

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF AN INSTALLMENT SALE AGREEMENT AND A LETTER AGREEMENT FOR PURCHASE, AND APPROVING THE EXECUTION OF A TRUST AGREEMENT BY THE AUTHORITY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF SANTA BARBARA FINANCING AUTHORITY WATERFRONT REFUNDING REVENUE BONDS, SERIES 2014, AND AUTHORIZING RELATED ACTIONS

WHEREAS, the City of Santa Barbara (the “City”) and the former Redevelopment Agency of the City of Santa Barbara (the “Agency”), which Agency was on February 1, 2012, succeeded to by the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, have heretofore entered into a Joint Exercise of Powers Agreement, dated as of April 1, 2002 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Santa Barbara Financing Authority (the “Authority”);

WHEREAS, in order to refinance the acquisition, construction and installation of certain improvements (the “Project”) to the City’s waterfront enterprise, the City caused to be executed and delivered the City of Santa Barbara Waterfront Revenue Refunding Certificates of Participation, Series 2002 (the “Prior Certificates”);

WHEREAS, the Prior Certificates evidence undivided proportionate interests of the owners thereof in installment payments (the “Prior Installment Payments”) to be made by the City pursuant to an Installment Purchase Agreement, dated as of July 1, 2002, by and between the City and the Authority;

WHEREAS, in order to achieve certain savings, the City desires to refinance the Project by exercising its option to prepay the Prior Installment Payments, which prepayment will be applied to the redemption of the Prior Certificates;

WHEREAS, in order to refinance the Project, the City will sell the Project to the Authority and then purchase the Project from the Authority pursuant to a 2014 Waterfront Installment Sale Agreement (the “Installment Sale Agreement”);

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance the Project through the execution and delivery, pursuant to a Trust Agreement (the “Trust Agreement”), between U.S. Bank National Association, as trustee (the “Trustee”) and the Authority, of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014 (the “Bonds”), which Bonds are to be secured by installment payments (the “Installment Payments”) payable by the City under the Installment Sale Agreement;

JAN 7 2014 #12
210.05

WHEREAS, the City has received certain loans from the State of California Department of Boating and Waterways (the “Department”) pursuant to Section 70.2 et seq. of the Harbors and Navigation Code (the “Department Loans”);

WHEREAS, the Department Loans are currently subordinate in payment to the Prior Certificates;

WHEREAS, the City has requested the Department to continue the subordination of the payment of the Department Loans to the payment of the Bonds;

WHEREAS, all rights to receive the Installment Payments, and the interest thereon, will be assigned without recourse by the Authority to the Trustee pursuant to the Trust Agreement;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Bonds;

WHEREAS, the City desires to enter into a Letter Agreement for Purchase (the “Purchase Agreement”) for the Bonds with the Authority and Compass Mortgage Corporation (the “Purchaser”); and

WHEREAS, the City Council of the City (the “City Council”) has been presented with the form of each of the Installment Sale Agreement, the Trust Agreement and the Purchase Agreement, and the City Council has examined and approved each such document and desires to authorize and direct the execution of such documents.

NOW, THEREFORE, the Council of the City of Santa Barbara does ordain as follows:

Section 1. All of the recitals herein contained are true and correct and the City Council so finds.

Section 2. The form of Installment Sale Agreement, presented in connection with and prior to this meeting and on file with the City Clerk, is hereby approved, and the City Administrator of the City, the Finance Director of the City, the City Attorney or his or her designee (each, an “Authorized Officer”), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver the Installment Sale Agreement in substantially the form presented in connection with and prior to this meeting with such changes therein as the Authorized Officers executing the same may require or approve in consultation with the City Attorney and Bond Counsel, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Installment Payments shall not exceed \$14,000,000, the final Installment Payment shall be payable no later than October 1, 2027 and there shall be net present value savings with respect to the refinancing of the Prior Certificates of at least 3%.

Section 3. The form of Trust Agreement, presented in connection with and prior to this meeting and on file with the City Clerk, is hereby approved, and the Authorized

Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to approve the execution and delivery of the Trust Agreement by the Authority and the Trustee in substantially the form presented in connection with and prior to this meeting with such changes therein as the Authorized Officers approving the same may require or approve in consultation with the City Attorney and Bond Counsel.

Section 4. The form of Purchase Agreement, presented in connection with and prior to this meeting and on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver the Purchase Agreement in substantially the form presented in connection with and prior to this meeting, with such changes therein as the Authorized Officers executing the same may require or approve in consultation with the City Attorney and Bond Counsel, which approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Authorized Officers 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 Ordinance, including, without limitation, the execution of an escrow agreement in connection with the prepayment of the Prior Certificates and the execution of such amendments to the documentation of the Department Loans as may be required to continue their subordination to the Bonds.

Section 6. 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. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Council hereby orders that, in lieu of the publication of this Ordinance once in the official newspaper of the City within 15 days after its adoption, this Ordinance shall be published by title only once in the official newspaper of the City within 15 days after its adoption, provided that the full text shall be available to the public at the City Clerk's Office, and such publication by title only shall so state. This Ordinance shall become effective 30 days from and after the date of its adoption.