

RESOLUTION OF THE COUNCIL OF THE CITY
OF SAN DIEGO, CALIFORNIA, AUTHORIZING
THE SALE OF SPECIAL ASSESSMENT BONDS
TO FINANCE IMPROVEMENTS IN A SPECIAL
ASSESSMENT DISTRICT

JUN 24 1986

(Assessment District No. 4006 [Via de la Valle Sewer])

WHEREAS, the CITY COUNCIL of the CITY OF SAN DIEGO, CALIFORNIA, has initiated proceedings pursuant to the terms and conditions of the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California, for the construction of certain public works of improvement, together with appurtenances and acquisition, where necessary, in a special assessment district; said special assessment district known and designated as

ASSESSMENT DISTRICT NO. 4006
(VIA DE LA VALLE SEWER)

(hereinafter referred to as the "Assessment District"); and,

WHEREAS, it has been further determined that serial bonds shall be issued to finance the costs and expenses of said improvements and proceedings, and said bonds shall be issued pursuant to the terms and provisions of the City of San Diego Improvement District Procedural Ordinance of 1982 (Division 23, San Diego Municipal Code), and applicable Sections of the "Improvement Bond Act of 1915", being Division 10 of the Streets and Highways Code of the State of California; and,

WHEREAS, at this time, this City Council is desirous of authorizing the sale of bonds to finance the works of improvement as proposed for this Assessment District.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That THOMAS O. MEADE, the appointed SUPERINTENDENT OF STREETS, is hereby authorized to solicit a proposal or proposals for the sale of bonds for the Assessment District. The interest rate on said bonds shall not exceed the current legal maximum rate of twelve percent (12%) per annum. Said bonds shall be issued

pursuant to the terms and conditions as set forth in the Resolution of Intention as previously adopted for these proceedings.

SECTION 3. That this Resolution is adopted pursuant to the provisions of Section 10602 of the Streets and Highways Code of the State of California, and it is further directed that all recommendations relating to the sale of bonds be presented no later than the time set for the Public Hearing on the "Report" and related matters for this Assessment District.

SECTION 4. That there will be provided, at no expense to the bidder, the approving legal opinion of F. MACKENZIE BROWN, INC., Attorneys at Law, attesting to the validity of the proceedings and the enforceability of the bonds.

SECTION 5. That pursuant to the provisions of Section 10600.5, the City Council hereby determines that the bonds shall bear interest from their date, and the date of the bonds shall be September 2, 1986, or the 31st day after recordation of the assessment roll in the Office of the Superintendent of Streets, whichever is later.

SECTION 6. That the BOND SALE SPECIFICATIONS relating to the sale of the assessment bonds for the Assessment District are hereby approved, and for further particulars, reference is made to said BOND SALE SPECIFICATIONS on file with the transcript of these proceedings. The Superintendent of Streets is hereby authorized to make minor modifications and amendments to said BOND SALE SPECIFICATIONS in order to provide the best available information up to the date and time for the sale.

SECTION 7. That in the event of any delinquency in the payment of any installment of an assessment, it is hereby covenanted with the holder of the bonds that this City Council will cause to be commenced and thereafter diligently prosecuted, judicial foreclosure proceedings upon all delinquent unpaid assessments within one hundred fifty (150) days following any delinquency. It is further hereby ordered

that an investigation be initiated as soon as possible each year to determine all tax delinquencies on all properties within the boundaries of the above-referenced Assessment District.

APPROVED:

JOHN W. WITT, City Attorney

By: 
John K. Riess, Deputy

JKR:mem
5/19/86
7/14/86 REV. 1
R-86-2275 REV. 1
Or.Dept:E&D

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BOND SALE SPECIFICATIONS

PROJECT: ASSESSMENT DISTRICT NO. 4006
(VIA DE LA VALLE SEWER)

AGENCY: CITY OF SAN DIEGO

IMPROVEMENTS: SANITARY SEWERS

PROCEEDINGS: "MUNICIPAL IMPROVEMENT ACT OF 1913"

BONDS: CITY OF SAN DIEGO IMPROVEMENT DISTRICT PROCEDURAL ORDINANCE OF 1982 (DIVISION 23, SAN DIEGO MUNICIPAL CODE) AND APPLICABLE SECTIONS OF THE "IMPROVEMENT BOND ACT OF 1915"

AMOUNT: The amount of bonds shall not exceed \$2,300,632.12. This amount may be adjusted by reason of construction bids and is further conditioned upon any payments received during the 30-day cash collection period which follows the Public Hearing. It is estimated that the actual amount of the bond issue will not be known until approximately 35 days after the conclusion of the Public Hearing.

BOND TERM: Bonds will be payable in FIFTEEN (15) annual installments.

BID: Bonds will be sold for cash to the bidder whose bid, in the opinion of the City Council, best serves the interests of the owners of land within the Assessment District. The successful bidder will be required to pay accrued interest on the bonds from the date of the bonds to the date of delivery. Each bid will be for the entire amount of the bonds. Interest rates may vary for different years of maturity.

DISCOUNT: No bid will be considered for less than 96% of par.

TAX EXEMPT STATUS: The successful bidder may withdraw his proposal if at any time prior to the delivery, the interest on said bonds shall be declared to be taxable under Federal income tax laws by a ruling of the Internal Revenue Service, or a decision of a court of competent jurisdiction.

RESCISSION: If the bonds are not available for delivery within 45 days after their date, the City or the successful bidder may, upon written notice, rescind any award.

AWARD DATE: Any award relating to the sale of bonds is proposed for the meeting of the City Council scheduled for the 19th day of August, 1986. Any award will be made immediately following the conclusion of the Public Hearing. A bidder may, in writing, withdraw his bid if the City Council has not made an award on or before the 20th day of August, 1986.

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LEGAL OPINION: There will be provided the approving legal opinion of F. MACKENZIE BROWN, INC., Attorneys at Law, which opinion will accompany the bonds, at no expense to the bidder.

INTEREST RATE: Bonds shall bear interest from their date at a rate not to exceed the current legal maximum rate of twelve percent (12%) per annum, or the maximum rate allowed by law at the time of sale, whichever is higher. The actual interest rate will be determined based on bids received. Bidders may specify any number of separate interest rates, and all interest rates bid shall be equal or in ascending order. Each interest rate shall be in a multiple of 1/20 of 1%, and a Zero rate of interest cannot be specified. Further, no bond shall bear more than one rate of interest, and all bonds of the same maturity date shall bear the same interest.

COLLECTION OF ASSESSMENTS AND BONDS: Unpaid assessments and bonds will be serviced by the Treasurer, or the designated paying agent, as applicable.

ASSESSMENT SUITABILITY: These assessment bonds are secured by individual liens upon individual properties within the boundaries of the Assesment District, and neither the City nor any officer thereof is liable for any payment on said bonds. The bonds are not an obligation of the State of California or any political subdivision thereof, and there is no pledge of the full faith and credit of the City. The limited nature of this obligation for payment could result in delay and default in payment.

PROPERTY TAXES: The City has no direct responsibility for the collection of property taxes, and thus no information relating to property tax delinquencies is herewith made available.

DATE OF BONDS: The date of the bonds shall be OCTOBER 2, 1986, or the 31st day after recordation of the assessment roll in the Office of the Superintendent of Streets, whichever is later.

RATING: No application to a rating agency for these bonds has been made, nor is any contemplated.

DELIVERY: The delivery of bonds shall be made at the Office of the Treasurer.

PAYMENT: Payment for said bonds shall be made in cash, cashier's check or other suitable payment as determined by the City Treasurer, and payment shall be made at the time of delivery.

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ASSESSMENT DESCRIPTIONS AND AMOUNTS:

For a description of the respective parcels of land and the respective assessments, reference is made to the Engineer's "Report" as on file with the transcript of these proceedings.

MATURITIES:

The final and exact maturity schedule and debt service payments for the bonds will be determined following the completion of the cash collection period. The maturity schedule will be arranged so as to provide approximately equal annual payments of principal and interest, with bonds maturing on July 2nd of each year. For purposes of calculating the best bid; please refer to the maturity schedule set forth in the bid form.

SPECIAL RESERVE FUND:

The City will establish a Special Reserve Fund equal to 10% of the bonds issued, said funds to be transferred to the Redemption Fund whenever there are insufficient funds in the Redemption Fund to meet the next maturing installments of principal or interest. All interest earned on the Special Reserve Fund shall be, on an annual basis, applied as a credit against debt service.

SUPERIOR COURT FORECLOSURE:

In the event of delinquencies in the payment of any installments, the City may advance available funds for delinquencies and as necessary to maintain the Reserve Fund at the 10% level as above set forth. If the Reserve Fund is reduced below the 7% level, the City shall immediately order action in the Superior Court in the State of California to foreclose the lien of the delinquent and unpaid assessment, as authorized pursuant to the "Improvement Bond Act of 1915". The City covenants that it will cause to be commenced foreclosure proceedings within sixty (60) days after receipt of written demand of any bondholder, or within one hundred fifty (150) days following the date of any delinquency. Foreclosure proceedings may be deferred, if the City does agree to further advance funds to the Special Reserve Fund to keep said Fund at the level as set forth above, after payment of delinquencies.

PUBLIC PROPERTY:

This issue does not include any assessments to be levied against publicly-owned property.

DISCLOSURE:

This document does not constitute an Official Statement or Notice of Sale, and the successful bidder for the sale of bonds shall have full responsibility for disclosure to the ultimate purchasers of these bonds.

BID OPENING:

NOTICE IS FURTHER GIVEN THAT SEALED PROPOSALS WILL BE RECEIVED AND OPENED AT THE OFFICE OF THE PURCHASING AGENT, CITY OF SAN DIEGO, 5TH FLOOR, CITY OPERATIONS BUILDING, 1222 FIRST AVENUE, SAN DIEGO, CALIFORNIA, ON THE 15TH DAY OF AUGUST, 1986, AT THE HOUR OF 11:00 A.M. ALL PROPOSALS SHOULD BE DELIVERED TO THE PURCHASING AGENT PRIOR TO THAT TIME.

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BID FOR BONDS

CITY OF SAN DIEGO
 ASSESSMENT DISTRICT NO. 4006
 (VIA DE LA VALLE SEWERS)

Pursuant to adopted Resolutions authorizing the sale and purchase of bonds to be issued under the City of San Diego Improvement District Procedural Ordinance of 1982 (Division 23, San Diego Municipal Code), and applicable Sections of the "Improvement Bond Act of 1915" (Division 10 of the Streets and Highways Code of the State of California) in the above-referenced Assessment District, with proceedings taken under the provisions of the "Municipal Improvement Act of 1913" (Division 12 of said Code), the undersigned bidder or bidders hereby offers to purchase all of the bonds to be issued upon the following terms and conditions:

1. The purchase price to be paid for said bonds shall be an amount equal to _____% of said bonds to be issued, plus a premium of \$ _____.
2. The interest rate or rates upon the unpaid principal amount of said bonds shall be in the rate or rates as set forth below:

<u>Maturity Date</u> <u>July 2nd</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1988	\$ 5,632.12	_____
1989	105,000.00	_____
1990	110,000.00	_____
1991	115,000.00	_____
1992	125,000.00	_____
1993	130,000.00	_____
1994	140,000.00	_____
1995	150,000.00	_____
1996	160,000.00	_____
1997	175,000.00	_____
1998	185,000.00	_____
1999	200,000.00	_____
2000	215,000.00	_____
2001	235,000.00	_____
2002	250,000.00	_____

The principal amount is subject to adjustment or modification by reason of actions at the public hearing or payments received during the property owners' cash collection period.

3. Any additional remarks:

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4. This bid is made subject to all the terms and conditions of the Resolution Authorizing the Sale of Bonds, which Resolution and incorporated documents are made a part of this bid. Enclosed is a certified or cashier's check on a responsible bank or trust company in the amount of \$35,000.00. Said check of the successful bidder shall be retained, and upon delivery of the bonds, applied against the purchase price, unless a different mutually acceptable agreement has been made.

Bidder's name, address and telephone number are as follows:

Dated: _____

[NAME AND SIGNATURE OF BIDDER]

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Passed and adopted by the Council of The City of San Diego on JUN 24 1986,
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<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"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> VACANT

AUTHENTICATED BY:

ED STRUIKSMA
Deputy Mayor of The City of San Diego, California.

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

By *Charles G. Abdelnour* Deputy.

(Seal)

Office of the City Clerk, San Diego, California	
Resolution Number <u>R-266092</u>	JUN 24 1986
Adopted	

RECEIVED
CITY CLERK'S OFFICE
1986 MAY 22 AM 12
SAN DIEGO, CALIF.

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