

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, AND APPROVING THE FORM OF AN INDENTURE OF TRUST AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency of the City of Chula Vista (the “Prior Agency”) was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the “Law”), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, an Amended and Restated Redevelopment Plan for a redevelopment project known and designated as the “Merged Chula Vista Redevelopment Project Area” has been adopted, approved and amended from time to time by the City Council of the City of Chula Vista (the “City Council”), and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the “Bayfront/Town Centre Project Area” has been adopted, approved and amended from time to time by the City Council, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Prior Agency has previously issued its Redevelopment Agency of the City of Chula Vista Bayfront/Town Centre Redevelopment Project 2006 Senior Tax Allocation Refunding Bonds, Series A, currently outstanding in the aggregate principal amount of \$8,770,000 (the “2006A Bonds”); and

WHEREAS, the Prior Agency has previously issued its Redevelopment Agency of the City of Chula Vista Bayfront/Town Centre Redevelopment Project Area 2006 Subordinate Tax Allocation Refunding Bonds, Series B, currently outstanding in the aggregate principal amount of \$8,245,000 (the “2006B Bonds”); and

WHEREAS, the Prior Agency has previously issued its Redevelopment Agency of the City of Chula Vista 2008 Tax Allocation Refunding Bonds (Merged Redevelopment Project), currently outstanding in the aggregate principal amount of \$20,450,000 (the “2008 Bonds”; and, together with the 2006A Bonds and the 2006B Bonds, the “Prior Bonds”); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the “Dissolution Act”) and ABx1 27 (the “Opt-in Bill”); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the dissolution of the redevelopment component of the Prior Agency as of February 1, 2012; and

WHEREAS, the Prior Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Redevelopment Agency of the City of Chula Vista (the “Successor Agency”); and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time tax allocation refunding bonds (the “2016 Bonds”) in an aggregate principal amount sufficient to refund all or a portion of the Prior Bonds, and to irrevocably set aside a portion of the proceeds of such 2016 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Bonds being refunded, to pay costs in connection with the issuance of the 2016 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

WHEREAS, the 2016 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Bond Law”); and

WHEREAS, the Successor Agency wishes at this time to approve matters relating to the issuance and sale of the 2016 Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency as follows:

SECTION 1. Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2016 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Bonds for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1), as reflected in the Debt Service Savings Analysis to be prepared by the Successor Agency’s Municipal Advisor, and the pledge of property tax revenues to the 2016 Bonds pursuant to the Indenture approved by Section 2 of this Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2016 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2016 Bonds shall be applied as provided in the Indenture. The 2016 Bonds may be issued as a single issue, or from time to time, in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2016 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every

separate series of 2016 Bonds and the sale of the 2016 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

SECTION 2. The Indenture of Trust in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein (the “Indenture”), is hereby approved. The Chair of the Successor Agency, the Executive Director of the Successor Agency, the Director of Finance of the Successor Agency and, the Secretary of the Successor Agency (each, an “Authorized Officer”) (or the designees of either) are hereby authorized and directed to execute and deliver the Indenture in the form presented at this meeting with such changes, insertions and omissions as may be requested by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel, and approved by the Authorized Officer, said execution being conclusive evidence of such approval.

SECTION 3. The Preliminary Official Statement relating to the 2016 Bonds (the “Preliminary Official Statement”), in the form presented at this meeting and on file with the Secretary, is hereby approved. Any Authorized Officer, acting singly, is hereby authorized to sign a certificate pursuant to Rule 15c2 12 promulgated under the Securities Exchange Act of 1934 relating to said Preliminary Official Statement, and each such Authorized Officer is hereby authorized and directed to execute, approve and deliver the final Official Statement in the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be recommended by Successor Agency general counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the 2016 Bonds and is directed to deliver copies of any final Official Statement to all actual purchasers of the 2016 Bonds.

SECTION 4. The form of the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Successor Agency and the Underwriter, in the form presented at this meeting and on file with the Secretary, is hereby approved. Any Authorized Officer, acting singly, is hereby authorized to execute the Bond Purchase Agreement with such changes, insertions and omissions as may be recommended by general counsel or Bond Counsel, as such Authorized Officer shall deem necessary; provided, however, that the Bond Purchase Agreement shall be signed only if the Underwriter’s discount (exclusive of original issue discount) does not exceed 0.75% of the principal amount of the 2016 Bonds; and provided, further, that the Bond Purchase Agreement shall be executed only if and the net present value savings realized by the Successor Agency in terms of reduced debt service payments, as confirmed by the Successor Agency’s Municipal Advisor, is not less than five percent (5%) of the principal amount of the Prior Bonds to be refunded and defeased

SECTION 5. The forms of the Escrow Agreements in connection with each of the three series of Prior Bonds (the “Escrow Agreements”), in the forms presented at this meeting and on file with the Secretary, are hereby approved. Any Authorized Officer, acting singly, is hereby authorized to execute the Escrow Agreements with such changes, insertions and omissions as may be recommended by general counsel or Bond Counsel, as such Authorized Officer shall deem necessary.

SECTION 6. The form of the Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), in the form presented at this meeting and on file with the Secretary, is hereby approved. Any Authorized Officer, acting singly, is hereby authorized to execute the Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by general counsel or Bond Counsel, as such Authorized Officer shall deem necessary.

SECTION 7. The Executive Director or Director of Finance of the Successor Agency is authorized to select a municipal bond insurer to insure payments of the principal of and interest on the 2016 Bonds so long as the Executive Director or Director of Finance of the Successor Agency determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to the 2016 Bonds. Bond Counsel is hereby directed to make all changes to the Escrow Agreements, the Continuing Disclosure Certificate, the Bond Purchase Agreement, the Preliminary Official Statement, the final Official Statement and the Indenture of Trust submitted herewith as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

SECTION 8. The Executive Director or Director of Finance of the Successor Agency is authorized to select a municipal bond insurer to provide a reserve fund surety bond to be deposited into the reserve fund for the 2016 Bonds so long as the Executive Director or Director of Finance of the Successor Agency determines that obtaining the reserve fund surety bond will be cost effective to the Successor Agency. Each Authorized Officer, acting alone, is authorized to execute and deliver any customary agreement with the municipal bond insurer providing the reserve fund surety bond. Bond Counsel is hereby directed to make all changes to the Escrow Agreements, the Continuing Disclosure Certificate, the Bond Purchase Agreement, the Preliminary Official Statement, the final Official Statement and the Indenture of Trust submitted herewith as are necessary to reflect the reserve fund surety bond and the reasonable comments of the municipal bond insurer in connection therewith.

SECTION 9. Any Authorized Officer of the Successor Agency, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments, relating to the 2016 Bonds, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and the Indenture, including, as necessary, any additional agreements as may be required to carry out the purposes hereof.

SECTION 10. U.S. Bank National Association, is hereby appointed as Trustee. Any Authorized Officer, acting singly, is hereby authorized to enter into a contract with the Trustee for the purpose of providing its services.

SECTION 11. Harrell & Company Advisors, LLC is hereby designated as the Municipal Advisor to the Successor Agency for the 2016 Bonds and Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby designated as bond counsel and disclosure counsel for the 2016 Bonds, and the Authorized Officers are each hereby authorized and directed, jointly and severally, to execute any and all contracts for services and other documents necessary to procure the services of such firms for the execution and delivery of the Bonds.

SECTION 12. This Resolution shall take effect immediately upon its adoption.

Presented by

Approved as to form by

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David Bilby, MSBA, CPFO  
Treasurer

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Glen R. Googins  
Agency General Counsel