

RESOLUTION NO. 19-061

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA APPROVING PROCEEDINGS TO FINANCE THE RECONSTRUCTION AND CONSTRUCTION OF CERTAIN LOCAL STREETS AND TRAFFIC SIGNALS FROM THE PROCEEDS OF THE CARSON PUBLIC FINANCING AUTHORITY REVENUE BONDS, SERIES 2019 (MEASURE M & R LOCAL STREETS PROJECT), APPROVING THE FORM AND AUTHORIZING EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT AND A BOND PURCHASE CONTRACT, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING RELATED ACTIONS

WHEREAS, the City of Carson (the “City”) plans to finance the acquisition, rehabilitation and/or construction of certain of the City's local streets and traffic signals (the "Projects"); and

WHEREAS, the Carson Public Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Amended and Restated Joint Exercise of Powers Agreement, dated October 6, 2015, by and between the City and the Carson Housing Authority, under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing and refinancing for capital improvements of member entities of the Authority; and

WHEREAS, for the purpose of providing funds to finance the Projects, the Authority has determined to issue its Carson Public Financing Authority Revenue Bonds, Series 2019 (Measure M & R Local Streets Project) (the "Bonds"); and

WHEREAS, the Bonds will be issued under the provisions of the Act and an indenture of trust, by and between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the “Indenture”); and

WHEREAS, in order to provide for the repayment of the Bonds, the Authority will sell the Projects to the City pursuant to an installment sale agreement (the "Installment Sale Agreement"), under which the City will agree to make installment payments (the "Installment Payments") to the Authority payable from “Measure R Receipts” and "Measure M Receipts" (being a portion of the revenues of the Los Angeles County Metropolitan Transportation Authority allocable to the City derived from a retail transactions and use tax imposed by the County of Los Angeles (“County”) and approved by at least two-thirds of the electors of the County on July 24, 2008 and November 8, 2016, respectively), which, in the aggregate, will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest and premium (if any) on the Bonds when due and payable; and

EXHIBIT 1

WHEREAS, the Council desires to make a finding of significant public benefit pursuant to section 6586.5(a)(2) of the California Government Code, and to approve of the financing of the Projects; and

WHEREAS, a notice of public hearing has been published in the *Our Weekly* on March 14, 2019;

WHEREAS, a public hearing was held on March 19, 2019, related to the public benefits required by the Act and testimony has been fully heard and received; and

WHEREAS, adoption of this Resolution shall constitute authorization of the Installment Purchase Agreement, the Bond Purchase Contract, and the Continuing Disclosure Certificate within the meaning of Section 864 of the California Code of Civil Procedure and any validation act that is effective after this Resolution takes effect; and

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

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Findings and Consent. The Council hereby finds and determines that significant public benefits will arise from the financing of the Projects with the proceeds of the Bonds, in accordance with section 6586 of the California Government Code, in that the financing will include but is not limited to (i) demonstrable savings in effective interest rates, bond preparation, bond underwriting and bond issuance costs, (ii) employment benefits from undertaking the projects in a timely fashion, and (iii) more efficient delivery of local services associated with the improvements of the Projects. The City and its citizens will significantly benefit from much needed capital improvements through the mitigating effects the construction and reconstruction of streets will have on the deteriorating public infrastructure. The Projects will provide proper and safe working local streets for both commercial and public uses. The City is also able to significantly benefit in costs savings through its leveraging of available revenue streams. Lastly, the Projects will require the continued employment of a labor force, and/or additional public works positions, to construct and complete the local streets.

Section 2. Approval of Installment Sale Agreement. The Council hereby approves the Installment Sale Agreement in the form presented at this meeting, together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager, Acting City Manager, Assistant City Manager–Economic Development, the Finance Director or Treasurer (the "Designated Officers"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions, so long as the principal amount of the Installment Sale Agreement does not exceed \$22,000,000, the maximum annual Installment Payments does not exceed \$1,610,000 and the final payment date of the Installment Sale Agreement is not later than June 1, 2039. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest, the final form of the Installment Sale Agreement for and in the

name of the City. The Council hereby authorizes the delivery and performance of the Installment Sale Agreement.

Section 3. Sale of Bonds; Approval of Bond Purchase Contract. The Council hereby approves a Bond Purchase Contract (the "Bond Purchase Contract"), by and among the Authority, the City and Piper Jaffray & Co. and Cabrera Capital Markets, Inc. (collectively, the "Underwriters") in the form presented at this meeting, together with any changes therein or additions thereto deemed advisable by any Designated Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions, so long as the Underwriter's discount with respect to the Bonds does not exceed 0.42% of the par amount of the Bonds, exclusive of any original issue discount which does not represent compensation to the Underwriter. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Bond Purchase Contract for and in the name of the City. The Council hereby authorizes the delivery and performance of the Bond Purchase Contract.

Section 4. Official Statement. The Council hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule"), the preliminary official statement describing the Bonds (the "Preliminary Official Statement") in the form presented at this meeting. The Designated Officers, each acting alone, are hereby authorized and directed to execute an appropriate certificate stating the City's determination that the Preliminary Official Statement is deemed final within the meaning of the Rule. Distribution of the Preliminary Official Statement in connection with the sale of the Bonds is hereby approved. The Designated Officers, each acting alone, are hereby authorized and directed to approve any non-substantive changes in or additions to a final form of official statement (the "Final Official Statement"), and the execution thereof by any Designated Officer shall be conclusive evidence of approval of any such changes and additions. The Council hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the City by any Designated Officer.

Section 5. Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate executed by the City, a copy of which is attached to the Preliminary Official Statement and in the form which is presented at this meeting, be and is hereby approved in substantially the form thereof or with such changes as may be approved by Designated Officer, said Designated Officer's execution thereof to constitute conclusive evidence of said Designated Officer's approval of all such changes, and each Designated Officer be and is hereby authorized, together or alone, to execute and deliver said Continuing Disclosure Certificate.

Section 6. Official Actions. The Mayor, the City Manager, the Acting City Manager, the Assistant City Manager–Economic Development, the Finance Director, the City Clerk and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the documents approved pursuant to this Resolution, including but not limited to a continuing disclosure undertaking. Whenever in this Resolution any officer of the City is authorized 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 shall be absent or unavailable.

Section 7. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Carson, California, at a regular meeting held on the ____ day of _____, 2019.

ATTEST:

Mayor Albert Robles

City Clerk Donesia Gause-Aldana, MMC

APPROVED AS TO FORM:

City Attorney Sunny K. Soltani

ATTEST:
STATE OF CALIFORNIA
COUNTY OF _____
CITY OF _____

I, _____, City Clerk of the City of Carson, California do hereby certify that the foregoing Resolution No. ____-____ was duly adopted by the City Council of the City of Carson at a regular meeting thereof held on _____ __th 2019, and that the same was adopted by the following vote to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

CITY CLERK