

CITY COUNCIL
CITY OF CHULA VISTA

RESOLUTION NO. _____

RESOLUTION OF THE CITY OF CHULA VISTA MODIFYING, IN PART,
RESOLUTION NO. 2016-058 AND AUTHORIZING THE DISTRIBUTION OF
AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND
SALE OF THE CHULA VISTA MUNICIPAL FINANCING AUTHORITY 2016
LEASE REVENUE REFUNDING BONDS

WHEREAS, the City of Chula Vista, California (the “City”) is a municipal corporation and chartered city duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”);

WHEREAS, on April 5, 2016 the Board of Directors of the Chula Vista Municipal Financing Authority (the “Authority”) adopted Resolution No. 2016-058 authorizing the execution and delivery of its Chula Vista Municipal Financing Authority 2016 Lease Revenue Refunding Bonds (the “Bonds”) in an aggregate principal amount not to exceed \$40,000,000 for the purpose of refinancing the City of Chula Vista 2006 Certificates of Participation (Civic Center Project – Phase 2) (the “2006 Certificates”) and the City of Chula Vista 2010 Certificates of Participation (Capital Facilities Refunding Projects) (the “2010 Certificates”);

WHEREAS, on April 5, 2016 the City Council of the City of Chula Vista (the “City”) conducted a public hearing in accordance with Government Code Section 6586.5 and adopted Resolution No. 2016-058 authorizing the execution and delivery of various documents necessary to effectuate the issuance of the Bonds and the defeasance of the 2006 Certificates and the 2010 Certificates;

WHEREAS, the City has advised the Authority that it is in the interest of the City to have the Bonds issued only for the purpose of refinancing the 2010 Certificates and that the City will be refinancing the 2006 Certificates through other means;

WHEREAS, the City Council desires to approve this resolution to modify Resolution No. 2016-058, in part, and to authorize the sale of the Bonds only for the purpose of refinancing the 2010 Certificates in order to achieve debt service savings and reduce the total lease payments to be made by the City;

WHEREAS, Resolution No. 2016-058 approved the forms of a Site Lease between the City and the Authority (the “Site Lease”) pursuant to which the City will lease certain real property described therein (the “Leased Assets”) to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), an Indenture by and among U.S. Bank National Association (the “Trustee”), the City and the Authority (the “Indenture”), an Assignment Agreement by and between the Authority and the Trustee (the “Assignment Agreement”), a Bond Purchase Agreement by and among Stifel, Nicolaus

& Company, Incorporated (the “Underwriter”), the City and the Authority (the “Bond Purchase Agreement”), a Continuing Disclosure Agreement by and between the City and Harrell & Company Advisors, LLC (the “Continuing Disclosure Agreement”) and an Escrow Agreement by and among U.S. Bank National Association, as escrow agent (the “Escrow Agent”), the City and the Authority (the “2006 Escrow Agreement”);

WHEREAS, Resolution No. 2016-058 also approved the form of the Preliminary Official Statement for the Bonds (the “Preliminary Official Statement”), a revised version of which has been presented to this City Council at the meeting at which this Resolution is being adopted;

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the refinancing of the 2010 Certificates as authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided;

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, the City Council of the City of Chula Vista does hereby resolve as follows:

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. The forms of the Site Lease, the Lease Agreement, the Indenture, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the 2006 Escrow Agreement (together, the “City Documents”) were approved by Resolution No. 2016-058, and each of the Mayor of the City (the “Mayor”), the City Manager of the City (the “City Manager”), the Deputy City Manager of the City (the “Deputy City Manager”) and the Director of Finance of the City (the “Director of Finance”) or their designees (collectively, the “Authorized Officers”), acting alone, were authorized and directed, for and in the name and on behalf of the City, to execute and deliver the City Documents in substantially the forms on file with the City Clerk, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are hereby authorized and directed to make such changes to the City Documents as are necessary to reflect that the Bonds will refinance only the 2010 Certificates. The City Council hereby finds and determines that the annual lease payments and additional payments due in each fiscal year under the Lease Agreement will not exceed the fair rental value of the Leased Assets during any fiscal year.

SECTION 3. Notwithstanding any provision in Resolution No. 2016-058 to the contrary, the Bonds shall be issued only for the purpose of refunding the 2010 Certificates and shall be issued in a principal amount not to exceed \$30,000,000, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby authorized and approved.

SECTION 4. The form of Preliminary Official Statement, on file with the City Clerk, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

SECTION 5. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the City, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the City.

SECTION 6. The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, the execution and delivery of agreements terminating the leasehold and subleasehold interests securing the 2006 Certificates and the 2010 Certificates (including, but not limited to, the Termination Agreement for the 2010 Certificates substantially in the form on file with the City Clerk and any amendment to the site lease and the lease agreement for the 2006 Certificates to reflect the prepayment and defeasance of the 2006 Certificates). Anything to the contrary herein notwithstanding, the Director of Finance, or his designee, is authorized and directed to solicit and accept bids for bond insurance and/or reserve surety for the Bonds, provided he determines acceptance of the best bid will result in further debt service savings, and appropriate changes to each of the documents referenced herein to evidence such bond insurance and/or reserve surety and the terms thereof, are hereby authorized and approved. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 7. Except as expressly modified herein, Resolution No. 2016-058 shall remain in full force and effect. This Resolution shall take effect immediately upon its passage.

Presented by

Approved as to form by

David Bilby, MSBA, CPFO
Director of Finance/Treasurer

Glen R. Googins
City Attorney