

RESOLUTION NUMBER R- 302567

DATE OF FINAL PASSAGE MAY 10 2007

REIMBURSEMENT RESOLUTION
OF THE
CITY COUNCIL
OF THE
CITY OF SAN DIEGO, CALIFORNIA

WHEREAS, the City Council of the City of San Diego, California [City] desires and intends to finance the acquisition and implementation of the Enterprise Resource Planning System Core Project and necessary equipment related thereto [Project]; and

WHEREAS, the Issuer expects to finance the costs of the Project on a lease-purchase basis with IBM Credit LLC [Debt]; and

WHEREAS, the City expects to expend moneys on expenditures relating to the costs of the Project prior to having financing in place, which expenditures will be properly chargeable to a capital account under general federal income tax principles; and

WHEREAS, the City reasonably expects to reimburse certain of such capital expenditures with the Debt; and

WHEREAS, the City expects that the maximum principal amount of Debt which will be used to pay for the costs of the Project will not exceed \$29,500,000; and

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

WHEREAS, the City 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 (3) years after the date on which the earliest original expenditure is paid; and

WHEREAS, the City 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 financing; and

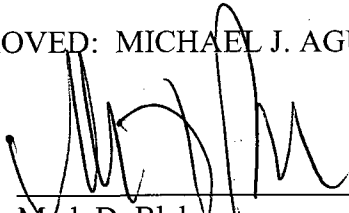
WHEREAS, this Resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the Treasury Regulations; NOW, THEREFORE

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

1. That the City finds and determines that the forgoing recitals are true and correct.
2. That this Declaration of Intent is made solely for the purpose of establishing compliance with Section 1.150-2 of the Treasury Regulations, and in accordance therewith the City declares its intention to incur Debt in a principal amount not to exceed \$29,500,000, the proceeds of which will be used to pay for the costs of the Project, including the reimbursement to the City for certain capital expenditures relating to the Project made prior to the Debt financing, provided however that this Declaration of Intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the purchase of the Project.
3. This Declaration of Intent shall take effect from and after the date of its adoption.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By




Mark D. Blake
Deputy City Attorney

MDB:jdf
04/03/2007
Or.Dept: Debt Management
R-2007-972
Companion: O-2007-125

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 24 2007.

ELIZABETH S. MALAND
City Clerk

By 

Deputy City Clerk

Approved: 5-10-07

(date)



JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor