TO: Mayor and City Council

FROM: Mark Moses, Director of Administrative Services

SUBJECT: INITIATE PROCEEDINGS TO REFINANCE BLOSSOM RANCH, WATERFORD ESTATES EAST, LA MORADA, MORADA RANCH AND MORADA NORTH ASSESSMENT DISTRICTS

RECOMMENDATION

Adopt five (5) Resolutions of the City Council of the City of Stockton authorizing the issuance of conditional call notices and ordering five (5) Engineer’s Reports in order to refund the original bonds of the Blossom Ranch, Waterford Estates East, La Morada, Morada Ranch, and Morada North Assessment Districts.

Summary

The Administrative Services Department is seeking Council approval to initiate proceedings to refund the Blossom Ranch, Waterford Estates East, La Morada, Morada Ranch, and Morada North Assessment Districts. While this is not a debt of the City, the potential refunding may reduce the amount of the Annual Special Assessments paid by property owners within the boundaries of the Districts. At this time, estimated savings range from 6.50% to 13.40% within the various Districts. In order to execute the anticipated refinancing, it is necessary to provide notice to bondholders and order the Engineer’s Reports at this time.

DISCUSSION

Background

In order to fund the necessary improvements related to residential growth within the City, the City Council has established the following Special Assessment Districts: February 1994 - Blossom Ranch; February 1997 - La Morada; September 2000 - Morada Ranch; June 2002 - Morada North; and October 2002 - Waterford Estates East. All of these districts are planned residential communities located in the northern portion of the City.

There is currently $17,875,000 of outstanding bonds between the districts with interest rates ranging from 2.85% to 6.80%. None of the districts have previously been refinanced and all are eligible to be refunded on September 1, 2005.
INITIATE PROCEEDINGS TO REFINANCE BLOSSOM RANCH, WATERFORD ESTATES EAST, LA MORADA, MORADA RANCH AND MORADA NORTH ASSESSMENT DISTRICTS

Present Situation

Given the current low interest rate environment, the Administrative Services Department is in the process of analyzing all existing Special Assessment and Special Tax Districts to identify potential refinancing opportunities. Based on our preliminary findings, the five previously mentioned districts appear to meet the criteria for refinancing. In order to qualify, there must be savings in every year, the outstanding amount of debt cannot be increased, and the original maturity date of the bonds must not be extended.

- Legal Authority and Procedures

  The City is authorized to issue Special Assessment Refunding Bonds pursuant to the provisions of the Refunding Act of 1984 for Improvement Bond Act 1915 Bonds.

It is anticipated that the proposed refinancing will be ready for Council consideration in August, however, the Fiscal Agent and Trust Agreements for each of the respective districts require that the holders of the bonds be notified a minimum of thirty (30) days in advance of any redemption of bonds prior to their maturity. The next redemption date is September 1, 2005 therefore the bond holders must be notified with a conditional notice of redemption no later than July 31, 2005. In addition, in order to proceed with the process, an Engineer's Report must be prepared for each District. The reports will contain information regarding the original assessments as well as the impact of the reassessment.

Recommended Action

Adopt five (5) resolutions making preliminary determinations and declaring Council's intention to issue refunding bonds for the Blossom Ranch, Waterford Estates East, La Morada, Morada Ranch, and Morada North Assessment Districts. This includes issuing conditional notices of redemption for each district and ordering an Engineer's Report for each district.

Financing Team

The members of the financing team include Stradling, Yocca, Carlson & Rauth as Bond Counsel, Lofton & Jennings as Disclosure Counsel, and RBC Dain Rausher as the Underwriter. All three firms were selected from the vendor pool containing professionals that perform these types of services for the City of Stockton.
INITIATE PROCEEDINGS TO REFINANCE BLOSSOM RANCH, WATERFORD ESTATES EAST, LA MORADA, MORADA RANCH AND MORADA NORTH ASSESSMENT DISTRICTS

Other members of the financing team include Del Rio Advisors as Financial Advisor, Wells Fargo Bank National Association as Fiscal Agent, and MuniFinancial as the District Administrator.

FINANCIAL SUMMARY

Funds are provided from the Districts on an annual basis to pay for all administrative costs. In addition, the City of Stockton will receive an administrative fee of one-quarter of one percent of the par amount of the bonds at such time that the bonds are issued as reimbursement for the costs and staff time associated with bringing the matter to City Council for consideration.

PREPARED BY: Jim Malberg, Program Manager III

Respectfully submitted,

MARK MOSES
DIRECTOR OF ADMINISTRATIVE SERVICES

Approved by City Manager

MARK LEWIS, CITY MANAGER
RESOLUTION NO. __________

STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON MAKING PRELIMINARY DETERMINATIONS AND DECLARING ITS INTENTION TO ISSUE REFUNDING BONDS FOR BLOSSOM RANCH ASSESSMENT DISTRICT NO. 93-1 AND ORDERING AN ENGINEER’S REPORT THEREON

WHEREAS, the City Council of the City of Stockton has previously undertaken proceedings pursuant to the terms and provisions of the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of the State of California (the “Streets and Highways Code”)) to form Blossom Ranch Assessment District No. 93-1 (the “Assessment District”), and to confirm assessments on the parcels therein; and

WHEREAS, improvement bonds in the amount of $2,922,690 known as the “City of Stockton Limited Obligation Improvement Bonds Blossom Ranch Assessment District No. 93-1,” representing the then unpaid assessments within the Assessment District (the “Original Bonds”), were issued and sold in the manner provided in the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code); and

WHEREAS, this City Council intends to initiate proceedings to refund the Original Bonds pursuant to the Refunding Act of 1984 for Improvement Bond Act of 1915 Bonds (Division 11.5 of the Streets and Highways Code) (the “Refunding Act”), and in connection therewith to reassess the properties within the Assessment District which have unpaid assessments and to issue refunding bonds (the “Refunding Bonds”); and

WHEREAS, this City Council wishes to provide for a conditional notice of redemption of the Original Bonds prior to the final determination to issue the Refunding Bonds;

NOW, THEREFORE, the City Council of the City of Stockton DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER as follows:

SECTION 1. The above recitals are all true and correct.

SECTION 2. The public interest and necessity require, and it is the intention of this City Council, pursuant to the provisions of the Refunding Act, to refund all of the outstanding Original Bonds by the issuance of the Refunding Bonds and to levy reassessments as security for the Refunding Bonds.

SECTION 3. MuniFinancial, Inc., the engineer of work in connection with the proposed reassessment proceedings, is hereby authorized and directed to make and file with the City Clerk a written report (the “Report”) generally containing the following:

(a) A schedule setting forth the unpaid principal and interest on the Original Bonds of each Assessment District to be refunded and the total amounts thereof;

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(b) A total estimated principal amount of the reassessment and the Refunding Bonds and the maximum interest rate thereon, together with an estimate of costs of the reassessment and of issuing the Refunding Bonds, including all costs of issuing the Refunding Bonds as defined in Streets and Highways Code Section 9600;

(c) The auditor's record kept pursuant to Streets and Highways Code Section 8682 showing the schedule of the principal installments and interest on all unpaid original assessments in the Assessment District 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 Streets and Highways Code Section 8682; and

(e) A reassessment diagram showing the Reassessment District and the boundaries and dimensions of the subdivisions of land within the original Assessment District as well as the Reassessment District, assigning a separate number to each such subdivision of land within the Reassessment District;

SECTION 4. Immediately upon the preparation of the Report as above ordered, the Report shall be filed with the City Clerk and presented to this City Council for further consideration as it relates to the proposed reassessment proceedings and issuance of Refunding Bonds.

SECTION 5. All Original Bonds and original assessments of the Assessment District shall continue and remain in full force and effect and be secured by the original assessments until superseded and replaced by reassessments and Refunding Bonds validly and legally issued for the Reassessment District pursuant to all the terms and provisions of the Refunding Act.

SECTION 6. Notice is hereby given that the Refunding Bonds, to represent the unpaid reassessments, in the form(s) of serial and/or term bonds and bearing interest at the rate or rates of interest to be determined by this City Council at the time of sale thereof, but not to exceed the maximum rate authorized by applicable law at time of such sale, will be issued in these proceedings in the manner provided by the Refunding Act and the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code), the last installment of which Refunding Bonds shall mature not later than September 2, 2019. 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, in its sole discretion, from so advancing the funds. The reassessment may include the amount of a special reserve fund for the Refunding Bonds in the amount, if any, set forth in the Report as finally approved by this City Council.

The amount of any surplus remaining after completion of the refunding shall be transferred to the redemption fund for the Refunding Bonds.

The City Council may establish annually an additional amount, to be entered on the assessment roll in accordance with Section 8682.1 of the Streets and Highways Code, to
compensate the City for its actual and reasonable expenses in the administration of reassessments and bond proceeds.

SECTION 7. If the Director of Administrative Services of the City (the "Director of Administrative Services") determines that the issuance of the Refunding Bonds is likely to occur on or before September 2, 2005, the Director of Administrative Services is authorized and directed to instruct the paying agent for the Original Bonds to deliver a timely notice of redemption to the holders of the Original Bonds, with such notice specifying that the redemption is to occur on September 2, 2005, subject to the availability of funds.

SECTION 8. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds issued under these proceedings.

SECTION 9. For purposes of the reassessment and refunding proceedings, the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is hereby appointed as bond counsel; the law firm of Lofton & Jennings, San Francisco, California, is hereby appointed as disclosure counsel; RBC Dain Rauscher Inc, San Francisco, California, is hereby appointed as underwriter for the Refunding Bonds; and MuniFinancial, Inc., Temecula, California, is hereby appointed the engineer in connection with the reassessment proceedings.

SECTION 10. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED ____________________________

AYES:

NOES:

ABSENT:

ABSTAIN:

EDWARD J. CHAVEZ, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
STATE OF CALIFORNIA  )  SS
COUNTY OF SAN JOAQUIN  )

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that
the foregoing Resolution was adopted at a regular meeting of the City Council of the City of
Stockton held on the 28th day of June, 2005, by the following roll call vote:

AYES:
NOES:
ABSENT:

______________________________
City Clerk of the City of Stockton

STATE OF CALIFORNIA  )  SS
COUNTY OF SAN JOAQUIN  )

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that
the above and foregoing is a full, true and correct copy of RESOLUTION NO. _____________
of said City and that the same has not been amended or repealed.

DATED: June 28, 2005

______________________________
City Clerk of the City of Stockton
RESOLUTION NO. ____________

STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON MAKING PRELIMINARY DETERMINATIONS AND DECLARING ITS INTENTION TO ISSUE REFUNDING BONDS FOR WATERFORD ESTATES EAST ASSESSMENT DISTRICT PROJECT NO. 2002-03 AND ORDERING AN ENGINEER'S REPORT THEREON

WHEREAS, the City Council of the City of Stockton has previously undertaken proceedings pursuant to the terms and provisions of the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of the State of California (the "Streets and Highways Code").) to form Waterford Estates East Assessment District Project No. 2002-03 (the "Assessment District"); and

WHEREAS, improvement bonds in the amount of $4,000,000 known as the "City of Stockton Limited Obligation Improvement Bonds Waterford Estates East Assessment District Project No. 2002-03," representing the then unpaid assessments within the Assessment District (the "Original Bonds"), were issued and sold in the manner provided in the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code); and

WHEREAS, this City Council intends to initiate proceedings to refund the Original Bonds pursuant to the Refunding Act of 1984 for Improvement Bond Act of 1915 Bonds (Division 11.5 of the Streets and Highways Code) (the "Refunding Act"); and in connection therewith to reassess the properties within the Assessment District which have unpaid assessments and to issue refunding bonds (the "Refunding Bonds"); and

WHEREAS, this City Council wishes to provide for a conditional notice of redemption of the Original Bonds prior to the final determination to issue the Refunding Bonds;

NOW, THEREFORE, the City Council of the City of Stockton DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER as follows:

SECTION 1. The above recitals are all true and correct.

SECTION 2. The public interest and necessity require, and it is the intention of this City Council, pursuant to the provisions of the Refunding Act, to refund all of the outstanding Original Bonds by the issuance of the Refunding Bonds and to levy reassessments as security for the Refunding Bonds.

SECTION 3. MuniFinancial, Inc., the engineer of work in connection with the proposed reassessment proceedings, is hereby authorized and directed to make and file with the City Clerk a written report (the "Report") generally containing the following:

(a) A schedule setting forth the unpaid principal and interest on the Original Bonds of each Assessment District to be refunded and the total amounts thereof;
(b) A total estimated principal amount of the reassessment and the Refunding Bonds and the maximum interest rate thereon, together with an estimate of costs of the reassessment and of issuing the Refunding Bonds, including all costs of issuing the Refunding Bonds as defined in Streets and Highways Code Section 9600;

(c) The auditor's record kept pursuant to Streets and Highways Code Section 8682 showing the schedule of the principal installments and interest on all unpaid original assessments in the Assessment District 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 Streets and Highways Code Section 8682; and

(e) A reassessment diagram showing the Reassessment District and the boundaries and dimensions of the subdivisions of land within the original Assessment District as well as the Reassessment District, assigning a separate number to each such subdivision of land within the Reassessment District;

SECTION 4. Immediately upon the preparation of the Report as above ordered, the Report shall be filed with the City Clerk and presented to this City Council for further consideration as it relates to the proposed reassessment proceedings and issuance of Refunding Bonds.

SECTION 5. All Original Bonds and original assessments of the Assessment District shall continue and remain in full force and effect and be secured by the original assessments until superseded and replaced by reassessments and Refunding Bonds validly and legally issued for the Reassessment District pursuant to all the terms and provisions of the Refunding Act.

SECTION 6. Notice is hereby given that the Refunding Bonds, to represent the unpaid reassessments, in the form(s) of serial and/or term bonds and bearing interest at the rate or rates of interest to be determined by this City Council at the time of sale thereof, but not to exceed the maximum rate authorized by applicable law at time of such sale, will be issued in these proceedings in the manner provided by the Refunding Act and the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code), the last installment of which Refunding Bonds shall mature not later than September 2, 2032. 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, in its sole discretion, from so advancing the funds. The reassessment may include the amount of a special reserve fund for the Refunding Bonds in the amount, if any, set forth in the Report as finally approved by this City Council.

The amount of any surplus remaining after completion of the refunding shall be transferred to the redemption fund for the Refunding Bonds.

The City Council may establish annually an additional amount, to be entered on the assessment roll in accordance with Section 8682.1 of the Streets and Highways Code, to
compensate the City for its actual and reasonable expenses in the administration of reassessments and bond proceeds.

SECTION 7. If the Director of Administrative Services of the City (the "Director of Administrative Services") determines that the issuance of the Refunding Bonds is likely to occur on or before September 2, 2005, the Director of Administrative Services is authorized and directed to instruct the paying agent for the Original Bonds to deliver a timely notice of redemption to the holders of the Original Bonds, with such notice specifying that the redemption is to occur on September 2, 2005, subject to the availability of funds.

SECTION 8. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds issued under these proceedings.

SECTION 9. For purposes of the reassessment and refunding proceedings, the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is hereby appointed as bond counsel; the law firm of Lofton & Jennings, San Francisco, California, is hereby appointed as disclosure counsel; RBC Dain Rauscher Inc, San Francisco, California, is hereby appointed as underwriter for the Refunding Bonds; and MuniFinancial, Inc., Temecula, California, is hereby appointed the engineer in connection with the reassessment proceedings.

SECTION 10. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED ____________________________

AYES:
NOES:
ABSENT:
ABSTAIN:

EDWARD J. CHAVEZ, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
STATE OF CALIFORNIA  
COUNTY OF SAN JOAQUIN  

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that
the foregoing Resolution was adopted at a regular meeting of the City Council of the City of
Stockton held on the 28th day of June, 2005, by the following roll call vote:

AYES:

NOES:

ABSENT:

City Clerk of the City of Stockton

STATE OF CALIFORNIA  
COUNTY OF SAN JOAQUIN  

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that
the above and foregoing is a full, true and correct copy of RESOLUTION NO. ____________
of said City and that the same has not been amended or repealed.

DATED: June 28, 2005

City Clerk of the City of Stockton
RESOLUTION NO. _______

STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON MAKING PRELIMINARY DETERMINATIONS AND DECLARING ITS INTENTION TO ISSUE REFUNDING BONDS FOR LA MORADA ASSESSMENT DISTRICT NO. 96-4 AND ORDERING AN ENGINEER’S REPORT THEREON

WHEREAS, the City Council of the City of Stockton has previously undertaken proceedings pursuant to the terms and provisions of the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of the State of California (the "Streets and Highways Code");) to form La Morada Assessment District No. 96-4 (the "Assessment District"), and to confirm assessments on the parcels therein; and

WHEREAS, improvement bonds in the amount of $2,280,000 known as the "City of Stockton Limited Obligation Improvement Bonds, Series 227, La Morada Assessment District No. 96-4," representing the then unpaid assessments within the Assessment District (the "Original Bonds"), were issued and sold in the manner provided in the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code); and

WHEREAS, this City Council intends to initiate proceedings to refund the Original Bonds pursuant to the Refunding Act of 1984 for Improvement Bond Act of 1915 Bonds (Division 11.5 of the Streets and Highways Code) (the "Refunding Act"), and in connection therewith to reassess the properties within the Assessment District which have unpaid assessments and to issue refunding bonds (the "Refunding Bonds"); and

WHEREAS, this City Council wishes to provide for a conditional notice of redemption of the Original Bonds prior to the final determination to issue the Refunding Bonds;

NOW, THEREFORE, the City Council of the City of Stockton DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER as follows:

SECTION 1. The above recitals are all true and correct.

SECTION 2. The public interest and necessity require, and it is the intention of this City Council, pursuant to the provisions of the Refunding Act, to refund all of the outstanding Original Bonds by the issuance of the Refunding Bonds and to levy reassessments as security for the Refunding Bonds.

SECTION 3. MuniFinancial, Inc., the engineer of work in connection with the proposed reassessment proceedings, is hereby authorized and directed to make and file with the City Clerk a written report (the "Report") generally containing the following:

(a) A schedule setting forth the unpaid principal and interest on the Original Bonds of each Assessment District to be refunded and the total amounts thereof;
(b) A total estimated principal amount of the reassessment and the Refunding Bonds and the maximum interest rate thereon, together with an estimate of costs of the reassessment and of issuing the Refunding Bonds, including all costs of issuing the Refunding Bonds as defined in Streets and Highways Code Section 9600;

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

(e) A reassessment diagram showing the Reassessment District and the boundaries and dimensions of the subdivisions of land within the original Assessment District as well as the Reassessment District, assigning a separate number to each such subdivision of land within the Reassessment District;

SECTION 4. Immediately upon the preparation of the Report as above ordered, the Report shall be filed with the City Clerk and presented to this City Council for further consideration as it relates to the proposed reassessment proceedings and issuance of Refunding Bonds.

SECTION 5. All Original Bonds and original assessments of the Assessment District shall continue and remain in full force and effect and be secured by the original assessments until superseded and replaced by reassessments and Refunding Bonds validly and legally issued for the Reassessment District pursuant to all the terms and provisions of the Refunding Act.

SECTION 6. Notice is hereby given that the Refunding Bonds, to represent the unpaid reassessments, in the form(s) of serial and/or term bonds and bearing interest at the rate or rates of interest to be determined by this City Council at the time of sale thereof, but not to exceed the maximum rate authorized by applicable law at time of such sale, will be issued in these proceedings in the manner provided by the Refunding Act and the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code), the last installment of which Refunding Bonds shall mature not later than September 2, 2023. 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, in its sole discretion, from so advancing the funds. The reassessment may include the amount of a special reserve fund for the Refunding Bonds in the amount, if any, set forth in the Report as finally approved by this City Council.

The amount of any surplus remaining after completion of the refunding shall be transferred to the redemption fund for the Refunding Bonds.

The City Council may establish annually an additional amount, to be entered on the assessment roll in accordance with Section 8682.1 of the Streets and Highways Code, to
compensate the City for its actual and reasonable expenses in the administration of reassessments and bond proceeds.

SECTION 7. If the Director of Administrative Services of the City (the "Director of Administrative Services") determines that the issuance of the Refunding Bonds is likely to occur on or before September 2, 2005, the Director of Administrative Services is authorized and directed to instruct the paying agent for the Original Bonds to deliver a timely notice of redemption to the holders of the Original Bonds, with such notice specifying that the redemption is to occur on September 2, 2005, subject to the availability of funds.

SECTION 8. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds issued under these proceedings.

SECTION 9. For purposes of the reassessment and refunding proceedings, the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is hereby appointed as bond counsel; the law firm of Lofton & Jennings, San Francisco, California, is hereby appointed as disclosure counsel; RBC Dain Rauscher Inc, San Francisco, California, is hereby appointed as underwriter for the Refunding Bonds; and MuniFinancial, Inc., Temecula, California, is hereby appointed the engineer in connection with the reassessment proceedings.

SECTION 10. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED ____________________________.

AYES:

NOES:

ABSENT:

ABSTAIN:

EDWARD J. CHAVEZ, Mayor
of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

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STATE OF CALIFORNIA    )
                     ) SS
COUNTY OF SAN JOAQUIN     )

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Stockton held on the 28th day of June, 2005, by the following roll call vote:

AYES:
NOES:
ABSENT:

________________________________________________________________________
City Clerk of the City of Stockton

STATE OF CALIFORNIA    )
                     ) SS
COUNTY OF SAN JOAQUIN     )

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. __________ of said City and that the same has not been amended or repealed.

DATED: June 28, 2005

________________________________________________________________________
City Clerk of the City of Stockton
RESOLUTION NO. __________

STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON MAKING PRELIMINARY DETERMINATIONS AND DECLARING ITS INTENTION TO ISSUE REFUNDING BONDS FOR MORADA RANCH ASSESSMENT DISTRICT NO. 2000-01 AND ORDERING AN ENGINEER’S REPORT THEREON

WHEREAS, the City Council of the City of Stockton has previously undertaken proceedings pursuant to the terms and provisions of the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of the State of California (the “Streets and Highways Code”)) to form Morada Ranch Assessment District No. 2000-01 (the “Assessment District”), and to confirm assessments on the parcels therein; and

WHEREAS, improvement bonds in the amount of $7,030,000 known as the “City of Stockton Limited Obligation Improvement Bonds Morada Ranch Assessment District No. 2000-01,” representing the then unpaid assessments within the Assessment District (the “Original Bonds”), were issued and sold in the manner provided in the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code); and

WHEREAS, this City Council intends to initiate proceedings to refund the Original Bonds pursuant to the Refunding Act of 1984 for Improvement Bond Act of 1915 Bonds (Division 11.5 of the Streets and Highways Code) (the “Refunding Act”), and in connection therewith to reassess the properties within the Assessment District which have unpaid assessments and to issue refunding bonds (the “Refunding Bonds”); and

WHEREAS, this City Council wishes to provide for a conditional notice of redemption of the Original Bonds prior to the final determination to issue the Refunding Bonds;

NOW, THEREFORE, the City Council of the City of Stockton DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER as follows:

SECTION 1. The above recitals are all true and correct.

SECTION 2. The public interest and necessity require, and it is the intention of this City Council, pursuant to the provisions of the Refunding Act, to refund all of the outstanding Original Bonds by the issuance of the Refunding Bonds and to levy reassessments as security for the Refunding Bonds.

SECTION 3. MuniFinancial, Inc., the engineer of work in connection with the proposed reassessment proceedings, is hereby authorized and directed to make and file with the City Clerk a written report (the “Report”) generally containing the following:

(a) A schedule setting forth the unpaid principal and interest on the Original Bonds of each Assessment District to be refunded and the total amounts thereof;
(b) A total estimated principal amount of the reassessment and the
Refunding Bonds and the maximum interest rate thereon, together with an estimate of costs
of the reassessment and of issuing the Refunding Bonds, including all costs of issuing the
Refunding Bonds as defined in Streets and Highways Code Section 9600;

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

(e) A reassessment diagram showing the Reassessment District and the
boundaries and dimensions of the subdivisions of land within the original Assessment
District as well as the Reassessment District, assigning a separate number to each such
subdivision of land within the Reassessment District;

SECTION 4. Immediately upon the preparation of the Report as above ordered, the
Report shall be filed with the City Clerk and presented to this City Council for further
consideration as it relates to the proposed reassessment proceedings and issuance of
Refunding Bonds.

SECTION 5. All Original Bonds and original assessments of the Assessment
District shall continue and remain in full force and effect and be secured by the original
assessments until superseded and replaced by reassessments and Refunding Bonds
validly and legally issued for the Reassessment District pursuant to all the terms and
provisions of the Refunding Act.

SECTION 6. Notice is hereby given that the Refunding Bonds, to represent the
unpaid reassessments, in the form(s) of serial and/or term bonds and bearing interest at the
rate or rates of interest to be determined by this City Council at the time of sale thereof, but
not to exceed the maximum rate authorized by applicable law at time of such sale, will be
issued in these proceedings in the manner provided by the Refunding Act and the
Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code), the last
installment of which Refunding Bonds shall mature not later than September 2, 2027. 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, in its sole
discretion, from so advancing the funds. The reassessment may include the amount of a
special reserve fund for the Refunding Bonds in the amount, if any, set forth in the Report
as finally approved by this City Council.

The amount of any surplus remaining after completion of the refunding shall be
transferred to the redemption fund for the Refunding Bonds.

The City Council may establish annually an additional amount, to be entered on the
assessment roll in accordance with Section 8682.1 of the Streets and Highways Code, to
compensate the City for its actual and reasonable expenses in the administration of reassessments and bond proceeds.

SECTION 7. If the Director of Administrative Services of the City (the "Director of Administrative Services") determines that the issuance of the Refunding Bonds is likely to occur on or before September 2, 2005, the Director of Administrative Services is authorized and directed to instruct the paying agent for the Original Bonds to deliver a timely notice of redemption to the holders of the Original Bonds, with such notice specifying that the redemption is to occur on September 2, 2005, subject to the availability of funds.

SECTION 8. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds issued under these proceedings.

SECTION 9. For purposes of the reassessment and refunding proceedings, the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is hereby appointed as bond counsel; the law firm of Lofton & Jennings, San Francisco, California, is hereby appointed as disclosure counsel; RBC Dain Rauscher Inc, San Francisco, California, is hereby appointed as underwriter for the Refunding Bonds; and MuniFinancial, Inc., Temecula, California, is hereby appointed the engineer in connection with the reassessment proceedings.

SECTION 10. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED ____________________________

AYES:

NOES:

ABSENT:

ABSTAIN:

EDWARD J. CHAVEZ, Mayor
of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
STATE OF CALIFORNIA     )  
COUNTY OF SAN JOAQUIN    ) SS

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Stockton held on the 28th day of June, 2005, by the following roll call vote:

AYES:
NOES:
ABSENT:

City Clerk of the City of Stockton

STATE OF CALIFORNIA     )  
COUNTY OF SAN JOAQUIN    ) SS

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. ___________ of said City and that the same has not been amended or repealed.

DATED: June 28, 2005

City Clerk of the City of Stockton
RESOLUTION NO. ________

STOCKTON CITY COUNCIL

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RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON MAKING
PRELIMINARY DETERMINATIONS AND DECLARING ITS INTENTION TO ISSUE
REFUNDING BONDS FOR MORADA NORTH ASSESSMENT DISTRICT NO. 2002-01
AND ORDERING AN ENGINEER'S REPORT THEREON

WHEREAS, the City Council of the City of Stockton has previously undertaken
proceedings pursuant to the terms and provisions of the Municipal Improvement Act of 1913
(Division 12 of the Streets and Highways Code of the State of California (the "Streets and
Highways Code")) to form Morada North Assessment District No. 2002-01 (the "Assessment
District"), and to confirm assessments on the parcels therein; and

WHEREAS, improvement bonds in the amount of $4,045,000 known as the "City of
Stockton Limited Obligation Improvement Bonds Morada North Assessment District No.
2002-01," representing the then unpaid assessments within the Assessment District (the
"Original Bonds"), were issued and sold in the manner provided in the Improvement Bond
Act of 1915 (Division 10 of the Streets and Highways Code); and

WHEREAS, this City Council intends to initiate proceedings to refund the Original
Bonds pursuant to the Refunding Act of 1984 for Improvement Bond Act of 1915 Bonds
(Division 11.5 of the Streets and Highways Code) (the "Refunding Act"), and in connection
therewith to reassess the properties within the Assessment District which have unpaid
assessments and to issue refunding bonds (the "Refunding Bonds"); and

WHEREAS, this City Council wishes to provide for a conditional notice of redemption
of the Original Bonds prior to the final determination to issue the Refunding Bonds;

NOW, THEREFORE, the City Council of the City of Stockton DOES HEREBY FIND,
DETERMINE, RESOLVE AND ORDER as follows:

SECTION 1. The above recitals are all true and correct.

SECTION 2. The public interest and necessity require, and it is the intention of this
City Council, pursuant to the provisions of the Refunding Act, to refund all of the outstanding
Original Bonds by the issuance of the Refunding Bonds and to levy reassessments as
security for the Refunding Bonds.

SECTION 3. MuniFinancial, Inc., the engineer of work in connection with the
proposed reassessment proceedings, is hereby authorized and directed to make and file
with the City Clerk a written report (the "Report") generally containing the following:

(a) A schedule setting forth the unpaid principal and interest on the
Original Bonds of each Assessment District to be refunded and the total amounts thereof;

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(b) A total estimated principal amount of the reassessment and the
Refunding Bonds and the maximum interest rate thereon, together with an estimate of costs
of the reassessment and of issuing the Refunding Bonds, including all costs of issuing the
Refunding Bonds as defined in Streets and Highways Code Section 9600;

(c) The auditor's record kept pursuant to Streets and Highways Code
Section 8682 showing the schedule of the principal installments and interest on all unpaid
original assessments in the Assessment District 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 Streets and Highways Code Section 8682; and

(e) A reassessment diagram showing the Reassessment District and the
boundaries and dimensions of the subdivisions of land within the original Assessment
District as well as the Reassessment District, assigning a separate number to each such
subdivision of land within the Reassessment District;

SECTION 4. Immediately upon the preparation of the Report as above ordered, the
Report shall be filed with the City Clerk and presented to this City Council for further
consideration as it relates to the proposed reassessment proceedings and issuance of
Refunding Bonds.

SECTION 5. All Original Bonds and original assessments of the Assessment
District shall continue and remain in full force and effect and be secured by the original
assessments until superseded and replaced by reassessments and Refunding Bonds
validly and legally issued for the Reassessment District pursuant to all the terms and
provisions of the Refunding Act.

SECTION 6. Notice is hereby given that the Refunding Bonds, to represent the
unpaid reassessments, in the form(s) of serial and/or term bonds and bearing interest at the
rate or rates of interest to be determined by this City Council at the time of sale thereof, but
not to exceed the maximum rate authorized by applicable law at time of such sale, will be
issued in these proceedings in the manner provided by the Refunding Act and the
Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code), the last
installment of which Refunding Bonds shall mature not later than September 2, 2027. 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, in its sole
discretion, from so advancing the funds. The reassessment may include the amount of a
special reserve fund for the Refunding Bonds in the amount, if any, set forth in the Report
as finally approved by this City Council.

The amount of any surplus remaining after completion of the refunding shall be
transferred to the redemption fund for the Refunding Bonds.

The City Council may establish annually an additional amount, to be entered on the
assessment roll in accordance with Section 8682.1 of the Streets and Highways Code, to
compensate the City for its actual and reasonable expenses in the administration of reassessments and bond proceeds.

SECTION 7. If the Director of Administrative Services of the City (the "Director of Administrative Services") determines that the issuance of the Refunding Bonds is likely to occur on or before September 2, 2005, the Director of Administrative Services is authorized and directed to instruct the paying agent for the Original Bonds to deliver a timely notice of redemption to the holders of the Original Bonds, with such notice specifying that the redemption is to occur on September 2, 2005, subject to the availability of funds.

SECTION 8. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds issued under these proceedings.

SECTION 9. For purposes of the reassessment and refunding proceedings, the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is hereby appointed as bond counsel; the law firm of Lofton & Jennings, San Francisco, California, is hereby appointed as disclosure counsel; RBC Dain Rauscher Inc, San Francisco, California, is hereby appointed as underwriter for the Refunding Bonds; and MuniFinancial, Inc., Temecula, California, is hereby appointed the engineer in connection with the reassessment proceedings.

SECTION 10. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED ____________________________.

AYES:

NOES:

ABSENT:

ABSTAIN:

EDWARD J. CHAVEZ, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
STATE OF CALIFORNIA  )
 ) SS
COUNTY OF SAN JOAQUIN  )

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that
the foregoing Resolution was adopted at a regular meeting of the City Council of the City of
Stockton held on the 28th day of June, 2005, by the following roll call vote:

AYES:

NOES:

ABSENT:

__________________________
City Clerk of the City of Stockton

STATE OF CALIFORNIA  )
 ) SS
COUNTY OF SAN JOAQUIN  )

I, Katherine Gong Meissner, City Clerk of the City of Stockton, hereby do certify that
the above and foregoing is a full, true and correct copy of RESOLUTION NO. _________
of said City and that the same has not been amended or repealed.

DATED: June 28, 2005

__________________________
City Clerk of the City of Stockton