

Item 150  
Subitem-C  
(R-2017-223) 11/14/16

RESOLUTION NUMBER R- 310764

DATE OF FINAL PASSAGE NOV 17 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO DECLARING ITS OFFICIAL INTENT TO  
REIMBURSE ITSELF FROM PROCEEDS OF BONDED  
INDEBTEDNESS.

WHEREAS, the Council of the City of San Diego, California (City) expects and intends to finance the construction of a public parking structure in Balboa Park (Project); and

WHEREAS, the City expects to issue debt to finance a significant portion of the cost of the Project on a permanent basis (Debt); and

WHEREAS, the City expects to expend moneys (other than moneys derived from the issuance of bonds) on expenditures relating to the costs of the Project prior to the issuance of the Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles; and

WHEREAS, the City reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Debt; and

WHEREAS, on July 12, 2012, the City Council approved a reimbursement resolution (R-307557) for the Project for a maximum principal amount of Debt not to exceed \$18 million; and

WHEREAS, the costs associated with the Project since 2012 have increased significantly; and

WHEREAS, the City now expects that the maximum principal amount of Debt which will be issued to pay for the costs of the Project (and related issuance costs) will not exceed \$50 million; and

WHEREAS, at the time of the reimbursement, the City will evidence the reimbursement in a writing which identifies the allocation of the proceeds of the Debt to the City for the purpose

of reimbursing the City for any of the capital expenditures made prior to the issuance of the Debt; and

WHEREAS, the City expects to make the reimbursement allocation no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure is paid of (ii) the date on which the Project is placed in service (or abandoned), but in no event later than three (3) years after the date on which the earliest original expenditure is paid; and

WHEREAS, the City will not, within one (1) year of the reimbursement allocation, use the proceeds of the Debt received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (*e.g.*, the City will not pledge or use the proceeds received for the payment of debt service on the Debt or another issue, except that the proceeds of the Debt can be deposited in a bona fide debt service fund); and

WHEREAS, the Resolution is intended to be a “declaration of official intent” in accordance with Section 1.150-2 of the Treasury Regulation; NOW, THEREFORE,

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

1. That this City Council finds and determines that the forgoing recitals are true and correct.
2. That this Declaration of Intent is made solely for the purpose of establishing compliance with section 1.150-2 of the Treasury Regulations, and in accordance therewith the City declares its intention to issue Debt in a principal amount not to exceed \$50 million, the proceeds of which will be used to pay for the costs of the Project (and related issuance costs), including the reimbursement to the City for certain capital expenditures relating to the Project made prior to the issuance of the Debt, provided however that this Declaration of Intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

3. That this Declaration of Intent shall take effect from and after the date of its adoption.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Christina L. Rae  
Christina L. Rae  
Deputy City Attorney

CLR:cw  
11/01/16  
Or.Dept: Public Works/Engineering  
CC No.: N/A  
Doc. No.: 1381937

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 14 2016.

ELIZABETH S. MALAND  
City Clerk

By Stacy Broad  
Deputy City Clerk  
Kevin L. Faulconer  
KEVIN L. FAULCONER, Mayor

Approved: 11/17/16  
(date)

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

NOV 14 2016

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

Councilmembers	Yeas	Nays	Not Present	Recused
Sherrri Lightner	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 17 2016

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

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

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

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- <u>310764</u>