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RESOLUTION NO. 09-7

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALBANY, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF PARCEL TAX BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUIRING AND CONSTRUCTING STORM DRAIN IMPROVEMENT PROJECTS, APPROVING AN OFFICIAL STATEMENT, AND RELATED MATTERS

WHEREAS, the City is a charter city and municipal corporation, duly established and authorized to exercise all municipal affairs powers under and pursuant to the provisions of the Constitution of the State of California; and

WHEREAS, on June 6, 2006, an election was held on the question of whether a parcel tax should be levied on taxable real property in the City for the purpose of funding necessary improvements such as the repair and rehabilitation of streets and storm drains, including the payment of principal and interest on lease financings and similar instruments which fund such projects (the "Parcel Tax Measure"); and

WHEREAS, at said election more than the requisite two-thirds of those voting approved the Parcel Tax Measure; and

WHEREAS, the City, after due investigation and deliberation, has determined that it is in the interests of the City at this time to provide for the issuance of its City of Albany Parcel Tax Bonds, Election of 2006, Series A (Storm Drain Projects) (the "Bonds") pursuant to this Resolution and the Indenture (as defined in Section 5) for the purpose of acquiring and constructing storm drain system improvements (the "Storm Drain Projects"), funding a reserve fund for the Bonds (if necessary), and to pay costs of issuance incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, the City Council of the City wishes at this time to authorize all proceedings relating to the issuance of the Bonds, and to approve the execution and delivery of all agreements and documents relating thereto.

1 **NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of
2 Albany, as follows:

3 1. Adoption of Authorizing Procedures. The City Council hereby
4 authorizes the Bonds to be issued pursuant to the powers of the City with respect to
5 municipal affairs in accordance with Section 1.05 of the City Charter and Section 5
6 of Article XI of the California Constitution. The Bonds shall be issued and sold in
7 accordance with the procedures specified in Article 4 (commencing with Section
8 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of
9 California, which are hereby adopted as the procedures to be followed in the
10 issuance and sale of the Bonds, with full force and effect as though the City were an
11 “Authority” under and as defined therein.

12 2. Issuance of Bonds. The City Council hereby authorizes and approves the
13 issuance of a series of bonds, to be denominated “City of Albany Parcel Tax Bonds,
14 Election of 2006, Series A (Storm Drain Projects)”, so long as the principal amount
15 of the Bonds does not exceed \$3,700,000.

16 3. Purposes. The purposes for which the Bonds are proposed to be issued
17 are to provide funds to acquire and construct the Storm Drain Projects, fund a
18 reserve fund for the Bonds, and pay costs of issuance in connection therewith.

19 4. Parcel Tax Bonds. The Bonds shall be payable exclusively from tax
20 revenues received by the City under the Parcel Tax Measure (“Parcel Tax
21 Revenues”). Such revenues constitute a trust fund for the security and payment of
22 the principal or redemption price of and interest on the Bonds. The general fund of
23 the City is not liable and the credit or taxing power of the City is not pledged for
24 the payment of the principal or redemption price of and interest on the Bonds,
25 other than Parcel Tax Revenues. The owners of the Bonds may not compel the
26 exercise of the taxing power by the City or the forfeiture of its property, the
27 principal or redemption price of and interest on the Bonds are not a debt of the
28 City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of its
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1 property, or upon any of its income, receipts, or revenues except the Parcel Tax
2 Revenues.

3 5. Approval of Indenture of Trust. The Bonds shall be issued pursuant to
4 and secured by the Indenture of Trust, dated as of March 1, 2009, between U.S.
5 Bank National Association, hereby appointed to act as trustee on the Bonds (the
6 "Trustee") and the City (the "Indenture"), which is hereby referred to and
7 incorporated herein by reference. The Indenture, in substantially the form on file
8 with the City Clerk, is hereby approved by the City Council. The City
9 Administrator and the Finance Director (each, an "Authorized Officer") is hereby
10 authorized and directed, for and in the name of the City, to execute and deliver the
11 Indenture in such form, together with such changes, insertions and omissions as
12 may be approved by the City Attorney, Bond Counsel, and the Authorized Officer,
13 such execution to be conclusive evidence of such approval; and the City Clerk is
14 hereby authorized and directed to attest such Indenture and affix the seal of the
15 City thereto. The City Council hereby authorizes the delivery and performance of
16 the Indenture.

17 6. Bonds. The Bonds shall be dated, shall bear interest at the rates, shall
18 mature on the dates, shall be issued in the form, shall be subject to redemption, and
19 shall otherwise be issued on the terms and conditions, all as set forth in the
20 Indenture and in accordance with this Resolution.

21 7. Sale of Bonds. The Bond Purchase Agreement, between the City and
22 Wulff, Hansen & Co. (the "Underwriter"), in substantially the form on file with the
23 City Clerk and made a part hereof as though set forth in full herein, is hereby
24 approved by the City Council. The Authorized Officer is hereby authorized and
25 directed, for and in the name of the City, to execute and deliver the Bond Purchase
26 Agreement in such form, together with such changes, insertions and omissions
27 which are approved by the City Attorney, Bond Counsel and the Authorized
28 Officer and which are in accordance with the provisions of this Resolution, such
29 execution to be conclusive evidence of such approval; and the City Clerk is hereby

1 authorized and directed to attest such Bond Purchase Agreement; subject to the
2 requirement that the maximum interest rate on the Bonds shall be 6.25%, and the
3 Underwriter's discount on the purchase of the Bonds may not exceed 1.75%. The
4 City Council hereby approves the negotiated sale of the Bonds to the Underwriter
5 pursuant to such Bond Purchase Agreement.

6 8. Official Statement. The City Council hereby approves the preliminary
7 Official Statement describing the financing, in substantially the form on file with
8 the City Clerk, together with any changes therein or additions thereto deemed
9 advisable by the Authorized Officer. The City Council approves and authorizes the
10 distribution by the Underwriter of the preliminary Official Statement to prospective
11 purchasers of the Bonds, and authorizes and directs the Authorized Officer, on
12 behalf of the City, to deem "final" pursuant to Rule 15c2-12 under the Securities
13 Exchange Act of 1934 (the "Rule") the preliminary Official Statement prior to its
14 distribution by the Underwriter.

15 The Authorized Officer is authorized and directed to cause the preliminary Official
16 Statement to be brought into the form of a final Official Statement and to execute
17 said final Official Statement, dated as of the date of the sale of the Bonds, and a
18 statement that the facts contained in the final Official Statement, and any
19 supplement or amendment thereto (which shall be deemed an original part thereof
20 for the purpose of such statement) were, at the time of sale of the Bonds, true and
21 correct in all material respects and that the final Official Statement did not, on the
22 date of sale of the Bonds, and does not, as of the date of delivery of the Bonds,
23 contain any untrue statement of a material fact with respect to the City or omit to
24 state material facts with respect to the City required to be stated where necessary to
25 make any statement made therein not misleading in the light of the circumstances
26 under which it was made. The Authorized Officer shall take such further actions
27 prior to the signing of the final Official Statement as are deemed necessary or
28 appropriate to verify the accuracy thereof. The execution of the final Official
29 Statement, which shall include such changes and additions thereto deemed

1 advisable by the Authorized Officer and such information permitted to be excluded
2 from the preliminary Official Statement pursuant to the Rule, shall be conclusive
3 evidence of the approval of the final Official Statement by the City.

4 The final Official Statement, when prepared, is approved for distribution in
5 connection with the offering and sale of the Bonds.

6 9. Continuing Disclosure. The City Council hereby approves the Continuing
7 Disclosure Certificate, in substantially the form attached to the Preliminary Official
8 Statement as Appendix F, together with any changes therein or additions thereto
9 deemed advisable by the Authorized Officer, such approval to be conclusively
10 evidenced by the execution and delivery thereof. The Authorized Officer is hereby
11 separately authorized and directed to execute, and the City Clerk is hereby
12 authorized and directed to attest the final form of the Continuing Disclosure
13 Certificate, for and in the name and on behalf of the City. The City Council hereby
14 authorizes the delivery and performance of the Continuing Disclosure Certificate.

15 10. Documents in Substantially Final Form; Further Authority. The
16 documents on file with the City Clerk and herein approved are in substantially
17 final form; that is, they are final as to important business terms such as the parity
18 bond restrictions, governing limitations on future issues of bonds secured by Parcel
19 Tax Revenues, but do not contain the numbers resulting from the sale of the Bonds,
20 which numbers will be inserted once the Bonds are sold. This resolution is
21 intended to be a "parameters resolution", in which the City Council approves a
22 bond issue at a not to exceed principal amount, interest rate and discount, payable
23 solely from Parcel Tax Revenues, to finance storm drain projects. The Authorized
24 Officer is authorized to accept on behalf of the City a municipal bond insurance
25 policy and to restrict Authorized Investments in accordance with the terms of said
26 policy.

27 The officers of this City are hereby authorized and directed to execute all
28 documents and take such actions as they may deem necessary or advisable in order
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to carry out and perform the purposes of this Resolution, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

11. Delivery of Bonds. The Bonds shall be delivered to the purchaser thereof. This City shall execute and the Trustee shall authenticate and deliver the Bonds upon receipt of the purchase price and shall credit the proceeds as provided in the Indenture.

12. Effective Date. This Resolution shall take effect immediately upon adoption.

MARGE ATKINSON
MAYOR