

RESOLUTION NO. RES-19-0043

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING PROCEEDINGS BY THE FINANCE AUTHORITY OF LONG BEACH FOR THE ISSUANCE AND SALE OF ITS FINANCE AUTHORITY OF LONG BEACH LEASE REVENUE REFUNDING BONDS, SERIES 2019B (OPEN SPACE REFINANCING PROJECT) IN A PRINCIPAL AMOUNT NOT TO EXCEED \$15,350,000 TO REFUND THE OUTSTANDING LONG BEACH BOND FINANCE AUTHORITY LEASE REVENUE BONDS, 2006 SERIES B (PARKS/OPEN SPACE FINANCING PROJECT), APPROVING THE FORM AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED OFFICIAL ACTIONS

WHEREAS, the City of Long Beach (the "City") proposes to provide financing to refund the outstanding Long Beach Bond Finance Authority Lease Revenue Bonds, 2006 Series B (Parks/Open Space Financing Project) (the "2006 Bonds"); and

WHEREAS, it is proposed that the refunding of the 2006 Bonds will be funded from the proceeds of the Finance Authority of Long Beach Lease Revenue Refunding Bonds, Series 2019B (Open Space Refinancing Project) (the "Series B Bonds"), to be issued by the Authority under the provisions of Article 4 (commencing with section 6584) of the JPA Act (the "Bond Law") in an aggregate principal amount not to exceed \$15,350,000, the Series B Bonds to be issued pursuant to the terms of an indenture of trust, by and between the Authority and U.S. Bank National Association, as trustee (the "Indenture"); and

WHEREAS, in order to provide for the repayment of the Series B Bonds,

1 the City will lease the Health Administration Building, located at 2525 Grand Avenue, and  
2 the site thereof (the "Property") to the Authority pursuant to a site and facility lease (the  
3 "Site and Facility Lease") and the Authority will lease the Property back to the City  
4 pursuant to a lease agreement (the "Lease Agreement") under which the City will agree  
5 to make lease payments to the Authority from moneys in the City's General Fund and the  
6 City will budget and appropriate sufficient amounts in each year to pay the lease  
7 payments which will be equal to the scheduled principal of and interest on the Series B  
8 Bonds; and

9 WHEREAS, the proposed form of a preliminary official statement (the  
10 "Preliminary Official Statement") describing the Series B Bonds, to be used in connection  
11 with the marketing of the Series B Bonds, has been prepared and has been presented to  
12 the Authority; and

13 WHEREAS, the firm of Merrill Lynch, Pierce, Fenner & Smith Incorporated  
14 (the "Underwriter") has proposed to purchase and underwrite the Series B Bonds and has  
15 presented to the Authority a form of bond purchase agreement for the Series B Bonds, to  
16 be entered into among the Authority, the City and the Underwriter (the "Series B Bond  
17 Purchase Agreement"); and

18 WHEREAS, the City Council desires to make a finding of significant public  
19 benefit pursuant to section 6586.5(a)(2) of the California Government Code and to  
20 approve of the financing and the transactions contemplated by the Series B Bonds; and

21 WHEREAS, the City Council has duly considered such transactions and  
22 wishes at this time to approve said transactions in the public interests of the City;

23 NOW, THEREFORE, the City Council of the City of Long Beach hereby  
24 resolves as follows:

25 Section 1. Recitals True and Correct. The City Council hereby finds and  
26 determines that the foregoing recitals are true and correct.

27 Section 2. Findings. The City Council hereby finds that significant public  
28 benefits will arise from the financing contemplated by the Series B Bonds and the

1 documents related thereto, in accordance with section 6586 of the California Government  
2 Code.

3           Section 3.    Approval of Series B Bonds. The City Council hereby  
4 approves the issuance of the Series B Bonds by the Authority for the purpose of  
5 providing funds to finance the Project and the Refunding and to pay the costs of issuance  
6 of the Series B Bonds.

7           Section 4.    Approval of Site and Facility Lease. The City Council hereby  
8 approves the Site and Facility Lease, in the form on file with the City Clerk, together with  
9 any changes therein or additions thereto deemed advisable by the City Manager, the  
10 Director of Financial Management or the City Treasurer (each, a "Designated Officer"),  
11 and the execution of the Site and Facility Lease by a Designated Officer shall be  
12 conclusive evidence of such approval. The Designated Officers, each acting alone, are  
13 hereby authorized and directed for and in the name and on behalf of the City to execute  
14 the final form of the Site and Facility Lease for and in the name of the City. The City  
15 Council hereby authorizes the delivery and performance of the Site and Facility Lease.

16           Section 5.    Approval of Lease Agreement. The City Council hereby  
17 approves the Lease Agreement, in the form on file with the City Clerk, together with any  
18 changes therein or additions thereto deemed advisable by any of the Designated  
19 Officers, and the execution of the Lease Agreement by a Designated Officer shall be  
20 conclusive evidence of the approval of any such changes or additions, so long as the  
21 term of the Lease Agreement (not including extensions, as permitted therein) does not  
22 extend beyond August 1, 2031, and so long as the debt service on the Series B Bonds  
23 produces net present value savings the 2006 Bonds of at least 3%. The Designated  
24 Officers, each acting alone, are hereby authorized and directed for and in the name and  
25 on behalf of the City to execute the final form of the Lease Agreement for and in the  
26 name of the City. The City Council hereby authorizes the delivery and performance of the  
27 Lease Agreement.

28           Section 6.    Sale of Series B Bonds. The City Council hereby approves the

1 sale of the Series B Bonds by the Authority by negotiation with the Underwriter pursuant  
2 to the Series B Bond Purchase Agreement, in the form on file with the City Clerk,  
3 together with such additions thereto and changes therein as any of the Designated  
4 Officers shall deem necessary, desirable or appropriate, and the execution of which by a  
5 Designated Officer shall be conclusive evidence of the approval of such additions and  
6 changes. The Designated Officers, each acting alone, are hereby authorized and directed  
7 for and in the name and on behalf of the City to execute the final form of the Series B  
8 Bond Purchase Agreement for and in the name of the City; provided that the amount of  
9 Underwriter's discount for the Series B Bonds (excluding any original issue discount  
10 which does not represent compensation to the Underwriter) shall be not more than 0.50%  
11 of the par amount thereof.

12               Section 7.   Official Statement. The City Council hereby approves, and  
13 hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange  
14 Act of 1934 (the "Rule"), the Preliminary Official Statement, in the form on file with the  
15 City Clerk. The Designated Officers, each acting alone, are hereby authorized and  
16 directed to execute an appropriate certificate stating the City's determination that the  
17 Preliminary Official Statement is nearly final within the meaning of the Rule. Distribution  
18 of the Preliminary Official Statement in connection with the sale of the Series B Bonds is  
19 hereby approved. The Designated Officers, each acting alone, are hereby authorized and  
20 directed, upon consultation with Disclosure Counsel to the Authority for the Series B  
21 Bonds and the City Attorney, to approve any changes in or additions to the Preliminary  
22 Official Statement deemed necessary or desirable to bring it into the form of a final official  
23 statement (the "Final Official Statement"), and the execution of the Final Official  
24 Statement by any Designated Officer shall be conclusive evidence of approval of any  
25 such changes and additions. The City Council hereby authorizes the distribution of the  
26 Final Official Statement by the Underwriter. The Final Official Statement shall be  
27 executed in the name and on behalf of the City by any of the Designated Officers.

28               Section 8.   Official Actions. The Mayor, the City Manager, the Director of

1 Financial Management, the City Treasurer, the City Attorney, the City Clerk and all other  
2 officers of the City are each authorized and directed in the name and on behalf of the City  
3 to make any and all assignments, certificates, requisitions, agreements, notices,  
4 consents, instruments of conveyance, warrants and other documents, which they or any  
5 of them might deem necessary or appropriate in order to consummate any of the  
6 transactions contemplated by the documents approved pursuant to this Resolution.  
7 Whenever in this Resolution any officer of the City is authorized to execute or countersign  
8 any document or take any action, such execution, countersigning or action may be taken  
9 on behalf of such officer by any person designated by such officer to act on his or her  
10 behalf in the case such officer shall be absent or unavailable.

11 Section 9. This resolution shall take effect immediately upon its adoption  
12 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

13 I hereby certify that the foregoing resolution was adopted by the City Council  
14 of the City of Long Beach at its meeting of April 2, 2019 by the  
15 following vote:

16  
17 Ayes: Councilmembers: Gonzalez, Pearce, Price, Supernaw,  
18 Andrews, Uranga, Austin, Richardson.

19  
20  
21 Noes: Councilmembers: None.

22  
23 Absent: Councilmembers: Mungo.

24  
25  
26  
27   
City Clerk  
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