

RESOLUTION NUMBER R- 258604

Adopted on JUN 06 1983

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO PROVIDING FOR THE BORROWING OF FUNDS FOR FISCAL YEAR 1983-1984 AND THE ISSUANCE OF 1983-84 TAX ANTICIPATION NOTES THEREFOR.

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

WHEREAS, pursuant to Section 92 of the Charter of The City of San Diego (the "City"), this Council (the "Council") has found and determined that the sum of Thirty-four Million Dollars (\$34,000,000) is needed for the immediate requirements of the City to satisfy obligations payable from the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984, and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes therefor in anticipation of the receipt of property taxes and other taxes to be received by the City for the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984; and

WHEREAS, it appears, and the Council hereby finds and determines, that said sum of Thirty-four Million Dollars (\$34,000,000), when added to the interest payable thereon, does not exceed twenty-five percent (25%) of the total appropriations of the City for Fiscal Year 1983-1984 and is not in excess of eighty-five percent (85%) of the estimated amount of the uncollected property taxes of the City for the General Fund and the General Obligation Bond Fund of the City which will be

available in Fiscal Year 1983-1984 for the payment of said notes and the interest thereon; and

WHEREAS, pursuant to Section 92 of the Charter of the City, property taxes which will be received by the City for the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984 can be pledged for the payment of said notes and the interest thereon (as hereinafter provided);

NOW, THEREFORE, the Council of The City of San Diego hereby finds, determines, declares and resolves as follows:

Section 1. All of the recitals herein set forth are true and correct, and the Council so finds and determines.

Section 2. Solely for the purpose of anticipating property taxes and other taxes to be received by the City for the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984, the City hereby determines to and shall borrow the aggregate principal sum of Thirty-four Million Dollars (\$34,000,000) by the issuance of temporary notes under Section 92 of the Charter of the City and Section 53850, et seq., of the Government Code of the State of California, designated "1983 Tax Anticipation Notes" (the "Notes"), to be numbered from 1 consecutively upward in order of issuance, to be in the denomination of \$25,000 or any multiple thereof, as specified by the successful purchaser thereof, to be dated July 15, 1983, to mature (without option of prior redemption) on June 29, 1984 and to bear interest, payable at maturity and computed on a 360-day year basis, at the rate determined at the time of sale thereof, but not in excess of twelve percent (12%) per

annum. Both the principal of and interest on the notes shall be payable, only upon surrender thereof, in lawful money of the United States of America at the office of the City Treasurer of the City in San Diego, California, or at the option of the holder at the office of the Fiscal Agent of the City in New York, New York, or in San Francisco, Los Angeles or San Diego, California.

Section 3. The notes shall be issued without coupons and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 4. The moneys so borrowed shall be deposited in the Tax Anticipation Note Revolving Fund of the City and used and expended by the City to satisfy obligations payable from the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984.

Section 5. The principal amount of the notes, together with the interest thereon, shall be payable from property taxes which are received by the City for the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984. For the payment of the principal of and interest on the notes the City hereby pledges all uncollected property taxes (as hereinafter provided) which are received by the City for the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984, and the principal of the notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable

from the first moneys received by the City from such pledged property taxes, and to the extent not so paid shall be paid from any other taxes of the City lawfully available therefor. In order to effect this pledge, the Council agrees that an amount equal to the principal and interest of the notes, \$34,000,000 plus interest, shall be transferred to the accounts of the City in the Tax Anticipation Notes Revolving Fund, from the pledged revenue, such transfer being hereby authorized and approved. All pledged moneys so segregated in the Tax Anticipation Notes Revolving Fund shall not be used for any other purpose, and shall be held exclusively for, the payment of the principal of and interest on the notes; provided that such pledged moneys may be temporarily invested in authorized investments of City funds, with all interest earned thereon to be credited to the General Fund.

Section 6. The Treasurer of the City is hereby authorized to sign the notes, and the Mayor and the City Clerk are hereby authorized to countersign the same by use of their facsimile signatures and to affix the seal of the City thereto by facsimile impression thereof, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate.

Section 7. It is hereby covenanted and warranted by the Council that all representations and recitals contained in this resolution are true and correct, and that the City, and its appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the levy, collection and

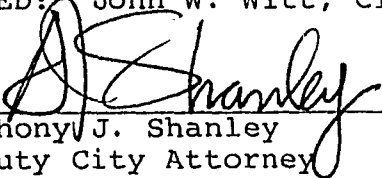
enforcement of the property taxes pledged hereunder in accordance with law and for carrying out the provisions of this resolution.

Section 8. The Council, as issuer of the notes on behalf of the City, hereby covenants that it will make no use of the proceeds of the notes which would cause the notes to be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code; and, to that end, so long as any of the notes are outstanding, the Council and all officers having custody or control of such proceeds shall comply with all requirements of said section and the regulations of the United States Department of the Treasury thereunder, to the extent that such requirements are, at the time, applicable and in effect, so that the notes will not be "arbitrage bonds."

Section 9. All the notes shall be offered for public sale on July 5, 1983, in accordance with the Official Notice of Sale attached hereto, labeled Exhibit B and by reference incorporated herein, which such notice shall be published once at least fifteen (15) days prior to the date of sale in the Daily Transcript, and the Official Statement for the notes is hereby approved in substantially the form presented for use in connection with the sale of the notes.

APPROVED: John W. Witt, City Attorney

By


Anthony J. Shanley
Deputy City Attorney

AJS:js:113
05/31/83
Or.Dept:Treas.
Form=r.none

UNITED STATES OF AMERICA

The City of San Diego



No. _____ STATE OF CALIFORNIA \$ _____

FOR VALUE RECEIVED, The City of San Diego, California, a municipal corporation, promises to pay to _____

on _____ the sum of \$ _____ with interest thereon, payable at the maturity thereof, in the amount of \$ _____

which shall not result in an interest rate higher than provided by Section 92 of the Charter. Both principal and interest are payable in lawful money of the United States of America at the Office of the City Treasurer, San Diego, California or, at the option of the holder hereof, at the office of the fiscal agent of the City in New York, New York; ~~San Francisco, Los Angeles or San Diego, California.~~

The principal of and interest on this Note are payable from property taxes to be received during the fiscal year _____, certain of said taxes having been pledged for the payment of this Note and the interest thereon, and, to the extent not paid from said taxes, may be paid with interest thereon from any other monies of the City lawfully available therefor.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the Charter of said City, or by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, said City of San Diego has caused this Note to be signed by the City Treasurer of said City, by her manual signature, and signed by the Mayor and countersigned by the City Clerk of said City, by their facsimile signatures, and sealed with the corporate seal of said City, and has caused this Note to be dated the _____ day of _____.

Mayor of The City of San Diego

City Treasurer of The City of San Diego

City Clerk of The City of San Diego

OFFICIAL NOTICE OF SALE
\$34,000,000 CITY OF SAN DIEGO
1983 TAX ANTICIPATION NOTES

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by the City Clerk of The City of San Diego (the "City") at the office of the City Clerk, 12th Floor, City Administration Building, 202 "C" Street, San Diego, California 92101, on

TUESDAY JULY 5, 1983

at the hour of 10:00 o'clock a.m. for the purchase of \$34,000,000 principal amount of Tax Anticipation Notes of the City designated "City of San Diego 1983 Tax Anticipation Notes" (the "Notes") more particularly described below.

ISSUE AND DENOMINATIONS: \$34,000,000 principal amount of negotiable Notes, numbered from 1 consecutively upward in order of issuance, of the denomination of \$25,000 each or any multiple thereof as specified by the successful purchaser thereof.

DATES: The Notes are dated July 15, 1983.

MATURITY: The Notes mature on June 29, 1984.

INTEREST RATE: The Notes will bear interest at the single rate designated by the successful purchaser thereof, but not to exceed twelve percent (12%) per annum, payable at the maturity of the Notes.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the office of the City Treasurer of the City of San Diego, California, or at the option of the holder at the office of the Fiscal Agent of the City in New York, New York, or in San Francisco, Los Angeles or San Diego, California.

EXECUTION AND NON-REGISTRATION: The Notes will be executed by the manual signature of at least one official authorized to execute them. The Notes are not registerable.

PURPOSE OF ISSUE: The Notes are authorized for the purpose of satisfying obligations payable from the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984 prior to the receipt of taxes for such purpose.

EXHIBIT B

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SECURITY: The City has pledged the uncollected property taxes which are received by the City for the General Fund and the General Obligation Bond Fund of the City during or allocable to Fiscal Year 1983-1984 for the payment of the principal of and interest on the Notes, and the Notes are a first lien and charge thereon and shall be paid from the first moneys received by the City from such pledged property taxes, and to the extent not so paid shall be paid from any other taxes of the City lawfully available therefor.

TAX EXEMPT STATUS: In the event that prior to the delivery of the Notes: (i) the income received by any private holder from notes of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court; or (ii) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the Notes as such, the successful purchaser may, at his option, prior to the tender of the Notes by the City, be relieved of his obligation under the contract to purchase the Notes and in such case the deposit accompanying his bid will be returned.

LEGAL OPINION: The legal opinion of Stradling, Yocca, Carlson & Rauth a professional corporation of Newport Beach, California, approving the validity of the Notes, will be furnished to the successful purchaser without charge.

TERMS OF SALE

HIGHEST BID: The Notes will be awarded to the highest bidder, considering the interest rate specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the City would be required to pay from the date of the Notes to their maturity date at the rate specified in the bid, and the award will be made on the basis of the lowest net interest cost to the City. The purchaser must pay accrued interest computed on a 360 day year basis from the date of the Notes to the date of delivery. The cost of printing the Notes will be borne by the City.

RIGHT OF REJECTION: The Council of the City reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

PROMPT AWARD: The Council of the City will take action awarding the Notes or rejecting all bids not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful purchaser.

PROMPT DELIVERY: Delivery of the Notes will be made to the successful purchaser at the office of the City Treasurer in San Diego, California, as soon as the Notes can be prepared, but not prior to their date. Payment for the Notes must be made in bank funds immediately available to the City in San Diego, California.

RIGHT OF CANCELLATION: The successful purchaser shall have the right, at his option, to cancel the contract of purchase if the City shall fail to execute the Notes and tender the same for delivery within thirty (30) days from the date of sale thereof, and in such event the successful purchaser shall be entitled to the return of the deposit accompanying his bid.

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FORM OF BID: All bids must be for not less than all the Notes hereby offered for sale and for not less than the par value thereof and accrued interest to date of delivery. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Council of the City and endorsed "Proposal for City of San Diego 1983 Tax Anticipation Notes." All bids must be delivered or mailed to the City Clerk of the City at the place first above described in time to be received by 10:00 o'clock a.m. on July 5, 1983.

BID CHECK: With each bid must be submitted a certified check or cashier's check for \$100,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of the City Treasurer to secure the City from any loss resulting from the failure of the bidder to comply with the terms of this bid. Checks of all bidders (except the successful purchaser) will be returned by the City by mail promptly following the sale date above specified. No interest will be paid upon the deposit made by any bidder.

ESTIMATE OF NET INTEREST COST: Bidders are requested, but not required, to supply an estimate of the total net interest cost to the City on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the City.

OFFICIAL STATEMENT: The City has caused an official statement to be prepared, a copy of which will be furnished upon request to the City Treasurer, City of San Diego, 8th Floor, City Administration Building, 202 "C" Street, San Diego, California 92101 (619) 236-6112.

There is no controversy or litigation pending concerning the validity of the above issue, the corporate existence of the City, or the title of the officers thereof to their respective offices, and the City will furnish to the successful purchaser a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Notes.

Dated: June 6, 1983.

Charles G. Abdelnour
City Clerk of the City of San Diego
State of California

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JUN 06 1983

Passed and adopted by the Council of The City of San Diego on _____,
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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksmā	<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"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Hedgecock	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK
Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

By Charles G. Abdelnour, Deputy.

Office of the City Clerk, San Diego, California

Resolution **R-258604** Adopted **JUN 06 1983**
Number Adopted