

Feb. 15, 1978

R. 78-1434

RESOLUTION NO. 220291

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO, CALIFORNIA, DIRECTING THE CITY CLERK TO GIVE NOTICE INVITING SEALED BIDS FOR THE PURCHASE OF IMPROVEMENT BONDS AND THE CONSTRUCTION OF IMPROVEMENTS.

(Beyer Boulevard, Dairy Mart Road to I-805, Assessment District)

WHEREAS, the Council adopted a resolution approving a Report of the Superintendent of Streets under the Municipal Improvement Act of 1913 and Resolution of Intention No. 220289, and provided for a hearing thereon; and

WHEREAS, it is desirable that bids be invited for the purchase of bonds and also for the construction of the proposed improvements; NOW, THEREFORE,

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

Section 1. Sealed bids for the construction of the improvements shown and described in the plans and specifications, as contained in the Report, shall be received by the Purchasing Agent up to 11:00 A.M., March 27, 1978. The City Clerk is directed to give notice, in the usual form, inviting such bids, such notice to be given in the manner provided by law.

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Section 2. Sealed bids for the purchase of the above bonds shall be received at the time and in the manner stated in the following notice. The City Clerk is directed to publish the notice once in THE SAN DIEGO DAILY TRANSCRIPT. Before publication, the City Clerk shall complete the notice by filling in the correct data in the various blank spaces. The notice shall be substantially as follows:

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NOTICE INVITING BIDS ON
1911 ACT BONDS OF THE
CITY OF SAN DIEGO,
CALIFORNIA

(Beyer Boulevard, Dairy Mart Road to I-805, Assessment District)

NOTICE IS HEREBY GIVEN that pursuant to the Municipal Improvement Act of 1913, sealed bids for improvement bonds of The City of San Diego to be issued under the Improvement Act of 1911 are invited and will be taken as herein provided.

TIME AND PLACE FOR FILING AND OPENING OF BIDS. Bids must be sealed, received, and on file with the Purchasing Agent at the Purchasing Department, Third Floor, City Operations Building, 1222 1st Avenue, San Diego, California 92101, up to, but not later than, 11:00 A.M. on April 3, 1978. Bids may be delivered personally or mailed to the Purchasing Agent at his office at the above address. All bids so filed will be immediately opened, examined and declared by the Purchasing Agent in Conference Room 2, Second Floor, City Operations Building. The Purchasing Agent will thereafter report the results of said bidding to the Council.

BID FORM. Forms of bids for the purchase of the bonds are provided by and may be obtained from the Superintendent of

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Streets. All bids shall be submitted in substantially the same form as that provided by the Superintendent of Streets.

THE PROJECT AND ASSESSMENT DISTRICT. The project is located near the Tia Juana River and consists of various street improvements, all within the assessment district.

The improvements and the district to be assessed to pay the costs and expenses thereof are located entirely within The City of San Diego, all as more particularly described in the Report of the Superintendent of Streets on file in the office of the City Clerk.

ESTIMATED ASSESSMENT. The estimated cost of the project as shown on the Report of the Superintendent of Streets is:

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| Estimated cost of construction and construction contingencies, including cost of city force account work | \$ 977,589.97 |
| Estimated incidental expenses | 143,304.60 |
| Estimated bond discount | <u>23,751.77</u> |
| Total estimated costs and expenses | \$1,144,646.34 |
| LESS contribution by The City of San Diego, including the cost of city force account work | <u>- 820,534.00</u> |
| Remainder of estimated costs and expenses to be assessed upon property within the assessment district | \$ 324,112.34 |

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Until the approval of the Report and the confirmation of the diagram and assessment contained therein, the Council of the city has the power and reserves the right to make changes in the proposed assessment district, the improvement, the assessment and diagram, and any other act, determination or provision made, or permitted to be made, by the Council under the Municipal Improvement Act of 1913. Construction bids for the project are to be received prior to confirmation of the diagram and assessment. Changes may be made in the amount of the assessment, as may be required by reason of the best responsible bids made upon such construction and upon the sale of the bonds.

CONSTRUCTION BID OPENING, HEARING ON REPORT, CONFIRMATION AND RECORDATION OF ASSESSMENT AND AWARD OF BONDS. Bids for the construction of the project are to be opened after 11:00 A.M. on March 27, 1978, by the Purchasing Agent in Conference Room No. 2, Second Floor, City Operations Building, 1222 First Avenue, San Diego, California. The above-mentioned Report and the proposed assessment contained therein has been set for hearing by the Council at 2:00 P.M., on April 4, 1978. Upon the conclusion of the hearing the Council, in its discretion, may abandon the proceedings, make changes therein or may confirm said

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assessment as filed with the City Clerk or as modified or corrected by the Council. The award of the bonds, if any, will be made following the conclusion of said hearing and the confirmation of said assessment.

PUBLIC PROPERTY. The resolution of intention omits all public property from assessment.

DESCRIPTION OF BONDS. Pursuant to the Municipal Improvement Act of 1913 the Council has determined that bonds are to be issued under the Improvement Act of 1911 (commencing with Section 5000, Streets and Highways Code). The bonds are to be issued to represent each assessment of \$50 or over remaining unpaid for thirty (30) days after the date of recordation of the assessment. The bonds will be serial bonds and will extend over a period ending nine years from the second day of January next succeeding the next September 1st following their date. Pursuant to Section 6464, Streets and Highways Code, the Council has elected to have the redemption provisions of the bonds provide for a premium of 5% of the unmatured principal of any bond paid prior to its maturity date.

The bonds will be dated June 2, 1978. The principal of the bonds will be payable in 10 annual installments, represented by principal coupons payable on

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January 2 of the years 1979 to 1988, inclusive. The first interest coupon will represent interest from the date of the bonds to January 2, 1979 and thereafter the interest coupons will represent semiannual interest on the unpaid balance.

PRINCIPAL AMOUNT OF BONDS. The principal sums of the individual bonds will vary in amounts. The aggregate principal amount of bonds to be issued cannot, and will not, be determined until after the expiration of the 30-day cash payment period during which property owners may pay their assessments, in full or in part.

INTEREST RATE. The interest rate may not exceed eight percent (8%) payable semiannually. The interest rate must be a multiple of 1/100th of 1%. Only a single interest rate shall be bid for all of the bonds to be issued.

CITY PURCHASE OF BONDS ON PROPERTY OF LOW-INCOME OWNERS. Division 19 (commencing with Section 61.1900) of Article 1, Chapter VI of the San Diego Municipal Code authorizes the City Manager, on behalf of the city, to purchase bonds to be issued upon the real property of "low-income owners," as that term is defined therein. Pursuant to Section 61.1911 of the Municipal Code, the city hereby reserves and has the right to purchase any such bonds from the person or

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persons to whom the bonds are awarded. At any time prior to delivery of the bonds by the city, the City Manager, in his discretion, may purchase any or all such bonds at a purchase price equal to the principal amount of the bonds plus accrued interest from the date of the bonds to the date of bond delivery.

AWARD. The bonds will be sold for cash only. All bids must be for not less than all of the bonds to be issued, and any bid for less than all of the bonds or for varying rates of interest will be rejected. The bonds will be awarded to the highest responsible bidder, considering the interest rate specified and the premium or discount, if any, designated by the bidder. For the purpose only of comparing bids it will be assumed (i) that bonds will be issued in a principal amount equal to the total amount to be assessed upon property within the assessment district, namely, the sum of \$ 324,112.34 and (ii) that the bonds will be dated June 2, 1978. The highest bid will be determined by deducting the premium from, or adding the discount to, the total amount of interest which would be required to be paid from the date of the bonds on the decreasing balances thereof to January 2, 1988 at the coupon rate specified in the bid. The award will be made on the basis of the lowest

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net interest cost. If there are tie bids, the highest bid will be determined by lot.

TIME OF AWARD. The city will take action awarding the bonds or rejecting the bids not later than 72 hours after the time above specified for the filing of bids; provided, that the award may be made after the expiration of such time if the successful bidder shall not have given the Council notice in writing of the withdrawal of his bid.

BID SECURITY. A certified or cashier's check on a responsible bank or trust company in the amount of \$10,000 payable to the order of the city must accompany each proposal as a guarantee that the bidder, if successful, will accept and pay for the bonds in accordance with the terms of his bid. The proceeds of the check accompanying the accepted bid will be applied on the purchase price; provided, that if the successful bidder fails to perform in accordance with the terms of this notice and of his bid, said proceeds will then be retained by the city. The check accompanying each unaccepted proposal will be returned promptly.

The successful bidder, at his option, may substitute U. S. Treasury instruments for his good faith check and thereupon obtain the return of his check. The U. S. Treasury instruments shall consist of bills, notes, certificates, or

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bonds issued by the United States of America, may be either interest or non-interest bearing instruments, shall have a maturity date of 75 or more days after the date of sale of the bonds to the successful bidder and, on the day of substitution, shall have a market value not less than the amount of the good faith check. No credit will be applied against the purchase price of the bonds by reason of the deposited U. S. Treasury instruments but, upon delivery of the bonds and payment by the purchaser of the full purchase price thereof, all deposited U. S. Treasury instruments, together with all interest coupons, if any, attached thereto at the time of deposit, shall be returned to the purchaser; all interest earned on the instruments during the period of deposit shall belong to the purchaser. If the successful bidder fails to perform in accordance with the terms of this notice and of his bid, the deposited U. S. Treasury instruments and any interest coupons attached thereto shall be retained by the city.

DELIVERY. Delivery of said bonds will be made to the successful bidder at the office of the Treasurer, Third Floor, City Operations Building, 1222 1st Avenue, San Diego, California. In the absence of the filing of litigation against the city, or any of its officers, contesting the validity of the proceedings, the assessment, or the bonds,

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it is expected that the bonds will be delivered within 75 days from the date of sale thereof. At the time of delivery the purchaser must pay accrued interest from the date of the bonds to the date of delivery, computed on a 360-day year basis. The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Treasurer shall fail to execute the bonds and tender them for delivery within said 75-day period. If any such litigation is filed prior to the delivery of the bonds, either the Council or the successful bidder shall have the right, at their respective options, to cancel the contract of purchase. In the event of cancellation, either by the Council or by the successful bidder, the successful bidder shall be entitled to the return of the good faith check accompanying his bid or any U. S. Treasury instruments substituted therefor.

LEGAL OPINION; COST OF PRINTING BONDS. The unqualified opinion of Franklin T. Hamilton, attorney, Los Angeles, California, approving the validity of said bonds will be furnished to the successful bidder at or prior to the date of delivery of the bonds at the expense of the city. The cost of printing the bonds will be borne by the city and will not be payable by the successful bidder.

RIGHT OF REJECTION. The Council reserves the right in its discretion to reject any and all bids and, to the

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extent authorized by law, to waive any irregularity or informality in any bid.

GIVEN BY ORDER of the Council of The City of San Diego, California, on February 15 , 1978.

CHARLES G. ABDELNOUR
City Clerk, The City of
San Diego, California

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APPROVED: JOHN W. WITT, City Attorney

By: Paul E. Robinson
Paul E. Robinson, Deputy

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Passed and adopted by the Council of The City of San Diego on FEB 15 1978,
 by the following vote:

| Councilmen | Yeas | Nays | Excused | Absent |
|---------------------|-------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Bill Mitchell | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Maureen F. O'Connor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Bill Lowery | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Leon L. Williams | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Fred Schnaubelt | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Tom Gade | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Larry Stirling | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Jess D. Haro | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mayor Pete Wilson | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

AUTHENTICATED BY:

PETE WILSON
 Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
 City Clerk of The City of San Diego, California.

By Allyn D. Newitt, Deputy.

(Seal)

PUBLIC RECORDS
 CITY OF SAN DIEGO
 1978 FEB -7 AM 8:05
 SAN DIEGO, CALIF.

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| Office of the City Clerk, San Diego, California | | |
| Resolution Number | 220291 | Adopted FEB 15 1978 |

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