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**OFFICE OF THE  
CITY TREASURER**

THOMAS P. FRIERY  
TREASURER

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December 1, 1993

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City Council  
Sacramento, California

Honorable Members in Session:

APPROVED  
BY THE CITY COUNCIL

DEC 14 1993

OFFICE OF THE  
CITY CLERK

SUBJECT:

Bell Avenue Assessment District

LOCATION/COUNCIL DISTRICT:

Council District 2

RECOMMENDATION:

This report recommends that the City Council adopt the attached resolution determining that currently there are sufficient monies in the Bell Avenue Assessment District Redemption Fund to pay the unpaid principal and interest, and directing the City Treasurer to pay matured bonds and interest as long as there is available monies in the Redemption Fund.

CONTACT PERSON:

Thomas P. Friery, City Treasurer (916) 264-5168

FOR COUNCIL MEETING OF:

December 14, 1993

SUMMARY

On November 23, 1993 the City Treasurer advised the City Council that there was a danger of ultimate loss to the bondholders of the Bell Avenue Assessment "District" and recommended that

the City Council conduct a hearing on December 14, 1993 to determine whether Council concurred with the City Treasurer, and if so, direct the City Treasurer to disburse the available monies to the bondholders. This report advises the City Council that significant delinquent payments have been received and sufficient monies are now available to pay the unpaid principal and interest and recommends that the City Council adopt the attached Resolution directing the City Treasurer to pay matured bonds and interest as long as there are monies available in the Redemption Fund.

#### BACKGROUND

In compliance with State statutes the City Treasurer determined and advised City Council that there was a danger of ultimate loss to the bondholders in the Bell Avenue Assessment District. The finding was made by the Treasurer after continued and prolonged efforts by the City's foreclosure attorney to seek payment of delinquent assessment installments totalling approximately \$401,000 were unsuccessful. As a result the District's Redemption Fund was more than \$50,000 short of making bond holder payments due in April 1994. It appeared that a foreclosure sale might be the only remedy to satisfy the assessment liens and that process could take several months. Further more, no assurance could be made that a foreclosure sale would be successful in the current market environment.

On December 2, 1993 National Westminster Bank PLC of New York (Bank) paid the City \$494,189.82 representing virtually all the delinquent assessment installments in the District as well as accrued penalties and interest. The Bank had made a loan to the original owners secured by the property. The Bank has foreclosed on the loan and is the owner of record. The Bank's interest in the property could have been expunged if the Bank had not made the assessment payment, forcing a foreclosure sale.

The payment, including penalties and interest, results in sufficient revenues in the District to make the April 1994 payment and restoration of the Reserve Account which originally was established in the amount of \$311,568.75. Although no assurances can be made regarding future payment by the Bank, the City Treasurer now determines that there is not an immediate danger of ultimate loss to bondholders in the District. Further, the City Treasurer advises that the City's foreclosure process has terminated.

The City Treasurer now recommends that the City Council

- Find that there are presently sufficient monies available to pay the matured bonds and interest for the Bell Avenue Assessment District April 1994 payment, and
- Direct the Treasurer to pay matured bonds and interest as long as there are available monies in the Bell Avenue Assessment District authorized for such purpose.

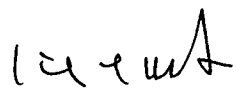
FINANCIAL CONSIDERATION

None

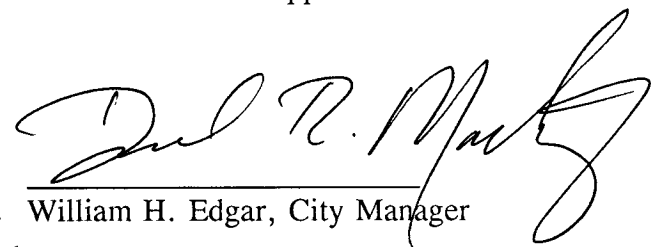
MBE/WE

None

Respectfully submitted,

  
Thomas P. Fiery  
City Treasurer

Recommendation Approved

  
for: William H. Edgar, City Manager

**RESOLUTION NO. 93-719**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

A RESOLUTION DIRECTING THE CITY TREASURER TO PAY MATURED BONDS AND INTEREST TO THE BONDHOLDERS OF THE BELL AVENUE ASSESSMENT DISTRICT AS LONG AS THERE ARE AVAILABLE MONIES IN THE REDEMPTION FUND.

WHEREAS, on November 23, 1993 the City Treasurer reported to the City Council on the danger of ultimate loss to the bondholders of the Bell Avenue Assessment District due to significant delinquencies, and

WHEREAS, the City Council fixed December 14, 1993 as the date for a hearing on the City Treasurer report, and

WHEREAS, on November 30, 1993, the City received significant payment on the delinquencies totaling \$494,189.82, and

WHEREAS, the City Treasurer now concludes that sufficient monies are available to pay the matured bonds and interest

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento that

1. Sufficient monies are available to pay the matured bonds and interest, and
2. The City Treasurer is directed to pay matured bonds and interest as long as there are available monies in the Redemption Fund.

APPROVED  
BY THE CITY COUNCIL

DEC 14 1993

CITY CLERK

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY CLERK USE ONLY

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

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