

Article 7: City of San Diego Economic Development Revenue Bond Law

Division 2: Financing Facilities

(“Permits” added 7-28-1959 by O-8152 N.S.)

(Repealed 10-24-1963 by O-8912 N.S.)

(“Financing Facilities” added 9-14-1981 by O-15586 N.S.)

§97.0201 Loans for Facilities

The City is hereby authorized to make, purchase, or otherwise contract for the making of, a mortgage or other secured or unsecured loan, with the proceeds of Bonds and upon such terms and conditions as the City shall deem proper, to any Participating Party for the Costs of Facilities.

(“Loans for Facilities” added and amended 9-14-1981 by O-15586 N.S.)

§97.0202 Sale or Lease of Facilities by City

The City is hereby authorized to acquire, construct, enlarge, remodel, renovate, alter, improve, furnish, equip and lease as lessee, with the proceeds of Bonds, Facilities solely for the purpose of selling or leasing as lessor such Facilities to such Participating Party, and is further authorized to make any contracts for such purposes. The City is also authorized to contract with such Participating Party to undertake on behalf of the City to construct, enlarge, remodel, renovate, alter, improve, furnish and equip such Facilities.

The City is authorized to sell or lease, upon such terms and conditions as the City shall deem proper, to a Participating Party and Facilities owned by the City under this article, including Facilities conveyed to the City in connection with a financing authorized by this article but not being financed hereunder.

(“Sale or Lease of Facilities by City” added and amended 9-14-1981 by O-15586 N.S.)

§97.0203 Applications for Approval

Any person may apply to the City for approval as a Participating Party and for approval of Facilities for financing under this article. Applications shall set forth such information as the City may require in order to enable the City to evaluate the applicant, the Facilities and its proposed costs.

Applications shall be evaluated by the City to assure that any financing under this article results in at least one of the following public benefits:

- (a) Significant additional employment to residents of the City. An industrial facility will qualify for financing under this article only if such financing will result in an increase in employment of thirty or more employees per net usable acre by the end of the second operating year. Net usable acreage, for the purpose of this criterion, is acreage upon which buildings or associated direct support improvements are to be constructed or improved. An industrial facility which produces goods or services for sale outside the San Diego metropolitan area, or which is to be located in a disadvantaged area, shall receive preference.
- (b) Continuance of a company's operation in the City which otherwise might relocate outside the City.
- (c) Preservation or enhancement of the supply of energy (including gas) and/or a reduction in the expected costs thereof.
- (d) The provision of goods and services which are not otherwise conveniently available to residents of a neighborhood.
- (e) An improvement in the viability of a revitalization or redevelopment project.

Application evaluations will also consider the potential adverse effect, if any, that financing under this article would have on existing San Diego area firms. The purpose of such review is to preclude placing local firms at a competitive disadvantage by issuing bonds for an applicant.

Financing under this article shall be approved by the City only when it can be demonstrated that such financing will make a significant beneficial contribution to the realization of one or more of the public benefits listed above.

(Amended 9-13-1982 by O-15812 N.S.)

§97.0204 Fees

The City is hereby authorized to charge Participating Parties application, commitment, financing and other fees, in order to recover all administrative and other costs and expenses incurred in the exercise of the powers and duties conferred by this article.

(“Fees” added and amended 9-14-1981 by O-15586 N.S.)

§97.0205 Insurance

The City is hereby authorized to obtain, or aid in obtaining, from any department or

agency of the United States or of the State of California or any private company, any insurance or guarantee as to, or of, or for the payment or repayment of, interest or principal, or both, rents, fees or other charges, or any part thereof, on any loan, lease or sale obligation or any instrument evidencing or securing the same, made or entered into as authorized by this article; and is authorized to accept payment in such manner and form as provided therein in the event of default by a Participating Party, and to assign any such insurance or guarantee as security for Bonds.

(*"Insurance"* added and amended 9-14-1981 by O-15586 N.S.)

§97.0206

Rents and Charges

The City Manager is hereby authorized to fix rents, payments, fees, charges and interest rates for a financing authorized by this article and to agree to revise from time to time such rents, payments, fees, charges and interest rates to reflect changes in interest rates on Bonds, losses due to defaults or changes in other expenses related to this article, including City administrative expenses.

(*"Rents and Charges"* added 9-14-1981 by O-15586 N.S.)

§97.0207

Security for Loans

The City is hereby authorized to hold deeds of trust or mortgages or security interests in personal property as security for loans and other obligations authorized by this article and to pledge or assign the same as security for repayment of Bonds. Such deeds of trust, mortgages or security interests, or any other interest of the City in any Facilities, may be assigned to, and held on behalf of the City by, any bank or trust company appointed to act as trustee by the City in any resolution or indenture providing for issuance of Bonds.

(*"Security for Loans"* added 9-14-1981 by O-15586 N.S.)

§97.0208

Employment of Experts and Consultants

The City is hereby authorized to contract for such engineering, architectural, financial, accounting, legal or other services as may be necessary in the judgment of the City for purposes of this article.

(*"Employment of Experts and Consultants"* added 9-14-1981 by O-15586 N.S.)

§97.0209

Public Works Requirements Inapplicable

Except as specifically provided in this article, the acquisition, construction, installation, reconstruction, rehabilitation or improvement of Facilities financed under this article shall not be subject to any requirements relating to buildings, works or improvements owned or operated by the City, and any requirement of public

competitive bidding or other procedural restriction imposed on the award of contracts for acquisition or construction of a City building, work or improvement, or to the lease, sublease, sale or other disposition of City property shall not be applicable to any action taken under this article.

(“*Public Works Requirements Inapplicable*” added 9–14–1981 by O–15586 N.S.)

§97.0210 Additional Powers

In addition to all other powers specifically granted by this article, the City is hereby authorized to contract for and do all things necessary or convenient to carry out the purposes of this article, provided, however, that the City shall not have the power to operate a Facility financed under this article as a business, except temporarily in the case of a default by a Participating Party.

(“*Additional Powers*” added 9–14–1981 by O–15586 N.S.)