

ORDINANCE NUMBER O- 20666 (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 AN AMENDMENT OF THE 1998 CONVENTION CENTER MANAGEMENT AGREEMENT AND ALL OTHER NECESSARY DOCUMENTS WITH THE SAN DIEGO UNIFIED PORT DISTRICT TO FACILITATE THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS TO THE SAN DIEGO CONVENTION CENTER, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City, through the San Diego Convention Center Corporation, Inc. (Corporation) manages the San Diego Convention Center (Convention Center) on behalf of the San Diego Unified Port District, a public corporation (District) and under terms set forth in that certain 1998 Convention Center Management Agreement dated September 17, 1998 (1998 Agreement) by and between the District and the City; and

WHEREAS, the term of the 1998 Agreement terminates on May 1, 2028, which coincides with the end of the Expansion Lease, as that term is defined in the 1998 Agreement, related to the 1998 expansion of the Convention Center, as amended, unless the term of the Expansion Lease or the 1998 Agreement is extended in writing by the District and the City; and

WHEREAS, the City and the Corporation intend to finance certain improvements (Financed Improvements) to the Convention Center through a lease-leaseback financing arrangement (Obligation) with the California Infrastructure and Economic Development Bank (IBank) memorialized by financing agreements by and among the City, the Corporation and IBank (Financing Agreements); and

WHEREAS, under the Financing Agreements, IBank will provide financing for the acquisition and installation of the Financed Improvements, the City and Corporation will lease certain existing improvements at the Center, as more particularly described in the Operating Memorandum No. 2 to the 1998 Convention Center Management Agreement By and Between the San Diego Unified Port District and the City of San Diego, As Amended (Operating Memorandum), which may be amended from time to time, to IBank for nominal rent, and IBank will lease such existing improvements back to the City and Corporation for an amount equal to the amortized value of the financing provided under the Obligation; and

WHEREAS, IBank requires that the City and Corporation have sufficient rights, power and control of the Convention Center to enter into the Financing Agreements; and

WHEREAS, the term of the Financing Agreements will be 25 years or the date the Obligation is fully repaid; and

WHEREAS, the City proposes to extend the term of the 1998 Agreement to accommodate the term of the Financing Agreements; and

WHEREAS, in order to amend the term of the 1998 Agreement and facilitate the Financed Improvements, certain provisions of the 1998 Agreement must also be amended; and

WHEREAS, the sole purpose of this amendment to the 1998 Agreement (Amendment) is to facilitate the financing of the Financed Improvements and does not create a commitment or obligation of the City to construct the Financed Improvements or any other capital improvements to the Convention Center in the future; 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.

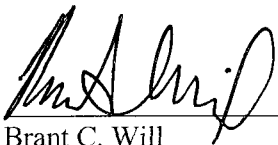
Section 2. That the City Council hereby approves, ratifies and affirms all actions heretofore taken by the City's representatives in connection with entering into the Amendment and Operating Memorandum.

Section 3. 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 Amendment and the Operating Memorandum for the purpose of enabling the City to enter into the Financing Agreements and incur the Obligation.

Section 4. 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 5. 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. Will
Deputy City Attorney

BAB:BCW:jdf:
05/24/16
Or.Dept: CFO
Doc. No.: 1293519_2

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 *Mary Junco*
Deputy City Clerk

Approved: 6/29/16
(date)

Kevin L. Faulconer
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 Hernandez, 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 Hernandez, Deputy

Office of the City Clerk, San Diego, California

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