

ORDINANCE NUMBER O- 20469 (NEW SERIES)

DATE OF FINAL PASSAGE MAR 17 2015

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED SITE LEASE, AN AMENDED AND RESTATED BALLPARK FACILITY LEASE, AND A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF A THIRD REAFFIRMATION OF ASSIGNMENT AGREEMENT, AN INDENTURE AND AN ESCROW AGREEMENT 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 OF THE AUTHORITY'S LEASE REVENUE REFUNDING BONDS, SERIES 2015 (BALLPARK REFUNDING); AND APPROVING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the California Government Code, Article 1 of Chapter 5 of Division 7 of Title 1 authorizes and empowers local agencies to form a joint powers authority and California Government Code, Article 4 of Chapter 5 of Division 7 of Title 1 (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 City as 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 heretofore issued its \$156,560,000 Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2007A (Ballpark Refunding), of which \$125,255,000 aggregate principal amount is currently outstanding (the Series 2007A Bonds); and

WHEREAS, the proceeds of the Series 2007A Bonds were used to refinance the \$169,685,000 Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2002 (Ballpark Project) (the Series 2002 Bonds), which Series 2002 Bonds financed (i) a portion of the construction of (A) a baseball park (the Ballpark) for the use of the San Diego Padres (the Padres) major league baseball team, (B) a public park located adjacent to the Ballpark (the Park), and (ii) certain related infrastructure; and

WHEREAS, in connection with the issuance of the Series 2007A Bonds, the Authority and the City entered into an Amended and Restated Site Lease, dated as of March 1, 2007 (the 2007A Site Lease), pursuant to which the City leased to the Authority certain real property and the improvements thereon and an Amended and Restated Ballpark Facility Lease, dated as of March 1, 2007 (the 2007A Facility Lease), pursuant to which the Authority leased back to the City the same real property and the improvements thereon; and

WHEREAS, the City has determined that: (i) the issuance of the Series 2015 Bonds (defined below) by the Authority to refund all or a portion of the Series 2007A Bonds (the portion of the Series 2007A Bonds being refunded, the Refunded Bonds) will achieve interest

rate savings and will benefit the inhabitants of the City; and (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 refund the Refunded Bonds (the Refunding); and

WHEREAS, the City is leasing the Leased Property, which has been appraised at a value of \$539,000,000, to the Authority for the purpose of reducing the City's debt service costs associated with the construction of the Ballpark in 2002; 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, in order to accomplish the refinancing of the Refunded Bonds and to achieve such public purposes, and to timely issue bonds when savings are available, the City has determined to request and approve the Authority's issuance of not to exceed \$136,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the Series 2015 Bonds) pursuant to the Marks-Roos Local Bond Pooling Act of 1985 and secured by the Indenture (the Indenture), by and between the Authority and Wells Fargo Bank, National Association (the Trustee); and

WHEREAS, in order to provide for the payment of the Series 2015 Bonds, the City will enter into an Amended and Restated Site Lease, dated as of July 1, 2015 (the Site Lease), which amends and restates the 2007A Site Lease, by and between the Authority and the City, under

which the Authority will lease from the City certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, consisting of (i) the Ballpark exclusive of certain improvements owned by the Padres and (ii) the Park (the Leased Property) and an Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the Facility Lease), which amends and restates the 2007A Facility Lease, by and between the Authority and the City, under which the Authority leases the Leased Property back to the City and the City will agree to make Base Rental Payments to the Authority which are calculated to be sufficient to enable the Authority to pay the principal of and interest on the Series 2015 Bonds when due and payable; and

WHEREAS, the City has determined that the Series 2015 Bonds be sold by a negotiated sale pursuant to the terms of a Bond Purchase Agreement (a Purchase Agreement) among the City, the Authority and the underwriters therein named (collectively the Underwriters); and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Series 2015 Bonds: a proposed form of 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-~~20469~~⁷ under which the City will lease the Leased Property to the Authority; a proposed form of Facility 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-~~20469~~², under which the Authority will lease the Leased Property to the City; a proposed form of Third Reaffirmation of Assignment Agreement, by and between the Authority and the Trustee (the Assignment Agreement), a copy of which is on file in the office of the City Clerk as Document No. 00-~~20469~~³, under which the Authority reaffirms its assignment to the Trustee for the benefit of bondholders of its rights under the Site Lease and the Facility Lease; a proposed form of 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- ~~20469~~-4, under which the Authority will issue the Series 2015 Bonds; a proposed form of Escrow Agreement between the Authority and the Trustee, as Escrow Agent, a copy of which is on file in the office of the City Clerk as Document No. 00-~~20469~~-5, under which the Trustee, as Escrow Agent, will hold, invest and apply monies for the redemption of the Refunded Bonds; a proposed form of Purchase Agreement regarding the Series 2015 Bonds among the City, the Authority and the Underwriters, a copy of which is on file in the office of City Clerk as Document No. 00-~~20469~~-6, under which the Series 2015 will be sold; and 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- ~~20469~~-7 (the documents described in paragraphs 1 through 7, are collectively referred to as the Financing Documents); 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 (the "Council"), 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 the refunding of the Refunded Bonds, 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 Site Lease, pursuant to which the City leases the Leased 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 the Site Lease substantially in the form 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 Leased Property) 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 Facility 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 the Facility Lease substantially in the form 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 Leased Property) 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 Assignment Agreement, pursuant to which the Authority reaffirms its assignment to the Trustee for the benefit of bondholders of its rights under the Site Lease and the Facility Lease, and the execution, delivery and performance by the Authority, of the Assignment Agreement substantially in the form 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 Assignment Agreement 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 form and content of the Indenture, pursuant to which the Authority will issue the Series 2015 Bonds, and the execution, delivery and performance by the Authority, of the Indenture substantially in the form 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 Indenture 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 7. The form and content of the Escrow Agreement, pursuant to which the Trustee, as Escrow Agent, will hold, invest and apply monies for the redemption of the Refunded Bonds, and the execution, delivery and performance by the Authority of the Escrow Agreement substantially in the form 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 Escrow Agreement 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 8. The City Attorney or his specified designee is authorized to retain Nixon Peabody LLP as bond counsel and disclosure counsel for the City and the Authority in connection with the issuance of the Series 2015 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 contract or other arrangements shall be in an amount not to exceed \$110,000.

Section 9. The City hereby authorizes and approves, and requests the Authority to approve and authorize, the issuance and sale by the Authority of its Series 2015 Bonds in a total aggregate principal amount not to exceed \$136,000,000 by negotiated sale, provided that: (i) the Chief Financial Officer or Chief Operating Officer determines that either: (A) there is an economic benefit in the form of aggregate net present value savings of at least 4 percent, expressed as a percentage of the par amount of the Refunded Bonds; or (B) the Chief Financial

Officer or the Chief Operating Officer determines that refunding all or a portion of the Refunded Bonds is in the best financial interest of the City, and (ii) there shall first be presented to the Disclosure Practices Working Group and this Council for approval a form of preliminary official statement. Each of the Chief Financial Officer and the Chief Operating Officer, in consultation with the City's financial advisor, is hereby authorized to approve the Series 2015 Bonds pricing, the timing of the issuance and sale of the Series 2015 Bonds, the redemption terms, maturities, interest rates, and other Series 2015 Bond features, and the underwriters for the Series 2015 Bonds.

Section 10. The form and content of the Purchase Agreement 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 the Purchase Agreement in connection with the purchase and sale of the Series 2015 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 the Series 2015 Bonds, as such Authorized Signatory shall determine are necessary and desirable and shall require or approve 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 thereof.

Section 11. The anticipated source of revenue for payment of the Series 2015 Bonds hereby authorized is the Base Rental Payments to be made by the City under and as defined in the Facility Lease.

Section 12. 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 a Continuing Disclosure Certificate in connection with the purchase and sale of the Series 2015 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 13. Authorized officers of the City are hereby authorized and directed to pay all the fees and other costs of issuance of the Series 2015 Bonds in accordance with the Purchase Agreement and as otherwise agreed with the City and the respective parties thereto, including applicable California Debt and Investment Advisory Commission fees and printer fees.

Section 14. All actions heretofore taken by any officers, employees or agents of the City with respect to the issuance, delivery or sale of the Series 2015 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 Refunding, 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, payment of necessary and appropriate fees and expenses

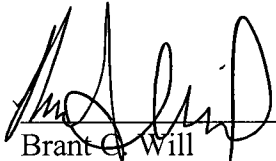
of bond counsel, disclosure counsel, financial advisor and other professionals retained by the City; and ii) to execute and deliver any and all certificates, agreements and other documents (including, without limitation, a tax compliance certificate) required pursuant to the terms of the Purchase Agreement 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 Series 2015 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, the establishment of any debt service reserve fund securing the Series 2015 Bonds, and establishing the redemption provisions of the Series 2015 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 Series 2015 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 Section 9 hereof.

Section 15. The Chief Financial Officer is authorized to establish one or more special interest-bearing account(s) to deposit proceeds of the Series 2015 Bonds.

Section 16. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the 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 G. Will
Deputy City Attorney

BCW:jdf
02/13/15
02/26/15 COR. COPY
Or.Dept:Debt Mgmt.
Doc. No.: 955723_2

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of MARCH 17, 2015.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 3/17/15
(date)



KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on MAR 17 2015, 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"/>
Lorie Zapf	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAR 17 2015

AUTHENTICATED BY:

KEVIN L. FAULCONER
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

MAR 02 2015, and on MAR 17 2015

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

Office of the City Clerk, San Diego, California

Ordinance Number O- 20469