

RESOLUTION NO. 2006-389

Adopted by the Sacramento City Council

May 30, 2006

ORDERING CHANGE OF PROCEEDINGS TO REDUCE REASSESSMENT IN REASSESSMENT DISTRICT II NO. 2006-01 (WILLOWCREEK II A.D. NO. 96-01 AND NORTH NATOMAS A.D. NO. 88-03)

BACKGROUND

- A. By its Resolution No. 2006-266, adopted on April 18, 2006, this City Council (this "Council") levied reassessments in the amount of \$19,130,000, and by its Resolution No. 2006-267, adopted on April 18, 2006, authorized issuance of limited obligation refunding bonds (the "Bonds") in the same principal amount with respect to the City of Sacramento Reassessment District II No. 2006-01 (Willowcreek II A.D. 96-01 and North Natomas A.D. No. 88-03) (the "Reassessment District").
- B. The amount of reassessments levied and therefore the authorized principal amount of the Bonds included estimated amounts on account of (a) bond discount and (b) reserve fund for the Bonds (collectively, the "Financing Costs"), and based upon the results of the sale of the Bonds, which took place on April 26, 2006, the City Treasurer of the City (the "City Treasurer"), as the officer of the City authorized to approve the final terms of such sale to Stone & Youngberg LLC, as bond underwriter (the "Underwriter"), determined that favorable bond market conditions and timing of the bond sale made possible a reduction in the amounts of the Financing Costs by a total amount of \$105,000, resulting in a reduction of the principal amount of Bonds sold to the Underwriter to \$19,025,000.
- C. Orrick, Herrington & Sutcliffe LLP, as bond counsel to the City for the Reassessment District and the Bonds ("Bond Counsel"), has advised this Council that, in order to maintain equivalence between the reassessments levied and recorded and the principal amount of the Bonds, this Council should now take a corresponding action to order a change of proceedings for the Reassessment District to reduce reassessments levied and recorded to the corresponding total of \$19,025,000 and to order the preparation and recording of an addendum to the notice of reassessment previously recorded, showing the reduced amount of reassessments levied.
- D. Attached to this resolution as Exhibit A and by this reference incorporated herein is an "Amended Reassessment Roll," prepared by Harris & Associates, as Reassessment Engineer for the Reassessment District, setting forth the reduced

amount of the individual reassessments, with the reductions being made by the same percentage across the board, and showing a reduced total amount of \$19,025,000.

- E. Bond Counsel has advised this Council that, pursuant to Section 10352 of the California Streets and Highways Code, this Council is authorized to order the reduction in said reassessments levied without notification to the affected property owners and without public hearing, and this Council wishes to proceed in accordance with the advice of Bond Counsel to order a reduction in the individual reassessments as set forth in Exhibit A;

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein by reference.

Section 2. Pursuant to Section 10352 of the California Streets and Highways Code, this Council, acting on the recommendation of Bond Counsel, orders that the individual reassessment previously levied and recorded for the Reassessment District be reduced to the respective amounts set forth in Exhibit A, in the total amount of \$19,025,000, which is equal to the finalized total principal amount of the Bonds.

Section 3. The City Clerk is hereby authorized and directed to cause the preparation and recording of an appropriate addendum to the Notice of Reassessment previously recorded on April 19, 2006, with a copy of Exhibit A attached thereto.

Adopted by the City of Sacramento City Council on May 30, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk