

RESOLUTION NO. SA-20-75

A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AUTHORIZING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS RELATING TO THE PALM AVENUE/COMMERCIAL REDEVELOPMENT PROJECT, APPROVING THE FORM OF SUPPLEMENTAL INDENTURE OF TRUST AND ESCROW AGREEMENT IN CONNECTION THEREWITH, AND APPROVING OTHER DOCUMENTS AND RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Imperial Beach Redevelopment Agency ("Original Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, the Original Agency was responsible for the administration of redevelopment activities within the City, including within and for the Palm Avenue/Commercial Redevelopment Project ("Redevelopment Project") established pursuant to that certain Redevelopment Plan approved by Ordinance No. 96-901 adopted by the City Council of the City on February 7, 1996, as amended by Ordinance No. 2001-970 adopted by the City Council of the City on July 18, 2001, and as subsequently amended ("Redevelopment Plan"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and adding Part 1.8 (commencing with section 34161) and Part 1.85 (commencing with section 34170) to Division 24 of the California Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Original Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing, and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to AB 26, electing for the City to serve as the successor agency to the Original Agency upon the dissolution of the Original Agency on February 1, 2012 ("Imperial Beach Redevelopment Agency Successor Agency", hereinafter referred to as the "Successor Agency"). The Successor Agency is a separate legal entity from the City; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted by the Legislature and signed by the Governor (AB 26, as amended, and as may be amended, is hereinafter referred to as the "Dissolution Law"); and

WHEREAS, Health and Safety Code section 34177.5 of the Dissolution Law authorizes the Successor Agency to undertake proceedings for the refinancing or refunding of outstanding bonds and other obligations of the Original Agency for debt service savings, subject to the conditions precedent contained in section 34177.5 and subject to the approval by the Successor Agency's Oversight Board (defined below) as provided in Health and Safety Code section 34180 of the Dissolution Law. Section 34177.5 further authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of

Title 5 of the California Government Code ("Refunding Law") for the purpose of achieving debt service savings; and

WHEREAS, on December 4, 2013, the Successor Agency issued its \$17,260,000 principal amount of Palm Avenue/Commercial Redevelopment Project Tax Allocation Bonds, 2013 Tax Allocation Bonds ("Series 2013 Bonds") pursuant to an Indenture of Trust, dated as of November 1, 2010, by and between the Original Agency and Wells Fargo Bank, National Association, as Trustee ("Trustee") ("Original Indenture") and a First Supplemental Indenture of Trust, dated as of December 1, 2013, by and between the Successor Agency and the Trustee ("First Supplement"). The purpose for the Series 2013 Bonds was to refund two Loan Agreements entered into in 2003 in connection with the issuance by the Imperial Beach Financing Authority, a joint powers authority created by and between the Original Agency and the City, and the Original Agency of bonds in 2003 for the purpose of financing programs, projects, and activities relating to the Redevelopment Project. Payments due on the Series 2013 Bonds are payable from tax increment revenues derived from the Redevelopment Project; and

WHEREAS, the Successor Agency in March 2020 issued its \$14,490,000 aggregate principal amount of 2020 Tax Allocation Refunding Bonds ("Series 2020 Bonds") for the purpose of refinancing redevelopment activities with respect to the Redevelopment Project, pursuant to the Original Indenture, the First Supplement, and a Second Supplemental Indenture of Trust, dated as of March 1, 2020, by and between the Successor Agency and the Trustee ("Second Supplement"), for the purpose of refunding the Original Agency's Palm Avenue/Commercial Redevelopment Project Tax Allocation Bonds, Series 2010 ("Series 2010 Bonds"). The Original Indenture, the First Supplement, and the Second Supplement are hereinafter collectively referred to as the "Indenture"; and

WHEREAS, to achieve debt service savings, the Successor Agency desires to refund all or a portion of the Series 2013 Bonds by issuing a series of bonds designated as the "Imperial Beach Redevelopment Agency Successor Agency Taxable Tax Allocation Refunding Bonds, Series 2020B" (as further described below, the "Bonds") under and pursuant to the Redevelopment Law, the Dissolution Law, the Refunding Law, the Indenture as supplemented and amended by a Third Supplemental Indenture of Trust to be entered into by and between the Successor Agency and the Trustee to provide for the issuance of the Bonds, the Constitution, and other applicable laws of the State of California, and under, pursuant to and subject to the conditions and limitations of Health and Safety Code section 34177.5 of the Dissolution Law. Such Bonds will be issued on parity with the Successor Agency's Series 2020 Bonds; and

WHEREAS, to determine compliance with the savings parameters of Health and Safety Code section 34177.5 of the Dissolution Law ("Savings Parameters"), the Successor Agency has caused its municipal advisor, Montague DeRose and Associates ("Municipal Advisor") to prepare an initial analysis of the potential savings ("Debt Service Savings Analysis"), a copy of which analysis has been provided to the Successor Agency and is on file with the Secretary of the Successor Agency; and

WHEREAS, following approval by the County of San Diego Countywide Redevelopment Successor Agency Oversight Board ("Oversight Board") of the issuance of the Bonds by the Successor Agency and related actions and following submission of this Resolution, as approved by the Successor Agency, and the Oversight Board Resolution, as approved by the Oversight Board, and related documents to the California Department of Finance ("Department of Finance") for the Department of Finance's review and approval of the Oversight Board actions, the Successor Agency will, with the assistance of its disclosure and bond counsel, Jones Hall, A

Professional Law Corporation (both "Disclosure Counsel" and "Bond Counsel"), its Municipal Advisor, and other professionals, cause to be prepared required documents for the refunding of the Series 2013 Bonds and the issuance of the Bonds including, but not limited to, a form of Official Statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of the Official Statement will be submitted to the Successor Agency for approval for distribution by Piper Sandler & Co., as underwriter of the Bonds ("Underwriter"), to persons and institutions interested in purchasing the Bonds; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met;

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

- Section 1.** The foregoing recitals are true and correct, have served as the basis for the findings and approvals set forth below, and are a substantive part of this Resolution.
- Section 2.** The Successor Agency hereby authorizes and approves the issuance of the Bonds under and pursuant to the Redevelopment Law, the Dissolution Law, the Refunding Law, the Indenture as supplemented and amended by a Third Supplemental Indenture of Trust to be entered into by and between the Successor Agency and the Trustee, as tax-exempt or taxable bonds or a combination thereof, in the aggregate principal amount of not to exceed \$18,000,000, provided that the Bonds are in compliance with the conditions and limitations of Health and Safety Code section 34177.5 of the Dissolution Law at the time of sale and delivery.
- Section 3.** It is the intent of the Successor Agency to sell and deliver the Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part. In the event the Bonds are initially sold in part, the Successor Agency may later sell and deliver one or more additional series of bonds (with a different series designation) to refund Series 2103 Bonds not previously refunded, without further approval of the Successor Agency or the Oversight Board, provided that each such additional series sold and delivered in part is in compliance with Health and Safety Code section 34177.5, calculated independently of any previous series which refunded Series 2013 Bonds, at the time of sale.
- Section 4.** The Successor Agency hereby approves the Third Supplemental Indenture of Trust to be entered into by and between the Successor Agency and the Trustee to provide for the issuance of the Bonds ("Third Supplement"), substantially in the form provided to the Successor Agency Board and on file with the Secretary of the Successor Agency. Subject to the required approvals by the Oversight Board and the Department of Finance under the Dissolution Law, the Executive Director of the Successor Agency or the Finance Officer of the Successor Agency (each an "Authorized Officer"), each acting alone, or the designee of either, is hereby authorized and directed to execute the Third Supplement, together with such non-

substantive changes or modifications to the form of Third Supplement deemed necessary and as approved by the Authorized Officers and legal counsel to the Successor Agency, including such modifications to provide for tax-exempt bonds or additional series of bonds for the purpose of refunding Series 2013 Bonds not initially refunded. The Successor Agency hereby agrees to comply with, or cause to be complied with, all covenants of the Successor Agency set forth in the Indenture and the Third Supplement.

- Section 5.** The Successor Agency hereby approves the Escrow Agreement to be entered into by and between the Successor Agency and Wells Fargo Bank, National Association, as escrow agent for the Series 2013 Bonds (“Escrow Agreement”), substantially in the form provided to the Successor Agency Board and on file with the Secretary of the Successor Agency. Subject to the required approvals by the Oversight Board and the Department of Finance under the Dissolution Law, each Authorized Officer, or the designee of either, is hereby authorized and directed to execute the Escrow Agreement, together with such non-substantive changes or modifications to the form of Escrow Agreement deemed necessary and as approved by the Authorized Officers and legal counsel to the Successor Agency.
- Section 6.** The Successor Agency Executive Director or designee is hereby directed to provide (i) a copy of this Resolution duly executed by the Successor Agency, (ii) the Debt Service Savings Analysis, (iii) the Third Supplement, and (iv) the Escrow Agreement to the Oversight Board, for the Oversight Board’s review and approval of actions required by Health and Safety Code sections 34177.5 and 34180 of the Dissolution Law, and concurrently to the San Diego County Administrative Officer, the San Diego County Auditor-Controller, and the Department of Finance in accordance with Health and Safety Code section 34180(j) of the Dissolution Law.
- Section 7.** The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Bonds and reserve account surety bond(s) for the Bonds from a municipal bond insurance company if it is determined, upon consultation with the Successor Agency’s Municipal Advisor and the Underwriter, that such municipal bond insurance policy and/or surety bond(s) is projected to maximize savings.
- Section 8.** Subject to the required approvals by the Oversight Board and the Department of Finance under the Dissolution Law, the Successor Agency hereby authorizes and directs the Authorized Officers, upon consultation with the Successor Agency’s Municipal Advisor, to sell the Bonds to Piper Sandler & Co. as Underwriter. In no event shall the terms of such sale of the Bonds result in a failure to meet the Savings Parameters or any other applicable requirements for the issuance and sale of such Bonds as set forth in the Redevelopment Law, Dissolution Law, and Refunding Law. Following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and related actions and following submission of the Oversight Board Resolution, as approved by the Oversight Board, and related documents to the Department of Finance for the Department of

Finance's review and approval of the Oversight Board actions, the Successor Agency will, with the assistance of its Bond Counsel, Municipal Advisor, and other professionals cause to be prepared a form of Purchase Agreement for the purchase of the Bonds to be entered into by and between the Successor Agency and the Underwriter, the preliminary form of the Purchase Agreement will be submitted to the Successor Agency Board for approval at a future Board meeting. However, it is the intent of the Successor Agency that such action would **not** subsequently be submitted to the Oversight Board or the Department of Finance, in that it is the Successor Agency's intent that the anticipated approvals of the Oversight Board and the Department of Finance of the Successor Agency's issuance of the Bonds and related actions include their respective approval of the documents (such as the Purchase Agreement described in this section 8 and the Official Statement described in section 9 below) and actions of the Successor Agency required to issue the Bonds and refund the Series 2013 Bonds under the Dissolution Law and that no further Oversight Board or Department of Finance approvals for such actions are required.

- Section 9.** Following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and related actions and following submission of the Oversight Board Resolution, as approved by the Oversight Board, and related documents to the Department of Finance for the Department of Finance's review and approval of the Oversight Board actions, the Successor Agency will, with the assistance of the Successor Agency's Disclosure Counsel, Municipal Advisor, and other professionals cause to be prepared a form of Official Statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of the Official Statement will be submitted to the Successor Agency Board for approval at a future Board meeting (but without subsequent submittal of such action to the Oversight Board or the Department of Finance as described in section 8 above) for distribution by the Underwriter to persons and institutions interested in purchasing the Bonds.
- Section 10.** The Successor Agency Executive Director or designee is hereby authorized and directed to pay, or cause to be paid on behalf of the Successor Agency, the costs of issuance associated with the Bonds and incurred in connection with the refunding of the Series 2013 Bonds, as approved by the Oversight Board and Department of Finance pursuant to and in accordance with the Dissolution Law.
- Section 11.** The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested review and approval by the Oversight Board and the Department of Finance of the issuance of the Bonds and related actions, and in the issuance, sale and delivery of the Bonds and in the refunding of the Series 2013 Bonds, and to take such other actions and execute such other documents as are necessary to effectuate the intent of

this Resolution on behalf of the Successor Agency. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable. It is the Successor Agency's intent that the anticipated approvals of the Oversight Board and the Department of Finance of the Successor Agency's issuance of the Bonds and related actions include their respective approval of the documents and actions of the Successor Agency required to issue the Bonds and refund the Series 2013 Bonds under the Dissolution Law and that no further Oversight Board or Department of Finance approvals for such actions are required.

Section 12. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 13. This Resolution shall take effect upon the date of its adoption; provided, however, that the Successor Agency will not execute and deliver the documents approved hereby or issue the Bonds until such execution, delivery, and issuance has been approved by the Oversight Board, and until either the Oversight Board actions are deemed effective pursuant to the Dissolution Law or such Oversight Board actions have been approved by the Department of Finance if review of the Oversight Board actions is requested by the Department of Finance in accordance with the Dissolution Law.

PASSED, APPROVED, AND ADOPTED by the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 5th day of August 2020, by the following vote:

AYES:	BOARDMEMBERS:	PATTON, WEST, SPRIGGS, AGUIRRE, DEDINA
NOES:	BOARDMEMBERS:	NONE
ABSENT:	BOARDMEMBERS:	NONE


SERGE DEDINA,
CHAIRPERSON

ATTEST:


JACQUELINE M. KELLY, MMC
SECRETARY