

RESOLUTION NO. 2004-315

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF APR 29 2004

RESOLUTION APPROVING A SHORT TERM INTERIM FINANCING FROM STORM DRAINAGE FUND FOR THE PURPOSE OF FUNDING COSTS ASSOCIATED WITH THE CONSTRUCTION OF DRAINAGE IMPROVEMENTS FOR THE NORTH NATOMAS COMPREHENSIVE DRAINAGE PLAN

WHEREAS, the City Council (Council) of the City of Sacramento has approved a comprehensive drainage system for the North Natomas Community Plan area known as the North Natomas Comprehensive Drainage Plan (NNCPD) as required by the community plan; and

WHEREAS, construction of Phases 1 and 2 of the NNCPD have been completed and Phase 3, which is under construction has experienced certain cost overruns which have resulted in a budget shortfall of \$1,500,000 at this time; and

WHEREAS, the Council has duly adopted Resolution No. 97-108 and 97-109, on March 4, 1997, establishing the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (CFD 97-01) and declared the necessity to incur a bonded indebtedness to finance the aquisition and construction of certain public facilities for CFD 97-01 in accordance with the Mello-Roos Community Facilities Act of 1982 as amended (Sections 53311 et seq. of the Government Code of the State of California); and

WHEREAS, Series A and Series B bonds were issued on or about October 2, 1997, and June 14, 2000, respectively, to fund the first two phases of improvements; and Subordinated Special Tax Bonds, Series C were issued on or about March 23, 2003, to fund the third phase of improvements; and

WHEREAS, it has been determined that insufficient funds are available to complete the phase 3 improvements as a result of cost overruns and delays in construction; and

WHEREAS, Section 53314.9 of the Government Code of the State of California authorizes advance funding of authorized costs to be reimbursed from CFD bonds and, in consideration therefore, RD 1000 and the City desire to enter into an agreement authorizing that each entity advance funds in equal amounts up to \$1,500,000, with the maximum amount contributed by

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the City to be \$750,000 with said funds to be reimbursed from CFD 97-01, to the extent funds are available (Advance Funding Agreement); and

WHEREAS the costs to be financed with the Advance Funding will include the aforesaid cost overruns; and

WHEREAS, there is currently funding available in the City Storm Drainage Fund to finance up to \$750,000 which equals one-half of the cost overruns and estimated funding shortfall and RD1000 has sufficient funds and is willing to advance one-half of the cost overruns.

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. Use of up to \$750,000 City Storm Drainage Funds, to be matched on an equal basis by funds provided by RD 1000, for the purpose of advance funding the costs associated with the construction of phase 3 improvements for the North Natomas Community Plan Area is approved.
2. The Storm Drainage fund shall be reimbursed from bond proceeds issued in connection with the Mello-Roos Community Facilities District 97-01 to finance drainage improvements associated with the NNCDP, to the extent such funds are available after reimbursement of debt that is senior to this Advance Funding
3. The City Manager is authorized to enter into an Advance Funding Agreement with RD1000 that the City and RD1000 will each advance equal amounts up to a combined total of \$1,500,000 to complete specified portions of the phase three improvements to the North Natomas Comprehensive Drainage Plan.



 MAYOR

ATTEST:



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