

(R-86-90)

RESOLUTION NUMBER R- 264213

ADOPTED ON OCT 14 1985

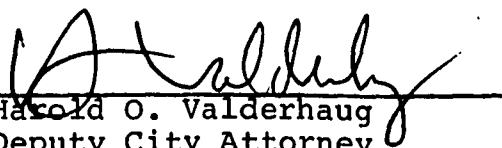
A RESOLUTION ESTABLISHING COUNCIL POLICY NO.
100-12 REGARDING ADMINISTRATION OF THE CITY'S
PRIVATE ACTIVITY BOND ALLOCATION.

BE IT RESOLVED, by the Council of The City of San Diego, that
Council Policy No. 100-12 regarding administration of the City's
Private Activity Bond Allocation, be and is hereby established as
set forth in the Council Policy filed in the Office of the City
Clerk as Document No. RR- 264213 .

BE IT FURTHER RESOLVED, that the City Clerk is hereby
instructed to add the aforesaid to the Council Policy Manual.

APPROVED: John W. Witt, City Attorney

By


Harold O. Valderhaug
Deputy City Attorney

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07/15/85
Or.Dept:Prop.
R-86-90
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COUNCIL POLICY

SUBJECT

ADMINISTRATION OF THE CITY'S
PRIVATE ACTIVITY BOND ALLOCATIONPOLICY
NUMBER

100-12

EFFECTIVE
DATE

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BACKGROUND

The City, through its Charter and under the California Industrial Development Financing Act, has the authority to issue the full range of industrial development bonds authorized by the Internal Revenue Code. Project qualifying criteria are contained in the Municipal Code. The Tax Reform Act of 1984 (H.R. 4170) imposes an annual \$150 per capita state ceiling on private activity bonds. The Governor's Proclamation of July 19, 1984, which implements H.R. 4170, provides an annual allocation to the City and enables supplementation of the allocation through transfers from state agencies and/or other local jurisdictions.

PURPOSE

To establish policy for the selection of potential industrial development bond projects for which transfers of private activity bond allocations would be pursued and for which bond issues would be deferred in the event such transfers could not be achieved.

POLICY

Reports to the City Council covering industrial development bond actions, will provide information on the status of the City's private activity bond allocation. Whenever it appears at all likely that potential bond issues could exceed the balance remaining in the annual allocation, the City Manager will identify projects for which supplements to the annual allocation might be pursued, and for which bond issues might be deferred in the event transfers of allocations cannot be achieved.

IMPLEMENTATION

The City Manager will docket directly to the full City Council inducement resolutions for projects which, based on application content, are believed to have potential for meeting qualifying criteria. Inducement resolutions will stipulate that issue of bonds is subject to further evaluation by the City, and to development of terms and conditions acceptable to the City. The balance remaining in the annual allocation will not be a consideration in the decision to docket an inducement resolution since allocation is consumed upon sale of bonds not upon adoption of an inducement resolution.

Following adoption of the inducement resolution, staff, assisted as necessary by an independent financial consultant, will perform an evaluation of the proposed project and bond issue. The staff evaluation report will be submitted to the City Council via the Rules Committee. Such reports will contain a recommendation to continue with preparations for the bond issue, a recommendation to cancel the inducement resolution, or a recommendation for other preliminary action.

DOCUMENT NO. *RR-264213*

00104

FILED OCT 14 1985OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

CITY OF SAN DIEGO, CALIFORNIA

COUNCIL POLICY

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In the case of private activity bond issues sponsored by the Centre City Development Corporation (CCDC) or the Southeast Economic Development Corporation, the foregoing procedures will be supplemented by a preliminary analysis accomplished incident to the negotiation of Disposition and Development Agreements. Such agreements will identify industrial development bonds as a possible source of financing only when the preliminary analysis indicates that the potential applicant's financial position is sufficiently strong to give pursuit of industrial development bond financing a likelihood of success. The City Auditor and Comptroller will be sent copies of all private activity bond applications, related financial reports and other pertinent information when received by the City Manager, the Centre City Development Corporation and the Southeast Economic Development Corporation. The City Auditor and Comptroller will be notified prior to entering into a Disposition and Development Agreement which identifies industrial development bonds as the planned source of financing.

All reports in support of inducement resolutions, evaluations, and other bond documentation would apprise the City Council of the status of the annual private activity bond allocation. These reports will also, as required above, indicate any need to seek transfers of allocations from other jurisdictions.

The City Council will, by resolution, identify projects for which private activity bond allocation transfers from state agencies or other local governments are to be pursued, and for which bond issues are to be deferred in the event such transfers cannot be achieved. In selecting such projects, the City Council will consider factors including, but not limited to, the following:

- Significance of the public benefits expected from the project.
- The degree of dependence of the project, or its public benefits, on lower cost tax-exempt financing.
- The amount of the proposed bond issue.
- Dates that applications were received.
- The status of preparations for the bond issue.
- The impact of deferral of the bond issue.

Adopted by Resolution No. **R-264213** Dated: **OCT 14 1985**

00105

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OCT 14 1985

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<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"/>
District 7 - vacant	<input 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 Roger Hedgecock	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 *Ellen Board*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number **R-264213** Adopted **OCT 14 1985**