

RESOLUTION NUMBER R- 310250

DATE OF FINAL PASSAGE FEB 10 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR SENIOR SEWER REVENUE REFUNDING BONDS, SERIES 2016A; AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS; AUTHORIZING THE CITY ATTORNEY TO APPOINT BOND COUNSEL AND DISCLOSURE COUNSEL; CONFIRMING THE SELECTION OF UNDERWRITERS, TRUSTEE AND ESCROW AGENT; AND APPROVING CERTAIN ACTIONS, ALL IN CONNECTION WITH THE ISSUANCE AND SALE BY THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO OF THE BONDS.

WHEREAS, California Government Code, Article I 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 (Mark-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 benefit, 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 as of 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 issued and currently has outstanding \$307,540,000 aggregate principal amount of its Senior Sewer Revenue Bonds, Series 2009A, \$286,670,000 aggregate principal amount of its Sewer Revenue Refunding Bonds, Series 2009B, and \$62,855,000 aggregate principal amount of its Sewer Revenue Refunding Bonds, Series 2010A (collectively, Outstanding Refundable Senior Sewer Bonds), which were issued pursuant to an Indenture dated as of May 1, 2009, as amended (Original Indenture), supplemented by a First Supplemental Indenture dated as of June 1, 2009 and a Second Supplemental Indenture dated as of April 1, 2010 (the Original Indenture, as so supplemented, is referred to herein as the Indenture), each by and between the Authority and the trustee referred to therein (Trustee), to finance and refinance various components of the Wastewater System (as defined in the hereinafter defined Master Installment Purchase Agreement); and

WHEREAS, the California State Water Resources Control Board (Water Control Board) has previously provided the City several loans to finance various components of the Wastewater System (collectively, Outstanding SRF Loans); and

WHEREAS, the City has heretofore determined in Ordinance Number O-20506 that it is in the best interests of the City, between now and June 30, 2017, to (i) advance refund all or a portion of the Outstanding Refundable Senior Sewer Bonds as will, in the aggregate, create a net present value savings equal to or greater than 4% of the principal amount of the Outstanding Refundable Senior Sewer Bonds to be refunded, and/or (ii) current refund all or a portion of the Outstanding SRF Loans as will, in the aggregate, create a net present value savings equal to or greater than 3% of the principal amount of the Outstanding SRF Loans to be refunded through the issuance of Senior Sewer Revenue Refunding Bonds (Senior Sewer Refunding Bonds); and

WHEREAS, to provide for the issuance, sale and payment of the Senior Sewer Refunding Bonds, the Council of the City of San Diego (Council) has heretofore authorized and approved by Ordinance Number O-20506 and Resolution Numbers R-309757 and R-309796, the issuance by the Authority of its Senior Sewer Refunding Bonds, in one or more series, through one or more issuances in an aggregate principal amount not to exceed \$848,080,000 (\$534,460,000 aggregate principal amount of which remains unissued), a proposed form of Supplemental Indenture (Supplemental Indenture) between the Authority and the Trustee, a proposed form of Supplement to the Master Installment Purchase Agreement between the Authority and the City, a proposed form of Bond Purchase Agreement among the City, the Authority and the underwriters referred to therein (Underwriters), a proposed form of Escrow Agreement among the City, the Authority and the escrow agent referred to therein (Escrow Agent), and a proposed form of Continuing Disclosure Certificate; and

WHEREAS, on September 24, 2015, the first series of Senior Sewer Refunding Bonds, designated as Public Facilities Financing Authority of the City of San Diego, Senior Sewer Revenue Refunding Bonds, Series 2015, were issued by the Authority in the aggregate principal amount of \$313,620,000; and

WHEREAS, the City has determined that a second series of Senior Sewer Refunding Bonds, which shall be designated as Public Facilities Financing Authority of the City of San Diego, Senior Sewer Revenue Refunding Bonds, Series 2016A (Series 2016A Bonds), be issued by the Authority in order to (i) advance refund and defease all or a portion of the Outstanding Refundable Senior Sewer Bonds, and/or (ii) current refund and prepay all or a portion of the Outstanding SRF Loans; and

WHEREAS, in order to market and sell the Series 2016A Bonds, it is necessary that the Council authorize and approve the distribution of a preliminary official statement and the execution, delivery and distribution of an official statement relating to the Series 2016A Bonds; and

WHEREAS, there has been presented to this meeting a proposed form of Preliminary Official Statement (Preliminary Official Statement), a copy of which is on file in the Office of the City Clerk as Document No. RR- 310250, which the Underwriters will use in connection with the marketing of the Series 2016A Bonds; and

WHEREAS, the form of the Preliminary Official Statement submitted to this meeting of the Council have been reviewed by the Disclosure Practices Working Group (DPWG); and

WHEREAS, to prepare the necessary documents, render the necessary legal opinions and advise the City in connection with the issuance of the Series 2016A Bonds, it is necessary to retain Bond Counsel and Disclosure Counsel for the City and the Authority for the Series 2016A Bonds; and

WHEREAS, the City has selected (i) Wells Fargo Bank, National Association, Academy Securities, Inc., Drexel Hamilton, LLC, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the Underwriters of the Series 2016A Bonds, (ii) U.S. Bank National Association as the Trustee for the Series 2016A Bonds, and (iii) U.S. Bank National Association as the Escrow Agent for the Outstanding Refundable Senior Sewer Bonds to be advance refunded and defeased with a portion of the proceeds of the Series 2016A Bonds; and

WHEREAS, the City is authorized to undertake all of the actions described in this Resolution pursuant to Ordinance Number O-20506, its Charter and the Constitution and other applicable laws of the State of California; NOW, THEREFORE,

BE IT RESOLVED 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 Resolution are true and correct.

Section 2. The Council hereby finds that the refinancing of components of the Wastewater System as set forth in the recitals to this Resolution will provide significant public benefits in accordance with the criteria specified in section 6586 of the California Government Code.

Section 3. The form and content of the proposed Preliminary Official Statement with respect to the Series 2016A Bonds, a copy of which is on file in the Office of the City Clerk as Document No. RR- 310250 submitted to this meeting, is hereby 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) is hereby severally authorized and directed, for and in the name of and on behalf of the City, to execute and deliver an official statement with respect to the Series 2016A Bonds (Official Statement), in the form of the Preliminary Official Statement presented to this meeting, with such changes thereto as the Authorized Signatory executing and delivering such document may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The distribution of copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of Series 2016A Bonds is hereby authorized and

approved. The Authorized Signatories are, and each of them acting alone is, hereby authorized to certify on behalf of the City that any Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (except for the omission of certain information as permitted by such Rule).

Section 4. The City Attorney or his specified designee is authorized to retain Kutak Rock LLP as bond counsel (Bond Counsel) and disclosure counsel (Disclosure Counsel) to the City and the Authority in connection with the Series 2016A Bonds under such contract or other arrangement as the City Attorney or his specified designee shall approve as being in the best interests of the City. Such contract or other arrangement shall be in an amount not to exceed \$57,500, plus reasonable out-of-pocket expenses not to exceed \$1,500, for both Bond Counsel and Disclosure Counsel services.

Section 5. The selection of (i) Wells Fargo Bank, National Association, Academy Securities, Inc., Drexel Hamilton, LLC, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the Underwriters of the Series 2016A Bonds, (ii) U.S. Bank National Association as the Trustee for the Series 2016A Bonds, and (iii) U.S. Bank National Association as the Escrow Agent for the Outstanding Refundable Senior Sewer Bonds to be advance refunded and defeased with a portion of the proceeds of the Series 2016A Bonds, is hereby confirmed, and the Authorized Signatories are hereby authorized to appoint additional Underwriters for the Series 2016A Bonds or remove any of the Underwriters described in clause (i).


Section 6. Authorized officers of the City are hereby authorized and directed to pay all of the fees and other costs of issuance of the Series 2016A Bonds in accordance with the Bond Purchase Agreement and as otherwise agreed with the City and the respective parties thereto, including the applicable California Debt and Investment Advisory Commission fees and printer fees.

Section 7. All actions heretofore taken by any officers, employees or agents of the City with respect to (i) the issuance, delivery and sale of the Series 2016A Bonds; (ii) the advance refunding, redemption and defeasance of the Outstanding Refundable Senior Sewer Bonds; (iii) the current refunding and prepayment of the Outstanding SRF Loans; (iv) any of the documents referenced herein; or (v) the refinancing of the Wastewater System, are hereby approved, confirmed and ratified; and any Authorized Signatory and any such other officers, employees or agents of the City as may be authorized by the Mayor, the Chief Operating Officer or the Chief Financial Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including, without limitation, payment of necessary and appropriate fees and expenses, and execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable to consummate the transactions evidenced by the documents referenced herein in accordance with this Resolution; provided that any funds derived from the proposed refinancing of the Wastewater System shall be restricted to benefit the Wastewater System.

Section 8. The Chief Financial Officer is authorized to establish one or more special interest-bearing account(s) to deposit proceeds of the Series 2016A Bonds.

Section 9. That this Resolution shall take effect immediately upon its adoption.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Bret A. Bartolotta
Deputy City Attorney

BAB:sc
1/20/2016
Or.Dept: Debt Management
CC No.: N/A
Doc. No.: 1192787

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 2/9/2016.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 2/10/16
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on FEB 09 2016, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherr 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage FEB 10 2016

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

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

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

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