

## ADDENDUM

### CITY COUNCIL MEETING OCTOBER 17, 2006

#### ADD TO SCLAA AGENDA – WRITTEN COMMUNICATIONS

PRESENTATION OF REQUEST TO ADOPT RESOLUTION NO. SCLAA 06-013 ENTITLED:

A RESOLUTION OF THE SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE OF THE SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY TAXABLE SUBORDINATE TAX ALLOCATION REVENUE BONDS (SOUTHERN CALIFORNIA LOGISTICS AIRPORT PROJECT) SERIES 2006; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT; AND APPROVING A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION THEREWITH

#### ADD TO CITY COUNCIL AGENDA – WRITTEN COMMUNICATIONS

PRESENTATION OF REQUEST TO ADOPT RESOLUTION NO. 06-182 ENTITLED:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$75,000,000 AGGREGATE PRINCIPAL AMOUNT OF SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY TAXABLE SUBORDINATE TAX ALLOCATION REVENUE BONDS (SOUTHERN CALIFORNIA LOGISTICS AIRPORT PROJECT) SERIES 2006



**AGENDA ITEM**

**SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY  
BOARD OF DIRECTORS/CITY OF VICTORVILLE CITY COUNCIL  
MEETING OF: October 17, 2006**

**SUBMITTED BY:** Andre de Bortnowsky  
Authority Counsel/Assistant City Attorney

**DATE:** October 17, 2006

**SUBJECT:** Proposed Issuance and Sale of Southern California Logistics Airport Authority Subordinate Tax Allocation Revenue Bonds (Southern California Logistics Airport Project) Series 2006, in an Aggregate Amount Not To Exceed \$75,000,000.

**RECOMMENDATION:** That your Honorable Board of Directors adopt resolution SCLAA-06-013, and that your Honorable City Council adopt resolution 06-182, authorizing the issuance of the bonds and the execution of related documents.

**FISCAL IMPACT:** Issuance not to exceed \$75 million.

—FINANCE DEPARTMENT USE ONLY—

Budget:

Budget Acct.

Additional Appropriation:

No

Yes/\$Amount \_\_\_\_\_

Finance Director Review

Approval \_\_\_\_\_

**DISCUSSION:** Proposed for approval is the issuance of tax allocation bonds, on a subordinate basis with those bonds previously issued by the Authority. Currently, \$134,650,000 of the previously issued bonds of the Authority remain outstanding.

Southern California Logistics Airport Authority (SCLAA) is proposing the issuance of subordinate bonds to be repaid from the SCLAA's and Victorville's portion of tax increment revenues generated by the Victor Valley Economic Development Agency (VVEDA) project area on a subordinate basis to the previously issued bonds. Currently, the sizing of the bond issuance is estimated not to exceed \$75 million. Proceeds from the bond issuance are intended to be used for the purpose of providing funds to finance certain redevelopment activities benefiting the Airport, including the development of hangars and related improvements, to fund a reserve account for the Bonds and to fund costs of issuance of the Bonds.

Adoption of SCLAA Resolution No. SCLAA-06-013 and City Resolution No. 06-182, together, will permit the Bond Issuance and approve the following related documents:

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY  
18374 PHANTOM, VICTORVILLE, CA 92394  
TEL 760.246.6115 FAX 760.246.3108  
www.logisticsairport.com

1. Official Statement
2. Continuing Disclosure Agreement
3. Bond Purchase Agreement
4. Indenture

Due to the voluminous nature of these documents, they have been placed on file in the City Clerk's office for review by the Council and public. With your approval, our underwriters are proposing to price bonds on \_\_\_\_\_ and close on \_\_\_\_\_, 2006.

Staff remains available for any questions or comments you might have.

Attachment: Resolution No. SCLAA-06-013  
Resolution No. 06-182

**RESOLUTION NO. SCLAA 06-013**

**A RESOLUTION OF THE SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE OF THE SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY TAXABLE SUBORDINATE TAX ALLOCATION REVENUE BONDS (SOUTHERN CALIFORNIA LOGISTICS AIRPORT PROJECT) SERIES 2006; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT; AND APPROVING A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION THEREWITH**

**WHEREAS**, the Southern California Logistics Airport Authority (the “Authority”) intends to provide for the issuance of its Taxable Subordinate Tax Allocation Revenue Bonds (Southern California Logistics Airport Project) Series 2006 (the “Bonds”) for the purpose of providing funds to finance certain redevelopment activities benefiting the Southern California Logistics Airport, to fund a reserve account for the Bonds and to fund costs of issuance of the Bonds;

**WHEREAS**, the Authority, pursuant to the Marks-Roos Local Bond Pooling Act of 1985, being Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Act”), and pursuant to the Community Redevelopment Law, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, is authorized to sell the Bonds at a public or private sale;

**WHEREAS**, the City has approved the issuance of the Bonds and made a finding of significant public benefit in the form of demonstrable savings in effective interest rates pursuant to the Act, and the more efficient delivery of local agency services by enabling the Bonds to be sold on a negotiated basis; and

**WHEREAS**, the Authority intends to enter into an Indenture, a Continuing Disclosure Agreement and a Bond Purchase Agreement and to deliver a Preliminary Official Statement and a Final Official Statement with respect to the Bonds.

**NOW, THEREFORE, THE SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:**

Section 1. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. The issuance of the Bonds in the not to exceed aggregate principal amount of \$75,000,000 is hereby approved. The form of the Indenture, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The Chairman and the Executive Director of the Authority, or either of them, is hereby authorized and directed to execute and deliver the Indenture with such changes as may be approved by the

officer executing the same in consultation with the Authority's counsel (such approval to be conclusively evidenced by such execution and delivery).

Section 3. The form of the Bond Purchase Agreement relating to the Bonds by and between the Authority and Kinsell, Newcomb & De Dios, Inc. (the "Underwriter"), on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The Chairman and the Executive Director of the Authority, or either of them, is hereby authorized and directed, for and in the name and on behalf of the Authority, to accept the offer of the Authority and the Underwriter to purchase the Bonds as reflected in the Bond Purchase Agreement and to execute and deliver the Bond Purchase Agreement with such additions thereto or changes or insertions that are approved by the officer executing the same in consultation with the Authority's counsel, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that such additions, changes or insertions in the Bond Purchase Agreement shall not specify a principal amount of the Bonds in excess of \$75,000,000, an interest rate on the Bonds in excess of 8.00% per annum, or an underwriter's discount in excess of 2.00%.

Section 4. The form of the Continuing Disclosure Agreement, by and between the Authority and the Trustee, as dissemination agent thereunder, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The Chairman and the Executive Director of the Authority, or either of them, is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement with such changes in the interest of the Authority as may be approved by the officer executing the same in consultation with the Authority's counsel (such approval to be conclusively evidenced by such execution and delivery).

Section 5. The form of preliminary official statement relating to the Bonds, on file with the Secretary of the Authority and incorporated into this resolution by reference, is hereby approved. The execution by the Executive Director of a certificate deeming such preliminary official statement final as of its date, except for certain final pricing and related information, pursuant to Securities Exchange Commission Rule 15c2-12, is hereby ratified and confirmed. The Underwriter is hereby authorized to distribute said preliminary official statement as so deemed final to prospective purchasers of the Bonds and any such distribution previously made by the Underwriter is hereby ratified and confirmed. The Executive Director and the Chairman, or either of them, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute a final official statement in substantially the form of such deemed final preliminary official statement, including such final pricing and related information and with such additions thereto or changes therein as hereafter become necessary in the interest of the Authority and which are approved by the Authority, such approval to be conclusively evidenced by the execution and delivery of such official statement. The Underwriter is hereby authorized to distribute copies of such final official statement to all actual purchasers of the Bonds.

Section 6. The Chairman, the Executive Director and all other officers of the Authority are hereby authorized and directed to take such further actions and execute such further documents as may be necessary or desirable to consummate the transactions described in the Indenture, the Bond Purchase Agreement or the Preliminary Official Statement including the procurement of bond insurance policies.

Section 7. This Resolution shall become effective immediately upon adoption.

APPROVED and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO ) ss.  
CITY OF VICTORVILLE )

I, Carolee Bates, Secretary of the Southern California Logistics Airport Authority, do hereby certify that Resolution No. \_\_\_\_\_ was duly and regularly adopted by the Southern California Logistics Airport Authority, at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Secretary



**AGENDA ITEM**

**SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY  
BOARD OF DIRECTORS/CITY OF VICTORVILLE CITY COUNCIL  
MEETING OF: October 17, 2006**

**SUBMITTED BY:** Andre de Bortnowsky  
Authority Counsel/Assistant City Attorney

**DATE:** October 17, 2006

**SUBJECT:** Proposed Issuance and Sale of Southern California Logistics Airport Authority Subordinate Tax Allocation Revenue Bonds (Southern California Logistics Airport Project) Series 2006, in an Aggregate Amount Not To Exceed \$75,000,000.

**RECOMMENDATION:** That your Honorable Board of Directors adopt resolution SCLAA-06-013, and that your Honorable City Council adopt resolution 06-182, authorizing the issuance of the bonds and the execution of related documents.

**FISCAL IMPACT:** Issuance not to exceed \$75 million.

—FINANCE DEPARTMENT USE ONLY—

Budget:

Budget Acct.

Additional Appropriation:

No

Yes/\$Amount \_\_\_\_\_

Finance Director Review

Approval \_\_\_\_\_

**DISCUSSION:** Proposed for approval is the issuance of tax allocation bonds, on a subordinate basis with those bonds previously issued by the Authority. Currently, \$134,650,000 of the previously issued bonds of the Authority remain outstanding.

Southern California Logistics Airport Authority (SCLAA) is proposing the issuance of subordinate bonds to be repaid from the SCLAA's and Victorville's portion of tax increment revenues generated by the Victor Valley Economic Development Agency (VVEDA) project area on a subordinate basis to the previously issued bonds. Currently, the sizing of the bond issuance is estimated not to exceed \$75 million. Proceeds from the bond issuance are intended to be used for the purpose of providing funds to finance certain redevelopment activities benefiting the Airport, including the development of hangars and related improvements, to fund a reserve account for the Bonds and to fund costs of issuance of the Bonds.

Adoption of SCLAA Resolution No. SCLAA-06-013 and City Resolution No. 06-182, together, will permit the Bond Issuance and approve the following related documents:

1. Official Statement
2. Continuing Disclosure Agreement
3. Bond Purchase Agreement
4. Indenture

Due to the voluminous nature of these documents, they have been placed on file in the City Clerk's office for review by the Council and public. With your approval, our underwriters are proposing to price bonds on \_\_\_\_\_ and close on \_\_\_\_\_, 2006.

Staff remains available for any questions or comments you might have.

Attachment: Resolution No. SCLAA-06-013  
Resolution No. 06-182

**RESOLUTION NO. 06-182**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$75,000,000 AGGREGATE PRINCIPAL AMOUNT OF SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY TAXABLE SUBORDINATE TAX ALLOCATION REVENUE BONDS (SOUTHERN CALIFORNIA LOGISTICS AIRPORT PROJECT) SERIES 2006**

**WHEREAS**, the Southern California Logistics Airport Authority (the "Authority") is authorized pursuant to the Marks-Roos Local Bond Pooling Act of 1985, being Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Act"), and pursuant to the Community Redevelopment Law, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, to incur indebtedness for the purpose of financing and refinancing redevelopment activities within and of benefit to the Southern California Logistics Airport (the "Airport");

**WHEREAS**, the Authority proposes to authorize the issuance and sale of not to exceed \$75,000,000 aggregate principal amount of its Taxable Subordinate Tax Allocation Revenue Bonds (Southern California Logistics Airport Project) Series 2006 (the "Bonds") for the purpose of providing funds to finance certain redevelopment activities benefiting the Airport, to fund a reserve account for the Bonds and to fund costs of issuance of the Bonds;

**WHEREAS**, the issuance and sale of the Bonds by the Authority will result in demonstrable savings in effective interest rates, and the more efficient delivery of local agency services by enabling the Bonds to be sold on a negotiated basis pursuant to the Act; and

**WHEREAS**, the City Council, with the aid of its staff, has reviewed the documentation related to the issuance of the Bonds, and wishes to approve the issuance, sale and delivery of the Bonds by the Authority.

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

Section 1. The issuance and sale of not to exceed \$75,000,000 aggregate principal amount of the Bonds by the Authority, in accordance with the terms and conditions set forth in the Indenture relating to the Bonds, is hereby approved.

Section 2. The City hereby pledges, on a subordinate basis to the bonds previously issued by the Authority, to the payment of the Bonds all of the tax increment revenues, including any housing set-aside requirements to the extent any portion of the Bonds are used to finance low and moderate income housing programs, it would otherwise receive pursuant to that certain Fourth Amended and Restated Joint Exercise of Powers Agreement Creating Victor Valley Economic Development Authority.

Section 3. This Resolution shall take effect immediately upon adoption.

APPROVED and ADOPTED this \_\_\_ day of \_\_\_\_\_, 2006.

---

Mayor

ATTEST:

---

City Clerk

STATE OF CALIFORNIA )  
COUNTY OF SAN BERNARDINO )ss  
CITY OF VICTORVILLE )

I, Carolee Bates, City Clerk of the City of Victorville, California, do hereby certify that Resolution No. \_\_\_\_ was duly and regularly adopted by the City Council of the City of Victorville, California at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2006 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

City Clerk