

CITY of ALBUQUERQUE
TWENTY-SECOND COUNCIL

COUNCIL BILL NO. R-16-87

ENACTMENT NO.

R:2016-067

SPONSORED BY: Dan Lewis, by request

1 RESOLUTION

2 MAKING FINDINGS IN CONNECTION WITH THE MONTECITO ESTATES PUBLIC
3 IMPROVEMENT DISTRICT'S RESOLUTION AUTHORIZING THE ISSUANCE AND
4 SALE OF SPECIAL LEVY REFUNDING REVENUE BONDS; RATIFYING AND
5 APPROVING THE ISSUANCE AND SALE OF THE MONTECITO ESTATES PUBLIC
6 IMPROVEMENT DISTRICT SPECIAL LEVY REFUNDING REVENUE BONDS,
7 SERIES 2016, AS SUBSTANTIALLY CONSISTENT WITH THE REQUIREMENTS OF
8 CITY ORDINANCE ENACTMENT NO. 0-2003-12 AND CITY COUNCIL RESOLUTION
9 ENACTMENT NO. 169-2003.

10 Capitalized terms in the following preambles shall have the meanings assigned in
11 City Council Resolution Enactment No. 169-2003 adopted on December 16, 2003
12 except as otherwise defined in this Resolution, or unless the context clearly requires
13 otherwise.

14 WHEREAS, pursuant to the Act and Ordinance Enactment No. O-2003-12 (the
15 "PID Ordinance"), the Council enacted the Formation Resolution, in which the Council
16 approved the formation of the Montecito Estates Public Improvement District for the
17 purpose of financing public infrastructure improvements; and

18 WHEREAS, pursuant to the Formation Resolution, the Council approved the
19 Development Agreement between the Petitioner, the City and the Montecito Estates
20 Public Improvement District, by which the District financed various Infrastructure
21 Improvements to serve approximately 160 gross acres, located wholly within the
22 corporate boundaries of the City, consisting of 592 single-family dwelling units, which is

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1 an authorized purpose and appropriate use of a public improvement district as set forth
2 in the Act and the PID Ordinance; and

3 WHEREAS, the Board of Directors of the District (the "Board") authorized,
4 pursuant to Resolution No. 2007-3, among other things, to: (i) acquire, construct and
5 finance the Project and pay costs and expenses related thereto; (ii) impose a special
6 levy upon the real property within the District to finance the Project; and (iii) issue the
7 District's special levy revenue bonds in an aggregate principal amount not to exceed
8 \$4,390,000 to finance the Project; and

9 WHEREAS, pursuant to the Formation Resolution, the City approved: (i) the
10 Development Agreement; (ii) the General Plan; (iii) the Feasibility Study; (iv) the Rate
11 and Method; and (v) a form of Notice of Special Levy (the "Notice of Special Levy" and,
12 together with the Development Agreement, General Plan, Feasibility Study, Rate and
13 Method and Notice of Special Levy, the "Formation Documents"); and

14 WHEREAS, pursuant to District Resolution No. 2007-3 adopted by the Board on
15 September 6, 2007 following a public hearing as provided by law, the Board approved
16 the Feasibility Study, the Project, the Rate and Method, and the Notice of Special Levy;
17 and

18 WHEREAS, pursuant to District Resolution 2007-4, the Board authorized the
19 issuance and sale of its "Montecito Estates Public Improvement District Special Levy
20 Revenue Bonds, Series 2007" (the "Series 2007 Bonds") in an original aggregate
21 principal amount of \$4,390,000, for the purpose of defraying the costs of the Project;
22 and

23 WHEREAS, the Series 2007 Bonds are presently outstanding in the aggregate
24 principal amount of \$4,000,000, of which \$3,830,00 shall be redeemed on October 1,
25 2017 pursuant to an escrow agreement (the "Refunded Bonds"); and

26 WHEREAS, the Board adopted Resolution No. 2016-03, pursuant to which it
27 authorized, subject to first obtaining any required City approval, the issuance of a series
28 of bonds to be denominated the Montecito Estates Public Improvement District Special
29 Levy Refunding Revenue Bonds, Series 2016 (the "Series 2016 Bonds") to refund,

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1 redeem and pay the Refunded Bonds will reduce debt service costs for the District and
2 effect other savings and economies, all to the benefit of the District and its residents
3 (the "Refunding"); and

4 WHEREAS, the District has caused to be placed on file with the City copies of
5 Resolution No. 2016-03 along with the transaction documents authorized by that
6 resolution; and

7 WHEREAS, the City Council has considered Resolution No. 2016-03 in
8 connection with the requirements for the District's issuance of the Series 2016 Bonds
9 set forth in the PID Ordinance and the Formation Resolution.

10 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
11 ALBUQUERQUE:

12 Section 1. Findings. The City hereby declares that it has considered District
13 Resolution No. 2016-03 and all other relevant information and finds as follows:

14 A. District Resolution No. 2016-03 authorizes the issuance of the Series
15 2016 Bonds in an aggregate amount not to exceed \$4,200,000, at a maximum annual
16 interest rate not to exceed ten (10) percent per annum, which rate and other details of
17 the Series 2016 Bonds will be specifically determined by the District and approved in a
18 sale resolution to be adopted by the District (the "Sale Resolution").

19 B. The Series 2016 Bonds will be issued for the purpose of refunding the
20 Refunded Bonds in order to achieve interest cost savings for the District and
21 corresponding reductions in special levies payable by residents of the District.
22 Proceeds of the Series 2016 Bonds shall be used to refund the Refunded Bonds,
23 purchase a debt service reserve fund insurance policy and pay costs of issuance for the
24 Series 2016 Bonds, which purposes are authorized by the PID Ordinance and is
25 consistent with the Formation Resolution, the Development Agreement, and District
26 Resolution No. 2016-03.

27 C. District Resolution No. 2016-03 provides that the Series 2016 Bonds
28 will be the obligations solely of the District, and will not be backed by the faith, credit,
29 general funds or resources of the City in any manner. Owners of the Series 2016

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1 Bonds will have no right to require that the City or the District impose ad valorem
2 property taxes to pay District Bonds, including but not limited to, the Series 2016 Bonds.

3 D. The City's Debt Committee has reviewed and approved the District's
4 proposed Series 2016 Bonds on June 10, 2016.

5 E. District Resolution No. 2016-03 provides for the following parameters:

6 (i) The maximum principal amount of the Series 2016 Bonds
7 shall not exceed \$4,200,000.

8 (ii) The Series 2016 Bonds may be marketed to the public or
9 sold in a private placement.

10 (iii) The maximum net effective interest rate on the Series 2016
11 Bonds shall not exceed 10% per annum.

12 (iv) The minimum net present value savings (i.e. net of all costs
13 of issuance of the Series 2016 Bonds) achieved by the Refunding shall be three percent
14 (3%).

15 (v) The Series 2016 Bonds shall be dated as of the date of
16 delivery of the Series 2016 Bonds.

17 (vi) The Series 2016 Bonds shall be issued only as fully
18 registered bonds in minimum denominations of at least \$5,000, subject to book-entry
19 only system of registration.

20 (vii) The Series 2016 Bonds shall be numbered consecutively
21 from one upwards or as otherwise requested by the Purchaser.

22 (viii) The Series 2016 Bonds may mature in serial or term
23 maturities with the last such maturity no later than October 1, 2037.

24 (ix) The Series 2016 Bonds shall be subject to optional
25 redemption, special optional redemption and mandatory redemption as shall be set forth
26 in the Indenture.

27 (x) Prior to selling the Series 2016 Bonds, any required approval
28 by the City shall first have been obtained.

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1 Section 2. Additional Requirements.

2 A. The Series 2016 Bonds shall mature not later than October 1,
3 2037, which is the final maturity date of the Refunded Bonds.

4 B. A reasonably required debt service reserve fund requirement (the
5 "Reserve Requirement") shall be established in connection with the Series 2016 Bonds,
6 which may be satisfied by purchasing a debt service reserve fund insurance policy with
7 coverage in the amount of the Reserve Requirement.

8 Section 3. Ratification and Approval of Issuance and Sale of Series 2016
9 Bonds Pursuant to District Resolution No. 2016-03 based upon the findings set forth in
10 Section 1 of this Resolution, the issuance and sale of Series 2016 Bonds as set forth in
11 District Resolution No. 2016-03 are hereby approved.

12 Section 4. Repealer. All ordinances or resolutions, or parts thereof in conflict with
13 the provisions of this Resolution, are hereby repealed to the extent only of such
14 inconsistency. This repealer shall not be construed to revive any ordinance or
15 resolution, or part thereof, heretofore repealed.

16 Section 5. Severability. If any section, paragraph, clause or provision of this
17 Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or
18 unenforceability of such section, paragraph, clause or provision shall in no manner
19 affect any remaining provisions of this Resolution.

20 Section 6. Publication of Notice of Adoption of Resolution. The Clerk is hereby
21 directed to publish a notice of this Resolution, in substantially the following form:

22 Notice is hereby given of the title and general summary of the subject matter contained
23 in a resolution duly adopted and approved by the City Council of the City of
24 Albuquerque, New Mexico relating to ratification and approval of the issuance and sale
25 of the Montecito Estates Public Improvement District Special Levy Refunding Revenue
26 Bonds, Series 2016. Complete copies of the resolution are available for public
27 inspection during the regular business hours of the City Clerk, City of Albuquerque, New
28 Mexico.

29 The title of the Resolution is as follows:

RESOLUTION

MAKING FINDINGS IN CONNECTION WITH THE MONTECITO ESTATES PUBLIC IMPROVEMENT DISTRICT'S RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL LEVY REFUNDING REVENUE BONDS; RATIFYING AND APPROVING THE ISSUANCE AND SALE OF THE MONTECITO ESTATES PUBLIC IMPROVEMENT DISTRICT SPECIAL LEVY REFUNDING REVENUE BONDS, SERIES 2016, AS SUBSTANTIALLY CONSISTENT WITH THE REQUIREMENTS OF CITY ORDINANCE ENACTMENT NO. 0-2003-12 AND CITY COUNCIL RESOLUTION ENACTMENT NO. 169-2003.

A summary of the subject matter of the Resolution is contained in its title.

(End of Form of Summary of Resolution for Publication)

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1 PASSED AND ADOPTED THIS 15th DAY OF August, 2016
2 BY A VOTE OF: 8 FOR 0 AGAINST.

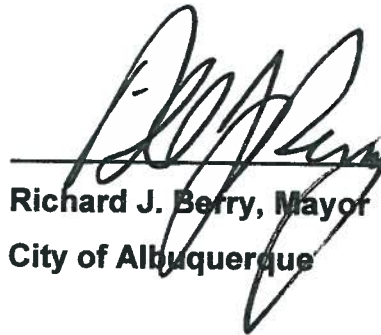
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4 Excused: Harris

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10 Dan Lewis, President
11 City Council

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14 APPROVED THIS 31st DAY OF August, 2016

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18 Bill No. R-16-87

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22 Richard J. Berry, Mayor
23 City of Albuquerque

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26 ATTEST:

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29 Natalie Y. Howard, City Clerk

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