



APPROVED  
BY THE CITY COUNCIL

DEC 8 1998

1.10

OFFICE OF THE  
CITY CLERK

DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

DEVELOPMENT SERVICES  
& SPECIAL DISTRICTS  
1231 I STREET, ROOM 300  
SACRAMENTO, CA 95814

TECHNICAL SERVICES  
DIVISION

PH 916-264-7474  
FAX 916-264-7480

November 16, 1998

AG 98-220  
AG 98-220  
AG 98-222  
AG 98-223  
AG 98-224  
AG 98-232

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: RESOLUTION APPROVING THE ISSUANCE OF SPECIAL TAX BONDS AND AUTHORIZING EXECUTION AND DELIVERY OF A MASTER INDENTURE, FIRST SUPPLEMENTAL INDENTURE, BOND PURCHASE CONTRACT, OFFICIAL STATEMENT AND CONTINUING DISCLOSURE CERTIFICATES RELATING TO SPECIAL TAX BONDS SERIES A (1999) FOR THE NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4**

**LOCATION AND COUNCIL DISTRICT:**

The subject Community Facilities District (CFD) includes approximately 2500 acres in the North Natomas Community Plan area, located in Council District 1 (see attached Exhibit A).

**RECOMMENDATION:**

This report recommends that the City Council adopt the attached Resolution relating to the issuance of bonds and authorizing the execution and delivery of a master indenture, first supplemental indenture, bond purchase contract, official statement and continuing disclosure certificates for the City and the developer relating to the special tax bonds. (The master indenture, first supplemental indenture, bond sales contract, official statement and continuing disclosure certificates are on file in the City Clerk's office.)

**CONTACT PERSON:**

Jim Johnston, Administrative Analyst, 264-7967

**FOR COUNCIL MEETING OF:**

December 1, 1998

**SUMMARY:**

The North Natomas CFD No. 4 was formed in September 1998, and bonds are required to be sold to finance the first phase of construction in tax areas 1A and 4 (see Exhibit A map). The special tax levy for FY 1999/00, and all subsequent years of the CFD, will pay debt service on the bonds.

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

The North Natomas CFD 4 was approved by property owners and formed by the City Council in October of 1998. The bonds are being issued to provide funds to finance the acquisition and construction of certain public improvements within the CFD that covers the City's North Natomas drainage improvements specific to drainage basins 1,2 & 4 in Quadrant 2.

**FINANCIAL CONSIDERATIONS:**

For the first phase of a five-phase series, \$18.0 million in Special Tax Bonds, Series A (1999) will be sold to fund development. The payment of principle and interest on the bonds is secured by special taxes and a pledge of the amounts on deposit in the funds and accounts that are established by the indenture, and initially funded with bond proceeds.

**ENVIRONMENTAL CONSIDERATIONS:**

The City Council's action in adopting the resolution is solely for the purpose of selling bonds, therefore, not a project for purposes of the California Environmental Quality Act. The North Natomas Comprehensive Drainage Plan EIR was approved by City Council on May 20, 1997.

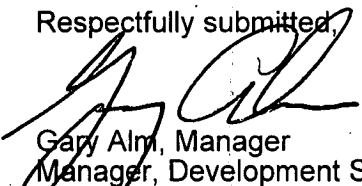
**POLICY CONSIDERATIONS:**

The procedures under which the district was formed are set forth in Title 5 of the Government Code Sections 53311 – 53317.5 entitled, "The Mello-Roos Community Facilities Act of 1982."

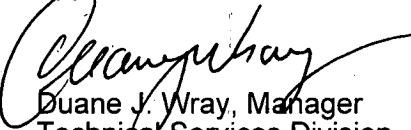
**MBE/WBE:**

None. No goods or services are being purchased.

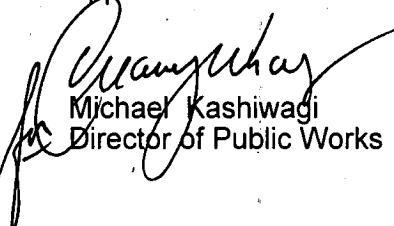
Respectfully submitted,

  
Gary Alm, Manager  
Manager, Development Services

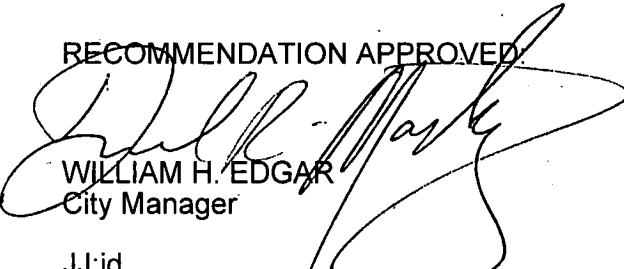
Approved:

  
Duane J. Wray, Manager  
Technical Services Division

Approved:

  
Michael Kashiwagi  
Director of Public Works

RECOMMENDATION APPROVED:

  
WILLIAM H. EDGAR  
City Manager

JJ:jd  
S:\Techsvs\Pdell\SD\Projects\Issuance of Special Tax Bonds

**PROPOSED BOUNDARIES OF  
NORTH NATOMAS  
COMMUNITY FACILITIES DISTRICT No. 4**

CITY OF SACRAMENTO - COUNTY OF SACRAMENTO - STATE OF CALIFORNIA  
SHEET 1 OF 1 SHEETS

**CLERK'S CERTIFICATE AND MAP FILING STATEMENT**

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1998.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A REGULAR MEETING THEREOF HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 1998 BY ITS RESOLUTION NO. \_\_\_\_\_

\_\_\_\_\_  
CITY CLERK, CITY OF SACRAMENTO, CALIFORNIA

**COUNTY RECORDER'S FILING STATEMENT**

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1998 AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

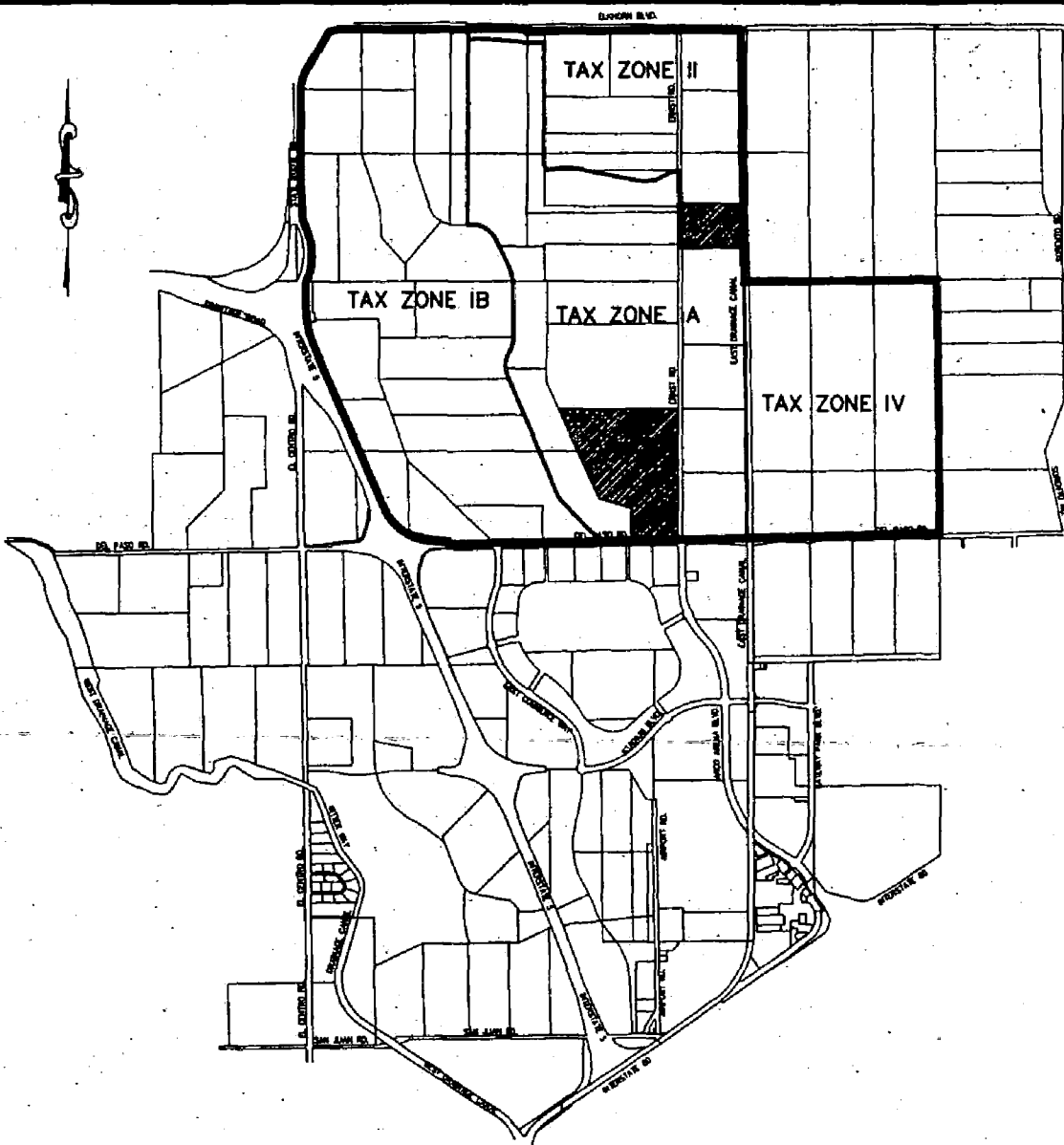
\_\_\_\_\_  
COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, CALIFORNIA

 EXCLUDED FROM CFD

 COMMUNITY FACILITIES DISTRICT BOUNDARY

**WOOD•RODGERS INC.**  
A DIVISION OF WOOD GROUP

EXHIBIT A



APPROVED  
BY THE CITY COUNCIL

DEC 8 1998

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 98-612**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING THE ISSUANCE OF THE NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, SPECIAL TAX BONDS, SERIES A (1999), AND AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER INDENTURE AND A FIRST SUPPLEMENTAL INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS, APPROVING A BOND PURCHASE CONTRACT PROVIDING FOR THE SALE OF SUCH BONDS, AN OFFICIAL STATEMENT RELATING TO SUCH BONDS AND A CONTINUING DISCLOSURE CERTIFICATE RELATING TO SUCH BONDS, AND AUTHORIZING OTHER ACTIONS AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS RELATED THERETO

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") has determined to issue not to exceed \$18,000,000 principal amount of its North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California, Special Tax Bonds, Series A (1999) (the "Bonds"); and

WHEREAS, there has been submitted to the City Clerk of the City (the "City Clerk") forms of a Master Indenture and a First Supplemental Indenture (collectively, the "Indentures") providing for the issuance of the Bonds, a Preliminary Official Statement ( the "Preliminary Official Statement") relating to the Bonds and a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") relating to the Bonds; and

WHEREAS, the Council has carefully considered the terms and conditions of the Indentures, the Preliminary Official Statement, and the Continuing Disclosure Certificate and is fully advised in the premises; and

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

WHEREAS, the firm of Stone & Youngberg LLC (the "Underwriter") has submitted an offer to purchase the Bonds pursuant to a Bond Purchase Contract (the "Contract") now on file with the City Clerk; and

WHEREAS, the Council has considered carefully the terms and conditions of the Contract, and has determined that (consistent with the Mello-Roos Community Facilities Act of 1982, as amended) (the "Act") a private sale of the Bonds to the Underwriter in accordance with the Contract would result in a lower overall cost to the City;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct, and the Council hereby so finds and determines.

Section 2. The Indentures providing for the issuance of the Bonds, in substantially the forms submitted to and on file with the City Clerk, are hereby approved for execution by the City, and the Mayor of the City (the "Mayor") is hereby authorized and directed to execute the Indentures in substantially said forms, with such changes or additions that may hereafter become necessary in the interests of the City and which are reviewed and approved by the Treasurer of the City (the "Treasurer") in consultation with the City's bond counsel, such approval to be conclusively evidenced by the execution and delivery of the Indentures, and the City Clerk is hereby authorized and directed to attest such execution and to affix the seal of the City thereto and deliver the Indentures on behalf of the City.

Section 3. The Contract providing for the sale of the Bonds, in substantially the form submitted to and on file with the City Clerk, is hereby approved for execution by the City, and the Treasurer is hereby authorized and directed to execute the Contract in substantially said form, with such changes or additions thereto that may hereafter become necessary in the interests of the City in consultation with the City's bond counsel, such approval to be conclusively evidenced by the execution and delivery of the Contract, and the City Clerk is hereby authorized and directed to deliver the Contract on behalf of the City; provided, that the true interest on the Bonds shall not exceed seven per cent (7%) per annum and the Underwriter's discount for the sale of the Bonds shall not exceed three per cent (3%) of the principal amount thereof.

Section 4. The Preliminary Official Statement relating to the Bonds, in substantially the form submitted to and on file with the City Clerk, is hereby approved, and the Treasurer is hereby authorized and directed to certify to the Underwriter that the Preliminary Official Statement was deemed to be final as of its date, except for certain final pricing and related information (pursuant to Rule 15c2-12 of the Securities Exchange Commission), and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Preliminary Official Statement to prospective purchasers of the Bonds, and the Treasurer is

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RESOLUTION NO.: \_\_\_\_\_

hereby authorized to execute and deliver an Official Statement in final form (the "Final Official Statement") relating to the Bonds in substantially the form of the Preliminary Official Statement, which Final Official Statement shall include final pricing and related information and other changes in the interests of the City which are approved by the Treasurer in consultation with the City's bond counsel, such approval to be conclusively evidenced by such execution and delivery of the Final Official Statement, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Final Official Statement to all purchasers of the Bonds.

Section 5. The Continuing Disclosure Certificate relating to the Bonds, in substantially the form submitted to and on file with the City Clerk, is hereby approved for execution by the City, and the Treasurer is hereby authorized to execute and deliver the Continuing Disclosure Certificate on behalf of the City in substantially the form submitted, with such modifications as he may approve after consultation with the City's bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Council hereby determines that the value of the real property in the North Natomas Community Facilities District No. 4, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District") that would be subject to the special tax to pay debt service on the Bonds exceeds by at least three (3) times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act") on real property within the Community Facilities District or a special assessment levied on the real property within the Community Facilities District, based upon an appraisal of the real property within the Community Facilities District made by a state certified real estate appraiser consistent with the Act.

Section 7. The officers of the City are hereby authorized and directed, in the name and on behalf of the City, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Master Indenture, the First Supplemental Indenture, the Official Statement and the Continuing Disclosure Certificate; and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Section 8. This resolution shall take effect from and after its passage and adoption.

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

PASSED AND ADOPTED by the Council of the City of Sacramento this 1st day of December, 1998, by the following vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
Mayor of the City of Sacramento

[SEAL]

ATTEST:

\_\_\_\_\_  
City Clerk of the City of Sacramento

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

CLERK'S CERTIFICATE

I, Valerie A, Burrowes, City Clerk of the City of Sacramento, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 1st day of December, 1998, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the Sacramento City Hall, 915 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 1998.

\_\_\_\_\_  
City Clerk of the City of  
Sacramento

[SEAL]