

RESOLUTION NO. 205526 MAY 4 1972

A RESOLUTION EXPRESSING APPROVAL IN PRINCIPLE OF A PROPOSAL OF COMMUNITY HOSPITAL FOR ACQUISITION OF AN EXISTING HOSPITAL AND THE CONSTRUCTION OF AN ADDITION THERETO TO BE FINANCED BY ISSUANCE OF TAX EXEMPT OBLIGATIONS.

WHEREAS, this Council has been advised that At The Terrace Sanitarium, which under this proposal would operate as Community Hospital of San Diego, hereinafter Community Hospital, a California nonprofit corporation, proposes to acquire an existing hospital facility and to construct an addition thereto, all to be equipped and operated as an acute care hospital; and

WHEREAS, Community Hospital proposes to finance the purchase and construction of such improvements and equipment of the hospital and related costs by issuance of bonds or other obligations of Community Hospital, payable primarily from the revenues generated by the operation of the hospital and secured by a mortgage of the hospital facility; and

WHEREAS, in this acquisition, financing and operation of the hospital, Community Hospital proposes to issue its obligations pursuant to Revenue Ruling 63-20, a copy of which is on file with the City Clerk as Document No. 739862, and to apply to the Internal Revenue Service for a ruling that the interest payable on bonds or obligations of Community Hospital issued to finance the acquisition are

obligations of a political subdivision and will therefore be exempt from federal income taxes; and

WHEREAS, said Revenue Ruling 63-20 provides that the state, or a political subdivision thereof, must have a beneficial interest in the corporations issuing bonds while the bond indebtedness remains outstanding and that the political subdivision must obtain full legal title to the property upon retirement of the bond indebtedness and Community Hospital proposes that the City be the political subdivision as above required; and

WHEREAS, assurance has been given that the proposal of Community Hospital outlined above to provide an acute care hospital and to finance the acquisition of the hospital by the issuance of tax exempt obligations will not impose any obligation or burden upon The City of San Diego; and

WHEREAS, it is necessary for the City to adopt a resolution approving the project under the provisions set forth in said Revenue Ruling 63-20; and

WHEREAS, such a resolution will be submitted to the Council at a later time; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

That this Council does approve in principle the above proposal with the understanding that before adoption of the resolution required by the Internal Revenue Service (1) the documents specified in that Report to the Council from the City Manager and City Attorney dated April 27, 1972, on file

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in the office of the City Clerk as Document No. 739874,
be submitted to the City Attorney and to the City Council
for approval; (2) that the Council will receive such legal
opinion and other assurance as it may require that The
City of San Diego cannot be compelled to exercise any taxing
power or to apply any of its funds toward payment of the
obligations of Community Hospital either with respect to
the payment of bonds or with respect to any legal liability
arising out of the operation of the hospital; (3) that by
adopting this resolution the City Council does not in any
way assume any obligation to approve the specific proposal
to be set forth in the resolution to be submitted to the
Council in the future.

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APPROVED: JOHN W. WITT, City Attorney

By H. Valderhaug
Harold Valderhaug, Deputy

HOV:rp
Revised
5/8/72

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SAN DIEGO, CALIF. *de*

MAY 4 1972

Passed and adopted by the Council of The City of San Diego on _____,
by the following vote:

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Henry L. Landt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Martinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Allen Hitch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Jim Bates	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON

Mayor of The City of San Diego, California.

(Seal)

EDWARD NIELSEN

City Clerk of The City of San Diego, California.

By *Kathryn M. Noel*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number **205526** Adopted **MAY 4 1972**