

ORDINANCE NUMBER O- 20903 (NEW SERIES)

DATE OF FINAL PASSAGE FEB 15 2018

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 CONTINUING DISCLOSURE CERTIFICATES; AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF ONE OR MORE SUPPLEMENTAL INDENTURES AND ESCROW AGREEMENTS BY THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO; APPROVING AND AUTHORIZING THE ISSUANCE AND SALE IN ONE OR MORE SERIES OF THE AUTHORITY'S LEASE REVENUE REFUNDING 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 (the 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 (the Joint Powers Agreement), which created and established the Public Facilities Financing Authority of the City of San Diego (the 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, the Second Supplemental Indenture, dated as of April 1, 2015, and the Third Supplemental Indenture, dated as of April 1, 2015 (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 (as defined in the Master Indenture) by the Authority for the purposes described herein is in the public interest and will benefit the inhabitants of the City; (ii) there are significant public benefits (within the meaning of section 6586 of the Government Code) to be derived from securing the assistance of the Authority to refinance the costs of the acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects of the City (collectively, the 2010A Projects) that were previously refinanced by the Authority through the issuance of its \$167,635,000 Lease Revenue Refunding Bonds, Series 2010A (Master Refunding Project) (the 2010A Bonds); and (iii) the 2010A Projects are at various locations within the geographic boundaries of the City; and

WHEREAS, the Council of the City desires to maintain the flexibility to sell the Additional Bonds in one or more series either at the same time or at separate intervals as described herein and either as tax-exempt bonds under Section 103 of the Internal Revenue Code of 1986, as amended, or as bonds subject to federal income taxation; and

WHEREAS, in order to refinance the 2010A Projects and refund the 2010A Bonds and to achieve such public purposes, and to timely issue bonds when market conditions are beneficial to the City, the City has determined to request and approve the Authority's issuance in one or more series of Additional Bonds in an aggregate principal amount not to exceed \$140,000,000 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, the Additional Bonds will be designated as Lease Revenue Refunding Bonds (Series 2010A Refunding) with each series being further distinguished by a series designation by year and letter beginning with Series A and following alphabetically for each series issued thereafter within a calendar year and by a parenthetical as to whether the series is federally taxable or tax-exempt; 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 City 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, the Second Amendment to Site Lease, dated as of April 1, 2015, and the Third Amendment to Site Lease, dated as of April 1, 2015 (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, the Second

Amendment to Facilities Lease, dated as of April 1, 2015, and the Third Amendment to Facilities Lease, dated as of April 1, 2015 (together, the Master Facilities Lease), the Existing City Property and certain other real property as described therein (the MTS Property); 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 may add to the property leased to the Authority thereunder additional property of the City (the Additional City Property and, together with the Existing City Property, the City Property), and one or more amendments to the Master Facilities Lease, pursuant to which the Authority may add to the property leased to the City thereunder the Additional City Property (together with the Existing City Property and the MTS Property, 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 on the Prior Bonds and the Additional Bonds when due and payable; and

WHEREAS, various portions of the Leased Property have been appraised by independent appraisers or City appraisers at various times and such appraisals aggregate to a combined market value of \$366,467,000 for the Leased Property; and

WHEREAS, based on such appraisals, the Council of the City has determined that the annual fair rental of the Leased Property will equal or exceed the annual Base Rental Payments due under the Master Facilities Lease upon the issuance of each series of Additional Bonds; and

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

1. a proposed form of Fourth 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. 00-20903-1, under which the City will lease the City Property to the Authority;

2. a proposed form of Fourth 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-~~20903-2~~ under which the Authority will lease the Leased Property to the City;

3. a proposed form of Fourth 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-~~20903-3~~, under which the Authority will issue one or more series of the Additional Bonds;

4. a proposed form of Escrow Agreement between the Authority and the Trustee, a copy of which is on file in the office of the City Clerk as Document No. 00-~~20903-4~~, under which the Trustee, as escrow agent, will hold, invest and apply monies for the redemption of 2010A Bonds;

5. 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-~~20903-5~~ (the documents described in paragraphs 1 through 5, 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 and are adopted by the Council as a basis for issuing the Additional Bonds.

Section 2. The Council hereby finds that the refinancing of the 2010A Projects through the refunding of the 2010A Bonds, as described in the recitals to this Ordinance, 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 Fourth 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 Fourth Amendment to Site Lease (with each amendment to be numbered sequentially) presented to and considered at this meeting for the purpose of refinancing all or a portion of the 2010A Projects and refunding all or a portion of the 2010A Bonds, 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 City Property to be leased thereunder and changes necessary to allow for Additional Bonds to be issued on a tax-exempt or taxable basis) 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 her 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 Fourth 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 Fourth Amendment to Facilities Lease (with each amendment to be numbered sequentially) presented to and considered at this meeting for the purpose of refinancing all or a portion of the 2010A Projects and refunding all or a portion of the 2010A Bonds, 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 City Property to be leased thereunder and changes necessary to allow Additional Bonds to be issued on a tax-exempt or taxable basis) 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 her 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 Fourth Supplemental Indenture, pursuant to which the Authority will issue one or more series of Additional Bonds for the purpose of refinancing all or a portion of the 2010A Projects and refunding all or a portion of the 2010A Bonds, and the execution, delivery and performance by the Authority of one or more Supplemental Indentures substantially in the form of the Fourth 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 (including, without limitation, any changes necessary to allow Additional Bonds to be issued on a tax-exempt or taxable basis) 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.

Section 6. The form and content of the Escrow Agreement, pursuant to which the Authority will deliver funds to the Trustee, as Escrow Agent, for the purpose of refunding all or a portion of the 2010A Bonds, and the execution, delivery and performance by the Authority of one or more Escrow Agreements substantially in the form of the Escrow Agreement 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 each Escrow Agreement executed by the Authority 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.

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 \$140,000,000 by negotiated sale, provided that: (i) at the time of issuance of each series of Additional Bonds, the aggregate net present value of the debt service savings on all series of Additional Bonds issued to advance refund 2010A Bonds as compared to the debt service on all 2010A Bonds refunded by such Additional Bonds shall be at least 4% of the principal amount of such 2010A Bonds, as calculated by the City's Municipal Advisor, provided, further, that, for any Additional Bonds issued to current refund 2010A Bonds, the aggregate net present value savings calculated as

described above shall be at least 3%, (ii) the final maturity of a series of the Additional Bonds shall not be later than the final maturity of the 2010A Bonds being refunded by such Additional Bonds, and (iii) prior to the issuance of a series of Additional Bonds, there shall first be presented to the Disclosure Practices Working Group and this Council for approval a form of preliminary official statement for such series of Additional Bonds. Each of the Chief Financial Officer and the Chief Operating Officer, or their designees, in consultation with the City's Municipal Advisor, is hereby authorized to approve the timing and number of Additional Bond series, together with the pricing, redemption provisions, maturity dates, interest rates, and other terms of the Additional Bonds.

Section 8. 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 9. 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 additions and changes therein (including, without limitation, changes necessary to allow for Additional Bonds to be issued on a tax-exempt or taxable basis) 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 her specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery thereof.

Section 10. 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 and as otherwise agreed with the City and the respective parties thereto.

Section 11. 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 refinancing of the 2010A Projects and the refunding of the 2010A Bonds, 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, Municipal 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 for any tax-exempt series) required in connection with the issuance of any Additional Bonds, 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 of the 2010A Bonds are to be refunded with proceeds of a series of Additional Bonds, and determining which parcel or parcels of City property shall be included as Additional City Property for each series of Additional Bonds and which Additional Bonds are to be issued on a tax-exempt or taxable basis), which additions and changes the Mayor, the Chief Financial Officer or the Chief Operating Officer shall believe, with the advice of the City's Municipal 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 to be conclusively evidenced by the execution and delivery of such Financing Documents and other documents to which the City is a party; and provided further that, except for the requirement for a specified amount of net present value savings set forth in Section 7 above which may be waived by an Authorized Signatory, no such addition or changes may be inconsistent with limitations in Sections 7 or 8 hereof.

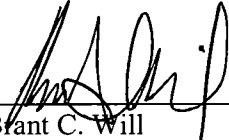
Section 12. The Chief Financial Officer is authorized to establish one or more special interest-bearing accounts for the deposit of proceeds of the Additional Bonds.

Section 13. Following the issuance of the final series of Additional Bonds under this ordinance, which determination shall be made by an Authorized Signatory in writing, any unissued portion of the principal amount authorized in Section 7 hereof shall be considered lapsed and no further additional Bonds shall be issued pursuant to the terms of this ordinance.

Section 14. That 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 15. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.



APPROVED: MARA W. ELLIOTT, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
01/16/18
Or. Dept.: Debt Management
Doc. No.: 1667480

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of FEB 13, 2018.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Kevin Faulconer, Mayor

Approved: 2/15/18
(date)

Vetoed: _____
(date)

Kevin Faulconer, Mayor

Passed by the Council of The City of San Diego on FEB 13 2018, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<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"/>
Chris Ward	<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"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage FEB 15 2018

AUTHENTICATED BY:

(Seal)

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

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

By *[Signature]*, 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 30 2018

FEB 15 2018

, 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 *[Signature]*, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O-_____

20903