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PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2016-8

ADOPTED ON DECEMBER 6, 2016

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A FACILITIES LEASE, AN INDENTURE AND A BOND PURCHASE AGREEMENT, APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$50,000,000 PRINCIPAL AMOUNT OF THE AUTHORITY'S LEASE REVENUE BONDS (BALBOA PARK PARKING RELATED PUBLIC IMPROVEMENTS), AND APPROVING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, The City of San Diego (City), the Successor Agency to the Redevelopment Agency of the City of San Diego and the Housing Commission of the City of San Diego have entered into that certain 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 bonds to finance and refinance public capital improvements for the benefit of the City; and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Act) and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits; and

WHEREAS, the Authority has determined that it is desirable, furthers the public purpose and will result in significant public benefits to the citizens of the City, within the meaning of the Act, to assist the City in the acquisition, construction, installation and equipping of a parking facility, including a rooftop park thereon (Parking Facility), together with a bypass bridge, a road to divert vehicular traffic away from the pedestrian core of Balboa Park, and certain capital improvements related to the Parking

Facility and, in the event that the Parking Facility is not constructed or proceeds remain after the completion of construction, the costs of other eligible General Fund capital improvements in the City's capital improvement program (such capital improvements, together with the Parking Facility, are collectively referred to as the Project); and

WHEREAS, in order to accomplish the financing of the Project and to achieve such public purposes, the Authority has determined to authorize the issuance of not to exceed \$50,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds (Balboa Park Parking Related Public Improvements) (Bonds) payable from Base Rental Payments (defined below) to be made by City pursuant to the Facilities Lease (defined below); and

WHEREAS, to accomplish the forgoing, the Authority has determined: to enter into an Indenture (Indenture) with Wilmington Trust, National Association, as trustee (Trustee); to lease from the City the real property of the City (Site) pursuant to and as described in a Site Lease (Site Lease) between the City and the Authority; and to lease the Site and the Parking Facility (together, the Leased Premises) back to the City pursuant to a Facilities Lease (Facilities Lease) between the Authority and the City, under which the City will agree to make Base Rental Payments to the Authority which, together with capitalized interest on the Bonds, are calculated to be sufficient to enable the Authority to pay the principal of and interest on the Bonds when due and payable; and

WHEREAS, the Authority will sell the Bonds in a negotiated sale pursuant to the Bond Purchase Agreement (Purchase Agreement) among the Authority, the City and Loop Capital Markets LLC, as the representative of any underwriter of the Bonds named therein (Underwriters); and

WHEREAS, the City adopted an Ordinance (Bond Ordinance) authorizing and approving (i) the issuance of the Bonds, (ii) the legal documents under and pursuant to which the Bonds will be issued and paid, and (iii) the financing of the Project, which Bond Ordinance will be signed by the

Mayor and for which the 30-day referendum period will end on the 31st day following the Mayor's signing thereof; and

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

a. a proposed form of Site Lease between the City and the Authority under which the City will lease the Site to the Authority; and

b. a proposed form of Facilities Lease between the Authority and the City under which the Authority will lease the Leased Premises to the City; and

c. a proposed form of Indenture between the Authority and the Trustee under which the Authority will issue the Bonds; and

d. a proposed form of Bond Purchase Agreement among the City, the Authority and the Underwriters (the documents described in paragraphs a through d are collectively referred to as the Financing Documents); and

WHEREAS, the Authority is authorized to undertake the actions described in this Resolution pursuant to the laws of the State of California, NOW, THEREFORE,

BE IT RESOLVED by the Board of Commissioners of the Public Facilities Financing Authority of the City of San Diego as follows:

1. The Authority hereby finds and determines that the statements set forth above the recitals to this Resolution are true and correct.

2. The form and content of the Site Lease, pursuant to which the City leases the Site to the Authority, is hereby authorized and approved. Any of the Chair of the Authority or Vice Chair of the Authority 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 Authority, to execute and deliver the Site Lease in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and

directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine to be necessary and desirable and that such Authorized Signatory believes to be in the best interests of the Authority (including any changes to the description of the Site as approved by the City), and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Site Lease.

3. The form and content of the Facilities Lease, pursuant to which the Authority leases the Leased Premises to the City, is hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Facilities Lease in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine to be necessary and desirable and that such Authorized Signatory believes to be in the best interests of the Authority (including any changes to the description of the Leased Premises as approved by the City), and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Facilities Lease.

4. The form and content of the Indenture, pursuant to which the Authority will issue its Bonds, is hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine to be necessary and desirable and that such Authorized Signatory believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such

approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Indenture.

5. The Authority hereby approves and authorizes the issuance and sale of its Bonds in a principal amount not to exceed \$50,000,000 by negotiated sale provided that: (i) the sale and issuance of the Bonds is determined by the Chief Operating Officer or the Chief Financial Officer of the City to be consistent with the City's Debt Policy, and (ii) there has first been presented to the Disclosure Practices Working Group and this Board for approval a form of preliminary official statement for the Bonds. Each Authorized Signatory is authorized to execute and deliver, for and in the name and on behalf of the Authority, the Bonds substantially in the form attached to the Indenture presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto and affix a seal of the Authority thereon, with such additions and changes as any Authorized Signatory determines to be necessary and desirable and that such Authorized Signatory believes to be in the best interests of the Authority, such approvals to be conclusively evidenced by the execution of said Bonds.

6. 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 Authority, to execute and deliver the Purchase Agreement in connection with the purchase and sale of the Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein as such Authorized Signatory shall determine to be necessary and desirable and that such Authorized Signatory believes to be in the best interests of the Authority and the City and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals will be conclusively evidenced by such Authorized Signatory's execution and delivery of the Purchase Agreement.

7. All actions heretofore taken by any Authorized Signatory or by any officers, employees, agents or directors of the Authority with respect to the issuance, delivery or sale of the

Bonds, or in connection with or related to any of the Financing Documents or of the other documents referenced herein or related to financing the Project, are hereby approved, confirmed and ratified. Any Authorized Signatory, the Secretary of the Authority, the General Counsel to the Authority and other officers, employees, agents and directors of the Authority are, and each of the foregoing acting alone or through their specified designee, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things, take any and all actions, and execute and deliver such documents, agreements and certificates (including, but not limited to, the tax compliance certificate), which they, or any of them, may deem necessary or advisable to effectuate the purposes of this Resolution or of the Financing Documents or the lawful issuance and delivery of the Bonds and to consummate the transactions authorized hereby and evidenced by the Financing Documents. In addition, any Authorized Signatory is hereby authorized to approve additions and changes to the Financing Documents and the other documents authorized by this Resolution (including, but not limited to, establishing the options for redemption), if believed by the Chair, the Chief Operating Officer or the Chief Financial Officer of the City, or the designee of either of such officers, with the advice of the City's Financial Advisor for the Bonds, to be in the best interests of the City in light of market conditions, such determination to be conclusively evidenced by the execution and delivery of the Financing Documents by the City), as such Authorized Signatory shall determine to be necessary and desirable and that such Authorized Signatory believes to be in the best interests of the Authority, such determination shall be conclusively evidenced by the execution and delivery of such Financing Documents and other documents by the Authority; and provided further that no such addition or changes may be inconsistent with limitations in Section 5 hereof.

8. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 6th day of December, 2016, by the following vote:

AYES: Zapf, Cole, Kersey, Cate, Sherman, Emerald.

NAYS: Lightner.

ABSENT: Alvarez.

VACANT: District 3.

ABSTAIN: _____

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

Miyette Cole
Chair, Board of Commissioners

Attest:

Elizabeth M. Rand
Secretary to Board of Commissioners