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5/15/18

(R-2018-481)
(COR. COPY)

RESOLUTION NUMBER R- 311757

DATE OF FINAL PASSAGE MAY 22 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO (I) APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A FACILITIES LEASE; (II) AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE BY THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO OF AN INDENTURE AND AN ISSUING AND PAYING AGENCY AGREEMENT; (III) APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE AUTHORITY'S LEASE REVENUE COMMERCIAL PAPER NOTES FROM TIME TO TIME ON A TAX-EXEMPT AND TAXABLE BASIS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,500,000; (IV) AUTHORIZING THE CITY ATTORNEY TO APPOINT BOND COUNSEL AND DISCLOSURE COUNSEL; AND (V) APPROVING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the Joint Exercise of Powers Agreement, dated as of May 14, 1991, as amended and restated as of January 11, 1999, further amended and restated on October 29, 2002, and further amended and restated as of January 1, 2013, by and among The City of San Diego, California (City), the City solely in its capacity as the designated Successor Agency to the former Redevelopment Agency of the City of San Diego and the Housing Authority of the City of San Diego (Housing Authority), established the Public Facilities Financing Authority of the City of San Diego (Authority), a California joint exercise of powers authority duly organized to provide financial assistance to the City; and

WHEREAS, the City desires to provide for the issuance and sale of one or more series of the Authority's lease revenue commercial paper notes from time to time on a tax-exempt and taxable basis (Commercial Paper Notes) in an aggregate principal amount not to exceed \$80,500,000 that are payable from Base Rental Payments (Base Rental Payments) to be made by

the City pursuant to the Facilities Lease by and between the City and the Authority (Lease) to (i) provide short-term financing for the acquisition, design, construction, installation, improvement, replacement, and equipping of various capital improvements related to the City, (ii) reimburse the City for eligible expenditures in accordance with applicable law, (iii) to pay principal of Commercial Paper Notes at maturity or to reimburse the related Credit Facility Provider (as defined in the Indenture herein referred to) for draws under the related Credit Facility (as defined in the Indenture herein referred to), and (iv) pay costs of issuance incurred in connection with the issuance of Commercial Paper Notes; and

WHEREAS, to facilitate such financing, the City proposes to provide for the issuance and sale from time to time by the Authority of the Commercial Paper Notes for the purposes set forth above; and

WHEREAS, it is anticipated that various capital expenditures financed by the Commercial Paper Notes will be made prior to the issuance of the Commercial Paper Notes and in order to reimburse capital expenditures with proceeds of the Commercial Paper Notes, the City shall declare its intent to use proceeds of the Commercial Paper Notes to reimburse itself for eligible expenditures in accordance with section 1.150-2 of Treasury Regulations; and

WHEREAS, this Resolution will approve the execution and delivery of an Indenture (Indenture) by and between the Authority and U.S. Bank National Association, as Trustee (Trustee), in conjunction with the issuance of Commercial Paper Notes from time to time, in one or more series, which Commercial Paper Notes will be payable from Base Rental Payments to be made by the City pursuant to the Lease; and

WHEREAS, in furtherance of the issuance of the Commercial Paper Notes under the Indenture, the City proposes to cause the Authority to enter into an Issuing and Paying Agency

Agreement (Issuing and Paying Agency Agreement) with U.S. Bank National Association, as Issuing and Paying Agent (Issuing and Paying Agent); and

WHEREAS, in order to secure the payment of the Commercial Paper Notes, the City and the Authority propose to enter into a Site Lease (Site Lease), pursuant to which the City will lease to the Authority certain real property of the City (Leased Property), and the City and the Authority propose to enter into the Lease pursuant to which the Authority will lease the Leased Property back to the City; and

WHEREAS, there has been presented to this meeting the following documents:

- a. A proposed form of the Indenture, by and between the Authority and the Trustee, a copy of which Indenture is on file in the Office of the City Clerk as Document No. RR-311757-1 under which Indenture the Authority will issue its Commercial Paper Notes;
- b. A proposed form of the Site Lease, by and between the City and the Authority, a copy of which Site Lease is on file in the Office of the City Clerk as Document No. RR-311757-2 under which Site Lease the City will lease the Leased Property to the Authority;
- c. A proposed form of the Lease, by and between the Authority and the City, a copy of which Lease is on file in the Office of the City Clerk as Document No. RR-311757-3, under which Lease the Authority will lease the Leased Property back to the City; and
- d. A proposed form of Issuing and Paying Agency Agreement, by and between the Authority and the Issuing and Paying Agent, a copy of which Issuing and Paying Agency Agreement is on file in the Office of the City Clerk as Document No. RR-311757-4, pursuant to which the Issuing and Paying Agent will facilitate the issuance of the Commercial Paper Notes; and

WHEREAS, a notice of public hearing concerning the adoption of this Resolution was duly published once at least five (5) days prior to such hearing in a newspaper of general circulation in the County of San Diego; and

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

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

Section 1. The City Council hereby finds and determines that the statements set forth above in the recitals to this Resolution are true and correct. The City declares its intent to use proceeds of the Commercial Paper Notes to reimburse itself for eligible expenditures of the capital improvements to be financed with the proceeds of the Commercial Paper Notes in accordance with section 1.150-2 of Treasury Regulations.

Section 2. The City Council hereby finds that financing various capital improvements as described in the recitals to this Resolution will provide significant public benefits in accordance with the criteria specified in California Government Code Section 6586.

Section 3. The City hereby authorizes and approves and requests the Authority authorize and approve the issuance and sale of one or more series of the Authority's Commercial Paper Notes in an aggregate principal amount not to exceed \$80,500,000 to provide funds for financing various capital improvements, reimburse the City for eligible expenditures and pay costs of issuance incurred in connection with the issuance of the Commercial Paper Notes from time to time. The true interest cost of any Commercial Paper Note may not exceed the lesser of ten percent (10%) or the maximum rate per annum permitted by law. The Commercial Paper Notes shall be issued at such times, with such dates, maturity dates and interest rates in such

principal amounts and on such terms as the officers of the Authority, in consultation the City's Chief Operating Officer, the City's Chief Financial Officer, the City's Director of the Debt Management or the City Comptroller, shall in their discretion determine to be in the best interests of the City and the Authority.

Section 4. The forms of the Indenture, the Site Lease, the Lease and the Issuing and Paying Agency Agreement (collectively, the Financing Documents) are hereby approved, and the execution, delivery and performance thereof by the City of the agreements to which it is a party is hereby approved. The Chief Financial Officer of the City and its designees (each, an Authorized Signatory) are hereby jointly and severally authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Financing Documents to which the City is a party, and the Authority is hereby requested to execute and deliver the Financing Documents to which it is a party, in conjunction with the issuance of Commercial Paper Notes substantially in the forms submitted to this meeting, and the City Clerk is authorized to attest thereto, with such additions and changes therein, including but not limited to determining which parcel or parcels of City property shall be included as the Leased Property, as an Authorized Signatory shall determine are necessary or desirable and approve as being in the best interests of the City, and as approved as to form by the City Attorney or his, her or their specified designee, and with such other changes that may be required by Hawkins Delafield & Wood LLP, Bond Counsel to the City (Bond Counsel), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The City Attorney or his, her or their specified designee is authorized to retain Hawkins Delafield & Wood LLP as bond counsel and disclosure counsel for the City and the Authority in connection with the issuance of Commercial Paper Notes under such contracts

or other arrangements as the City Attorney or his, her or their 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 \$95,000. The City Attorney is further authorized to retain Hawkins Delafield & Wood LLP to provide ongoing, as-needed legal services related to the Commercial Paper Notes.

Section 6. The City hereby acknowledges that the obligation of the City to make Base Rental Payments pursuant to the Lease shall be a limited obligation of the City payable solely from Base Rental Payments under the Lease and does not constitute a debt of the City or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 7. The anticipated source of revenues for payment of the Commercial Paper Notes is the Base Rental Payments to be made by the City under the Lease and the amounts in the funds and accounts pledged therefor under the Indenture.

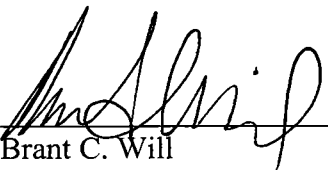
Section 8. All actions heretofore taken by any officers, employees, or agents of the City with respect to the authorization of the Financing Documents and the issuance, delivery, or sale of the Commercial Paper Notes are hereby approved, confirmed and ratified. The Chief Operating Officer, the Chief Financial Officer, the Director of the Debt Management, the City Comptroller, the City Attorney and any such other officers, employees, or agents of the City as may be authorized by the Mayor of the City, the Chief Operating Officer or the Chief Financial Officer (each, a City Representative) are 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, pay necessary and appropriate fees and expenses and to execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem

necessary or desirable to consummate the transactions evidenced by the Financing Documents in accordance with this Resolution. In addition, any City Representative, in consultation with the City's municipal advisor, is hereby specifically authorized to approve additions and changes to the Financing Documents authorized by this Resolution as any City Representative shall determine are necessary or desirable and in the best interests of the City, such determination shall be conclusively evidenced by the execution and delivery of such Financing Documents by the City. Such other officials, employees, and agents of the City as may be authorized by any Authorized Signatory are hereby each authorized, and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, and other documents which they, or any of them, may deem necessary or advisable in order to consummate the execution, delivery and performance of the Financing Documents and other documents authorized by this Resolution, the transactions authorized hereby and evidenced by the Financing Documents and the disbursement of proceeds of the Commercial Paper Notes in accordance with this Resolution.

Section 9. The Chief Financial Officer is authorized to establish one or more special interest-bearing account(s) to deposit proceeds of the Commercial Paper Notes.

Section 10. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOTT, City Attorney

By 

Brant C. Will
Deputy City Attorney

BCW:jdf
04/10/18
04/23/18 COR. COPY
Or.Dept:Debt Management
Doc. No.: 1724771_2

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 15 2018.

ELIZABETH S. MALAND
City Clerk

By *Zenda Brown*
Deputy City Clerk

Approved: 5/21/18
(date)

Kevin L. Faulconer
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

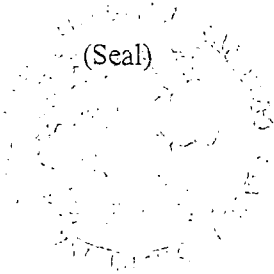
Passed by the Council of The City of San Diego on MAY 15 2018, by the following vote:

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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 MAY 22 2018

(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:



(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 Hinda Bruin, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 311757