

RESOLUTION NUMBER R- 306882
DATE OF FINAL PASSAGE JUN 28 2011

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6/28/11

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO, CALIFORNIA AUTHORIZING THE ISSUANCE
AND SALE OF TAX AND REVENUE ANTICIPATION NOTES
FOR FISCAL YEAR 2011-12 IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$164 MILLION.

WHEREAS, the City of San Diego (City), a municipal corporation and chartered city of the State of California, requires funds for the purposes authorized by Section 53852 of the California Government Code; and

WHEREAS, the City is authorized to borrow money pursuant to Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended, and City Charter Section 92 (Authorizing Law), for the purposes authorized by California Government Code Section 53852 and the City Charter, such indebtedness to be represented by a note or notes of the City; and

WHEREAS, pursuant to the Authorizing Law, such note or notes are to be issued pursuant to a resolution of the City Council of the City (City Council) and may be issued from time to time as provided in such resolution; and

WHEREAS, the City has determined that it is necessary and in the best interests of the City to authorize the borrowing of an amount not to exceed \$164 million with respect to the City's Fiscal Year 2011-12, such indebtedness to be evidenced by the 2011-12 Tax and Revenue Anticipation Notes authorized and described herein (2011-12 TRANs) in an aggregate principal amount not to exceed the sum described above; and

WHEREAS, the 2011-12 TRANs shall be sold to Wells Fargo Bank, N.A. (Purchaser), a “qualified institutional buyer” under Rule 144A of the federal securities laws, in a direct purchase private placement under the federal securities laws wherein no official statement or other securities disclosure document is required to be or shall be prepared or distributed to the Purchaser; and

WHEREAS, there has been presented in connection with this Resolution certain documents on file in the Office of the City Clerk as Document No. RR 306882-1 (Accompanying Document), and Document No. RR 306882-2 (Note Purchase Agreement); and

WHEREAS, the aggregate principal amount of, and interest payable on, the 2011-12 TRANs shall not exceed either (i) 85% of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts and other moneys attributable to the City’s Fiscal Year 2011-12 and lawfully available for the payment of the principal of and interest on the 2011-12 TRANs exclusive of any moneys which when received will be encumbered for a special purpose (Unrestricted Revenues) or (ii) 25% of the total appropriations of the City for such fiscal year, within the meaning of Section 92 of the City Charter; NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Diego as follows:

SECTION 1. This Resolution is adopted pursuant to the provisions of the Authorizing Law and other applicable laws.

SECTION 2. The 2011-12 TRANs are hereby authorized to be issued in one or more series and mature on one or more maturity dates no later than eleven months after their date of issuance in an aggregate principal amount not to exceed the lesser of \$164 million or the amount

authorized to be issued pursuant to the Authorizing Law, as certified by the Chief Financial Officer and the Comptroller pursuant to the respective Accompanying Document and as further approved by the Chief Financial Officer or his/her designee, his/her execution of the Accompanying Document to be conclusive evidence thereof. The 2011-12 TRANs shall be issued as Fixed Rate Notes (as such term is defined in the Accompanying Document), as shall be established by the Chief Financial Officer of the City (the "Chief Financial Officer") in accordance with and as set forth in the Accompanying Document. The form of Accompanying Document on file in the office of the City Clerk as Document No. RR 306882-1, as such instrument shall be completed and executed in accordance with this Resolution and by this reference is incorporated herein and hereby approved. The Chief Financial Officer is hereby authorized for and in the name of, and on behalf of, the City, to execute and deliver said Accompanying Document, substantially in the form on file with the City Clerk, with such changes therein as may be necessary or desirable or as he/she may approve, in his/her sole discretion, as being in the best interests of the City, such approval to be evidenced conclusively by the execution and delivery thereof. Without limiting the foregoing, the Chief Financial Officer, subject to Section 5 hereof, may determine the number of series, maturity dates and amounts for any and each respective series of the 2011-12 TRANs, and the Chief Financial Officer is hereby authorized to make conforming changes reflecting such maturities and amounts to each of the documents approved by this Resolution, including changes to the dates and amounts to be set aside hereunder and under the Accompanying Document prior to the end of the fiscal year as the Chief Financial Officer determines are necessary or appropriate. The terms and conditions as set forth (or incorporated by reference) in the Accompanying Document, together with the terms and conditions of the 2011-12 TRANs set forth in this Resolution, together with

any authorized and approved supplements and amendments thereto, if any, shall, upon the execution and delivery of the Accompanying Document, be the terms and conditions of such 2011-12 TRANs, as if all such terms and conditions were fully set forth in this Resolution.

SECTION 3. In consideration of the purchase and acceptance of any and all of the 2011-12 TRANs authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the City and the holders from time to time of the 2011-12 TRANs (Holders). The pledge made in, and the covenants and agreements to be performed by and on behalf of the City set forth in, this Resolution or in any resolution supplemental hereto with respect to the 2011-12 TRANs shall be for the equal benefit, protection and security of the Holders of all of such 2011-12 TRANs, shall be of equal rank without preference, priority, privilege, right or distinction of any of the 2011-12 TRANs of any Series over any other thereof, except as expressly provided in or permitted by the Accompanying Document.

SECTION 4. The 2011-12 TRANs shall not be subject to redemption prior to maturity.

SECTION 5. The Chief Financial Officer or his/her designee is hereby authorized to sell the 2011-12 TRANs to the Purchaser, a "qualified institutional buyer" under Rule 144A of the federal securities laws, in a direct purchase private placement under the federal securities laws wherein no official statement or other securities disclosure document is required to be or shall be prepared or distributed to the Purchaser, pursuant to the terms, conditions and procedures set forth in the Accompanying Document and in the Note Purchase Agreement; provided that the 2011-12 TRANs shall (1) mature not later than eleven months following their issue date, and (2) bear interest at the rate or rates established prior to delivery of the 2011-12 TRANs pursuant to the Note Purchase Agreement, in no event to exceed a total interest cost taking into account all

costs of issuance of five percent (5.00%) per annum. The form of the Note Purchase Agreement of the City presented at this meeting as Document No. RR 306882-2 is hereby approved and the Chief Financial Officer or his/her designee is hereby authorized to execute the Note Purchase Agreement, with such additions thereto and changes therein as are consistent with this Section and as he/she, or his/her designee, deems necessary and appropriate.

SECTION 6. The Comptroller of the City (Comptroller) shall establish a "2011-12 TRANs Repayment Fund," and any additional subaccounts therein to the extent provided in the Accompanying Document. As provided in the Authorizing Law, the 2011-12 TRANs shall be general obligations of the City, payable from "Unrestricted Revenues". The Comptroller shall deposit in the 2011-12 TRANs Repayment Fund (subject to the provisions set forth in the last paragraph of this Section) (2011-12 TRANs Repayment Fund):

- (a) From the first Unrestricted Revenues received by the City on and after January 1, 2012, an amount equal to the principal of and interest due on the Series A 2011-12 TRANs maturing on January 31, 2012;
- (b) From the first Unrestricted Revenues received by the City on and after April 1, 2012, an amount equal to the principal of and interest due on the Series B 2011-12 TRANs maturing on April 30, 2012; and
- (c) From the first Unrestricted Revenues received by the City on and after May 1, 2012, an amount equal to the principal of and interest due on the Series C 2011-12 TRANs maturing on May 31, 2012 (the amounts set forth in (a), (b) and (c) being herein referred to as the "Pledged Moneys");

provided, however, that if the 2011-12 TRANs are issued with maturities which differ from those set forth in the form of Accompanying Document presented herewith, the dates and amounts of Pledged Moneys to be set aside referred to in clauses (a) through (c) above shall be adjusted in such a manner as determined by the Chief Financial Officer to provide sufficient funds to pay the 2011-12 TRANs as they mature. To the extent that any amounts actually received pursuant to clauses (a) through (c) above are less than the total dollar amount designated for each such deposit in clauses (a) through (c) above, the Comptroller shall deposit into the 2011-12 TRANs Repayment Fund additional amounts from any other moneys of the City lawfully available therefor, including Unrestricted Revenues. To the extent a 2011-12 TRAN is not paid from the Pledged Moneys, such 2011-12 TRAN shall be paid with interest thereon from any other moneys of the City lawfully available therefor. As provided in the Authorizing Law, the 2011-12 TRANs and the interest thereon are a valid lien and charge against, and are payable from the first moneys received by the City from, such Pledged Moneys. The Pledged Moneys, which may be invested in Permitted Investments (as defined in the Accompanying Document), shall be used to pay the 2011-12 TRANs and the interest thereon when the same shall become due and payable and may not be used for any other purpose, although earnings on amounts in the 2011-12 TRANs Repayment Fund shall be deposited as and when received into the General Fund of the City. Any amounts remaining in the 2011-12 TRANs Repayment Fund after repayment of all 2011-12 TRANs and the interest thereon shall be the sole and exclusive property of the City, shall not be subject to any claims by or on behalf of any holder of 2011-12 TRANs, and shall be transferred to any other account in the General Fund of the City as the Chief Financial Officer or any of his/her respective designees may direct.

SECTION 7. Each of the Chief Financial Officer or the City Treasurer, or any designee thereof, is authorized to execute and deliver a Tax Certificate (as defined in the Accompanying Document) obligating the City to comply with certain covenants in order to maintain the exclusion of interest on the 2011-12 TRANs from the gross income of the owners thereof for federal income tax purposes.

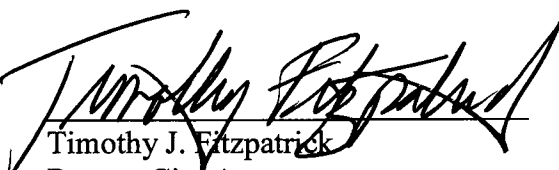
SECTION 8. Authorized officers of the City are hereby authorized and directed to pay all the foregoing fees and other costs of issuance of the 2011-12 TRANs in accordance with the Note Purchase Agreement and as otherwise agreed in writing with the City and the respective parties thereto, including fees of Purchaser's counsel.

SECTION 9. The Mayor, Chief Operating Officer, the Chief Financial Officer, the City Treasurer, the Comptroller and the City Clerk, and their designees, upon advice of the City Attorney and Bond Counsel, are hereby authorized and directed, jointly and severally, to do any and all things and to execute, modify and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to effect the issuance, sale and delivery of the 2011-12 TRANs, and otherwise to carry out the purposes of this Resolution.

SECTION 10. The City Attorney is authorized to execute an agreement with Orrick, Herrington & Sutcliffe LLP to provide bond counsel services in connection with the issuance of the 2011-12 TRANs in a fixed amount equal to \$20,000, inclusive of expenses.

SECTION 11. The officers of the City and their authorized representatives are, and each of them acting alone is, hereby authorized to execute any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and the Accompanying Document and necessary or appropriate to carry the same into effect and to carry out their purposes.

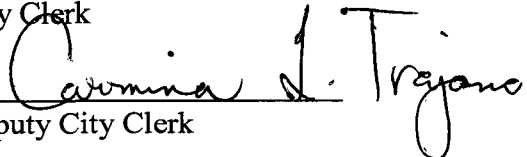
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Timothy J. Fitzpatrick
Deputy City Attorney

TJF:sc
6/24/2011
Or.Dept:Debt Management

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of ~~JUN 28 2011~~.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6-28-11
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor