

RESOLUTION NO. 19-__

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

WHEREAS, the City Council (the “City Council”) of the City of Hercules (the “City”) 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) to form the Assessment District No. 2005-1 (John Muir Parkway) of the City of Hercules (the “Assessment District”), and confirm assessments on the parcels therein; and

WHEREAS, the City issued improvement bonds in the amount of \$6,550,345 known as the “City of Hercules Assessment District No. 2005-1 (John Muir Parkway) Limited Obligation Improvement Bonds” for the Assessment District (the “2005 Bonds”) in the manner provided in the Improvement Bond Act of 1915 (Division 10 of said Streets and Highways Code); and

WHEREAS, to reduce the amount of the assessments the City Council now desires, pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California (the “Refunding Act”) to establish the City of Hercules Reassessment District No. 2005-1 (John Muir Parkway) (the “Reassessment District”) and confirm reassessments for the parcels therein (the “Reassessments”) and, in connection therewith, to issue refunding bonds pursuant to the Refunding Act (the “Refunding Bonds”) to refund all outstanding 2005 Bonds; and

WHEREAS, the outstanding 2005 Bonds are secured by the unpaid assessments (the “Assessments”) on properties in the Assessment District; and

WHEREAS, the public interest requires the refunding of the 2005 Bonds and this City Council intends to accomplish the refunding through the levy of Reassessments and the issuance of the Refunding Bonds upon the security of such Reassessments and certain unpaid Assessments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules as follows:

1. Proceedings Authorized. This City Council hereby declares its intention to refund the 2005 Bonds and to levy Reassessments as security for Refunding Bonds as hereinafter provided. The proceedings for the levy and collection of Reassessments and collection of Assessments as security for the issuance and payment of Refunding Bonds shall be conducted pursuant to the Refunding Act.
2. Reassessment Diagram. The contemplated Reassessments and refunding, in the opinion of this City Council, are of more than local or ordinary public benefit, and the costs and expenses thereof are made chargeable upon the Reassessment District, 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 Contra Costa, to which reassessment diagram reference is hereby made for further particulars and which shall hereafter be called the “City of Hercules Reassessment District No. 2005-1 (John Muir Parkway).” 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 Francisco & Associates, Inc., 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 of the City Council a report in writing, presenting the following:
 - (a) a schedule setting forth the unpaid principal and interest on the 2005 Bonds to be refunded and the total amounts thereof;
 - (b) the total estimated principal amount of the Reassessments 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 California Streets and Highways Code;
 - (c) the auditor's record kept pursuant to Section 8682 of the California Streets and Highways Code 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 Section 8682 of the California Streets and Highways Code;
 - (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 California 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 City 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 2.50% per annum, will be issued hereunder in the manner provided by the Refunding Act, the last installment of which bonds shall mature not later than September 2, 2035. 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 Refunding 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 California Streets and Highways Code, 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 California Streets and Highways Code with respect to the 2005 Bonds, which are on file in the office of the City Clerk.
7. Reserve Fund. It is the intention of this City Council to create a special reserve fund pursuant to and as authorized by Part 16 of Division 10 of the Streets and Highways Code of California 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 Stradling Yocca Carlson & Rauth, A Professional Law Corporation, Newport Beach, California, is hereby appointed as bond counsel for the purpose of the Reassessment and refunding proceedings. The firm of Urban Futures, Inc., Daly City, California, is hereby appointed municipal advisor for the Refunding Bonds. The firm of Hilltop Securities, Inc., is hereby appointed as placement agent for the refunding bonds. 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.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 12th day of November, 2019 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dan Romero, Mayor

Attest:

Lori Martin, MMC
Administrative Services Director/City Clerk