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(R-2006-516)

RESOLUTION NUMBER R- 301061

ADOPTED ON NOV 21 2005

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO DECLARING ITS INTENT TO REIMBURSE ITSELF FOR EXPENDITURES IN CONNECTION WITH THE LIBRARY SYSTEM IMPROVEMENT PROGRAM

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CITY CLERKS OFFICE
SAN DIEGO, CA

WHEREAS, the City of San Diego [City], or the Public Facilities Financing Authority of the City of San Diego [Authority], on behalf of the City [individually and collectively referred to herein as the “**Issuer**”], desires and intends to finance the Library System Improvement Program [the “**Project**”];

WHEREAS, the City Council on November 18, 2002 in Resolution R-297353 approved the Project financing plan;

WHEREAS, the San Carlos Branch Library is an approved branch library within the Project;

WHEREAS, the Issuer expects to issue debt to finance the costs of the Project on a permanent basis (the “**Debt**”);

WHEREAS, the Issuer expects to expend moneys (other than moneys derived from the issuance of bonds) on expenditures relating to the costs of the Project prior to the issuance of the Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles;

WHEREAS, the Issuer reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Debt;

WHEREAS, the Issuer expects that the maximum principal amount of Debt which will be issued to pay for the costs of the Project (and related issuance costs) will not exceed \$191 million in accordance with the 2002 financing plan;

WHEREAS, at the time of the reimbursement, the Issuer will evidence the reimbursement in a writing which identifies the allocation of the proceeds of the Debt to the Issuer for the purpose of reimbursing the Issuer for the capital expenditures made prior to the issuance of the Debt;

WHEREAS, the Issuer expects to make the reimbursement allocation no later than eighteen (18) months after the later of: (i) the date on which the earliest original expenditure is paid; or (ii) the date on which the Project is placed in service (or abandoned), but in no event later than three years after the date on which the earliest original expenditure is paid;

WHEREAS, the Issuer will not, within one (1) year of the reimbursement allocation, use the proceeds of the Debt received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (*e.g.*, the Issuer will not pledge or use the proceeds received for the payment of debt service on the Debt or another issue, except that the proceeds of the Debt can be deposited in a bona fide debt service fund);

WHEREAS, this Resolution is intended to be a “declaration of official intent” in accordance with Section 1.150-2 of the Treasury Regulations;

WHEREAS, it is understood that this declaration of intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project;

WHEREAS, a transfer in the amount of \$350,000 from the Navajo Developer Impact Fee [DIF] Fund was made to the San Carlos Library during the Annual Appropriations Ordinance;

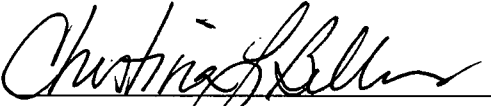
WHEREAS, an additional transfer in the amount of \$200,000 from the Navajo DIF Fund was made to the San Carlos Library for the purpose of continuing the Project;

NOW, THEREFORE, BE IT RESOLVED, that the City Council determines that all the foregoing recitals are true and correct;

BE IT FURTHER RESOLVED, that in accordance with Section 1.150-2 of the Treasury Regulations, the Issuer declares its intention to issue Debt in a principal amount not to exceed \$ 191 million in accordance with the 2002 financing plan, the proceeds of which will be used to pay for the costs of the Project (and related issuance costs), including the reimbursement to the Issuer for certain capital expenditures relating to the Project made prior to the issuance of the Debt;

BE IT FURTHER RESOLVED, that the amount transferred from the Navajo DIF Fund to the San Carlos Branch Library and used to fund the Project and related costs, will be deemed reimbursable under this Resolution.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Christina L. Bellows
Deputy City Attorney

CLB:js
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