 of the Master Indenture, the Authority may at any time issue additional bonds pursuant to Supplemental Indentures to be secured under the Master Indenture on a parity with the Prior Bonds; and

WHEREAS, the City has determined that: (i) the issuance of Additional Bonds (defined below) by the Authority is in the public interest and will benefit the inhabitants of the City; (ii) there are significant public benefits (within the meaning of California Government Code section 6586) to be derived from securing the assistance of the Authority to finance the costs of the acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects of the City (collectively, the Projects); and (iii) the Projects are or will be at various locations within the geographic boundaries of the City; and

WHEREAS, the Council of the City made the aforementioned determinations after holding a public hearing on the date thereof and hearing all interested persons desiring to be heard; and

WHEREAS, a notice of a public hearing concerning the adoption of this Ordinance was duly published once at least five days prior to such hearing in a newspaper of general circulation in the City; and

WHEREAS, the City currently contemplates selling the Additional Bonds in two separate bond sales and desires to maintain the flexibility to sell the Additional Bonds in one or more series at separate intervals as described herein; and

WHEREAS, in order to finance the Projects with net bond proceeds of \$120,000,000 and to achieve such public purposes, and to timely issue bonds when funds are needed for the Projects, the City has determined to request and approve the Authority's issuance in one or more series of not to exceed \$130,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds (the Additional Bonds) pursuant to the Marks-Roos Local Bond Pooling Act of 1985 and secured by the Master Indenture, as supplemented and amended by one or more Supplemental Indentures, each by and between the Authority and the Trustee; and

WHEREAS, in order to provide for the payment of the Prior Bonds, the City has leased certain real property of the City (the Existing Property) to the Authority pursuant to the Site Lease, dated as of July 1, 2012 as amended by the First Amendment to Site Lease, dated as of July 1, 2013 (together, the Master Site Lease), and the Authority has leased to the City pursuant to the Facilities Lease, dated as of July 1, 2012 as amended by the First Amendment to Facilities

Lease, dated as of July 1, 2013 (together, the Master Facilities Lease) certain real property as described therein; and

WHEREAS, in order to provide for the payment, equally and ratably, of the Prior Bonds and the Additional Bonds, the Authority and the City will enter into one or more amendments to the Master Site Lease pursuant to which the City will add to the property leased to the Authority thereunder additional property of the City (the Additional Leased Property and, together with the Existing Property, the City Property), and one or more amendments to the Master Facilities Lease, pursuant to which the Authority will add to the property leased to the City thereunder the Additional Leased Property (together, the Leased Property) and the City will agree to make base rental payments to the Authority (the Base Rental Payments) calculated to be sufficient to enable the Authority to pay the principal of and interest, and premium (if any), on the Prior Bonds and the Additional Bonds when due and payable; and

WHEREAS, the City has determined that the Additional Bonds be sold by a competitive sale pursuant to an Official Notice Inviting Bids (the Notice Inviting Bids), and a summary thereof to be published as required by law, or, as and to the extent described herein, by a negotiated sale pursuant to the terms of one or more Bond Purchase Agreements (the Purchase Agreements) among the City, the Authority and the underwriters therein named; and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Additional Bonds; and

1. a proposed form of Second Amendment to Site Lease between the City and the Authority, a copy of which is on file in the office of the City Clerk as Document No. 00-**20350**-1, under which the City will lease the City Property to the Authority;

2. a proposed form of Second Amendment to Facilities Lease between the Authority and the City, a copy of which is on file in the office of the City Clerk as Document No. 00- ~~20350~~² under which the Authority will lease the Leased Property to the City;

3. a proposed form of Second Supplemental Indenture between the Authority and the Trustee, a copy of which is on file in the office of the City Clerk as Document No. 00- ~~20350~~⁻³, under which the Authority will issue one or more series of the Additional Bonds;

4. a proposed form of Notice Inviting Bids regarding the Additional Bonds, a copy of which is on file in the office of City Clerk as Document No. 00- ~~20350~~⁻⁴, under which the Additional Bonds will be sold at competitive sale;

5. a proposed form of Purchase Agreement regarding the Additional Bonds among the City, the Authority and the underwriters to be selected as described herein should any of the Additional Bonds be sold at a negotiated sale, a copy of which is on file in the office of City Clerk as Document No. 00- ~~20350~~⁻⁵, under which the Additional Bonds; and

6. a proposed form of Continuing Disclosure Certificate of the City, a copy of which is on file in the office of the City Clerk as Document No. 00- ~~20350~~⁻⁶ (the documents described in paragraphs 1 through 6, are collectively referred to as the "Financing Documents"); and

WHEREAS, pursuant to Chapter 730 of the statutes of 1976, section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Council does hereby find that the deposit and withdrawal of the proceeds of the sale of Additional Bonds in the Local Agency Investment Fund in accordance with the provisions of California Government Code section 16429.1 for the purpose of investment as stated therein are in the best interests of the City; and

WHEREAS, the City is authorized to undertake the actions described in this Ordinance pursuant to its Charter and the Constitution and other applicable laws of the State of California; NOW, THEREFORE,

BE IT ORDAINED by the Council of the City of San Diego, as follows:

Section 1. The Council hereby finds and determines that the statements set forth above in the recitals to this Ordinance are true and correct.

Section 2. The Council hereby finds that the financing of the Projects, as described in the recitals to this Ordinance, will provide significant public benefits in accordance with the criteria specified in California Government Code section 6586.

Section 3. The form and content of the Second Amendment to Site Lease, pursuant to which the City leases the City Property to the Authority, are hereby authorized and approved. Any of the Mayor, the Chief Operating Officer or the Chief Financial Officer and each of them or any of their respective designees (each, an Authorized Signatory) are hereby severally authorized and directed, for and in the name and on behalf of the City to execute and deliver one or more amendments to the Master Site Lease substantially in the form of the Second Amendment to Site Lease (with each amendment to be numbered sequentially) presented to and considered at this meeting, and the City Clerk or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein (including, without limitation, the description of the Additional Leased Property to be leased thereunder) as

any Authorized Signatory, in consultation with the City Attorney, shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the City, and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery thereof.

Section 4. The form and content of the Second Amendment to Facilities Lease, pursuant to which the Authority leases to the City the Leased Property and the City agrees to pay Base Rental Payments and other payments, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the City, to execute and deliver one or more amendments to the Master Facilities Lease substantially in the form of the Second Amendment to Facilities Lease (with each amendment to be numbered sequentially) presented to and considered at this meeting, and the City Clerk or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein (including, without limitation, the description of the Additional Leased Property to be leased thereunder) as any Authorized Signatory, in consultation with the City Attorney, shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the City, and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery thereof.

Section 5. The form and content of the Second Supplemental Indenture, pursuant to which the Authority will issue one or more series of Additional Bonds, and the execution, delivery and performance by the Authority of one or more Supplemental Indentures substantially in the form of the Second Supplemental Indenture (with each supplement to be numbered

sequentially) presented to and considered at this meeting, are hereby authorized and approved. Each Authorized Signatory is severally authorized and directed to take such action as is necessary or appropriate to effectuate the transactions set forth in the Supplemental Indentures with such additions and changes therein as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the City, and as are approved as to form by the City Attorney or his specified designee, such approvals will be conclusively evidenced by such Authorized Signatory's execution and delivery of its approval thereof.

Section 6. The City Attorney or his specified designee is authorized to retain Stradling Yocca Carlson & Rauth, a Professional Corporation as bond counsel and disclosure counsel for the City and the Authority in connection with the issuance of the Additional Bonds under such contracts or other arrangements as the City Attorney or his specified designee shall approve and believes to be in the best interests of the City. Such contracts or other arrangements shall be in an amount not to exceed \$65,000 for the first issue of Additional Bonds and \$60,000 for each subsequent issue plus, in each case, reasonable out-of-pocket expenses not to exceed \$1,500.

Section 7. The City hereby authorizes and approves, and requests the Authority to approve and authorize, the issuance and sale by the Authority of its Additional Bonds in one or more series in a total aggregate principal amount not to exceed \$130,000,000 by competitive sale, or, alternatively, under the conditions described herein, by negotiated sale, provided that: (i) the true interest cost of each series of the Additional Bonds shall not exceed 7.0%, (ii) the final maturity of each series of the Additional Bonds shall not be later than 30 years following their date of issuance, and (iii) there shall first be presented to the Disclosure Practices Working

Group and this Council for approval a form of preliminary official statement for each series of Additional Bonds. Each of the Chief Financial Officer and the Chief Operating Officer, or their designees, in consultation with the City's Financial Advisor, is hereby authorized to approve the Additional Bond pricing, the timing and number of Additional Bond issues, the redemption, maturities, interest rates, and other Additional Bond features, and to award the sale of the Additional Bonds to the winning bidder as determined under the terms set forth in the Notice Inviting Bids for each series of Additional Bonds.

Section 8. The form and content of the Notice Inviting Bids, pursuant to which the Authority is authorized to offer each series of the Additional Bonds for competitive sale, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the City to cause each series of the Additional Bonds to be sold by the Authority at competitive sale in accordance with the terms set forth in Section 7 above and the terms set forth in the Notice Inviting Bids for each series and to cause a summary of the Notice Inviting Bids to be published in accordance with any notice requirements imposed by law; provided, however, if an Authorized Signatory, with the advice of the City's Financial Advisor for a series of Additional Bonds, determines that a competitive sale is not in the best interests of the City due to market conditions or other factors, then that series of Additional Bonds may be sold at a negotiated sale pursuant to Section 9 below.

Section 9. The form and content of the Purchase Agreement are hereby authorized and approved. In the event that a determination is made in accordance with Section 8 above that a series of Additional Bonds is to be sold at negotiated sale, each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the City, to execute and deliver one or more Purchase Agreements in connection with the purchase and sale of such

Additional Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein, including without limitation naming the underwriters for each series of Additional Bonds sold at a negotiated sale, as such Authorized Signatory shall determine are necessary and desirable and that any such Authorized Signatory believes are in the best interests of the City and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery of each Purchase Agreement.

Section 10. The source of revenue for payment of the Additional Bonds hereby authorized is the Base Rental Payments to be made by the City under and as defined in the Master Facilities Lease.

Section 11. The form and content of the Continuing Disclosure Certificate are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the City, to execute and deliver one or more Continuing Disclosure Certificates in connection with the purchase and sale of the Additional Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein as such Authorized Signatory shall determine are necessary or desirable and shall require or approve and believes to be in the best interest of the City and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 12. Authorized officers of the City are hereby authorized and directed to pay all the fees and other costs of issuance of the Additional Bonds in accordance with the Supplemental Indentures, any Purchase Agreements and as otherwise agreed with the City and the respective parties thereto.

Section 13. All actions heretofore taken by any officers, employees or agents of the City with respect to the issuance, delivery or sale of the Additional Bonds, or in connection with or related to any of the Financing Documents or of the other documents referenced herein or related to consummating the financing of the Projects, are hereby approved, confirmed and ratified. Any Authorized Signatory and any other officers, employees or agents of the City as may be authorized by the Mayor, the Chief Financial Officer or the Chief Operating Officer, and each of them acting alone, is hereby severally authorized and directed, for and in the name and on behalf of the City: (i) to do any and all things and take any and all actions, from time to time, consistent with this Ordinance and the Financing Documents and other documents authorized by this Ordinance including, without limitation, adding or removing real property assets of the City from the Leased Property for each series of Additional Bonds and the payment of necessary and appropriate fees and expenses of bond counsel, disclosure counsel, financial advisor and other services retained by the City; and (ii) to execute and deliver any and all certificates, agreements and other documents (including, without limitation, a tax compliance certificate) required pursuant to the terms of the Notice Inviting Bids, any Purchase Agreement or any other Financing Document, or which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Additional Bonds and the disbursement of proceeds thereof in accordance with this Ordinance and to consummate the transactions authorized hereby and evidenced by the Financing Documents. In addition, each of the Mayor, the Chief Financial Officer and the Chief Operating Officer is hereby authorized to approve additions and changes to the Financing Documents and the other documents authorized by this Ordinance (including, but not limited to, establishing the redemption provisions of the Additional Bonds, determining which capital improvement Projects are financed with proceeds of the

Additional Bonds, and determining which parcel or parcels of City property shall be included as Additional Leased Property for each series of Additional Bonds), which additions and changes the Mayor, the Chief Financial Officer or the Chief Operating Officer shall believe, with the advice of the City's Financial Advisor for the Additional Bonds, to be in the best interest of the City in light of the financing costs, credit and market conditions, such determination shall be conclusively evidenced by the execution and delivery of such Financing Documents and other documents by the City; and provided further that no such addition or changes may be inconsistent with limitations in Sections 7, 8 or 9 hereof.

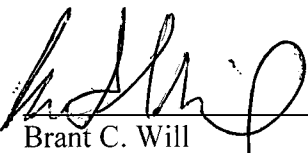
Section 14. The Council does hereby authorize the deposit and withdrawal of the proceeds of the sale of Additional Bonds, including such proceeds held by the Trustee, in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of section 16429.1 of the California Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard. Any of the Mayor, Chief Operating Officer, Chief Financial Officer, City Treasurer, City Comptroller, or the Trustee on behalf of the City are hereby authorized to order the deposit or withdrawal of the proceeds of the sale of Additional Bonds in the Local Agency Investment Fund.

Section 15. The Chief Financial Officer is authorized to establish one or more special interest-bearing account(s) to deposit proceeds from the Additional Bonds.

Section 16. A full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 17. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

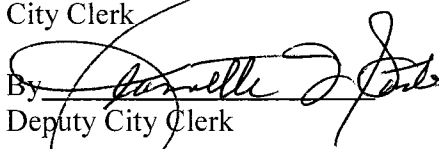
APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
12/26/2013
Or.Dept: Debt Management
Doc. No.: 696098_2

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JAN 28 2014.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved pursuant to Charter section 265(i):

(date)

TODD GLORIA, Council President

JAN 28 2014

Passed by the Council of The City of San Diego on _____, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage FEB 12 2014

AUTHENTICATED BY: TODD GLORIA, COUNCIL PRESIDENT
as interim Mayor of The City of San Diego, California.

(Seal) ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Elizabeth S. Maland*, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JAN 14 2014

FEB 12 2014

, and on _____.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal) ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Elizabeth S. Maland*, Deputy

<p>Office of the City Clerk, San Diego, California</p> <p>Ordinance Number O-_____</p>
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