

(R-98-272)

RESOLUTION NUMBER R- 289256

ADOPTED ON SEP 30 1997

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE ISSUANCE OF EQUIPMENT ONLY PURCHASE PROGRAM NOTES BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY.

Local Government

Participant: The City of San Diego, California

Issuer: California Statewide Communities Development Authority

Borrower: Loftin Business Forms, Inc.

Notes: Equipment Purchase Program Note or Notes (Loftin Business Forms, Inc., Project) of the Issuer

Maximum Principal Amount: \$2,500,000

Public Hearing Date: September 30, 1997

WHEREAS, the Issuer in its inducement resolution (the "Inducement Resolution") attached hereto as Exhibit A has proposed to issue its Equipment Purchase Program Note or Notes in an aggregate principal amount not expected to exceed the Maximum Principal Amount pursuant to the California Industrial Development Financing Act, California Government Code section 91500 et seq., as amended and supplemented (the "Act"); and

WHEREAS, the project to be financed by the Notes consists of the acquisition and installation of the property and financing costs (the "Project") as described in the Inducement Resolution; and

WHEREAS, the Issuer has requested that the Council of The City of San Diego (the "Council") approve the issuance of the Notes in order to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement (the "Agreement"), dated as of June 1, 1988, among certain local agencies, including The City of San Diego (the "City"), and the public agency approval requirement of California Government Code section 91530(f), as amended; and

WHEREAS, the Council hereby finds and determines that the Project is not substantively inconsistent with the City's General Plan as prepared and adopted in accordance with Article 5 (commencing with California Government Code section 65300) of Chapter 3 of Title 7; and

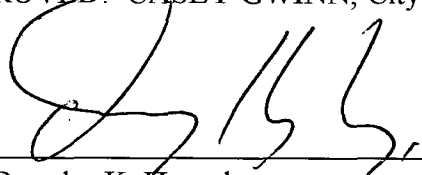
WHEREAS, the City held a public hearing on the Public Hearing Date providing a reasonable opportunity for persons to comment on the issuance of the Notes and the Project; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Notes required by Section 147(f) of the Code, Section 9 of the Agreement, and California Government Code section 91530(f); NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the issuance of the Notes is hereby approved for the purposes of Section 147(f) of the Code, Section 9 of the Agreement, and California Government Code section 91530(f).

BE IT FURTHER RESOLVED, that the City Clerk shall certify the adoption of this resolution, and thenceforth and thereafter the same shall be in full force and effect.

APPROVED: CASEY GWINN, City Attorney

By 

Douglas K. Humphreys
Deputy City Attorney

DKH:lc
09/05/97
Or. Dept: Comm. & Eco. Dev.
Aud. Cert: N/A
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EXHIBIT A
ISSUER'S INDUCEMENT RESOLUTION

R-289256

RESOLUTION NO. 97EPP-1**RESOLUTION OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF FACILITIES;
DECLARING ITS OFFICIAL INTENT TO UNDERTAKE SUCH FINANCING;
AND TO REIMBURSE CERTAIN CAPITAL EXPENDITURES FROM
PROCEEDS OF INDEBTEDNESS**

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized and empowered by the provisions of Title 1, Division 7, Chapter 5 of the Government Code of the State of California to issue its industrial development notes pursuant to the California Industrial Development Financing Act, as amended and supplemented (the "Act"), for the purpose of financing certain costs of a project, as that term is defined in the Act; and

WHEREAS, Loftin Business Forms, Inc., or its successor or assigns (the "Borrower"), desires to acquire and install certain manufacturing equipment, which will be located at 789 Gateway Center Way, San Diego, California, to be used for commercial printing (the "Project"); and

WHEREAS, the Borrower is willing to acquire and install such Project upon the issuance of the Authority's industrial development notes to finance such Project pursuant to the Act; and

WHEREAS, the Borrower has therefore submitted, and this Commission has accepted, an application requesting financing for such Project; and

WHEREAS, the Authority may not issue industrial development notes to finance such Project until this Commission makes certain determinations with respect to public benefits and qualification of the Project as required by the Act; and

WHEREAS, this Commission has carefully considered and discussed the information contained in such application and other information necessary to make such determinations; and

WHEREAS, this Commission desires to induce the Borrower to commence acquisition and installation of the Project at the earliest possible time so as to produce the public benefits set forth herein; and

WHEREAS, the Authority, in the course of assisting the Borrower in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution and prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the Authority reasonably expects that debt obligations in an amount not expected to exceed \$2.5 million will be issued and that certain of the proceeds of such debt obligations may be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the Commission of the California Statewide Communities Development Authority does hereby resolve as follows:

Section 1. This Commission hereby finds and determines that the foregoing recitals are true and correct.

Section 2. This Commission hereby finds and determines that:

(a) the activities and uses of the Project as a manufacturing facility or facilities for commercial printing are in accord with the purposes and requirement of the Act;

(b) the use of the Project is likely to produce (i) employment benefits (within the meaning of Section 91502.1(b)(1) of the Act) by securing or increasing the number of employees of the Borrower and any other direct users of the Project or the compensation for such employment and (ii) consumer benefits (within the meaning of Section 91502.1(b)(3) of the Act) by improving the quantity or quality or reducing the price of products, energy or related services or facilities, and by producing new or improved products or related services or facilities;

(c) the issuance of the industrial development notes by the Authority in an amount sufficient to finance certain costs of the Project, which is now estimated to be approximately \$2.5 million, as described in **Exhibit A** attached hereto, is likely to be a substantial factor in the accrual of one or more of the public benefits from the use of the Project as proposed in the Borrower's application; and

(d) the proposed financing is otherwise in accord with the purposes and requirements of the Act.

Section 3. It is the present intent of the Authority to issue, at one time or from time to time, industrial development notes (the interest of which is intended to be exempt from federal income taxation) when permitted to do so under the Act in the amount not to exceed \$2.5 million to finance certain costs of the Project.

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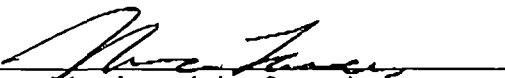
Section 4. This Resolution is being adopted by the Authority solely for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In that regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this resolution does not bind the Authority to make any expenditure, incur any indebtedness, or proceed with the financing of the Project.


Section 5. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 29th day of January, 1997.

* * * * *

I, the undersigned, a duly appointed, and qualified Member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on January 29, 1997.

By 
Member of the Commission,
California Statewide Communities
Development Authority

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