

RESOLUTION NO. 24-19

A RESOLUTION OF THE CITY COUNCIL APPROVING THE ISSUANCE BY THE RICHMOND JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF POINT POTRERO LEASE REVENUE REFUNDING BONDS, SERIES 2019A; AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, A SITE LEASE, A FACILITY LEASE, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, AN OFFICIAL STATEMENT, AN ESCROW AGREEMENT AND A TERMINATION AGREEMENT; AUTHORIZING A LEASE FINANCING WITH THE RICHMOND JOINT POWERS FINANCING AUTHORITY BASED ON A FINDING OF SIGNIFICANT PUBLIC BENEFIT; AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Richmond Joint Powers Financing Authority (the “Authority”) is empowered to assist the City of Richmond (the “City”) in financing and refinancing certain public capital improvements pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “JPA Law”) and pursuant to that certain Joint Exercise of Powers Agreement, dated as of December 1, 1989 (the “Joint Powers Agreement”), by and between the City and the Successor Agency to the Richmond Community Redevelopment Agency, formerly known as the Richmond Redevelopment Agency; and

WHEREAS, pursuant to the JPA Law 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 City has heretofore financed and refinanced certain public capital improvements within the City, including financing the construction of an automobile warehousing and distribution facility, including certain rail improvements located at the Point Potrero terminal at the Point of Richmond (collectively, the “Point Potrero Project”); and

WHEREAS, the Authority has heretofore authorized and issued its \$26,830,000 Point Potrero Lease Revenue Bonds, Series 2009A (the “Prior Bonds”), pursuant to a Trust Agreement, dated as of July 1, 2009, by and between the Authority and Union Bank, N.A., as trustee (the “Prior Trustee”) to assist the City in financing the Point Potrero Project; and

WHEREAS, in connection with the financing and refinancing of the Point Potrero Project and the issuance of the Prior Bonds, the City has heretofore entered into a Site Lease with the Authority, dated as of July 1, 2009, and the Richmond Surplus Property Authority has heretofore entered into a Site Lease with the Authority, dated as of July 1, 2009 (collectively, the “Prior Site Leases”), for the lease of the Point Potrero Project, and the City is presently leasing the same from the Authority pursuant to a Facilities Lease, dated as of July 1, 2009, between the Authority and the City (the “Prior Facilities Lease”); and

WHEREAS, only a portion of the Prior Bonds are currently outstanding; and

WHEREAS, the City proposes to refinance the Point Potrero Project by means of the prepayment and satisfaction of its remaining base rental payment obligations to the Authority under the Prior Facilities Lease to allow for the defeasance and redemption of all or a portion the Prior Bonds and the termination of the Prior Site Leases and the Prior Facilities Lease, each in accordance with its terms (collectively, the “Lease Refinancing”); and

WHEREAS, the City now wishes to request, and it furthers the public purpose for, the Authority to assist the City in the Lease Refinancing through the issuance by the Authority of its Point Potrero Lease Revenue Refunding Bonds, Series 2019A (the “Bonds”) pursuant to a Trust Agreement, dated as of July 1, 2019 (the “Trust Agreement”), by and between the Authority and MUFG Union Bank, N.A., as trustee (the “Trustee”), which shall finance the Lease Refinancing, costs of issuance and a reserve fund or surety bond for the Bonds; and

WHEREAS, in connection with the issuance of the Bonds pursuant to the Trust Agreement and in furtherance of the Lease Refinancing, the City and the Authority shall enter into a Site Lease (the “Site Lease”) and a Facility Lease (the “Facility Lease”), each dated as of July 1, 2019 whereby the City will make lease payments to the Authority under the Facility Lease equal to debt service on the Bonds and accept from the Authority a portion of the proceeds of the Bonds as rent under the Site Lease, which shall finance the Lease Refinancing; and

WHEREAS, the City will apply the proceeds of the Lease Refinancing to defease and redeem the Prior Bonds pursuant to an Escrow Agreement by and among the Authority, the City and MUFJ Union Bank, N.A., as successor to the Prior Trustee, as trustee and as escrow agent (the “Escrow Agreement”); and

WHEREAS, the City wishes to authorize the termination of the Prior Facilities Lease and the Prior Site Leases pursuant to a Termination Agreement, dated as of July 1, 2019 (the “Termination Agreement”), by and among the Authority, the City and MUFJ Union Bank, as successor to the Prior Trustee in connection with the Lease Refinancing; and

WHEREAS, Section 6586.5 of the JPA Law requires that a member of the Authority within whose boundaries the project being financed is located conduct a public hearing on the financing and following such hearing make a finding of significant public benefit as to the financing; and

WHEREAS, the City, as a member of the Authority within whose boundaries the Point Potrero Project is located, previously held a public hearing on the financing prior to the original authorization of the Point Potrero Project, following publication of notice of the public hearing at least five days prior thereto in a newspaper of general circulation in the City; and

WHEREAS, in connection with the issuance of the Bonds, the City may assist the Authority in obtaining bond insurance for all or a portion of the Bonds and/or a surety bond or bonds with respect to all or a portion of the reserve requirement with respect to the Bonds, provided that such bond insurance and/or surety bond or bonds be deemed necessary or desirable by an Authorized Officer (as defined below); and

WHEREAS, there have been presented to this meeting the proposed forms of:

1. Trust Agreement;
2. Site Lease;
3. Facility Lease;
4. Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Bond Purchase Agreement”), by and between the Authority, the City, and RBC Capital Markets, LLC (the “Underwriter”);
5. Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), to be dated the date of closing of the Bonds, executed and delivered by the City, the Trustee and Willdan Financial Services, as dissemination agent;
6. an official statement relating to the Bonds (the “Official Statement”);
7. Escrow Agreement; and
8. Termination Agreement; and

WHEREAS, Public Resources Advisory Group is serving as municipal advisor (the “Municipal Advisor”) to the City and the Authority, Schiff Hardin LLP is serving as disclosure counsel (the “Disclosure Counsel”) to the City and the Authority and Orrick, Herrington & Sutcliffe LLP is serving as bond counsel (“Bond Counsel”) to the City and the Authority in connection with the financing; and

WHEREAS, Section 5852.1 of the Government Code of the State of California requires that the Governing Board of the Authority obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of certain financing information with respect to such bonds in a meeting open to the public; and

WHEREAS, in compliance with said section, the Governing Board of the Authority has obtained from the Underwriter the required good faith estimates for the Bonds, and such information has also been provided to this City Council of the City (the "Council") in connection with this agenda item, and such estimates have been made available to the general public; and

WHEREAS, Senate Bill 1029 ("SB1029") was signed by the California Governor on September 12, 2016 and places additional responsibilities on any issuer of public debt, including adopting debt management policies that meet certain criteria; and

WHEREAS, in order to cause such requirement to be satisfied, the City has approved a Debt Management Policy (the "Debt Policy"), represents that it is in compliance with SB1029 pre-issuance requirements, the Bonds will be issued in compliance with the Debt Management Policy and the City will comply with all post-issuance requirements of SB1029; and

WHEREAS, this Council has been presented with the form of each document referred to herein relating to the Bonds, and the Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, the Authority has full legal right, power and authority under the laws of the State of California to enter into the transactions hereinafter authorized; and

WHEREAS, the Authority expects to refinance the Point Potrero Project on a tax-exempt basis;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHMOND, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and this Council hereby so finds and determines.

Section 2. The Council hereby approves the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed \$30,000,000 for the refinancing of the Point Potrero Project. The form of Trust Agreement presented to this meeting is hereby approved.

Section 3. The proposed form of Site Lease on file with the City Clerk, is hereby approved. The City Manager and Director of Finance are each hereby authorized and directed, severally, or any such officer's designee (the "Authorized Officers"), for and on behalf of the City, to execute and deliver the Site Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term thereof shall not exceed twenty years.

Section 4. The proposed form of Facility Lease on file with the City Clerk, is hereby approved. The Authorized Officers are authorized and directed, for and on behalf of the City, to execute and deliver the Facility Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the annual amount of base rental payable thereunder by the City in each fiscal year shall be at least equal to projected debt service on the Bonds; and provided further, that such base rental shall not exceed \$10,987,656.25.

Section 5. The proposed form of Bond Purchase Agreement on file with the City Clerk is hereby approved. The Authorized Officers are authorized and directed, for and on behalf of the City, to accept the offer of the Underwriter to purchase the Bonds as reflected in the Bond Purchase Agreement; and to execute and deliver the Bond Purchase Agreement in

substantially the form on file with the City Clerk, with such additions, deletions or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, that (i) the interest rate on the Bonds shall not exceed six percent (6.0%) per annum, (ii) the underwriting discount (excluding any original issue discount) shall not exceed one percent (1.0%) of the principal amount of Bonds sold, and (iii) the net present value debt service savings associated with the Bonds shall be at least three percent (3.0%), unless the Director of Finance determines that a lower savings percentage is acceptable pursuant to the Debt Policy.

Section 6. The proposed form of Continuing Disclosure Agreement on file with the City Clerk is hereby approved. The Authorized Officers are authorized and directed, for and on behalf of the City, to execute and deliver said Continuing Disclosure Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Official Statement on file with the City Clerk is hereby approved. The Authorized Officers are authorized and directed, for and on behalf of the City, to execute and deliver the Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. Distribution by the Underwriters of a Preliminary Official Statement relating to the Bonds (either in printed form or by posting electronically) is hereby approved and the City Manager and Director of Finance are each hereby authorized and directed, acting singly, to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the City for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 8. The proposed form of Escrow Agreement on file with the City Clerk is hereby approved. The Authorized Officers are authorized and directed, for and on behalf of the City, to execute and deliver said Escrow Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The proposed form of Termination Agreement on file with the City Clerk is hereby approved. The Authorized Officers are authorized and directed, for and on behalf of the City, to execute and deliver said Termination Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The Authorized Officers may, if it is determined to be necessary or desirable, assist the Authority in obtaining (i) bond insurance for all or a portion of the Bonds and/or (ii) a surety bond or bonds with respect to all or a portion of the reserve requirement with respect to the Bonds and/or any and all outstanding bonds issued pursuant to the Trust Agreement.

Section 11. The officers and agents of the City are, and each of them hereby is, authorized and directed to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the sale of the Bonds, including, but not limited to, the execution and delivery of a tax certificate, the purchase of a title insurance policy, and the execution of any escrow instructions, purchase instructions for escrow securities, a letter engaging a duly licensed firm to provide a verification report, or any investment requirement or direction of investment with respect to Bond funds, which investment may consist of investments or investment agreements that have a term of up to the term of the Bonds and any documents relating to the Bonds or the defeasance and redemption of the Prior Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the City has approved in this Resolution. All actions heretofore taken by the officers and agents of the City with respect to the sale, execution and delivery of the Bonds, and the other transactions authorized and contemplated herein are hereby approved, confirmed and ratified. Notwithstanding any provision of this Resolution authorizing an officer to take any action or execute any document to the contrary, in the absence of such officer or in lieu of such officer, the person designated in writing by such officer may take such action or execute such document with like effect as fully as though

named in this Resolution instead of such officer. The Authorized Officers are hereby authorized and directed to execute and delivery one or more of each of the proposed form documents submitted to this meeting, as necessary, provided that any such document so executed and delivered shall conform to the applicable limitations provided herein.

Section 12. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale or issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents or additional confirmations, settlements or revisions, may be given or taken, without further authorization by this Council, and the Authorized Officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 13. This Resolution shall take effect from and after its adoption.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held May 7, 2019, by the following vote:

| | |
|--------------|---|
| AYES: | Councilmembers Bates, Johnson, Martinez, Myrick, Willis Vice Chair Choi, and Mayor Butt. |
| NOES: | None. |
| ABSTENTIONS: | None. |
| ABSENT: | None. |

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

TOM BUTT
Mayor

Approved as to form:

BRUCE GOODMILLER
City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 24-19**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on May 7, 2019.



Pamela Christian, Clerk of the City of Richmond

CLERK'S CERTIFICATE

I, Pamela Christian, City Clerk of the City of Richmond, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of **Resolution No. 24-19** duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 7th day of May, 2019, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES: Councilmembers Bates, Johnson, Martinez, Myrick, Willis
Vice Chair Choi, and Mayor Butt.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

An agenda of said meeting was posted before said meeting at City Hall, 450 Civic Center Plaza, Richmond, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: May 8, 2019.



City Clerk of the
City of Richmond

[SEAL]