

RESOLUTION NUMBER R- **307453**

DATE OF FINAL PASSAGE: **MAY 30 2012**

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 2012-13
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO
EXCEED \$143 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 (collectively, the 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 \$143 million with respect to the City's Fiscal Year 2012-13, such indebtedness to be evidenced by the 2012-13 Tax and Revenue Anticipation Notes authorized and described herein (2012-13 TRANs) in an aggregate principal amount not to exceed the sum described above; and

WHEREAS, the City intends to sell the 2012-13 TRANs on a competitive bidding basis, pursuant to the terms, conditions and procedures set forth in the Accompanying Document and in

the Official Notice Inviting Bids; provided that the 2012-13 TRANs shall: (1) mature not later than thirteen months following their issue date, and (2) bear interest at the rate or rates established prior to delivery of the 2012-13 TRANs, in no event to exceed an effective interest rate of two percent (2.00%) per annum; 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- 307453 - 1 (“Accompanying Document”), Document No. RR- 307453 - 2 (Notice Inviting Bids), Document No. RR- 307453 - 3 (Preliminary Official Statement), Document No. RR- 307453 - 4 (Continuing Disclosure Certificate) and Document No. RR- 307453 - 5 (Paying Agent Agreement) including exhibits thereto; and

WHEREAS, the aggregate principal of, and interest payable on, the 2012-13 TRANs shall not exceed either: (1) 85% of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts and other moneys of the City which will be available for the payment of the 2012-13 TRANs or other indebtedness and the interest thereon; provided, however, that to the extent that any principal of or interest on the 2012-13 TRANs or other indebtedness is secured by a pledge of the amount in any inactive or term deposit of the City, the term of which will terminate during the City’s 2012-13 Fiscal Year, such principal and interest may be disregarded in computing said limit or (2) 25% of the total appropriations for the City for the City’s 2012-13 Fiscal Year, within the meaning of Section 92 of the City Charter; and

WHEREAS, (i) the taxes, income, revenue, cash receipts and other moneys attributable to the City’s Fiscal Year 2012-13 and lawfully available for the payment of the 2012-13 TRANs and interest thereon exclusive of any moneys which when received will be encumbered for a special purpose (“Unrestricted Revenues”) and (ii) the total appropriations of the City for such

fiscal year determined for purposes of Section 92 of the City Charter are reasonably estimated to be in excess of \$288 million; and

WHEREAS, the 2012-13 TRANs shall be issued in one series and mature on one maturity date no later than thirteen months after the date of issuance, and the City desires the flexibility to respond to market conditions to obtain the best pricing terms and conditions and to issue the 2012-13 TRANs in one or more series, which are expected to consist of (but may be changed according to the terms herein) Series A Notes maturing on or about June 28, 2013; and

WHEREAS, Pursuant to Section 22.4108 of the San Diego Municipal Code (Section 22.4108, as amended) as enacted by Ordinance O-19320, the Disclosure Practices Working Group (DPWG) and related entities is required to review disclosure documents of the City and the DPWG reviewed and approved, in accordance with the Disclosure Practices and Procedures of the City, the form of the Preliminary Official Statement for the 2012-13 TRANs.

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.

The 2012-13 TRANs are hereby authorized to be issued in one series and mature on one maturity date as determined by the City no later than thirteen months after their date of issuance in an aggregate principal amount not to exceed the lesser of \$143 million or the amount authorized to be issued pursuant to the Authorizing Law, as determined and certified by the Chief Operating Officer pursuant to the respective Accompanying Document and as further approved by the Chief Operating Officer or his designee, his execution of the Accompanying Document to be conclusive evidence thereof. The 2012-13 TRANs shall be issued as Fixed Rate

Notes (as such term is defined in the Accompanying Document), as shall be established by the Chief Operating Officer of the City (Chief Operating 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-307453 - 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 Operating 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 may approve, in his discretion in consultation with the City's financial advisor, as being in the best interests of the City, such approval to be evidenced conclusively by the execution and delivery thereof. The Chief Operating Officer is empowered to implement this Resolution in a manner determined by the Chief Operating Officer to be necessary or desirable and in the best interests of the City, including (without limitation and without regard to the priority of the listings herein) consideration of the following factors with regard to the issuance, of the 2012-13 TRANs: (i) market preferences; (ii) the costs to the City; (iii) the generation of sufficient proceeds; and (iv) expected earnings, as contemplated by this Resolution. Without limiting the foregoing, the Chief Operating Officer, subject to Section 5 hereof, may determine the maturity date and amount for any and each respective series of the 2012-13 TRANs including issuing in one or more series with a maturity not later than thirteen months, and the Chief Operating 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 Operating 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 2012-13 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 2012-13 TRANs, as if all such terms and conditions were fully set forth in this Resolution.

SECTION 2. In consideration of the purchase and acceptance of any and all of the 2012-13 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 2012-13 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 2012-13 TRANs shall be for the equal benefit, protection and security of the Holders of all of such 2012-13 TRANs, shall be of equal rank without preference, priority, privilege, right or distinction of any of the 2012-13 TRANs of any Series over any other thereof, except as expressly provided in or permitted by the Accompanying Document.

SECTION 3. The 2012-13 TRANs shall not be subject to redemption prior to maturity.

SECTION 4. The Chief Operating Officer or his designee is hereby authorized to sell the 2012-13 TRANs on a competitive bidding basis, pursuant to the terms, conditions and procedures set forth in the Accompanying Document and in the Official Notice Inviting Bids; provided that the 2012-13 TRANs shall (1) mature not later than thirteen months following their issue date, and (2) bear interest at the rate or rates established prior to delivery of the 2012-13 TRANs, in no event to exceed an effective interest rate of two percent (2.00%) per annum. The form of the Official Notice Inviting Bids of the City presented at this meeting as Document No.

RR- 307453-2 is hereby approved and the Chief Operating Officer or his designee is hereby authorized to publish the Official Notice Inviting Bids, with such additions thereto and changes therein as are consistent with this Section and as he, or his designee, deems necessary or desirable. The Chief Operating Officer or his/her designee is authorized and directed for and in the name of, and on behalf of the City to accept the final terms of the Notes based on the lowest responsible bid received by Grant Street Group's MuniAuction electronic bid submission system, the approved electronic bidding service.

SECTION 5. This City Council hereby approves the Preliminary Official Statement describing the 2012-13 TRANS in substantially the form on file in the Office of the City Clerk as Document No. RR- 307453-3, together with such additions thereto and changes therein as are determined necessary or desirable by the Chief Operating Officer and with such other changes as may be requested or required by DPWG or Bond and Disclosure Counsel and with the approval as to form of the City Attorney and in accordance with City's applicable DPWG procedures to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, including but not limited to such changes as are deemed necessary or desirable by him to make such Official Statement complete and accurate as of its date. The Chief Operating Officer is hereby authorized, at the request of the successful bidder on the Notes, to execute an appropriate certificate affirming the City's determination that the Preliminary Official Statement has been deemed nearly final within the meaning of Rule 15c2-12. The Chief Operating Officer is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Notes in compliance with applicable securities laws. The Chief Operating Officer is hereby authorized and directed to approve any changes in or additions that are determined to be necessary or desirable to cause such Official Statement to be

put in final form, and to execute said final Official Statement for and in the name and on behalf of the City. Subject to compliance with the applicable approval process required by the City, the Council hereby authorizes the distribution of the final Official Statement by the successful bidder on the Notes in compliance with applicable securities laws.

SECTION 6. The Comptroller of the City (Comptroller) shall establish a "2012-13 TRANs Repayment Fund," and any additional subaccounts therein to the extent provided in the Accompanying Document. As provided in the Authorizing Law, the 2012-13 TRANs shall be general obligations of the City, payable from "Unrestricted Revenues". [In the event the 2012-13 TRANs are issued in three series, the Comptroller shall deposit in the 2012-13 TRANs Repayment Fund (subject to the provisions set forth in the last paragraph of this Section) (the "2012-13 TRANs Repayment Fund"):

(a) From the first Unrestricted Revenues received by the City on and after January 1, 2013, and not later than January 31, 2013, an amount equal to thirty percent (30%) of the principal and interest due on the Notes at the maturity thereof;

(b) From the first Unrestricted Revenues received by the City on and after April 1, 2013, and not later than April 30, 2013, an amount equal to thirty percent (30%) of the principal and interest due on the Notes at the maturity thereof; and

(c) From the first Unrestricted Revenues received by the City on and after May 1, 2013, and not later than May 31, 2013, an amount equal to forty percent (40%) of the principal and interest due on the Notes at the maturity thereof (the amounts set forth in (a), (b) and (c) being herein referred to as the "Pledged Moneys");

provided, however, that if the 2012-13 TRANs are issued in one or more series and/or with maturities which differ from those set forth in the form of Accompanying Document presented

herewith, the 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 Operating Officer or his designee to provide sufficient funds to pay the 2012-13 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 2012-13 TRANs Repayment Fund additional amounts from any other moneys of the City lawfully available therefor. To the extent a 2012-13 TRAN is not paid from the Pledged Moneys, such 2012-13 TRAN shall be paid with interest thereon from any other moneys of the City lawfully available therefor. As provided in the Authorizing Law, the 2012-13 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 2012-13 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 2012-13 TRANs Repayment Fund shall be deposited as and when received into the General Fund of the City. Any amounts remaining in the 2012-13 TRANs Repayment Fund after repayment of all 2012-13 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 2012-13 TRANs, and shall be transferred to any other account in the General Fund of the City as the Chief Operating Officer or any of his respective designees may direct.

SECTION 7. Each of the Chief Operating 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 2012-13 TRANs from the gross income of the owners thereof for federal income tax purposes.

SECTION 8. The form of the Continuing Disclosure Certificate of the City presented at this meeting as Document No. RR-307453-4 is hereby approved and the Chief Operating Officer or his designee is hereby authorized to execute the Continuing Disclosure Certificate of the City, with such additions thereto and changes therein as he, or his designee, deems necessary or desirable, such approval to be evidenced conclusively by the execution and delivery thereof.

SECTION 9. The engagement of Deutsche Bank National Trust Company to provide paying agent services for the 2012-13 TRANs for a base amount not to exceed \$500 is hereby approved pursuant to the form of the Paying Agent Agreement presented at this meeting as Document No. RR-307453-5 and the Chief Operating Officer or his designee is hereby authorized to execute the Paying Agent Agreement, with such additions thereto and changes therein as he, or his designee, deem necessary or desirable, such approval to be endorsed conclusively by the execution and delivery thereof, to be executed by the Chief Operating Officer, subject to the approval as to form of the City Attorney.

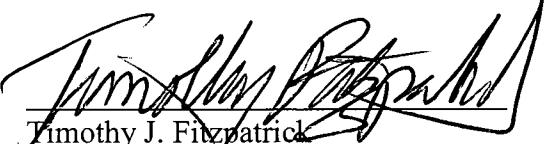
SECTION 10. Authorized officers of the City are hereby authorized and directed to pay all the foregoing costs of issuance of the 2012-13 TRANs as agreed in writing with the City and the respective parties thereto, including rating agency fees and printer fees.

SECTION 11. The Mayor, the Chief Operating Officer, the City Treasurer, the Comptroller and the City Clerk, and their designees, upon advice of the City Attorney and Bond and Disclosure 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 2012-13 TRANS, and otherwise to carry out the purposes of this Resolution.

SECTION 13. 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 desirable 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
05/03/12
Or.Dept: City Attorney
Doc. No. 364316

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 21 2012

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 5.30.12
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor