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OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

CITY OF SACRAMENTO
CALIFORNIA

926 J STREET
SUITE 300
SACRAMENTO, CA
95814-2709

PH 916-264-5168
FAX 916-448-3139

APPROVED
BY THE CITY COUNCIL

JAN 12 1999

OFFICE OF THE
CITY CLERK

December 15, 1998
F02712PRA.DOC

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 2 –
PUBLIC HEARING**

LOCATION AND COUNCIL DISTRICT:

The Community Facilities District (CFD) includes approximately 997 acres in the North Natomas Community Plan area, located in Council District 1.

RECOMMENDATION:

This report recommends that the City Council conduct a Public Hearing and adopt the following:

Resolution: Determine that a significant public benefit to the City of Sacramento from the financing of public improvements for the city by the issuance and sale of the Sacramento City Financing Authority Revenue Bonds (North Natomas CFD No. 2) Series A (1999).

CONTACT PERSON: Lydia Lara, Deputy City Treasurer, 264-5168

FOR COUNCIL MEETING: January 12, 1999

SUMMARY:

This report presents an opportunity for any member of the public to address comments related to the public benefits of financing by the Sacramento City Financing Authority the drainage improvements that will remove North Natomas from the internal 100 year flood plain and provide funding for initial habitat mitigation land.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

As illustrated in the attached Exhibit A, the letter from Stone & Youngberg LLC states the specific cost benefits associated with the financing through the use of Sacramento City Financing Authority Revenue bonds. The Marks-Roos structure eliminates the need for multiple bond issues and the costs related to each bond issue.

Improvements to be funded through this financing include:

- Drainage Facilities including levee and channel improvements, pumping plants, land acquisition, engineering, administration and legal costs.
- Acquisition of land to provide for initial habitat mitigation.

FINANCIAL CONSIDERATIONS:

Bonds were priced on December 16, 1998 at a true interest cost of 6.49% Annual debt service for the stadium site parcel (owned by the city) is approximately \$ 200,000.00 annually. A loan from the Drainage Fund for the annual debt service was approved by city council on June 9, 1998 with the expectation that funds would be repaid by the selected developer or the site. A transfer will be made from the Drainage Fund to the General Fund for the annual debt service payments.

ENVIRONMENTAL CONSIDERATIONS:

The North Natomas Comprehensive Drainage Plan EIR was approved by City Council on May 20, 1997. The City Council's action in approving the formation and calling for an election is solely for the purpose of establishing a financing mechanism and is therefore not a project for purposes of the California Environmental Quality Act.

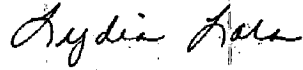
POLICY CONSIDERATIONS:

The procedures under which this public notice is conducted as set forth pursuant to Section 6586.5 of the California Government Code.

MBE/WBE:

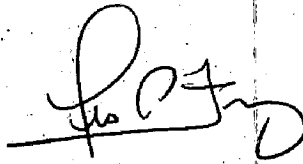
None. No goods or services are being purchased.

Respectfully submitted,



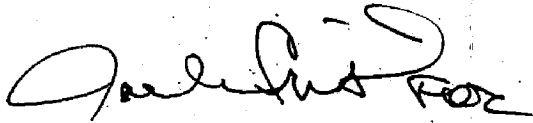
Lydia Lara
Deputy City Treasurer

APPROVED:



Thomas P. Friery
City Treasurer

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager



Stone & Youngberg LLC
Established 1931

98 DEC 17 PM 1:22

CITY TREASURER
SACRAMENTO

January 12, 1999

Mr. Thomas Friery
City of Sacramento
926 "J" Street, Suite 300
Sacramento, CA 95814

RE: North Natomas CFD No. 2
Series A (1999) Revenue Bonds

Dear Mr. Friery:

Under the Marks-Roos Local Bond Pooling Act of 1985, a joint exercise of powers authority may issue bonds to assist local agencies in financing public capital improvements, working capital, liability or other insurance needs, or projects whenever there are significant public benefits for taking that action.

In my opinion, use of the Mark-Roos structure for the referenced bonds will provide a significant public benefit to the City by generating significant savings in bond preparation, bond underwriting and bond issuance costs over underwriting and marketing the multiple bond issues represented by the local obligations to be acquired by the Sacramento City Financing Authority. The savings include printing and distribution costs, bond counsel fees, underwriter counsel fees, underwriter regulatory fees and expenses and other costs associated with multiple bond issues as well as the cost to the City of continuing disclosure for multiple bond issues.

Sincerely,

Warren E. Miller

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APPROVED
BY THE CITY COUNCIL

JAN 12 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO.

99-025

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO
DETERMINING SIGNIFICANT PUBLIC BENEFITS TO THE CITY OF SACRAMENTO
FROM THE FINANCING OF PUBLIC IMPROVEMENTS FOR THE CITY OF
SACRAMENTO BY THE ISSUANCE AND SALE OF THE
SACRAMENTO CITY FINANCING AUTHORITY REVIEW BONDS (NORTH
NATOMAS CFD NO. 2) SERIES A (1999)**

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City") on December 8, 1998, adopted a resolution calling a public hearing to be held by the Council on January 12, 1999, at 7:00 p.m. at its regular meeting place at 915 I Street, Sacramento, California 95814, to consider (1) the proposed financing of the acquisition and construction of certain public improvements within the City by the issuance by the Sacramento City Financing Authority (the "Authority") of its Sacramento City Financing Authority Revenue Bonds (North Natomas CFD No. 2) Series A (1999) (the "Bonds"), and (2) whether there are any significant public benefits to the City from such proposed financing, including demonstrable savings to the City such as savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs (in accordance with Section 6586 of the California Government Code);

WHEREAS, a notice of such public hearing was duly published by the City as required by law in the *Daily Recorder*, a newspaper of general circulation in the County of Sacramento, and a copy of the proof of publication of such notice of public hearing is on file in the office of the City Clerk;

WHEREAS, such public hearing was duly convened by the Council at the time and place as set forth in the notice of public hearing, and at such public hearing the Council heard all interested persons desiring to be heard;

WHEREAS, evidence of the public benefits to the City from the proposed financing was presented by Stone & Youngberg LLC, as the proposed underwriter (the "Underwriter") of the Bonds; and

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the City has considered the presentation given by the Underwriter and is fully advised in the premises;

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

Section 1. All of the recitals herein contained are true and correct and the Council so finds and determines.

Section 2. The Council hereby determines that there are significant public benefits to the City from the proposed financing in that there will be demonstrable savings to the City from the issuance and sale of the Bonds and the funding of the Project Lease to be acquired with proceeds of the Bonds, including savings in bond preparation, bond underwriting and bond issuance costs (in accordance with Section 6586 of the California Government Code).

Section 3. This resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED by the Council of the City of Sacramento this 12th day of January, 1999, 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

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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 12th day of January, 1999, 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: _____, 1999.

City Clerk of the City of
Sacramento

[SEAL]

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

THE DAILY RECORDER

...Since 1911...

1115 H Street P.O. Box 1048
Sacramento, California 95812
Telephone (916) 444-2355
Fax (916) 444-0636

10.2

This space for filing stamp only

**RECEIVED
CITY CLERKS OFFICE
CITY OF SACRAMENTO**

DEC 24 8 31 AM '98

SAC. CITY CLERK PO#8070060934
915 I St., Rm. 304/ V. HENRY
Sacramento CA 95814

DJC8922772

Proof of Publication

(2015.5 C.C.P.)

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT, pursuant to section 6586.5 of the California Government Code, the City Council (the "Council") of the City of Sacramento (the "City") will hold a public hearing on Tuesday, January 12, 1999, at 7:00 PM, at the regular meeting place of the Council of the City, 915 I Street, Sacramento, California 95814, relative to the proposed financing of the acquisition and construction of public improvements in the City's North Natomas Community Facilities District No. 2 located within the City by the issuance and sale of bonds to the Sacramento City Financing Authority (the "Authority") and by funding of a Project Lease to be entered into between the City and the Authority, and whether there are any significant public benefits to the City from the proposed financing, including demonstrable savings to the City from the issuance and sale of such bonds and the funding of the project Lease, such as savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs (in accordance with Section 6586 of the California Government Code), and at said hearing any interested person may appear to address the Council of the City in the foregoing matters.

State of California)
County of Sacramento) ss

AD 8776

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of THE DAILY RECORDER, a daily newspaper published in the English language in the City of Sacramento, County of Sacramento, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of Sacramento, State of California, under date of May 2, 1913, Case No. 16,180. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

12/21/98

EXECUTED ON : 12/21/98
AT LOS ANGELES, CALIFORNIA

Dated: December 21, 1998
SACRAMENTO CITY COUNCIL
By: VALERIE A. BURROWES
City Clerk of the City of Sacramento
Ad No. 8776
SAC-DJC8922772/AD 8776
12/21

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

C. Brantley

Signature

THE DAILY RECORDER

...Since 1911...

1115 H Street P.O. Box 1048
Sacramento, California 95812
Telephone (916) 444-2355
Fax (916) 444-0636

This space for filing stamp only

RECEIVED
CITY CLERKS OFFICE
CITY OF SACRAMENTO

DEC 24 8 31 AM '98

SAC. CITY CLERK PO#8070060934
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Sacramento CA 95814

DJC8922772

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12/21/98

EXECUTED ON : 12/21/98
AT LOS ANGELES, CALIFORNIA

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

C. Brambila
.....
Signature

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SACRAMENTO CITY COUNCIL
By: VALERIE A. BURROWES
City Clerk of the City of Sacramento

Ad No. 8776
SAC-DJC8922772/AD 8776
12/21