

RESOLUTION NO. _____ (N.C.S.)

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SALINAS DECLARING ITS INTENTION TO LEVY
REASSESSMENTS AND TO ISSUE REFUNDING BONDS**

WHEREAS, the City Council (the “Council”) of the City of Salinas (the “City”) has previously adopted its Resolutions of Intention with respect to Acacia Park Assessment District No. 96-2 and Bella Vista III Assessment District No. 98-1 pursuant to applicable City law and the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of California, and Bella Vista Reassessment District No. 2002-1 (“Reassessment District No. 2002-1”) pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of California (the “Act”) (the “Districts”); and

WHEREAS, by the Resolutions of Intention, the Council provided that bonds would be issued thereunder pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California or the Act, as applicable, and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

WHEREAS, special assessment bonds were issued and delivered, for each of the Districts (the “Prior Bonds”); and

WHEREAS, the outstanding Prior Bonds are secured by the unpaid assessments on properties in the Districts; and

WHEREAS, the public interest requires the refunding of the Prior Bonds and this Council intends to accomplish the refunding through the levy of reassessments and the issuance of refunding bonds upon the security thereof;

NOW, THEREFORE, the Council of the City of Salinas does hereby **RESOLVE**, as follows:

1. Proceedings Authorized. This Council hereby declares its intention to refund the Prior Bonds and to levy reassessments as security for refunding bonds as hereinafter provided. The proceedings for the levy and collection of reassessments as security for the issuance and payment of refunding bonds shall be conducted pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of California (the “Act”).

2. Reassessment Diagram. The contemplated reassessments and refunding, in the opinion of this Council, are of more than local or ordinary public benefit, and the costs and expenses thereof are made chargeable upon the Districts, the exterior boundaries of which are shown on a reassessment diagram thereof heretofore filed in the office of the City Clerk, and to be filed in the office of the County Recorder of the County of Monterey, to which reassessment diagram reference is hereby made for further particulars and which shall hereafter be called “City of Salinas Reassessment District No. 2016 (the “Reassessment District”).” The reassessment diagram indicates by a boundary line the extent of the territory included in the Reassessment District and shall govern for all details as to the extent thereof.

3. Reassessment Consultant; Report. The reassessment and refunding are hereby referred to Harris Associates, a qualified firm employed by this City for the purpose hereof (the “Reassessment Consultant”), and the Reassessment Consultant is hereby directed to make and file with the City Clerk a report in writing, presenting the following:

(a) A schedule setting forth the unpaid principal and interest on the Prior Bonds to be refunded and the total amounts thereof and the unpaid assessment being continued;

(b) The total estimated principal amount of the reassessment and of the refunding bonds and the maximum interest rate thereon, together with an estimate of cost of the reassessment and of issuing the refunding bonds, including all costs of issuing the refunding bonds, as defined by subdivision (a) of Section 9600 of the Act;

(c) The auditor’s record kept pursuant to Section 8682 of the Streets and Highways Code of California showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof;

(d) The estimated amount of each reassessment, identified by reassessment number corresponding to the reassessment number on the reassessment diagram, together with a proposed auditor’s record for the reassessment prepared in the manner described in the Section 8682; and

(e) A reassessment diagram showing the Reassessment District and the boundaries and dimensions of the subdivisions of land within the Reassessment District. Each subdivision, including each separate condominium interest as defined in Section 783 of the Civil Code, shall be given a separate number upon the diagram.

When any portion or percentage of the costs and expenses of the refunding and reassessment is to be paid from sources other than reassessments, the amount of such portion or percentage shall first be deducted from the total estimated cost and expenses of the refunding and reassessment, and the reassessments shall include only the remainder of the estimated cost and expenses. If any excess shall be realized from the reassessment it shall be used, in such amounts as this Council may determine, in accordance with the provisions of law, in a manner or manners to be provided in these proceedings.

4. Refunding Bonds. Notice is hereby given that serial and/or term bonds to represent the reassessments, and bearing interest at the rate of not to exceed 4% per annum, will be issued hereunder in the manner provided by the Act, the last installment of which bonds shall mature not later than September 2, 2025. It is the intention of the City that the City will not obligate itself to advance available funds from the treasury of the City to cure any deficiency in the redemption fund to be created with respect to the bonds; provided, however, that a determination not to obligate itself shall not prevent the City from, in its sole discretion, so advancing the funds.

5. Bond Call Procedures. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code of California, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to refunding bonds issued pursuant to proceedings under this resolution.

6. Prior Proceedings. Reference is hereby made to the respective proceedings previously undertaken pursuant to Division 4 of the Streets and Highways Code with respect to the Prior Bonds, which are on file in the office of the Secretary.

7. Reserve Fund. It is the intention of this Council to create a special reserve fund pursuant to and as authorized by Part 16 of Division 10 of the Bond Law with respect to the refunding bonds and that the amount of the fund shall be included in the reassessment.

8. Financing Professionals. The firm of Stifel Nicolaus & Company, Incorporated, San Francisco, California, is hereby appointed as placement agent for the refunding bonds and Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby engaged to act as bond counsel for the refunding bonds in accordance with the terms of the letter agreement on file with the Finance Director. The fees of such firms shall be fixed in the proceedings and shall be paid only upon the successful completion of the proposed reassessment and refunding and from the proceeds of the refunding bonds.

9. Effective Date. This resolution shall take effect from and after its adoption.

APPROVED AND SIGNED this 12th day of July, 2016.

Joe Gunter, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

I hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Salinas at a regular meeting thereof held on the 12th day of July, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Patricia M. Barajas, City Clerk