

RESOLUTION NO. R-254085

(R. 81-1903)

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 IMPROVE-  
MENT BONDS

APR 28 1981

(Rowena Street Stabilization Assessment District)

WHEREAS, the Council adopted a resolution approving a  
Report of the City Engineer under the San Diego Improvement  
District Procedural Ordinance and Resolution of Intention  
No. R-254083, and provided for a hearing thereon; and

WHEREAS, it is desirable that bids be invited for the  
purchase of bonds; NOW, THEREFORE,

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

Section 1. 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:

02265

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

(Rowena Street Stabilization Assessment District)

NOTICE IS HEREBY GIVEN that pursuant to San Diego Improvement District Procedural Ordinance and 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 no later than, 11:00 A.M. on June 1, 1981. 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

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 for the stabilization of certain lands in a landslide area in the San Carlos area of the City. The project has been constructed under the auspices and control of the City and the costs and expenses are to be shared by the City, the San Diego Gas & Electric Co., and the specially benefited properties. The assessment represents a portion of the costs and expenses to be assessed against specially benefited lands within the assessment district.

The acquisitions and 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 City Engineer on file in the office of the City Clerk.

ESTIMATED ASSESSMENT. The estimated cost of the project as shown on the Report of the City Engineer is:

Construction cost	\$627,995.13
Estimated incidental expenses	121,950.21
Estimated bond discount and attorney fees	53,088.71
Property acquisition	<u>106,670.61</u>
Total estimated costs and expenses	\$909,704.66

Total estimated costs and expenses	\$909,704.66
Less City of San Diego Contribution	- 98,000.00
Less San Diego Gas & Electric Co. Contributions	- 10,000.00
Less City's share for the proposed subdivision	- <u>538,061.50</u>
Remainder of estimated costs and expenses to be assessed upon property within the assessment district	\$263,643.16

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 assessment and diagram, and any other act, determination or provision made, or permitted to be made, by the Council under the San Diego Improvement District Procedural Ordinance and the Municipal Improvement Act of 1913. Changes may be made in the amount of the assessment, as may be required by reason of the best responsible bid made upon the sale of the bonds.

HEARING ON REPORT, CONFIRMATION AND RECORDATION OF ASSESSMENT AND AWARD OF BONDS. The above-mentioned Report and the proposed assessment contained therein has been set for hearing by the Council at 8:30 a.m., On June 2, 1981. Upon the conclusion of the hearing, the Council, in its discretion, may abandon the proceedings, make changes therein, or may confirm the 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 only the public property of the United States of America.

DESCRIPTION OF BONDS. Pursuant to the San Diego Improvement District Procedural Ordinance and 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 \$150 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 9 years from the 2d 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.

If any installment of the principal of the unpaid assessment or of interest thereon is not paid to the City Treasurer on or before the due date of June 1st or December 1st, as the case may be, next preceding the date upon which the coupons representing it are payable to the bondholder, the

Treasurer shall, after the close of business on the due date, add to the principal or interest so delinquent a penalty of 2% of the total amount of such delinquency, and at the beginning of the business on the first day of each succeeding month until such delinquent payment and all penalties thereon are fully paid, he shall add an additional penalty of 2% of the amount of such delinquency. The Treasurer shall collect such penalties with and as a part of the delinquent payment. The Council has elected to have the last sentence of the default clause of the bonds provide that the 2% penalty first imposed shall be retained by the Treasurer as a cost of servicing the delinquency and all subsequent penalties shall be paid to the holder of the bond along with and as a part of such defaulted payment.

The bonds will be dated the first day after the end of the cash collection period. The principal of the bonds will be payable in 10 annual installments, represented by principal coupons payable on January 2 of the years 1982 to 1991, inclusive. The first interest coupon will represent interest from the date of the bonds to January 2, 1982 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 10% 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 reserves and has the right to purchase any such bonds from the period or 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 \$263,643.16 and (ii) that the bonds will be dated July 3, 1981. 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, 1991 at the coupon rate specified in the bid. The award will be made on the basis of the lowest 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 \$10,000.00



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 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 First 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, 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 shall 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 option, 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 Richard A. Burt, attorney of Gray, Cary, Ames & Frye, San Diego, 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 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 April 28, 1981.

  
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City Clerk, The City of San Diego,  
California

APPROVED: JOHN W. WITT, City Attorney

By Robert S. Teaze  
Robert S. Teaze  
Assistant City Attorney

Passed and adopted by the Council of The City of San Diego on APR 28 1981,  
 by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Susan Golding	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lucy Killea	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 Raymond L. Portier, Deputy.

(Seal)

Office of the City Clerk, San Diego, California	
Resolution Number <u>R-254085</u>	Adopted <u>APR 28 1981</u>