

(O-86-194)
ORDINANCE NUMBER O-16656 (NEW SERIES)
ADOPTED ON MAY 27, 1986

AN ORDINANCE PURSUANT TO SECTION 99 OF THE CITY CHARTER AUTHORIZING A LEASE AGREEMENT (POLICE CAPITAL IMPROVEMENTS PROJECT) WITH RAUSCHER PIERCE REFSNES LEASING, INC., A TRUST AGREEMENT WITH BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, CERTAIN AMENDMENTS TO RELATED LEASE AGREEMENTS AND TRUST AGREEMENTS AND A FEE SCHEDULE FOR TRUST SERVICES RELATING TO THE ISSUANCE OF REFUNDING CERTIFICATES OF PARTICIPATION IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$70,000,000 FOR A TERM NOT EXCEEDING 25 YEARS.

WHEREAS, the City of San Diego (the "City") and Imperial Municipal Services Group, Inc., a California corporation, ("Imperial") have heretofore entered into that certain Lease-Purchase Agreement (Western Division Police Station Project), dated as of March 1, 1983 (the "Western Division Lease"); and

WHEREAS, the City and Imperial have heretofore entered into that certain Lease-Purchase Agreement (Southeastern Division Police Station Project), dated as of April 1, 1984 (the "Southeastern Division Lease"); and

WHEREAS, the City and Rauscher Pierce Refsnes Leasing, Inc. (The "Corporation") have heretofore entered into that certain Lease Agreement (Police Administration and Technical Center), dated as of September 1, 1984 (the "Administration Center Lease"); and

WHEREAS, the City and Corporation have heretofore entered into that certain Lease Agreement (San Diego Police Heavy Vehicle Maintenance Facility), dated as of February 1, 1985 (the "Maintenance Facility Lease"); and

WHEREAS, the City has determined that in order to reduce the aggregate amount of payments due under the Western Division Lease, the Southeastern Division Lease, the Administration Center Lease and the Maintenance Facility Lease (collectively referred to herein as the "Project Leases"), it is necessary to provide for the refinancing of the City's obligations under the Project

Leases and, to that end, has determined that it is necessary and desirable to secure the payment of the lease payments due under the Project Leases by making the deposit provided for in Section 4.7 of the Administration Center Lease and Maintenance Facility Lease, as well as Section 4 (h) of the Southeastern Division Lease and Western Division Lease, and to enter into that certain Lease Agreement (the "Lease Agreement"), dated as of June 1, 1986, by and between the City and the Corporation, pursuant to which the Corporation will lease to the City all of the sites and the projects which are being leased pursuant to the Project Leases; and

WHEREAS, as a financing mechanism, Certificates of Participation will be executed and delivered evidencing the proportionate interests of the owners thereof in lease payments (the "Lease Payments") to be made by the City to the Corporation under the Lease Agreement; and

WHEREAS, Bank of America National Trust and Savings Association ("Trustee") will be designated the Trustee to receive the Lease Payments and to pay the principal and interest components thereof to the owners of the Certificates of Participation; and

WHEREAS, pursuant to Section 99 of the Charter of The City of San Diego a noticed hearing was held on the date hereof regarding the leasing of the Projects and the agreements to be entered into to carry out the purposes of said Projects as referred to in the recitals hereof; NOW, THEREFORE,

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

Section 1. The proposed form of Lease Agreement, dated as of June 1, 1986, by and between the City and Lessor, which is on file in the office of the City Clerk as Document No. OO-16656-1, is hereby approved, and the City Manager is hereby authorized and directed to execute said agreement, and the City Clerk is directed to attest the City Manager's signature, so long as: (i) the principal amount of the Lease Agreement does not exceed \$70,000,000; (ii) the term of the Lease Agreement does not exceed 25 years; (iii) the total Lease Payments to be paid by the City under the Lease Agreement in any fiscal year does not exceed the aggregate amount of Lease Payments due in any fiscal year under the Project Leases; and (iv) future value savings realized between the Project Leases and the Lease Agreement equal at least \$32,000,000.

Section 2. The proposed form of Amendment to Trust Agreement (Southeastern Division Police Station Project), dated as of June 1, 1986, by and among the Trustee, Imperial, and the City, which

is on file in the office of the City Clerk as Document No. OO-16656-2, is hereby approved. The City Manager and the City Clerk are authorized and directed to execute said Amendment to Trust Agreement on behalf of the City.

Section 3. The proposed form of Amendment to Lease Agreement (Southeastern Division Police Station Project), dated as of June 1, 1986, by and between Imperial and the City, which is on file in the office of the City Clerk as Document No. OO-16656-3, is hereby approved. The City Manager and the City Clerk are authorized and directed to execute said Amendment to Lease Agreement on behalf of the City.

Section 4. The proposed form of Amendment to Trust Agreement (Western Division Police Station Project), dated as of June 1, 1986, by and among the Trustee, Imperial, and the City, which is on file in the office of the City Clerk as Document No. OO-16656-4, is hereby approved. The City Manager and the City Clerk are authorized and directed to execute said Amendment to Trust Agreement on behalf of the City.

Section 5. The proposed form of Amendment to Lease Agreement (Western Division Police Station Project), dated as of June 1, 1986, by and between Imperial and the City, which is on file in the office of the City Clerk as Document No. OO-16656-5, is hereby approved. The City Manager and the City Clerk are authorized and directed to execute said Amendment to Lease Agreement on behalf of the City.

Section 6. The proposed form of Trust Agreement, dated as of June 1, 1986, by and among Trustee, Lessor and City, which is on file in the office of the City Clerk as Document No. OO-16656-6, is hereby approved. The City Manager and the City Clerk are authorized and directed to execute said Trust Agreement on behalf of the City, and to insert the appropriate interest rates and principal maturity schedule in Section 2.03 thereof after the interest component of the Lease Payments and such principal maturity schedule are determined.

Section 7. The Trustee, as compensation for acting as Trustee pursuant to the aforesaid Trust Agreement, is hereby authorized to pay to itself out of the proceeds of the delivery of said Certificates of Participation such amounts to which it is entitled pursuant to its letter to the City, dated April 25, 1985, a copy of which is on file in the office of the City Clerk as Document No. OO-16656-7.

Section 8. The Lease Agreement, Amendment to Lease Agreement (Southeastern Division Police Station Project), the Amendment to Trust Agreement (Southeastern Division Police Station Project), the Amendment to Lease Agreement (Western Division Project), the

Amendment to Trust Agreement (Western Division Project) and the Trust Agreement are subject to minor changes not inconsistent with the essential terms thereof and which are approved by the City Manager. The City Manager's approval of such changes shall be conclusively established by his execution of the Lease Agreement and Trust Agreement.

Section 9. The Clerk is authorized and directed to cause a digest or copy of this ordinance to be published at least once in The San Diego Daily Transcript within fifteen (15) days after the adoption of this ordinance pursuant to Section 18 of the City Charter.

Section 10. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: John W. Witt, City Attorney

By

Harold O. Valderhaug

Deputy City Attorney

HOV:ps

04/30/86

Or.Dept:Fin.Mgmt.

O-86-194

Form=o.none