

ORDINANCE NUMBER O- 20665 (NEW SERIES)

DATE OF FINAL PASSAGE JUN 29 2016

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING AND DIRECTING THE MAYOR OR HIS DESIGNEE TO ENTER INTO ONE OR MORE AGREEMENTS WITH THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, AND INCURRING OBLIGATIONS PAYABLE TO THE BANK, TO FINANCE CERTAIN CAPITAL IMPROVEMENTS TO THE SAN DIEGO CONVENTION CENTER, DECLARING THE CITY'S INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF TAX-EXEMPT DEBT AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the California Infrastructure and Economic Development Bank (IBank) administers a financing program to assist local governments with the financing of eligible projects in accordance with the California Government Code section 63000 *et seq.* (Act); and

WHEREAS, IBank created the Infrastructure State Revolving Fund Program (ISRF Program) pursuant to the provisions of the Act; and

WHEREAS, IBank's Criteria, Priorities and Guidelines for the Selection of Projects for Financing under the ISRF Program, adopted by the IBank Board of Directors on February 23, 2016, and as may thereafter be amended from time to time (Criteria), establishes requirements for the financing of projects under the ISRF Program; and

WHEREAS, under the 1998 Convention Center Management Agreement between the San Diego Unified Port District (Port) and the City of San Diego (1998 Agreement), the City of San Diego (City) holds certain rights to the use, management and operation of the San Diego Convention Center (Convention Center) and such rights will extend through the term of the

Obligation and Financing Agreements, each hereinafter defined, upon the execution of an amendment to the 1998 Agreement; and

WHEREAS, the Convention Center is owned by the Port and managed by the San Diego Convention Center Corporation (Corporation) on behalf of the City; and

WHEREAS, the City, together with the Corporation (collectively, the Co-Borrowers) have applied to IBank for financing the costs of certain improvements to a portion of the Convention Center (Project), in an aggregate amount not to exceed \$25,500,000; and

WHEREAS, the Act requires the City Council to make certain findings prior to a Project being selected for financing by IBank and the City Council made the following findings in Resolution No. R- **310535**

- (a) the Project facilitates the effective and efficient use of existing and future public resources so as to promote both economic development and the conservation of natural resources;
- (b) the Project develops and enhances public infrastructure in manner that will attract, create and sustain long-term employment opportunities;
- (c) the Project is consistent with the Port Master Plan for the Unified Port of San Diego and, any elements of the General Plan of the City of San Diego and the General Plan of the County of San Diego that are applicable to the City and the Project;
- (d) the proposed financing is appropriate of the Project;
- (e) the Project is consistent with IBank's Criteria for the ISRF Program;

- (f) the City has considered the impact of the Project on (i) California's land resources and the need to preserve such resources, (ii) whether the Project is socially or economically desirable, and (iii) whether the Project is consistent with, and in furtherance of the State Environmental Goals and Policy Report; and

WHEREAS, the City reasonably expects that a financing arrangement (Obligation) in an amount not expected to exceed \$25,500,000 will be entered into under and memorialized by one or more financing agreements and related documents (collectively, the Financing Agreements) and that certain proceeds of such Obligation will be used to reimburse the Co-Borrowers for Project expenditures incurred or paid prior to incurring the Obligation; and

WHEREAS, the City acknowledges that IBank funds the ISRF Program, in part, with the proceeds of tax exempt bonds and, as such, has certain compliance obligations that may require it to have the Co-Borrowers enter into new financing agreements to replace the Financing Agreements (Replacement Agreements) on terms and conditions substantially identical to the original Financing Agreements; NOW, THEREFORE,

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

Section 1. That the City Council hereby finds and determines that the statements set forth above in the recitals to this Ordinance are true and correct.

Section 2. That the City Council hereby approves, ratifies and affirms all actions heretofore taken by the City's representatives in connection with financing for the Project, including the submission of the application to the IBank.

Section 3. The City hereby declares its official intent to use certain proceeds of the Obligation to reimburse itself for expenditures reimbursable with the proceeds of tax exempt bonds or other tax exempt securities under the provisions of the Internal Revenue Code of 1986, as amended, and those U.S. Treasury Regulations implementing such provisions (collectively, Federal Tax Law). This declaration is made solely for purposes of establishing compliance with applicable requirements of Federal Tax Law. This declaration does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 4. The Mayor, the Chief Operating Officer, the Chief Financial Officer (Authorized Officers) or any of each of their designees is hereby authorized and directed to act on behalf of the City and the City Council in all matters pertaining to the financing from IBank, including but not limited to the authority to (1) make payments for the Obligation from the City's General Fund and any other legally available sources; (2) make arrangements, including but not limited to entering into agreements with the Corporation to facilitate the financing of the Project; and (3) take any other action necessary or desirable to enable the City to enter into the Financing Agreements and incur the Obligation.

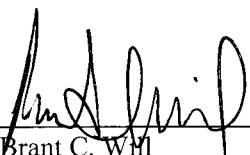
Section 5. If the Obligation is approved by IBank, the Authorized Officers or any of each of their designees is authorized to negotiate, enter into, and sign financing documents and any amendments thereto, including, but not limited to the Financing Agreements and the Replacement Agreements, with IBank for the purpose of financing the Obligation.

Section 6. A "Term Sheet" setting forth key terms for the contemplated Obligation, a copy of which is on file in the Office of the City Clerk as Document No. OO-20665. No contractual arrangement, or other obligation, for financing the Project exists between IBank and the City until all applicable parties have executed mutually-acceptable Financing Agreements.

Section 7. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the City Council and the public prior to the day of its passage.

Section 8. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

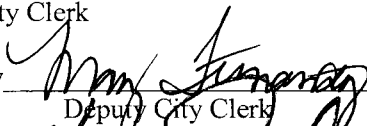
APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Williams
Deputy City Attorney

BCW:jdf
05/12/16
Or.Dept: CFO
Doc. No.: 1248531_4

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JUN 28 2016.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 6/29/16
(date)



KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 28 2016, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 29 2016.

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Mary Fernandez*, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUN 14 2016, and on JUN 29 2016.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Mary Fernandez*, Deputy

Office of the City Clerk, San Diego, California

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