

ORDINANCE NO. 2550

AN ORDINANCE AMENDING CHAPTER 3.48 OF THE CHULA VISTA MUNICIPAL CODE TO PERMIT THE FINANCING OF PROJECTS BY TAX-EXEMPT ORGANIZATIONS

WHEREAS, the City of Chula Vista (the "City") is a municipal corporation and charter city duly organized and existing under a charter (the "Charter") pursuant to which the City has the right and power to make and enforce all laws and regulations in respect to municipal affairs and certain other matters, in accordance with and as more particularly provided in Article XI of the Constitution of the State of California and Section 200 of the Charter; and,

WHEREAS, Chapter 3.48 of the Municipal Code of the City (the "Municipal Code") authorizes the City to issue bonds for the purpose of financing or otherwise assisting the acquisition and construction of projects located within the city to promote the health, safety and welfare of the City, to encourage industrial and commercial development within the City and to enhance the financial resources of the City; and,

WHEREAS, the City is currently considering the institution of proceedings to provide financing for the acquisition and construction of various projects by organizations which are exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the City Council wishes to amend Chapter 3.48 of the Municipal Code to authorize such financing proceedings; and,

WHEREAS, the City Council, acting under the Constitution of the State of California and under the Charter, finds and determines that the public interest and necessity require the adoption of this ordinance to authorize the issuance of revenue bonds for the purpose of financing such projects, and that providing such financial assistance constitutes a municipal affair of the City.

NOW, THEREFORE, the City Council of the City of Chula Vista does ordain as follows:

SECTION 1. That Section 3.48.020 of the Chula Vista Municipal Code is hereby amended to read as follows:

Sec. 3.48.020 Definitions.

Unless the context otherwise requires, the following definitions shall govern the construction of this chapter:

- A. "Acquisition" and its variants means acquisition, construction, improvement, furnishing, equipping, remodeling, repair, reconstruction or rehabilitation.
- B. "Administrative expenses" means all reasonable and necessary expenses incurred by the city in the administration of the provisions of this chapter with respect to a particular project and

the financing thereof, including without limitation compensation to city agents, employees and staff, fees and expenses of paying agents, trustees, bond counsel and financing consultants, and costs of printing and advertising.

- C. "Bonds" means any bonds, notes, interim certificates, debentures or other obligations issued by the city pursuant to this chapter, which are payable exclusively from revenues and other funds permitted by this chapter.
- D. "City" means the city of Chula Vista, California, a chartered city in the state existing under and exercising powers pursuant to the city charter and the constitution of the state.
- E. "City charter" means the charter of the city, as amended from time to time.
- F. "City council" means the city council of the city.
- G. "Costs" means, with reference to a project, any or all of the following costs incurred for the acquisition thereof:
 - 1. Obligations of the participating party incurred for labor and materials in connection with the acquisition of the project;
 - 2. The cost of acquisition of any property, whether real or personal and improved or unimproved, including franchise rights and other intangible property, and any interests therein, required for the acquisition of the project;
 - 3. The cost of demolishing, removing or relocating any building or structure, and the cost of making relocation assistance payments required by law;
 - 4. The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of the acquisition of the project;
 - 5. All costs of engineering, legal and consultant services, including the costs of the participating party for surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper acquisition of the project;
 - 6. All costs incurred in connection with proceedings by the participating party necessary to comply with the California Environmental Quality Act of 1970, as amended;
 - 7. All amounts required to fund any reserve funds for bonds and any interest on bonds becoming due and payable during a period

- not exceeding the period of acquisition of the project and twelve months thereafter;
8. All administrative expenses;
 9. All costs which the participating party shall be required to pay, under the terms of any contract or contracts, for the acquisition of the project;
 10. The refinancing of any existing indebtedness secured by an interest in any real property comprising any portion of the project, so long as and to the extent that such refinancing does not cause interest on the bonds to become taxable under Section 103 of the Internal Revenue Code of 1954, as amended; and,
 11. Any sums required to reimburse the participating party for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the project.
- H. "Exempt Organization" means an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
- I. "Finance" and its variants means the lending of moneys or any other thing of value, or the purchase of loans or the entering into of leases or installment sale agreements, for the purpose of:
1. Paying or otherwise providing for or assisting the payment of any or all of the costs of a project pursuant to this chapter; or
 2. Providing funds to be used as working capital or otherwise for general expenditures of exempt organizations pursuant to this chapter.
- J. "Participating Party" means any person, corporation, partnership, firm or other entity or group of entities, including but not limited to exempt organizations, which require financing for the acquisition of a project pursuant to this chapter.
- K. "Project" means real property improved with an industrial or commercial structure, including but not limited a real property to be used by an exempt organization in connection with its authorized purposes, and all property in connection therewith or incidental thereto, including all machinery, equipment and furnishings, the acquisition of which is financed or otherwise assisted pursuant to this chapter; provided, however, that no project to be financed may be located outside the city unless the city council shall find and determine that such project would directly benefit the citizens of the city by substantially promoting one or more of the public interests recited in Section 348.010. Project also included

qualified residential rental property as described in and within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended, and regulations and rulings promulgated thereunder, including all property in connection therewith and incidental thereto.

L. "Ordinance" means Ordinance No. 1970, passed and adopted by the city council of the city on February 9, 1982, pursuant to the City Charter, as amended from time to time.

M. "Revenue" means, with respect to a project, all amounts received as repayment of principal, interest and all other charges received for, and all other income and revenue (including the proceeds of insurance) derived by, the city in connection with such project, and any receipts derived from the investment of such income or revenue, including moneys deposited in a sinking, redemption or reserve fund or other fund to secure the bonds or to provide for the payment of the principal of or interest on the bonds and such other moneys as the city council may in its discretion make available therefor.

N. "State" means the state of California.

SECTION 2. Effect of Amendment. The amendments made pursuant to Section 1 hereof shall apply to bonds or other obligations to be issued by the City under Chapter 3.48 of the Municipal Code following the effective date of this ordinance, and not to any such bonds or other obligations issued by the City prior to such effective date.

SECTION 3. Publication Hereof. That the City Clerk is hereby authorized and directed to cause a digest or a copy of this ordinance to be published at least once in the Chula Vista Star News within fifteen days after the adoption of this ordinance pursuant to Section 312 of the Charter.

SECTION 4. Effective Date. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

Presented by:


Approved as to form by:


Chris Salomone
Community Development Director


Ruth M. Fritson
Assistant City Attorney

PASSED, APPROVED and ADOPTED by the City Council of the City of Chula Vista, California, this 20th day of April, 1993, by the following vote:

AYES:	Councilmembers:	Horton, Moore, Rindone, Nader
NOES:	Councilmembers:	None
ABSENT:	Councilmembers:	Fox
ABSTAIN:	Councilmembers:	None



 Tim Nader, Mayor

ATTEST:



 Beverly A. Authalet, City Clerk

STATE OF CALIFORNIA)
 COUNTY OF SAN DIEGO) ss.
 CITY OF CHULA VISTA)

I, Beverly A. Authalet, City Clerk of the City of Chula Vista, California, do hereby certify that the foregoing Ordinance No. 2550 had its first reading on April 13, 1993, and its second reading and adoption at a regular meeting of said City Council held on the 20th day of April, 1993.

Executed this 20th day of April, 1993.



 Beverly A. Authalet, City Clerk