

331  
(R-2008-778)

(B)

4/22/08

RESOLUTION NUMBER R- **303622**

DATE OF FINAL PASSAGE APR 28 2008

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO REGARDING ITS INTENTION TO REIMBURSE EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF TAX-EXEMPT OBLIGATIONS.

WHEREAS, Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers local agencies to form a joint powers authority and Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California [Marks-Roos Local Bond Pooling Act of 1985] authorizes and empowers such authority to issue bonds for the purpose of financing public capital improvements or projects to further public purposes and effect significant public benefits, as determined by the local agency; and

WHEREAS, The City of San Diego [City] and the Redevelopment Agency of the City of San Diego [Agency] have heretofore entered into a Joint Exercise of Powers Agreement dated May 14, 1991 [Joint Powers Agreement] as amended and restated, which created and established the Public Facilities Financing Authority of the City of San Diego [Authority] for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the City to finance public capital improvements, including but not limited to general municipal improvements; and

WHEREAS, the City has determined that (i) the issuance of the Series 2008A Bonds (defined below) by the Authority is desirable and furthers public purposes; (ii) there are significant public benefits to be derived from securing the assistance of the Authority in financing the construction, renovation, improvement and equipping of the certain public facilities for the City as described in Exhibit A hereto [collectively, the Project]; and (iii) the Project will be located within the geographic boundaries of the City and (iv) the City will be able to more

efficiently deliver services to residential and commercial development as a result of the financing; and

WHEREAS, in order to achieve such public purposes, including the financing of the construction, renovation, improvement and equipping of the Project or portions thereof, the City desires to approve the Authority's issuance of not to exceed \$108,000,000 aggregate principal amount of the Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2008A (Various Capital Improvement Projects) [the Series 2008A Bonds], the interest upon which is excluded from gross income for federal income tax purposes; and

WHEREAS, prior to the issuance of the Series 2008A Bonds, the City has incurred or expects to incur certain capital expenditures [the Expenditures] with respect to the Project from available moneys of the City; and

WHEREAS, the Council of the City has determined that those moneys to be advanced on and after the date sixty (60) days prior to the date hereof to pay the Expenditures are available only for a temporary period where it may be necessary to reimburse the City for the Expenditures from the proceeds of the Series 2008A Bonds; and

WHEREAS, the City is authorized to undertake the actions described in this Resolution pursuant to its Charter and the Constitution and other applicable laws of the State of California;

NOW, THEREFORE,

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

Section 1. All of the foregoing recitals are true and correct, and the Council of the City so finds and determines.

Section 2. The City hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Series 2008A Bonds with proceeds of the Series 2008A Bonds. Exhibit A describes either the general character, type, purpose, and

function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 3. The reasonably expected maximum principal amount of the Series 2008A Bonds is \$108,000,000.

Section 4. This Resolution is being adopted no later than sixty (60) days after the date on which the City has expended or will expend moneys for the portion of the Project costs to be reimbursed from proceeds of the Series 2008A Bonds.

Section 5. The City will make a reimbursement allocation, which is a written allocation that evidences the City's use of proceeds of the Series 2008A Bonds to reimburse an Expenditure, no later than eighteen (18) months after the later of the date on which the Expenditure has been paid or the Project has been placed in service or abandoned, but in no event more than three (3) years after the date on which the Expenditure has been paid.

Section 6. The limitations described in Section 4 and Section 5 do not apply to (a) costs of issuance of the Series 2008A Bonds, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Series 2008A Bonds, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Series 2008A Bonds that finance costs of the Project for which the preliminary expenditures were incurred.


Section 7. This Resolution is adopted as official action of the City in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue

(R-2008-778)

Service relating to the qualification for reimbursement of City expenditures incurred prior to the date of issue of the Series 2008A Bonds.

Section 8. This Resolution shall take effect immediately upon its adoption by the Council of the City and its ratification by the Mayor.


APPROVED: MICHAEL J. AGUIRRE, City Attorney

By   
Mark D. Blake  
Chief Deputy City Attorney

MDB:jdf  
03/17/08  
Or.Dept: Debt Management  
R-2008-778

I hereby certify that the foregoing Resolution was passed by the Council of The City of San Diego, at this meeting of APR 22 2008

ELIZABETH S. MALAND  
City Clerk

By:   
Deputy City Clerk

Approved: 4-28-08  
(date)

  
JERRY SANDERS, Mayor

EXHIBIT A

DESCRIPTION OF THE PROJECT

The project to be financed consists of the construction, renovation, improvement and equipping of public buildings of The City of San Diego, facilities for the production, storage, transmission, or treatment of local streets, roads and bridges, all located within boundaries of The City of San Diego, California (including but not limited to staff time and capital and technology infrastructure related thereto), and all necessary legal, financial, architectural, environmental, engineering and contingent costs incurred in connection therewith.

R- 303622

N/A

Passed by the Council of The City of San Diego on \_\_\_\_\_, 2008, by the following  
vote:

**YEAS:**

**NAYS:**

**NOT PRESENT:**

**VACANT:**

**AUTHENTICATED BY:**

**JERRY SANDERS**

Mayor of The City of San Diego, California

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(Seal)

By: \_\_\_\_\_, Deputy

I HEREBY CERTIFY that the above and forgoing is a full, true and correct copy of  
RESOLUTION NO. R-\_\_\_\_\_, approved by the Mayor of The City of San Diego,  
California on \_\_\_\_\_.

**ELIZABETH S. MALAND**

City Clerk of The City of San Diego, California

(SEAL)

By: \_\_\_\_\_, Deputy