

CITY COUNCIL  
CITY OF SAN DIEGO

RESOLUTION NO. R-253049

(R.81-768)

NOV 3 1980

RESOLUTION FINDING AND DETERMINING THAT THE FINANCING, CONSTRUCTION AND OPERATION OF A CONVENTION CENTER WITHIN THE COLUMBIA REDEVELOPMENT PROJECT WILL NOT COMPETE WITH SAN DIEGO SPORTS ARENA TO SUCH AN EXTENT AS TO IMPAIR THE ABILITY OF THE SPORTS ARENA TO PRODUCE ENOUGH MONEY TO PAY PRINCIPAL OF AND INTEREST ON BONDS OR ANY OTHER INDEBTEDNESS AUTHORIZED BY INDENTURE ISSUED BY THE SAN DIEGO ARENA LEASE COMPANY DATED SEPTEMBER 1, 1975.

WHEREAS, the City of San Diego (the "City") and the San Diego Arena Lease Corporation (the "Corporation") entered into a lease entitled "The San Diego Sports Arena Ground Lease Agreement", dated August 10, 1965, together with certain amendments thereto as follows: first amendment, August 10, 1967 and second amendment, August 6, 1971 (collectively the "lease"); pursuant to which an indoor Sports Arena, parking, and related facilities have been constructed on a certain site; and

WHEREAS, pursuant to Article XXIX of the lease entitled "Competitive Facilities", the City covenanted and agreed that until the procedures required by such article were complied with, it would not finance or aid in the financing of, or operate any facility which would or might compete with the San Diego Sports Arena to such an extent as to impair the ability of the Sports Arena to generate revenues sufficient to pay principal of and interest on the Bonds or any other indebtedness authorized pursuant to indenture entered into by the San Diego Arena Lease Company dated as of September 1, 1965; and

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WHEREAS, the City intends to enter into a lease and make annual lease payments to the Redevelopment Agency of the City of San Diego (the "Agency") for a Convention and Exhibition Center and public parking facilities hereinafter described in sufficient amounts to pay annual debt service on the Agency's lease revenue bonds; and

WHEREAS, the City is amending its Municipal Code relating to the utilization of transient occupancy tax revenues to allocate certain portions of said revenues to the Transient Occupancy Tax New Convention Facility Fund; and

WHEREAS, the City intends to assist in the financing and operation of a Convention and Exhibition Center and public parking facilities more precisely described as follows: a multi-use facility and appurtenant structures primarily designed for convention, exhibition, and meeting use containing not more than 800,000 gross square feet of interior space exclusive of parking, said facility to be located within the area of the Columbia Redevelopment Project as approved and adopted on December 29, 1976, by the City Council of the City of San Diego by Ordinance No. 11976. The maximum seating for viewing a single event or performance shall not exceed 8,000. There shall be no more than 1,200 parking spaces to serve the center within the blocks bounded by A Street on the north, C Street on the south, Kettner on the west, and Columbia on the east. The maximum size of the main exhibit hall located on a single floor shall not exceed 250,000 square feet.

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WHEREAS, the question has arisen whether the Convention Center and related facilities in which financing and operation the City of San Diego intends to participate, will compete with the Sports Arena in a manner prohibited by Article XXIX of the Lease; and

WHEREAS, the City proposes to establish a Sports Arena Collateral Revenue Fund pursuant to that agreement entitled Sports Arena Collateral Revenue Fund Agreement on file in the Office of the City Clerk as Document No. RR-253049-1, to assist the Sports Arena operator, to provide additional security to the holders of Sports Arena bonds, and otherwise to assure that there will be no impairment of the ability of the Sports Arena to produce enough revenue to pay the principal of and interest on the bonds and so that Article XXIX of the Ground Lease will not be violated; and

WHEREAS, the Sports Arena Operator and San Diego Arena Lease Company desire to follow the provisions of section 2. of Article XXIX of the Lease and procure a report of an Arena Consultant as required thereunder; and

WHEREAS, an Arena Consultant meeting the requirements of section 2. of Article XXIX has been retained and has delivered to the City, the Operator and Arena Lease Company a copy of its report and has appeared at a hearing, noticed and conducted in accordance with section 3. of Article XXIX:

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

That the City Council of the City of San Diego, having

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received the report of the Arena Consultant, a copy of which is on file in the office of the City Clerk as Document No. RR-253049-2, and which is by this reference incorporated herein, and having conducted a hearing duly noticed in accordance with Article XXIX, and based upon the report of said Arena Consultant and upon the facts and evidence presented at this hearing, hereby finds and determines that the financing (including the establishment of the Sports Arena Collateral Revenue Fund), construction and operation of a Convention Center within the Columbia Redevelopment Project as specifically described above will not compete with the San Diego Sports Arena to such an extent as to impair the ability of the Sports Arena to produce enough money to pay principal of and interest on the bonds or any other indebtedness authorized by the Indenture issued by the San Diego Arena Lease Company dated September 1, 1965; and

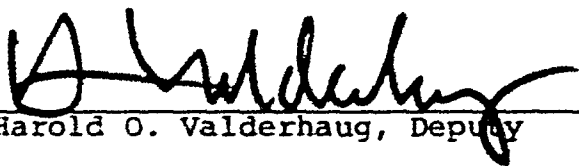
BE IT FURTHER RESOLVED, that the City Manager or his designee be and he is hereby authorized to execute a Sports Arena Collateral Revenue Fund Agreement with the Redevelopment Agency of the City of San Diego, the San Diego Arena Lease Company, San Diego Entertainment Inc., California First Bank, and Graymont Limited, under the terms and conditions set forth in that agreement on file in the office of the City Clerk as Document No. RR-253049-1.

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BE IT FURTHER RESOLVED, that the expenditure of \$1,000,000 is hereby authorized from the Transient Occupancy Tax New Convention Facility Fund (10225) for purposes of establishing the Sports Arena Collateral Revenue Fund created by said agreement.

APPROVED: JOHN W. WITT, City Attorney

By   
Harold O. Valderhaug, Deputy

HOV:cvj:613.2  
10/20/80  
Or.Dept.: CCDC  
Aud.Cert.: 81309

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# CERTIFICATE OF CITY AUDITOR AND COMPTROLLER

## CERTIFICATION OF UNALLOTTED BALANCE

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount \$ 1,000,000.00 Fund Convention Center

Purpose Authorizing the expenditure of funds to implement a Revenue Fund Agreement Regarding the San Diego Sports Arena

*W. B. Sage*

Auditor and Comptroller of  
The City of San Diego, Calif.

Date October 15, 19 80

By Don Mumm

## CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said moneys now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to exceed \$ \_\_\_\_\_

Dated \_\_\_\_\_, 19 \_\_\_\_\_

Auditor and Comptroller of  
The City of San Diego, Calif.

BY \_\_\_\_\_

\* FUND/  
DEPT.

ORG. NO.

ACCOUNT

JOB ORDER

BENEFITING  
DEPARTMENT

PURPOSE \_\_\_\_\_

VENDOR \_\_\_\_\_

\* USE FUND NO. ONLY WHEN USING GEN. LEDGER & REV. ACCTS., OTHERWISE USE DEPT. NO.

Passed and adopted by the Council of The City of San Diego on NOV 3 1980,  
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Lowery	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fred Schnaubelt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larry Stirling	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lucy Killea	<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.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

By *Ellen Powell* Deputy.

(Seal)

Office of the City Clerk, San Diego, California

Resolution Number R-253049 Adopted NOV 3 1980